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Golden Harvest

## **ORANGE SKY GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED**

**橙天嘉禾娛樂(集團)有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1132)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY**

The Board is pleased to announce that on 14 January 2013, Orange Sky Golden Harvest Entertainment Company Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Seller, an Independent Third Party, in relation to the acquisition of the Property at the Consideration. The Consideration was determined after arm's length negotiation and was based on normal commercial terms.

The Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules as the relevant percentage ratio exceeds 5% but less than 25%.

The Board is pleased to announce that on 14 January 2013, Orange Sky Golden Harvest Entertainment Company Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Seller, an Independent Third Party, in relation to the acquisition of the Property at the Consideration. The Consideration was determined after arm's length negotiation and was based on normal commercial terms.

#### **PROVISIONAL AGREEMENT**

Date: 14 January 2013

Seller: City Plan Limited, being a property investment company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Seller, Seller Holdco, and its controlling shareholder(s) are Independent Third Parties not connected with the Company and its connected persons.

\* For identification purposes only

Purchaser: Orange Sky Golden Harvest Entertainment Company Limited, a wholly-owned subsidiary of the Company.

Property to acquire: All that 24th Floor, together with car parking spaces nos. 421, 422 & 423 on 4th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong. The gross floor area of the Office Premises is approximately 10,380 square feet.

Having made all reasonable enquiry, the Directors were informed that the Office Premises is subject to a tenancy agreement at a monthly rental of approximately HK\$326,655 with 2 years' lease term which is to expire on 31 March 2013. Upon completion of the Acquisition, all deposit in the sum of approximately HK\$737,307 paid by the tenant under the said tenancy agreement shall be transferred to the Purchaser. It is intended that such tenancy agreement will not be renewed after its expiration. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the existing tenant of the Office Premises and its ultimate beneficial owners are Independent Third Parties.

Vacant possession of the Car Parking Spaces is to be delivered to the Purchaser on completion of the Acquisition.

Sale and purchase: Upon completion of the Acquisition, the Property will be sold on "as is" basis.

Consideration: HK\$171,270,000

The Consideration was determined on the current market price of the properties in the same building and surrounding area in the neighbourhood after arm's length negotiation between the Seller and the Purchaser.

It is expected that the Consideration will be financed by cash from internal resources of the Group and bank mortgage loan.

Terms of payment:

- (a) an initial deposit in the sum of HK\$5,000,000 was paid by the Purchaser to the Seller's solicitor upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$12,127,000 shall be paid by the Purchaser to the Seller's solicitor upon signing of the Formal Agreement which is expected to take place on or before 28 January 2013; and
- (c) the remaining balance of the Consideration of HK\$154,143,000 shall be paid by the Purchaser to the Seller's solicitor on completion.

Completion date: On or before 25 March 2013.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group intends to use part of the Office Premises as its head office and to lease out the remaining part of the Office Premises to generate rental income after completion of the Acquisition. The Car Parking Spaces will be used by the Group. The Board believes that it is in the interest of the Group to acquire the Office Premises as its head office and the Car Parking Spaces for the Group's use and to generate rental income instead of paying rental expenses to lease office space.

The Board (including the independent non-executive Directors) is of the view that the Acquisition is on normal commercial terms which are fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **INFORMATION ABOUT THE COMPANY, THE PURCHASER AND THE SELLER**

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activities of the Group are in production, financing, distribution and theatrical exhibition of motion pictures. As of 14 January 2013, the Group operated 70 cinemas with 528 screens across China, Hong Kong, Taiwan and Singapore and is a leading distributor in the region.

The Purchaser is a company incorporated in Hong Kong with limited liability, which is wholly-owned by the Company and principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and as advised by the Seller, (a) City Plan Limited, being the Seller, is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Seller Holdco; and (b) the principal activity of the Seller is property investment.

## **LISTING RULES IMPLICATIONS**

The Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules as the relevant percentage ratio exceeds 5% but less than 25%.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Acquisition”	the acquisition of the Property by the Purchaser
“Board”	the board of Directors
“Car Parking Spaces”	car parking spaces nos. 421, 422 & 423 on 4th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong

“Company”	Orange Sky Golden Harvest Entertainment (Holdings) Limited, a company incorporated in Bermuda with limited liabilities, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	as defined in the Listing Rules
“Consideration”	HK\$171,270,000, being the purchase price of acquiring the Property
“controlling shareholder(s)”	as defined in the Listing Rules
“Directors”	the directors of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Seller and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) (as defined under the Listing Rules) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Premises”	24th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong
“Property”	all that Office Premises, together with the Car Parking Spaces
“Provisional Agreement”	a provisional agreement for sale and purchase dated 14 January 2013 entered into between the Seller and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Orange Sky Golden Harvest Entertainment Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Seller”	City Plan Limited, an Independent Third Party

“Seller Holdco”	CSI Properties Limited, the shares of which are listed on the Stock Exchange (stock code: 497)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Orange Sky Golden Harvest  
Entertainment (Holdings) Limited**  
**Yuen Kwok On**  
*Company Secretary*

Hong Kong, 14 January 2013

*List of all Directors as of the time of issuing this announcement:*

*Chairman and Executive Director:*

Mr. Wu Kebo

*Executive Directors:*

Mr. Li Pei Sen

Mr. Mao Yimin

Mr. Tan Boon Pin Simon

Ms. Wu Keyan

*Independent Non-executive Directors:*

Mr. Leung Man Kit

Mr. Huang Shao-Hua George

Ms. Wong Sze Wing