

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF PROPERTY**

THE DISPOSAL

The Board announces that on 7 December 2021 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser (an Independent Third Party of the Company), entered into the SPA, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the Consideration of HK\$225,000,000. Pursuant to the SPA, the Property will be sold with vacant possession, on an “as is” basis and in the physical state and condition as it stands.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Disposal and therefore no Shareholder would be required to abstain from voting on the proposed resolutions to approve the SPA, and the transactions contemplated thereunder in a general meeting of the Shareholders.

* For identification purposes only

Accordingly, the Company has obtained written shareholders' approval for the Disposal from a closely allied group of Shareholders, holding in aggregate approximately 71.39% of the entire issued share capital in the Company as at the date of this announcement, pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting for the purpose of approving the Disposal. Such closely allied group of Shareholders consists of: (i) Mr. Wu, the chairman and an executive Director of the Company; (ii) Skyera International; (iii) Mainway Enterprises; (iv) Orange Sky Entertainment and (v) Cyber International.

GENERAL

A circular containing, among other things, (i) details of the SPA; (ii) a valuation report on the Property; and (iii) any other information as required to be disclosed under the Listing Rules will be despatched to the Shareholders as soon as practicable.

Pursuant to Rule 14.41(a) of the Listing Rules, as the SPA and the Disposal have been approved by written approval pursuant to Rule 14.44 of the Listing Rules, the Company is required to despatch a circular containing, among other things, further details of the SPA to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 29 December 2021. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make a further announcement of the expected despatch date of the circular in due course.

THE DISPOSAL

The Board announces that on 7 December 2021 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser (an Independent Third Party of the Company), entered into the SPA, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the Consideration of HK\$225,000,000. Pursuant to the SPA, the Property will be sold with vacant possession, on an "as is" basis and in the physical state and condition as it stands.

Major terms of the SPA are set out below.

SPA

Date	:	7 December 2021 (after trading hours)
Parties	:	Golden Properties (Pacific) Limited, as the Vendor Power Sage Enterprises Limited, as the Purchaser
Property	:	24/F and car parking space No. 421, No. 422 and No. 423 on 4/F of Capital Centre, No. 151 Gloucester Road, Hong Kong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Consideration

The Consideration of HK\$225,000,000 was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the prevailing market price of properties in similar properties in nearby location.

HK\$22,500,000, being the deposits, have been paid by the Purchaser to the Vendor's solicitors as stakeholders as of the date of the SPA. The Purchaser shall pay to the Vendor HK\$202,500,000 in cash, representing the remaining balance of the Consideration upon Completion on or before 29 April 2022.

The Directors believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place on or before 29 April 2022.

If the Purchaser shall fail to complete the purchase in accordance with any of the terms and conditions of the SPA (other than due to the default of the Vendor), (i) all sums paid by the Purchaser by way of deposits to the Vendor shall be forfeited by the Vendor, (ii) the Vendor may terminate the SPA without the need to complete the Disposal and (iii) upon the termination of the SPA, the Vendor may resell the Property and on such resale, any deficiency in price shall be made good to the Vendor and all reasonable expenses in respect of such resale shall be borne by the Purchaser. If the Vendor shall fail to complete the Disposal in accordance with the terms and conditions of the SPA (other than due to the default of the Purchaser), (i) all deposits paid by the Purchaser to the Vendor shall be returned to the Purchaser, (ii) the Purchaser shall be entitled to recover from the Vendor damages which the Purchaser may sustain by reason of such failure on the part of the Vendor and (iii) the Purchaser may terminate the SPA without the need to complete the Disposal.

Other

If any restriction (including any hospitalisation, isolation or quarantine order) under the Prevention and Control of Disease Ordinance (Cap. 599) (the "PCDO") and its subsidiary regulations or other similar legislation or government policy is imposed on the directors of the Vendor or the Purchaser causing quorum of a directors' meeting not being able to be constituted, or the business of either of their respective solicitors is suspended pursuant to PCDO, the Public Order Ordinance (Cap. 245) or their respective subsidiary regulations or other similar legislation/government policy, the date of the Completion Date shall be deferred to the 7th working day after such restriction is ended or business of such solicitors is resumed (as the case may be).

INFORMATION ABOUT THE PROPERTY TO BE DISPOSED OF

The Property is a non-residential property, which is located at 24/F of Capital Centre, No. 151 Gloucester Road, Hong Kong, and also includes car parking space No. 421, No. 422 and No. 423 on 4/F of Capital Centre, No. 151 Gloucester Road, Hong Kong.

As at the date of this announcement and immediately before Completion, the Property is wholly-owned by the Group and is the current office location of the Group in Hong Kong. It is intended that prior to Completion, the Group will relocate its Hong Kong office location.

INFORMATION ON THE COMPANY AND THE VENDOR

The Company is an investment holding company incorporated in Bermuda. The Company and its subsidiaries and its joint venture principally engaged in theatrical exhibition, cinema operation, film, video and television production and distribution business in Hong Kong, Taiwan and Singapore, and live entertainment in the PRC. The Vendor is an indirect wholly-owned subsidiary of the Company and is an investment holding company incorporated in the British Virgin Islands.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands and principally engaged in investment holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is an Independent Third Party.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

As at 30 November 2021, the unaudited carrying value of the Property was HK\$161,036,000. The Group expects to record a gain of approximately HK\$61,024,000 (after deducting relevant transaction costs of approximately HK\$2,940,000 for the Disposal, and subject to adjustment and audit) from the Disposal. This amount is calculated based on the difference between the net consideration of the Disposal (after deducting the related transaction costs) and the carrying value of the Property as at 30 November 2021, which is expected to accrue to the Group upon Completion. The actual gain or loss to be recorded by the Company can only be ascertained when the net book values of the Property and the incidental transaction costs are determined upon Completion and will be subject to audit. The Company intended to use the full amount of the net proceeds from the Disposal to repay debts of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has been assessing the property market in Hong Kong and reviewing the Group's options over the Property as held by the Group. In view of the prospects of the property market and economy in Hong Kong and taking into consideration the current financial position of the Group, the Directors consider that the Disposal represent an opportunity for the Group to realise the appreciated value of the Property and to repay debts of the Group for enhancing the financial position of the Group.

Having considered the above, the Board considers that the terms of the Disposal are on normal commercial terms, fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Disposal and therefore no Shareholder would be required to abstain from voting on the proposed resolutions to approve the SPA, and the transactions contemplated thereunder in a general meeting of the Shareholders.

Accordingly, the Company has obtained written shareholders' approval for the Disposal from a closely allied group of Shareholders, holding in aggregate approximately 71.39% of the entire issued share capital in the Company as at the date of this announcement, pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting for the purpose of approving the Disposal. Such closely allied group of Shareholders consists of: (i) Mr. Wu, the chairman and an executive Director of the Company; (ii) Skyera International, (iii) Mainway Enterprises, (iv) Orange Sky Entertainment and (v) Cyber International.

GENERAL

A circular containing, among other things, (i) details of the SPA, (ii) a valuation report on the Property and (iii) any other information as required to be disclosed under the Listing Rules will be despatched to the Shareholders as soon as practicable.

Pursuant to Rule 14.41(a) of the Listing Rules, as the SPA and the Disposal have been approved by written approval pursuant to Rule 14.44 of the Listing Rules, the Company is required to despatch a circular containing, among other things, further details of the SPA to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 29 December 2021. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make a further announcement of the expected despatch date of the circular in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meaning when used herein:

“associate(s)”	the meaning ascribed to it in the Listing Rules
“Board” or “Director(s)”	the board of directors of the Company

“Company”	Orange Sky Golden Harvest Entertainment (Holdings) Limited (橙天嘉禾娛樂(集團)有限公司*), a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Completion Date”	the date of Completion, being on or before 29 April 2022
“connected person(s)”	the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration in the amount of HK\$225,000,000, being the consideration for the Disposal
“Cyber International”	Cyber International Limited, a company owned by an associate of Mr. Wu, which is interested in 180,000,000 Shares, representing approximately 6.43% of the entire issued share capital of the Company
“Disposal”	the disposal of the Property, subject to the terms and conditions of the SPA
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mainway Enterprises”	Mainway Enterprises Limited, a company wholly owned by Mr. Wu, which is interested in 538,382,657 Shares, representing approximately 19.23% of the entire issued share capital of the Company
“Mr. Wu”	Mr. Wu Kebo, the Chairman of the Company and an executive Director, who is beneficial owner of 274,684,429 Shares, representing approximately 9.81% of the entire issued share capital of the Company
“Orange Sky Entertainment”	Orange Sky Entertainment Group (International) Holding Company Limited, a company which is 80% owned by Mr. Wu, which is interested in 565,719,948 Shares, representing approximately 20.21% of the entire issued share capital of the Company

“PRC”	means the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	24/F and car parking space No. 421, No. 422 and No. 423 on 4/F of Capital Centre, No. 151 Gloucester Road, Hong Kong
“Purchaser”	Power Sage Enterprises Limited, a company incorporated in the British Virgin Islands
“Shares”	means ordinary share(s) of the Company
“Shareholder”	means the holder of Shares
“Skyera International”	Skyera International Limited, a company wholly owned by Mr. Wu, which is interested in 439,791,463 Shares, representing approximately 15.71% of the entire issued share capital of the Company
“SPA”	the sale and purchase agreement dated 7 December 2021 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Golden Properties (Pacific) Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

* For identification purposes only

By Order of the Board
Orange Sky Golden Harvest Entertainment (Holdings) Limited
Cheung Hei Ming
Company Secretary

Hong Kong, 7 December 2021

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

Chairman and executive Director:
Mr. Wu Kebo

Executive Directors:
Mr. Li Pei Sen
Ms. Chow Sau Fong, Fiona
Ms. Go Misaki
Mr. Peng Bolun

Independent non-executive Directors:
Mr. Leung Man Kit
Ms. Wong Sze Wing
Mr. Fung Chi Man, Henry