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Orange Sky Golden Harvest Entertainment (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1132)

- (1) GRANT OF OPTIONS TO CERTAIN EMPLOYEES AND DIRECTORS**
- (2) PROPOSED GRANT OF OPTIONS TO A DIRECTOR
AND THE CHIEF EXECUTIVE OFFICER**
- (3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**
- (4) RESIGNATION OF EXECUTIVE DIRECTOR**
- (5) APPOINTMENT OF CHIEF EXECUTIVE OFFICER**

GRANT OF OPTIONS TO CERTAIN EMPLOYEES AND DIRECTORS

The Board announces that on 23 September 2009, the Company has resolved to grant the Granted Options to certain employees of the Group and certain Directors. Subject to the acceptance by the eligible grantees, the Granted Options shall entitle them to subscribe for a total of 1,825,000 Shares at the exercise price of HK\$4.53 per Share.

PROPOSED GRANT OF OPTIONS TO A DIRECTOR AND THE CHIEF EXECUTIVE OFFICER

On 23 September 2009, the Board has also resolved to grant to:–

- (a) Mr. KB Wu, the chairman, executive Director and controlling shareholder of the Company, the Director Option entitling Mr. KB Wu to subscribe for 6,000,000 Shares at the exercise price of HK\$4.53 per Share subject to and conditional upon the approval of the grant of the Director Option by the Independent Shareholders at the SGM; and
- (b) Mr. Kelvin Wu, the chief executive officer of the Company, the CEO Option entitling Mr. Kelvin Wu to subscribe for 2,100,000 Shares at the subscription price of HK\$4.53 per Share subject to and conditional upon the approval of the grant of the CEO Option by the Shareholders (with Mr. Kelvin Wu and his associates abstaining from voting) at the SGM.

ADOPTION OF NEW SHARE OPTION SCHEME

The Board has proposed to terminate the 2001 Share Option Scheme and adopt the New Share Option Scheme. Under the rules of the 2001 Share Option Scheme, the termination of the 2001 Share Option Scheme is subject to the approval by the shareholders of the Company in a general meeting. The 2001 Share Option Scheme will be terminated subject to the New Share Option Scheme being adopted and becoming unconditional. The New Share Option Scheme is conditional upon:–

- (a) the passing of an ordinary resolution at the SGM to approve and adopt the New Share Option Scheme and to authorise the Board to grant the options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the options under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in such number of Shares to be issued by the Company pursuant to the exercise of the options which may be granted under the New Share Option Scheme.

The SGM will be convened for the passing of ordinary resolutions of the Company by (i) the Independent Shareholders to approve the grant of the Director Option; (ii) the Shareholders (other than Mr. Kelvin Wu and his associates) to approve the grant of the CEO Option; and (iii) the Shareholders to approve the adoption of the New Share Option Scheme and the termination of the 2001 Share Option Scheme.

A circular containing, amongst other things, details of the grant of the Director Option and the CEO Option, the adoption of the New Share Option Scheme and the termination of the 2001 Share Option Scheme, together with notice of the SGM, will be despatched to the Shareholders as soon as practicable.

RESIGNATION OF EXECUTIVE DIRECTOR

Ms. Winnie Chan Suet Yin has tendered her resignation as an executive Director of the Company with effect from 21 December 2009 due to her business pursuit. Ms. Chan has confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Shareholders.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Board is pleased to announce that Mr. Kelvin Wu was appointed as the chief executive officer of the Company with effect from 22 September 2009.

GRANT OF OPTIONS TO CERTAIN EMPLOYEES AND DIRECTORS

The Board announces that on 23 September 2009, the Company has resolved to grant the Granted Options to certain employees of the Group and certain Directors. Subject to the acceptance by the eligible grantees, the Granted Options shall entitle them to subscribe for a total of 1,825,000 Shares at the exercise price of HK\$4.53 per Share.

The following are the details of the Granted Options granted under the 2001 Share Option Scheme:–

Date of grant:	23 September 2009
Exercise price of Granted Options:	HK\$4.53 per Share
Total number of Shares which may be issued upon full exercise of the Granted Options:	1,825,000 Shares
Exercise period of the Granted Options:	The Granted Options are exercisable during the period from 23 September 2009 to 22 September 2014 (both dates inclusive).

Among the Granted Options, options to subscribe for a total of 220,000 Shares were granted to certain Directors with details as follows:

Name of Directors	Position	Number of Shares which may be issued upon full exercise of his/her Granted Option and the approximate percentage in the issued share capital of the Company
Fiona Chow Sau Fong	Executive Director	70,000 (0.04%)
Wu Keyan	Executive Director (alternate to Mr. KB Wu)	70,000 (0.04%)
Li Pei Sen	Non-executive Director	20,000 (0.01%)
Leung Man Kit	Independent non-executive Director	20,000 (0.01%)
George Huang Shao-Hua	Independent non-executive Director	20,000 (0.01%)
Masahito Tachikawa	Independent non-executive Director	20,000 (0.01%)

PROPOSED GRANT OF OPTIONS TO A DIRECTOR AND THE CHIEF EXECUTIVE OFFICER

On 23 September 2009, the Board has also resolved to grant to:–

- (a) Mr. KB Wu, the chairman, executive Director and controlling shareholder of the Company, the Director Option entitling Mr. KB Wu to subscribe for 6,000,000 Shares at the subscription price of HK\$4.53 per Share subject to and conditional upon the approval of the grant of the Director Option by the Independent Shareholders at the SGM; and

- (b) Mr. Kelvin Wu, the chief executive officer of the Company, the CEO Option entitling Mr. Kelvin Wu to subscribe for 2,100,000 Shares at the subscription price of HK\$4.53 per Share subject to and conditional upon the approval of the grant of the CEO Option by the Shareholders (with Mr. Kelvin Wu and his associates abstaining from voting) at the SGM.

The following are the details of the Director Option conditionally granted to Mr. KB Wu under the 2001 Share Option Scheme:–

Date of conditional grant:	23 September 2009
Exercise price of Director Option:	HK\$4.53 per Share
Total number of Shares which may be issued upon full exercise of the Director Option and the approximate percentage in the issued share capital of the Company:	6,000,000 Shares (3.27%)
Exercise period of the Director Option:	The Director Option is exercisable during the period from 23 September 2009 to 22 September 2014 (both dates inclusive).

The following are the details of the CEO Option conditionally granted to Mr. Kelvin Wu under the 2001 Share Option Scheme:–

Date of conditional grant:	23 September 2009
Exercise price of CEO Option:	HK\$4.53 per Share
Total number of Shares which may be issued upon full exercise of the CEO Option and the approximate percentage in the issued share capital of the Company:	2,100,000 Shares (1.15%)
Exercise period of the CEO Option:	The CEO Option is exercisable during the period from 23 September 2009 to 22 September 2014 (both dates inclusive).

The closing price of the Shares on 23 September 2009, being the date of the grant of the Granted Options, the Director Option and the CEO Option, was HK\$4.5 per Share.

Under Rule 17.04(1) of the Listing Rules and the rules of the 2001 Share Option Scheme, each grant of options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors.

In addition, where any grant of options to a substantial shareholder or its associates would result in the Shares issued or to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:–

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant must be approved by the Independent Shareholders and all connected persons (as defined under the Listing Rules) of the Company must abstain from voting in favour of such grant at the general meeting. No option had been granted to Mr. KB Wu within the 12-month period prior to the conditional grant of the Director Option. However, as the Shares subject to the Director Option will exceed the limit as set out in Rule 17.04(1), the grant of Director Option will be subject to the approval by the Independent Shareholders.

Further, as the Shares subject to the Director Option and the CEO Option exceeded 1% of the total issued Shares as at the date of the Meeting,

- (a) the grant of the Director Option would also be subject to approval of the Shareholders in a general meeting with Mr. KB Wu and his associates abstaining from voting; and
- (b) the grant of the CEO Option would be subject to approval of the Shareholders in a general meeting with Mr. Kelvin Wu and his associates abstaining from voting,

under the note to Rule 17.03(4) of the Listing Rules and the rules of the 2001 Share Option Scheme.

The independent non-executive Directors have approved the grant of the Director Option and the CEO Option, subject to the approval of the grant of the Director Option by the Independent Shareholders and the approval of the grant of the CEO Option by the Shareholders (with Mr. Kelvin Wu and his associates abstaining from voting) respectively.

ADOPTION OF NEW SHARE OPTION SCHEME

The 2001 Share Option Scheme was adopted by the Company on 28 November 2001 and would expire on 30 October 2011 in about two years' time. The Board has taken this opportunity to review and consider the rules of the 2001 Share Option Scheme and has proposed on 23 September 2009 to terminate the 2001 Share Option Scheme and adopt the New Share Option Scheme.

Under the rules of the 2001 Share Option Scheme, the termination of the 2001 Share Option Scheme is subject to the approval by the shareholders of the Company in a general meeting. The Share Option Scheme will be terminated subject to the New Share Option Scheme being adopted and becoming unconditional. The New Share Option Scheme is conditional upon:–

- (a) the passing of an ordinary resolution at the SGM to approve and adopt the New Share Option Scheme and to authorise the Board to grant the options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the options under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in such number of Shares to be issued by the Company pursuant to the exercise of the options which may be granted under the New Share Option Scheme.

Taking into account the Granted Options and the outstanding options granted under the 2001 Share Option Scheme to subscribe for 720,000 Shares and assuming that the proposed grant of the Director Option and the CEO Option is approved at the SGM, options entitling the holders thereof to subscribe for an aggregate of 10,645,000 Shares will remain outstanding under the 2001 Share Option Scheme. Such options will remain in full force and effect in accordance with the terms and conditions of the grant thereof notwithstanding the termination of the 2001 Share Option Scheme.

Shares which may fall to be issued upon the exercise of all options to be granted under the New Share Option Scheme at any time may not exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme. Options previously granted under the 2001 Share Option Scheme and any other schemes (including those outstanding, cancelled, lapsed or exercised in accordance with the 2001 Share Option Scheme and any other schemes) shall not be counted for the purpose of calculating the scheme limit for the New Share Option Scheme. On the basis of 183,273,990 Shares in issue as at the date of this announcement and assuming that no further Shares are issued or repurchased by the Company prior to the SGM, the scheme limit for the New Share Option Scheme will be 18,327,399 Shares under Rule 17.03(3) of the Listing Rules, should the New Share Option Scheme be adopted.

GENERAL

The SGM will be convened for the passing of ordinary resolutions of the Company by (i) the Independent Shareholders to approve the grant of the Director Option; (ii) the Shareholders (other than Mr. Kelvin Wu and his associates) to approve the grant of the CEO Option; and (iii) the Shareholders to approve the adoption of the New Share Option Scheme and the termination of the 2001 Share Option Scheme.

A circular containing, amongst other things, details of the grant of the Director Option and the CEO Option, the adoption of the New Share Option Scheme and the termination of the 2001 Share Option Scheme, together with notice of the SGM, will be despatched to the Shareholders as soon as practicable.

RESIGNATION OF EXECUTIVE DIRECTOR

The Board further announces that Ms. Winnie Chan Suet Yin has tendered her resignation as an executive Director of the Company with effect from 21 December 2009 due to her business pursuit. Ms. Chan has confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Shareholders.

The Board takes this opportunity to express its gratitude to Ms. Chan for her contribution to the Company during her term of office.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Board is pleased to announce that Mr. Kelvin Wu was appointed as the chief executive officer of the Company with effect from 22 September 2009.

Mr. Kelvin Wu, aged 40, graduated from The Chinese University of Hong Kong with a bachelor degree in business administration. He has also obtained a postgraduate research certificate from Osaka University of Foreign Studies. He has over thirteen years of experience in the finance and investment industry during which he worked for a number of international investment banks. In this respect, Mr. Kelvin Wu has extensive experience in lead managing initial public offers and advising on mergers and acquisitions of media and entertainment related companies which the Board is pleased to leverage on Mr. Kelvin Wu's experience.

Mr. Kelvin Wu will be focusing on strategic planning and assessment of mergers and acquisitions opportunities for the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“2001 Share Option Scheme”	the share option scheme of the Company adopted on 28 November 2001;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board” or “Director(s)”	the board of directors of the Company;
“CEO Option”	option conditionally granted to Mr. Kelvin Wu under the 2001 Share Option Scheme to subscribe for 2,100,000 Shares at the exercise price of HK\$4.53 per Share;
“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;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director Option”	option conditionally granted to Mr. KB Wu under the 2001 Share Option Scheme to subscribe for 6,000,000 Shares at the exercise price of HK\$4.53 per Share;
“Granted Option(s)”	option(s) granted to the employees of the Group and certain Directors (other than Mr. KB Wu and Mr. Kelvin Wu) under the 2001 Share Option Scheme to subscribe for a total of 1,825,000 Shares at the exercise price of HK\$4.53 per Share;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders other than the connected persons of the Company;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. KB Wu”	Mr. Wu Kebo, being the chairman, executive Director and controlling shareholder of the Company;
“Mr. Kelvin Wu”	Mr. Wu King Shiu Kelvin, being the chief executive officer of the Company;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the SGM;
“SGM”	a special general meeting of the Company to be convened for approving (i) the grant of the New Director Option and the CEO Option, and (ii) the adoption of the New Share Option Scheme and the termination of the 2001 Share Option Scheme;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

By Order of the Board
Orange Sky Golden Harvest Entertainment (Holdings) Limited
CHEUNG WING LEUNG
COMPANY SECRETARY

Hong Kong, 23 September, 2009

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

Chairman and Executive Director:

Mr. Wu Kebo

Non-executive Director:

Mr. Li Pei Sen

Executive Directors:

Ms. Winnie Chan Suet Yin

Ms. Fiona Chow Sau Fong

Ms. Wu Keyan

(alternate to Mr. Wu Kebo)

Independent Non-executive Directors:

Mr. Leung Man Kit

Mr. George Huang Shao-Hua

Mr. Masahito Tachikawa