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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Orange Sky Golden Harvest Entertainment (Holdings) Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**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)

**REFRESHMENT OF GENERAL MANDATE
TO ISSUE AND ALLOT SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

TANRICH
Tanrich Capital Limited

A letter from the Independent Board Committee is set out on page 8 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 9 to 15 of this circular.

A notice convening the SGM to be held at Board Room, 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong at 10:00 a.m. on 10 February 2010 is set out on pages 16 to 17 of this circular. Whether or not you intend to attend and vote at the SGM in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof should you so wish.

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

| | |
|------------------------------|---|
| “AGM” | the annual general meeting of the Company held on 20 November 2008 for the Shareholders to approve, inter alia, the Existing Issue Mandate; |
| “associate(s)” | has the same meaning ascribed to it under the Listing Rules; |
| “Board” | the board of Directors; |
| “Bye-Laws” | the bye-laws of the Company; |
| “China” or “PRC” | the People’s Republic of China for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan); |
| “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 with limited liability, and the shares of which are listed on the main board of the Stock Exchange; |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Directors” | the directors of the Company; |
| “Existing Issue Mandate” | the general mandate approved at the AGM authorizing the Directors to issue, allot and deal with a maximum of 366,547,980 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution after Share Subdivision; |
| “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 People’s Republic of China; |

DEFINITIONS

| | |
|--------------------------------------|---|
| “Independent Board Committee” | an independent board committee of the Company comprising Messrs. Leung Man Kit, George Huang Shao-Hua and Masahito Tachikawa, being the independent non-executive Directors, to advise the Independent Shareholders in relation to the refreshment of the Existing Issue Mandate; |
| “Independent Financial Adviser” | Tanrich Capital Limited, being a licensed corporation to carry out types 1 (Dealing in Securities) and 6 (Advising on Corporate Finance) of the regulated activities as set out in Schedule 5 to the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing Issue Mandate; |
| “Independent Shareholders” | any Shareholders other than the controlling shareholder(s) of the Company and their associates; |
| “Latest Practicable Date” | 13 January 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “New Issue Mandate” | the general mandate proposed to be granted to the Directors at the SGM to issue, allot and otherwise deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM; |
| “Placing and Subscription Agreement” | the placing and subscription agreement made between the Company, Skyera, Guoyuan Securities Brokerage (Hong Kong) Limited and OSK Securities Hong Kong Limited on 12 November 2009 as disclosed in the announcement of the Company dated 12 November 2009; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |

DEFINITIONS

| | |
|---------------------|--|
| “SGM” | the special general meeting of the Company to be held at 10:00 a.m. on 10 February 2010 at Board Room, 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong and any adjournment thereof, notice of which is set out on pages 16 to 17 of this circular; |
| “Share(s)” | the ordinary share(s) of HK\$0.1 each in the share capital of the Company; |
| “Shareholder(s)” | the holder(s) of the Share(s); |
| “Share Subdivision” | the subdivision of one ordinary share of HK\$1.00 each in the share capital of the Company into ten Shares, which became effective on 12 November 2009; |
| “Skyera” | Skyera International Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Wu Kebo, being the chairman, executive Director and controlling shareholder of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “%” | per cent. |

* *for identification purpose only*

LETTER FROM THE BOARD



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)

Chairman and Executive Director:

Mr. Wu Kebo

Executive Directors:

Ms. Fiona Chow Sau Fong

Ms. Wu Keyan (alternate to Mr. Wu Kebo)

Non-executive Director:

Mr. Li Pei Sen

Independent non-executive Directors:

Mr. Leung Man Kit

Mr. George Huang Shao-Hua

Mr. Masahito Tachikawa

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business:

16th Floor

The Peninsula Office Tower

18 Middle Road

Tsimshatsui

Kowloon

Hong Kong

18 January 2010

To the Shareholders

Dear Sir/Madam,

**REFRESHMENT OF GENERAL MANDATE
TO ISSUE AND ALLOT SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purposes of this circular are to provide you with information regarding the proposed refreshment of the Existing Issue Mandate and to give you notice of the SGM at which an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the refreshment of the Existing Issue Mandate.

The Independent Board Committee, comprising the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the refreshment of the Existing Issue Mandate. The Independent Financial Adviser has also

* for identification purposes only

LETTER FROM THE BOARD

been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing Issue Mandate.

PROPOSED REFRESHMENT OF THE EXISTING ISSUE MANDATE

At the AGM, the Shareholders passed, among other things, an ordinary resolution to grant to the Directors the Existing Issue Mandate to issue, allot and otherwise deal with a maximum of 366,547,980 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolution after Share Subdivision.

Since the granting of the Existing Issue Mandate to the Latest Practicable Date, the Existing Issue Mandate has been utilized as to 366,000,000 Shares, representing approximately 99.85% of the aggregate number of Shares which may be allotted and issued under the Existing Issue Mandate, as a result of the top-up placing of 366,000,000 Shares under the Placing and Subscription Agreement. As described in the announcement of the Company dated 12 November 2009, the net proceeds of approximately HK\$189.38 million was intended to be used for business expansion in China (in particular, film exhibition business) and working capital of the Group. As at the Latest Practicable Date, such net proceeds have not yet been used and have been deposited at bank(s). The Directors intend to use such unused net proceeds for the purposes previously disclosed in the announcement of the Company dated 12 November 2009.

As at the Latest Practicable Date, the Company has entered into 25 leasing agreements with respective landlords in the PRC and 1 leasing agreement with a landlord in Taiwan to operate cinemas on an aggregate site area of 120,299 square meters. The total investment of such cinemas under the above mentioned leasing agreements is estimated to be about HK\$615 million, of which HK\$395 million are expected to be incurred in 2010. Currently, the Company is engaged in negotiations of numerous new leasing agreements and acquisition opportunities. The Company expects further capital expenditure and funding for consideration of acquisition will be required.

There has been no refreshment of the Existing Issue Mandate since the AGM. Therefore, after the top-up placing under the Placing and Subscription Agreement, only a total of 547,980 new Shares might be further issued and allotted under the Existing Issue Mandate. The Company has further been advised that the Existing Issue Mandate should be considered to have expired on 1 January 2010 in accordance with its terms.

The refreshment of the Existing Issue Mandate by the grant of the New Issue Mandate would empower the Directors to issue new Shares under the refreshed limit as and when necessary and without seeking further approval from the Shareholders. This would give the Company the flexibility and ability to capture any capital raising or investment or business opportunity as and when it arises.

LETTER FROM THE BOARD

NEW ISSUE MANDATE

As at the Latest Practicable Date, the Company had an aggregate of 2,201,489,900 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the New Issue Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New Issue Mandate to allot and issue up to 440,497,980 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The New Issue Mandate will, if granted at the SGM, remain effective until:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting,

whichever occurs first.

IMPLICATIONS OF THE LISTING RULES

Under Rule 13.36(4) of the Listing Rules, any refreshment of the general mandate before the next annual general meeting of the Company requires any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates to abstain from voting in favour of the relevant resolution. As at the Latest Practicable Date, Mr. Wu Kebo ("Mr. Wu"), being the controlling shareholder of the Company, and his associates indirectly held a total of 1,372,234,720 Shares, representing approximately 62.33% of the issued share capital of the Company, of which 377,988,130 Shares were held by Skyera, 408,715,990 Shares were held by Mainway Enterprises Limited (a company wholly owned by Mr. Wu), 405,530,600 Shares were held by Orange Sky Entertainment Group (International) Holding Company Limited (formerly known as "Chengtian Entertainment Group (International) Holding Company Limited", a company 80% owned by Mr. Wu) and 180,000,000 Shares were held by Cyber International Limited (a company owned by an associate of Mr. Wu). Accordingly, Mr. Wu, Skyera, Mainway Enterprises Limited, Orange Sky Entertainment Group (International) Holding Company Limited and Cyber International Limited will abstain from voting in favour of the relevant resolution approving the New Issue Mandate and as at the Latest Practicable Date, they have indicated that they have no intention to vote against the ordinary resolution to be proposed at the SGM.

SGM

The notice convening the SGM is set out on pages 16 to 17 of this circular. At the SGM, an ordinary resolution will be proposed to approve the New Issue Mandate. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong at Tricor Tengis

LETTER FROM THE BOARD

Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof should you so wish.

Under Rule 13.39(4) of the Listing Rules, any vote of the Independent Shareholders at the SGM to approve the New Issue Mandate must be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 8 of this circular which contains its recommendation to the Independent Shareholders on the terms of the proposed refreshment of the Existing Issue Mandate. Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 9 to 15 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Existing Issue Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

The Directors (including the independent non-executive Directors having taken into account the advice of the Independent Financial Adviser) consider that the refreshment of the Existing Issue Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. The Directors therefore recommend the Independent Shareholders to vote in favour of the resolution to be proposed in the SGM to approve the New Issue Mandate.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

Yours faithfully,
For and on behalf of the Board
**Orange Sky Golden Harvest Entertainment
(Holdings) Limited**
Fiona Chow Sau Fong
Executive Director



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)

18 January 2010

To the Independent Shareholders

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE
TO ISSUE AND ALLOT SHARES**

We refer to the circular dated 18 January 2010 issued by the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the refreshment of the Existing Issue Mandate and to advise the Independent Shareholders as to the fairness and reasonableness of the same. The Independent Financial Adviser, Tanrich Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATION

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 7 of the Circular, and the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the proposed refreshment of the Existing Issue Mandate as set out on pages 9 to 15 of the Circular.

After taking into consideration the advice from the Independent Financial Adviser, we concur with the views of the Independent Financial Adviser and consider that the refreshment of the Existing Issue Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed in the SGM to approve the New Issue Mandate.

Yours faithfully
Leung Man Kit
George Huang Shao-Hua
Masahito Tachikawa
Independent Board Committee

* for identification purposes only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Tanrich Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing Issue Mandate for the purpose of incorporation into the circular.

TANRICH

Tanrich Capital Limited
16/F Central Plaza,
18 Harbour Road,
Wanchai,
Hong Kong

18 January 2010

*To the Independent Board Committee and the Independent Shareholders of
Orange Sky Golden Harvest Entertainment (Holdings) Limited*

Dear Sirs,

REFRESHMENT OF THE EXISTING ISSUE MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing Issue Mandate, details of which are set out in the "Letter from the Board", on page 4 to page 7 of the circular of the Company dated 18 January 2010 (the "Circular"). Capitalised terms used in this letter shall have the same meanings as defined in the Circular of which this letter forms part.

Pursuant to Rule 13.36(4) of the Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the Independent Shareholders' approval by way of poll at the SGM. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution for approving the new general mandate as required under Rule 13.36(4)(a) of the Listing Rules. As stated in the "Letter from the Board", as at the Latest Practicable Date, Mr. Wu Kebo ("Mr. Wu"), being the controlling shareholder of the Company, and his associates indirectly held a total of 1,372,234,720 Shares, representing approximately 62.33% of the issued share capital of the Company, of which 377,988,130 Shares were held by Skyera, 408,715,990 Shares were held by Mainway Enterprises Limited (a company wholly owned by Mr. Wu), 405,530,600 Shares were held by Orange Sky Entertainment Group (International) Holding Company Limited (formerly known as "Chengtian Entertainment Group (International) Holding Company Limited", a company 80% owned by Mr. Wu) and 180,000,000 Shares were held by Cyber International Limited (a company owned by an associate of Mr. Wu). Accordingly, Mr. Wu, Skyera, Mainway Enterprises Limited,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Orange Sky Entertainment Group (International) Holding Company Limited and Cyber International Limited will abstain from voting in favour of the relevant resolution approving the New Issue Mandate.

The Independent Board Committee comprising: (i) Messrs. Leung Man Kit; (ii) Mr. George Huang Shao-Hua; and (iii) Mr. Masahito Tachikawa, being the independent non-executive Directors of the Company, has been formed to advise the Independent Shareholders on whether the granting of the New Issue Mandate is fair and reasonable, and in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the statements, information, opinions, facts and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate in all material respects as at the date of the Circular.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We are independent from, and are not associated with the Company nor their respective substantial shareholders or connected person(s), as defined under the Listing Rules and, accordingly, are considered eligible to give independent advice.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in relation to the granting of the New Issue Mandate, we have considered the following principal factors:

A. Background and reasons for the granting of the New Issue Mandate

The Group is principally engaged in the worldwide film distribution, film exhibition, film processing, film production and television drama series production and video distribution in different parts of the world.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company held the AGM on 20 November 2008, whereas the Shareholders approved, among other things, to grant to the Directors the Existing Issue Mandate under which the Directors are authorised to allot, issue and dispose of up to 366,547,980 Shares (after the Share Subdivision announced in the announcement of the Company dated 24 September 2009), which represented 20% of the issued share capital of the Company as at the date of the AGM.

During the period from the granting of the Existing Issue Mandate to the Latest Practicable Date, the Existing Issue Mandate has been utilized as to 366,000,000 Shares, representing approximately 99.85% of the aggregate number of Shares which may be allotted and issued under the Existing Issue Mandate as a result of the top-up placing of 366,000,000 Shares under the Placing and Subscription Agreement, details of which are set out in the announcement of the Company dated 12 November 2009. As such, the Company might further issue not more than 547,980 new Shares under the Existing Issue Mandate, and furthermore, the Company has further been advised that the Existing Issue Mandate should be considered to have expired on 1 January 2010 in accordance with its terms.

Furthermore, we also note that on 6 January 2009, the Company announced the change financial year-end date of the Group from 30 June to 31 December. Accordingly, the deadline for the publish of the Group's annual results for the financial year ended 31 December 2009 will be 30 April 2010, we were advised by the Directors that the next annual general meeting of the Company is expected to be held in May 2010. We understand that, if the granting of the New Issue Mandate will not be approved, the Company will not be able to issue and allot any new Shares without the Shareholders' approval before granting of another general mandate in the next annual general meeting.

Based on our discussions with the Directors, they are of the view that the granting of the New Issue Mandate could enable the Group: (i) to maintain the capacity for raising additional equity capital for any future business developments and investment opportunities; and (ii) to consider possible acquisitions whereas the Company is given the flexibility to issue new Shares as part of the consideration to limit immediate cash outlay. As such, the Directors propose to seek the Independent Shareholders' approval at the SGM for the granting of the New Issue Mandate. On a basis of 2,201,489,900 Shares in issue as at the Latest Practicable Date and assuming no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the date of the SGM, the New Issue Mandate will grant the Directors the authority to allot, issue and deal with up to a maximum of 440,497,980 new Shares, representing 20% of the issue share capital of the Company as at the Latest Practicable Date.

In light of the above, we are of the view that the granting of the New Issue Mandate would provide the Company with the necessary fundraising flexibility for fulfilling any possible funding needs for the Group's business developments, which will be in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

B. Fundraising activities of the Company during the last 12 months

Table 1 below sets out the summary of fundraising activity of the Company during the past 12 months immediately preceding the Latest Practicable Date:

Table 1: Fundraising activities of the Company during the last 12 months

| Date of announcement | Description | Net proceeds | Intended use of proceeds | Actual use of proceeds |
|----------------------|---|--------------------|---|--|
| 12 November 2009 | Top-up placing of 366,000,000 Shares at HK\$0.539 per Share | HK\$189.38 million | Business expansion in China (in particular, film exhibition business) and working capital | Not yet been used and have been deposited at bank(s) |

Source: Announcement published by the Company on 12 November 2009 and the Circular

Saved as disclosed in Table 1 above, the Company has not conducted any other fundraising activities in the past 12 months preceding the Latest Practicable Date.

As stated in the Second Interim Report 2008/2009 of the Company, the deposits and cash of the Group was approximately HK\$365.23 million as at 30 June 2009. In addition, we also note that the Group has raised a total net proceeds of approximately HK\$189.38 million from the top-up placing as stated in Table 1 above.

As stated in the Letter from the Board, as at the Latest Practicable Date, the Company has entered into 25 leasing agreements with respective landlords in the PRC and 1 leasing agreement with a landlord in Taiwan to operate cinemas on an aggregate site area of 120,299 square meters. The total investment of such cinemas under the above mentioned leasing agreements is estimated to be about HK\$615 million, of which HK\$395 million are expected to be incurred in 2010. Currently, the Company is engaged in negotiations of numerous new leasing agreements and acquisition opportunities. The Company expects further capital expenditure and funding for consideration of acquisition will be required.

Based on our discussions with the Directors, the Directors are of the view that the Group has sufficient working capital for its current business operations. However, there is no certainty that the current financial positions of the Group will be able to support the Group's business expansions in the Mainland China and/or to acquire potential acquisition targets that may be identified by the Group in future. In view of the current financial position and the existing business development of the Group, the Directors consider that the granting of the New Issue

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mandate, which will give the Company the flexibility and ability to capture any capital raising opportunity, and is essential for the Group in the current situation of rapid business expansions.

We concur with the Directors' view on the above, and the granting of the New Issue Mandate would enable the Group's fundraising capacity to cope with its future business developments.

C. Other fundraising alternatives

Based on our discussions with the Directors, we understand that the Directors have also considered other fundraising alternatives such as debt financing, however, the Directors are of the view that debt financing will increase interest expenses to the Group and will affect the Group's investment return. Furthermore, the Directors also consider that leasing of cinemas, which will be an efficient manner for the expansion of the Group's cinema network in terms of capital expenditure, would reduce the Group's tendency to raise funding in form of debt financings. Therefore, equity financing such as issuance of new Shares would be an appropriate way to fund the Group's future business expansions and provide additional working capital to the Group.

In light of the above, we are of the opinion that it is reasonable for the Company to have a higher level of flexibility for raising necessary fundings and the granting of the New Issue Mandate would enable the Company to raise additional equity capital without any finance costs.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

D. Potential dilution effect to the shareholding of the Independent Shareholders

Table 2 below illustrates the shareholding structure of the Company as at the Latest Practicable Date, assuming no issuance of Shares and repurchase of Shares by the Company, the potential dilution effect on the shareholdings upon full utilization of the New Issue Mandate:

Table 2: Impact to the shareholding upon full utilization of the New Issue Mandate

| Name of shareholders | As at the Latest Practicable Date | | Upon full utilization of the New Issue Mandate | |
|---|-----------------------------------|-----------------------|--|-----------------------|
| | No. of shares | % | No. of shares | % |
| Skyera International Limited (Note 1) | 377,988,130 | 17.17% | 377,988,130 | 14.32% |
| Mainway Enterprises Limited (Note 1) | 408,715,990 | 18.57% | 408,715,990 | 15.47% |
| Orange Sky Entertainment Group (International) Holding Company Limited (Note 2) | 405,530,600 | 18.42% | 405,530,600 | 15.35% |
| Cyber International Limited (Note 3) | 180,000,000 | 8.18% | 180,000,000 | 6.81% |
| Public | 829,255,180 | 37.66% | 829,255,180 | 31.38% |
| Shares that may be issued under the New Issue Mandate | — | — | 440,497,980 | 16.67% |
| Total | <u>2,201,489,900</u> | <u>100.00%</u> | <u>2,641,987,880</u> | <u>100.00%</u> |

Notes:

1. Skyera International Limited and Mainway Enterprises Limited were both wholly owned by Mr. Wu.
2. Orange Sky Entertainment Group (International) Holding Company Limited was owned as to 80% by Mr. Wu.
3. Cyber International Limited was a company owned by an associate of Mr. Wu.

As shown in Table 2 above, assuming no Shares will be issued or repurchased by the Company during the period from the Latest Practicable Date to the date of the SGM, a total of 440,497,980 new Shares that would be issued upon full utilization of the New Issue Mandate will cause the shareholding in the public's hand to decrease from approximately 37.66% to approximately 31.38%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

After considering that: (i) the Group is currently in the event of rapid business developments; and (ii) the New Issue Mandate could enable the Group to have a higher degree of flexibility in raising required equity capital for future business expansion, we are of the view that the potential dilution effect to the public's shareholding is acceptable.

RECOMMENDATION

Having taken into account the above principal factors and reasons above, we consider that the proposed grant of the New Issue Mandate is fair and reasonable so far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) approving the granting of the New Issue Mandate at the SGM.

Yours faithfully,
For and on behalf of
Tanrich Capital Limited
Andy Chan
Director

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that the special general meeting of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “Company”) will be held at Board Room, 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong on 10 February 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and dispose of additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be issued, allotted or disposed of during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to: (i) a rights issue where shares are offered to shareholders of the Company (“Shareholders”) on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong); or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement pursuant to the bye-laws of the Company from time to time; or (iv) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any notes, warrants or any securities of the Company which are convertible into shares; (v) a specific authority granted by the Shareholders in general meeting, the total nominal amount of additional shares issued, allotted, disposed of or agreed conditionally or unconditionally to be issued, allotted or disposed of (whether pursuant to an option or otherwise) shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this Resolution and the said approval shall be limited accordingly; and

* *for identification purposes only*

NOTICE OF SGM

- (b) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Shareholders in general meeting.

whichever occurs first.

By Order of the Board
**Orange Sky Golden Harvest Entertainment
(Holdings) Limited**
Fiona Chow Sau Fong
Executive Director

Hong Kong, 18 January 2010

Notes:

- (1) Any member entitled to attend and vote at the meeting of the Company is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must attend the meeting in person to represent the appointing member.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
- (3) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- (4) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the principal or branch register of members of the Company in respect of the joint holding.
- (6) A form of proxy for the use at the special general meeting is enclosed herewith.