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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)

**CONTINUING CONNECTED TRANSACTION:
SUPPLEMENTAL AGREEMENT
TO
CINEMA IN-FOYER ADVERTISING SALES AGENCY SERVICES**

The Board announces that, on 5 April 2012, OSGH (China) and Panasia Advertising entered into the Supplemental Agreement to amend certain terms of the Cinema Ad Sales Agency Agreement.

The Directors (including the independent non-executive Directors) consider that the terms of amendment to the Cinema Ad Sales Agency Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Despite the entering into of the Supplemental Agreement, the annual caps in respect of the Transactions (as amended by the Supplemental Agreement) for the two years ending 31 December 2013 will be the same as those disclosed in the Announcement.

The Transactions (as amended by the Supplemental Agreement) constitute continuing connected transactions under the Listing Rules. As the applicable percentage ratios in respect of the Caps are more than 0.1% but less than 5%, they are subject to the reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of Orange Sky Golden Harvest Entertainment (Holdings) Limited (橙天嘉禾娛樂(集團)有限公司*) (the “**Company**”) dated 1 September 2011 (the “**Announcement**”) in relation to the Transactions. The Board announces that, on 5 April 2012, OSGH (China) and Panasia Advertising entered into a supplemental agreement to the Cinema Ad Sales Agency Agreement (the “**Supplemental Agreement**”) to amend

* For identification purposes only

certain terms of the Cinema Ad Sales Agency Agreement. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Supplemental Agreement

Date: 5 April 2012

Parties: OSGH (China), a wholly-owned subsidiary of the Company Panasia Advertising, a wholly-owned subsidiary of Orange Sky

Subject Matter

Pursuant to the Supplemental Agreement, the Cinema Ad Sales Agency Agreement was amended and the major amendments are as follows:

- (a) OSGH (China) shall engage Panasia Advertising on a non-exclusive basis (instead of an exclusive basis) to provide cinema in-foyer advertising sales agency services (including the procurement and solicitation of in-foyer advertisements and collection of advertising fees from in-foyer advertising customers for the Cinemas) to OSGH (China) in respect of advertisements to be displayed at the Cinemas by using the foyer and advertising facilities of the Cinemas;
- (b) the profit guarantee as provided by Panasia Advertising in favour of OSGH (China) in relation to the Cinemas (as calculated by 2% of the aggregate box office income of each of the Cinemas before tax for each year) including the related adjustment provisions under the Cinema Ad Sales Agency Agreement shall no longer apply; and
- (c) OSGH (China) (instead of Panasia Advertising) shall be entitled to determine the advertising fees payable by the customers in relation to the in-foyer advertising services in relation to the Cinemas.

Effective Date: The terms of the Supplemental Agreement shall take effect from 1 January 2012.

ANNUAL CAPS

Despite the entering into of the Supplemental Agreement, the annual caps in respect of the Transactions (as amended by the Supplemental Agreement) for the two years ending 31 December 2013 will be the same as those disclosed in the Announcement.

The terms of the Supplemental Agreement were negotiated on an arms' length basis and are on normal commercial terms.

INFORMATION OF THE COMPANY AND PANASIA ADVERTISING

The Company is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal activities of the Group comprise worldwide film and video distribution, film exhibition in Hong Kong, PRC, Taiwan and Singapore and films and television programmes production, provision of advertising and consulting services in the PRC.

Panasia Advertising is principally engaged in the provision of distribution and agency services for advertisements.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Board considers that the change of terms of engagement of Panasia Advertising to provide cinema advertising sales agency services to the Group from an exclusive basis to a non-exclusive basis will provide the Group's flexibility in engaging more advertising agencies to source additional customers for the Group so as to further enhance its revenue from the provision of cinema in-foyer advertising space for rental.

Although no further profit guarantee shall be provided in favour of OSGH (China) as a result of the entering into of the Supplemental Agreement, the advertising fees payable by the customers for the in-foyer advertising at the Cinemas procured by Panasia Advertising shall still be shared between OSGH (China) as to 60% and Panasia Advertising as to 40%, and the advertising fees shall be solely determined by OSGH (China). The Directors consider that this will provide a steady revenue from the Transactions.

The Directors (including the independent non-executive Directors) consider that the entering into of the Supplemental Agreement and that the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Wu, a Director and a substantial shareholder of the Company, was interested in an aggregate of approximately 59.39% of the total issued share capital of the Company as at the date of this announcement through his direct holding of approximately 0.70% of the issued share capital of the Company, his interested in the share options entitling him to subscribe for 60,000,000 shares of the Company, and his interests in the shares of the Company through Orange Sky, Skyera, Mainway and Cyber. As a result, under the Listing Rules, Mr. Wu and his associates are connected persons of the Company. As Panasia Advertising is a wholly-owned subsidiary of Orange Sky, Panasia Advertising is an associate of Mr. Wu and therefore, a connected person of the Company and the Transactions (as amended by the Supplemental Agreement) and the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14 of the Listing Rules.

As the applicable percentage ratios in respect of the Caps are more than 0.1% but less than 5%, the Transactions (as amended by the Supplemental Agreement) and the transactions contemplated under the Supplement Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Ms. Wu Keyan is the sister of Mr. Wu and is an associate of Mr. Wu under Chapter 14A of the Listing Rules. Save for Mr. Wu and Ms. Wu Keyan who have abstained from voting on the relevant resolution of the Board approving the Transactions (as amended by the Supplemental Agreement) and the transactions contemplated under the Supplemental Agreement, none of the Directors has a material interest in the Transactions (as amended by the Supplemental Agreement) and the transactions contemplated under the Supplemental Agreement.

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

Hong Kong, 5 April 2012

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

Chairman and Executive Director:

Mr. Wu Kebo

Executive Directors:

Mr. Mao Yimin

Mr. Tan Boon Pin Simon

Mr. Li Pei Sen

Ms. Wu Keyan

Independent Non-executive Directors:

Mr. Leung Man Kit

Mr. Huang Shao-Hua George

Ms. Wong Sze Wing