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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**

REFRESHMENT OF GENERAL MANDATE

Since the granting of the Existing Issue Mandate to the date of this announcement, 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.

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 Board therefore proposes to seek the approval of the Independent Shareholders to refresh the Existing Issue Mandate at the SGM.

An 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, and an independent financial adviser has been appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the refreshment of the Existing Issue Mandate.

A circular containing information as regards details of the refreshment of the Existing Issue Mandate, the letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders and the recommendation from the independent board committee together with the notice of SGM will be despatched to the Shareholders as soon as practicable.

* For identification purposes only

REFRESHMENT OF GENERAL MANDATE

At the annual general meeting of the Company held on 20 November 2008 for the Shareholders to approve, inter alia, the Existing Issue Mandate, 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 the Share Subdivision.

Since the granting of the Existing Issue Mandate to the date of this announcement, 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 date of this announcement, 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. Further, as stated in the interim report for the twelve months ended 30 June 2009 of the Company, the deposit and cash of the Group was approximately HK\$365.23 million as at 30 June 2009.

As at the date of this announcement, 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 Board therefore proposes to seek the approval of the Independent Shareholders to refresh the Existing Issue Mandate at the SGM.

Mr. Wu Kebo, as a controlling shareholder of the Company, together with Skyera International Limited, Mainway Enterprises Limited, Orange Sky Entertainment Group (International) Holding Company Limited and Cyber International Limited, being companies controlled by him, would abstain from voting in favour of the relevant resolution approving the New Issue Mandate pursuant to Rule 13.36(4) of the Listing Rules.

An 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, and an independent financial adviser has been appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the refreshment of the Existing Issue Mandate.

A circular containing information as regards details of the refreshment of the Existing Issue Mandate, the letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders and the recommendation from the independent board committee together with the notice of SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“associates”	the meaning ascribed to it in the Listing Rules;
“Board” or “Directors”	the board of directors of the Company;
“China” or “PRC”	the People’s Republic of China (for the purpose of this announcement, 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 whose shares are listed on main board of the Stock Exchange (stock code: 1132);
“Existing Issue Mandate”	the general mandate approved at the annual general meeting of the Company on 20 November 2008 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;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholder(s)”	any Shareholders other than the controlling shareholder(s) of the Company and their associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“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;
“SGM”	the special general meeting of the Company to be held 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;
“Shareholders”	the holders of the shares of the Company;
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 15 January 2010

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. 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