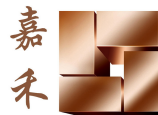


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Golden Harvest

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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

	2015	2014	Changes	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
The Group				
Revenue	675	514	+161	+31%
Gross profit	396	308	+88	+29%
Profit before taxation	5	22	-17	-77%
Profit attributable to equity holders	3	12	-9	-75%
Basic earnings per share	0.11 cents	0.45 cents		

- Revenue increased by 31% to HK\$675 million
- Gross profit grew from HK\$308 million to HK\$396 million
- Profit before taxation decreased to HK\$5 million from HK\$22 million
- Cinema admissions we served on a full and aggregated basis were close to 27 million across cinema networks in Hong Kong, Mainland China, Taiwan and Singapore as a whole
- Gearing ratio decreased to 22% from 26%

* For identification purposes only

INTERIM RESULTS

The Board (the “Board”) of directors (the “Directors” and each “Director”) of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2015 together with the comparative figures for the preceding six months ended 30 June 2014. The consolidated results have been reviewed by the auditors and the audit committee of the Company (the “Audit Committee”).

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Revenue	3	675,141	514,495
Cost of sales		<u>(278,960)</u>	<u>(206,320)</u>
Gross profit		396,181	308,175
Other revenue		15,929	35,132
Other net loss	5(c)	(3,143)	(201)
Selling and distribution costs		(372,895)	(290,506)
General and administrative expenses		(63,135)	(49,274)
Other operating expenses		(69)	(180)
(Loss)/profit from operations		(27,132)	3,146
Finance costs	5(a)	(19,169)	(23,541)
Share of profits of joint ventures		50,998	41,845
Share of profits of associates		736	592
Profit before taxation	5	5,433	22,042
Income tax	6	(1,367)	(8,847)
Profit for the period		<u>4,066</u>	<u>13,195</u>
Attributable to:			
Equity holders of the Company		3,104	12,139
Non-controlling interests		962	1,056
		<u>4,066</u>	<u>13,195</u>
Earnings per share	7		
Basic		<u>0.11 cents</u>	<u>0.45 cents</u>
Diluted		<u>0.11 cents</u>	<u>0.45 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2015 <i>HK\$'000</i> (Unaudited)	Six months ended 30 June 2014 <i>HK\$'000</i> (Unaudited)
Profit for the period	4,066	13,195
Other comprehensive income for the period:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— overseas subsidiaries	(401)	(6,319)
— overseas joint ventures	4,911	2,214
— overseas associates	(31)	(109)
	4,479	(4,214)
Total comprehensive income for the period	8,545	8,981
Total comprehensive income attributable to:		
Equity holders of the Company	7,562	8,007
Non-controlling interests	983	974
Total comprehensive income for the period	8,545	8,981

Note: There is no tax effect relating to the above components of the comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2015 <i>HK\$'000</i> (Unaudited)	As at 31 December 2014 <i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties		150,225	150,488
Property, plant and equipment		1,432,628	1,377,940
Interests in joint ventures		263,046	243,271
Interests in associates		10,759	12,415
Available-for-sale equity security		6,750	–
Other receivables, deposits and prepayments		94,748	94,928
Club memberships		2,490	2,490
Trademarks		80,524	80,524
Goodwill		87,212	73,658
Deferred tax assets		45,044	31,782
Pledged bank deposits		21,875	21,880
		2,195,301	2,089,376
Current assets			
Inventories		7,914	6,513
Film rights		82,510	74,289
Trade receivables	8	133,137	92,027
Other receivables, deposits and prepayments		227,198	237,211
Pledged bank deposit		–	25,000
Deposits and cash		313,082	406,488
		763,841	841,528
Current liabilities			
Bank loans		244,960	250,268
Trade payables	9	138,006	88,794
Other payables and accrued charges		149,644	113,798
Deferred revenue		190,922	169,198
Obligations under finance leases		17,036	14,552
Taxation payable		16,239	12,755
		756,807	649,365

	As at 30 June 2015	As at 31 December 2014
<i>Note</i>	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Net current assets	7,034	192,163
Total assets less current liabilities	2,202,335	2,281,539
Non-current liabilities		
Bank loans	371,941	473,991
Obligations under finance leases	26,635	16,183
Deferred tax liabilities	9,775	10,718
	408,351	500,892
NET ASSETS	1,793,984	1,780,647
Capital and reserves		
Share capital	274,252	274,252
Reserves	1,502,510	1,494,948
Total equity attributable to equity holders of the Company	1,776,762	1,769,200
Non-controlling interests	17,222	11,447
TOTAL EQUITY	1,793,984	1,780,647

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 28 August 2015.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policies changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for the full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group.

- *Annual improvements to HKFRSs 2010–2012 cycle*
- *Annual improvements to HKFRSs 2011–2013 cycle*

None of these developments has had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE

Revenue represents the income from the sale of film, video and television rights, film and television drama distribution, theatre operation, promotion and advertising fee income, agency and consultancy fee income and proceeds from the sale of audio visual products.

4 SEGMENT REPORTING

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the reportable segments, which are as follows:

- Hong Kong
- Mainland China
- Taiwan
- Singapore

The results of the Group's revenue from external customers for entities located in Hong Kong, Mainland China, Taiwan and Singapore are set out in the table below.

Each of the above reportable segments primarily derives its revenue from film exhibition, film and video distribution, film and television programme production and the provision of advertising and consultancy services. The reportable segments, Taiwan and Singapore, represent the performance of the joint ventures operating in Taiwan and Singapore, respectively. For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the revenue and results attributable to each reportable segment on the following bases:

Segment revenue and results

Revenue is allocated to the reporting segment based on the local entities' location of external customers. Expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those geographical locations or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The measure used for reporting segment profit is operating profit after taxation.

In addition to receiving segment information concerning operating profit after taxation, management is provided with segment information concerning revenue.

Management evaluates performance primarily based on operating profit including the share of results of joint ventures of each segment. Intra-segment pricing is generally determined on an arm's length basis.

Segment information regarding the Group's revenue and results by geographical market is presented below:

	Six months ended 30 June (unaudited)									
	Hong Kong		Mainland China		Taiwan		Singapore		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Revenue from external customers										
— Exhibition	128,375	105,284	543,629	405,646	260,614	217,908	201,600	202,083	1,134,218	930,921
— Distribution and production	12,647	17,661	608	6,678	1,139	2,909	5,321	4,710	19,715	31,958
— Corporate	552	690	—	—	—	—	—	—	552	690
Reportable segment revenue	141,574	123,635	544,237	412,324	261,753	220,817	206,921	206,793	1,154,485	963,569
Reportable segment profit/(loss) after taxation	16,967	3,518	(24,079)	(3,799)	19,881	12,321	29,249	28,702	42,018	40,742
Reconciliation — Revenue										
Reportable segment revenue									1,154,485	963,569
Share of revenue from joint ventures in Taiwan and Singapore									(468,674)	(427,610)
Elimination of intra-segment revenue									(929)	(668)
Others									(9,741)	(20,796)
									675,141	514,495
Reconciliation — Profit before taxation										
Reportable profit after taxation from external customers									42,018	40,742
Unallocated operating expenses, net									(38,914)	(28,603)
Non-controlling interests									962	1,056
Income tax									1,367	8,847
Profit before taxation									5,433	22,042

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June 2015 <i>HK\$'000</i> (Unaudited)	Six months ended 30 June 2014 <i>HK\$'000</i> (Unaudited)
(a) Finance costs		
Interest on bank loans wholly repayable	19,342	23,961
Finance charges on obligations under finance leases	1,085	1,417
Other ancillary borrowing costs	1,242	3,363
	<hr/>	<hr/>
Total finance costs on financial liabilities not at fair value through profit or loss	21,669	28,741
Less: finance costs capitalised into leasehold improvements*	(2,500)	(5,200)
	<hr/>	<hr/>
	19,169	23,541
	<hr/> <hr/>	<hr/> <hr/>

* The finance costs have been capitalised at rates ranging from 5.94% to 6.75% per annum (six months ended 30 June 2014: 3.44% to 8.19%).

(b) Other items

Cost of inventories	16,884	13,641
Cost of services provided	257,980	188,441
Depreciation of property, plant and equipment	78,361	66,275
Amortisation of film rights	4,096	4,238
Loss/(gain) on disposals of property, plant and equipment	67	(181)
Exchange loss, net	3,629	5,684
Interest income from bank deposits	(3,609)	(5,636)
Other interest income (<i>note</i>)	–	(13,230)
	<hr/>	<hr/>

Note: The Group has a lease agreement with a related party in respect of a property in Mainland China. Upon the failure of the related party to deliver the property on time, the Group entered into a memorandum with the related party to extend the delivery date of the leased property and to charge interest at a rate of 7.5% per annum on the amount of the prepaid rental. During the period ended 30 June 2014, an amount of HK\$13,230,000 representing the interest on the prepaid rental for delay in the property handover was recorded as other revenue.

(c) Other net loss

Included in other net loss for the six months ended 30 June 2014 was an amount of HK\$3,594,000 representing compensation receivable from a contractor for delays in construction progress on opening together with punitive damages relating to certain new cinemas in Mainland China. No such income was recognised during the six months ended 30 June 2015.

6 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Group		
<i>Current income tax</i>		
Provision for overseas tax	16,676	7,572
Over provision in respect of prior periods	(1,026)	(751)
	15,650	6,821
<i>Deferred tax — overseas</i>		
Origination and reversal of temporary differences	(14,283)	2,026
	1,367	8,847

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2014: 16.5%) to the six months ended 30 June 2015.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant jurisdictions.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK\$3,104,000 (six months ended 30 June 2014: HK\$12,139,000) and the weighted average number of ordinary shares of 2,742,519,248 (2014: 2,679,819,248 shares) in issue during the period.

Weighted average number of ordinary shares (basic)

	2015 Number of shares (Unaudited)	2014 Number of shares (Unaudited)
Weighted average number of ordinary shares and issued ordinary shares as at 30 June	2,742,519,248	2,679,819,248

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity holders of the Company of HK\$3,104,000 (six months ended 30 June 2014: HK\$12,139,000) and the weighted average number of ordinary shares of 2,742,519,248 (six months ended 30 June 2014: 2,685,806,266 shares), after adjusting for the effect of the potential dilution from ordinary shares issuable under the Company's share option schemes, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2015	2014
	<i>Number of shares (Unaudited)</i>	<i>Number of shares (Unaudited)</i>
Weighted average number of ordinary shares at 30 June	2,742,519,248	2,679,819,248
Effect of deemed issue of shares under the Company's share option schemes for nil consideration	<u>–</u>	<u>5,987,018</u>
Weighted average number of ordinary shares (diluted) at 30 June	<u>2,742,519,248</u>	<u>2,685,806,266</u>

8 TRADE RECEIVABLES

The Group usually grants credit periods ranging from one to three months. Each customer has a credit limit and overdue balances are regularly reviewed by management.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Within 1 month	91,917	68,900
1 to 2 months	9,313	2,909
2 to 3 months	6,797	1,530
Over 3 months	<u>25,110</u>	<u>18,688</u>
	<u>133,137</u>	<u>92,027</u>

At 30 June 2015, trade receivables of the Group included amounts totalling HK\$29,971,000 (31 December 2014: HK\$21,161,000) due from related companies and an amount of HK\$988,000 (31 December 2014: HK\$5,150,000) due from a joint venture, which are unsecured, interest-free and recoverable within one year.

9 TRADE PAYABLES

The ageing analysis of trade payables at the end of the reporting period:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Current to 3 months	94,501	57,884
Within 4 to 6 months	6,084	1,382
Within 7 to 12 months	4,496	7,265
Over 1 year	32,925	22,263
	<u>138,006</u>	<u>88,794</u>

As at 30 June 2015, the trade payables of the Group included amounts totalling HK\$48,829,000 (31 December 2014: HK\$23,480,000) due to related companies which are unsecured, interest-free and repayable on demand.

10 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group acquired two companies which are engaged in theatre operation in Mainland China from independent third parties. The total purchase consideration was RMB24,000,000 (equivalent to approximately HK\$30,000,000).

Subsequent to the end of the reporting period, the Company granted share options to certain eligible participants, subject to their respective acceptance, to subscribe for a total of 140,160,000 ordinary shares of HK\$0.10 each in the share capital of the Company.

Subsequent to the end of the reporting period, the Group entered into agreements with banks for the granting of new banking facilities of HK\$160,000,000 in aggregate.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation and Financial Review

During the period under review, the Group recorded revenue of HK\$675 million, representing an increase of 31% from HK\$514 million of the corresponding period last year. Gross profit margin remained stable at 59% (30 June 2014: 60%) for the reporting period. Net profit attributable to equity holders amounted to HK\$3.1 million, representing a decrease of 74% from HK\$12.1 million compared to the corresponding period last year.

The increase in revenue in the first half of the year was attributable to more audience drawing films which were released in both Hong Kong and Mainland China regions as well as the addition of 11 new multiplexes with 75 screens in Mainland China compared to the same period last year. The majority of our cinemas operating in Hong Kong and Mainland China recorded steady growth and the Group's operating profit slightly increased by 9% compared to the same period last year. However, the net profit of the Group reduced to HK\$3.1 million from HK\$12.1 million in the first half of 2015 due to a one-off compensation interest income for a delay in handover of a cinema site recognised in the same period last year.

As at 30 June 2015, the cash and cash equivalents of the Group amounted to HK\$313 million (31 December 2014: HK\$406 million). The Group's gearing ratio decreased to 22% as at 30 June 2015 (31 December 2014: 26%). This was mainly due to the repayment of bank borrowings by the Group during the period.

Business Review

Film Exhibition

During the six months ended 30 June 2015, the Group operated 93 cinemas with 690 screens across Mainland China, Hong Kong, Taiwan and Singapore, an increase of 16% and 17% respectively from 80 cinemas with 592 screens for the corresponding period last year. The Group's cinemas served close to 27 million guests during the period, representing an increase of 35% as compared with the last reporting period. Gross box office receipts on a full and aggregated basis, were registered at HK\$1,436 million, representing a growth of 25% over last year. The major Hollywood blockbusters released during this period were *Fast & Furious 7* (狂野時速7), *Avengers: Age of Ultron* (復仇者聯盟2: 奧創紀元), *Jurassic World* (侏羅紀世界), *The Hobbit: The Battle of the Five Armies* (哈比人: 五軍之戰). The major Chinese language blockbusters were *Little Big Master* (五個小孩的校長) in Hong Kong; *From Vegas to Macau II* (賭城風雲2) in Hong Kong and Mainland China; *SPL2* (殺破狼 II) and *Dragon Blade* (天將雄獅) in Mainland China; *The Wonderful Wedding* (大囍臨門) in Taiwan and *Ah Boy to Men 3: Frogmen* (新兵正傳3之蛙人傳) in Singapore.

Operating Statistics of the Group's Cinemas

(For the six months ended 30 June 2015)

	Mainland China	Hong Kong	Taiwan	Singapore
Number of cinemas*	63(<i>note</i>)	6	13	11
Number of screens*	447	24	127	92
Admissions (<i>million</i>)	12	1.4	8.8	4.7
Net average ticket price (<i>HK\$</i>)	39	80	62	59

* as of 30 June 2015

Note: Three more cinemas in Mainland China have completed construction and are applying for licenses, of which one cinema had already commenced business in July 2015 and the remaining two cinemas are expected to be opened before December 2015. In addition, sales and purchase agreements for three cinemas were signed in July 2015 and the handover date is scheduled for October 2015.

The Group is committed to pursue visual and audio effect perfection to bring in a new movie-going experience for our audiences. Currently, all screens in Mainland China, Hong Kong, Taiwan and Singapore have been fully installed with digital projection equipment and the majority of the Group's screens are 3D compatible. Apart from digital IMAX[®] screens and ultra-high resolution Sony 4K Projection System, the Group also has 4DX[™] and D-Box Motion Chairs as well as advanced panorama Dolby Atmos sound systems installed in some of our theatres in different regions.

Mainland China

Operating Statistics of the Group's Cinemas in Mainland China

	June 2015	June 2014
Number of cinemas*	63 (<i>note</i>)	52
Number of screens*	447	372
Admissions (<i>million</i>)	12	7.6
Net average ticket price (<i>RMB</i>)	31	32
Gross box office receipts ticket price (<i>RMB million</i>) [#]	407	267

* as of 30 June 2015

[#] before deduction of government taxes and charges

Note: Three more cinemas in Mainland China have completed construction and are applying for licenses, of which one cinema had already commenced business in July 2015 and the remaining two cinemas are expected to be opened before December 2015. In addition, sales and purchase agreements for three cinemas were signed in July 2015 and handover date is scheduled for October 2015.

During the six months ended 30 June 2015, the market gross box office receipts of urban areas in Mainland China increased by 48% to RMB20.4 billion while the Group's gross box office receipts generated by multiplexes in Mainland China increased by 53% as compared with the corresponding period last year. During the period under review, the Group opened 1 new cinema with 11 screens in the cities of Wuhan and acquired 3 cinemas in Shenzhen and Fushun. The Group's multiplexes in Mainland China served approximately 12 million patrons, representing 58% growth from the corresponding period last year. The average ticket price slightly decreased from RMB32 to RMB31 due to marketing activities launched to drive admissions. To attract and retain our valuable audiences, the Group shall further enrich our food and beverage selections and upgrade our overall service by privileging our membership program, improving comfortability and excitement of the cinema environment and promoting advancement of electronic and on-line ticketing systems so as to offer better value for money experience to our audience.

The earnings before interest, tax and depreciation of our exhibition business in Mainland China decreased by RMB2 million compared to the same period last year. Most of our cinemas secured a steady flow of audience and loyal members, which helped contribute to a stable growth of box office income. Net contribution to the Group is still under pressure due to the incubation period of newly-opened cinemas and the effects of additional depreciation and finance costs. The Group will continue to expand our market share in a cautious way by both organic growth and acquisition of potential cinemas within our existing operating provinces. During the reporting period, the Group acquired 3 cinemas from local operators in Shenzhen and Fushun and 3 more cinemas with 16 screens will be handed over to us by October 2015. We believe all these acquired cinemas will contribute stable revenue and profit to the Group in the very near future.

Hong Kong

Operating Statistics of the Group's Cinemas in Hong Kong

	June 2015	June 2014
Number of cinemas*	6	6
Number of screens*	24	24
Admissions (<i>million</i>)	1.4	1.2
Net average ticket price (<i>HK\$</i>)	80	73
Gross box office receipts ticket price (<i>HK\$ million</i>)	110	89

* as of 30 June 2015

During the period under reviewed, Hong Kong market as a whole recorded box office receipts of HK\$985 million, up by 14% from HK\$862 million for the corresponding period last year. The Group's cinemas in Hong Kong recorded box office receipts of HK\$110 million (30 June 2014: HK\$89 million), representing a substantial increase of 24%. In addition to box office receipts, concession sales receipts also recorded a 34% growth. The increase in box office income was mainly due to several record-breaking films were released during the reporting period like *Avengers: Age of Ultron* (復仇者聯盟2: 奧創紀元); *Jurassic World* (侏羅紀世界); *Little Big Master* (五個小孩的校長). Average ticket price grew from HK\$73 to HK\$80 during the period since more 3D films were released which were well received by moviegoer. The Group will continue looking for potential sites in both Hong Kong and Macau and will actively participate in all bidding invitations from landlords.

Taiwan

Operating Statistics of the Group's Cinemas in Taiwan

	June 2015	June 2014
Number of cinemas*	13	11
Number of screens*	127	109
Admissions (<i>million</i>)	8.8	7
Net average ticket price (<i>NTD</i>)	246	244
Gross box office receipts ticket price (<i>NTD billion</i>)	2.2	1.7

* as of 30 June 2015

During the six months ended 30 June 2015, Taipei City's market box office receipts amounted to NTD2.11 billion (30 June 2014: NTD1.79 billion), an increase of 18% compared to the corresponding period last year. The Group's 35.71%-owned Vie Show cinema circuit recorded total box office receipts of NTD2,169 million, which represented a 28% increase compared to the same period last year. Vie Show continues to maintain its leading position with market share of 45%. The increase in box office receipts was mainly due to the opening of 2 new theatres in Tainan and Miaoli with 1 digital IMAX® screen installed in Tainan Dream Mall. In addition, record-breaking 3D Hollywood blockbusters which were released in the first half of 2015 helped to drive both box office income and average ticket price. The Group's share of net profit from Vie Show increased from HK\$12.2 million to HK\$20.2 million compared to the corresponding period last year. Apart from the increase in box office income, control over staff costs and the e-voucher system also helped to reduce operating costs. For the distribution business, Vie Vision generated considerable profit from distribution of *From Vegas to Macau 2* (賭城風雲2) and *Dark Place* (暗處) during the reporting period.

For non-box office income, the Gold-class multiplex served by a dedicated catering team with a full kitchen helped to attract affordable middle -class audience and average spending reached NTD350 to NTD400 per person. In addition, "UNICORN" popcorn brand also extended its business to the Xinyi cinema circuit early this year and was popularly received by customers. Vie Show's operating and catering team will continue to develop new products for their audiences so that they can enjoy our food not only inside cinema houses but also take away and can enjoy everywhere at anytime.

Singapore

Operating Statistics of the Group's Cinemas in Singapore

	June 2015	June 2014
Number of cinemas*#	11	11
Number of screens*#	92	87
Admissions (million)	4.7	4.6
Net average ticket price (S\$)	10.2	9.9
Gross box office receipts ticket price (S\$ million)	47.5	45.7

* as of 30 June 2015

Marina Square was closed in September 2014 while the Suntec City Complex was opened in early November 2014.

During the six months ended 30 June 2015, the Singapore market's box office receipts totalled S\$114 million, up from S\$106 million for the corresponding period last year. The Group's 50%-owned Golden Village cinema circuit maintained its leading position with market share of 42% by reporting box office receipts of S\$47.5 million for the period, an increase of 4% over the corresponding period last year. The increase in box office receipts was mainly due to the new cinema at the Suntec City Complex comprising 11 screens with Gold Class and a IMAX® theatre opened last November. The performance of this new cinema was beyond management expectations and has already achieved breakeven during the first six months of operation. In addition, major Hollywood blockbusters like *Jurassic World* (侏羅紀世界); *Kingsman:the Secret Service* and *Taken 3* were well-received in the Singapore market. During the reporting period, the Group's share of net profit slightly decreased by 0.7% from HK\$28.2 million for the corresponding period last year to HK\$28.0 million.

Film & TV Programme Distribution and Production

During the six months ended 30 June 2015, the Group's film distribution and production business recorded revenue of HK\$20 million (30 June 2014: HK\$32 million), a decrease of 37% compared to the same period last year. The distribution revenue was mainly generated by distributing *Little Big Master* (五個小孩的校長); *From Vegas to Macau 2* (賭城風雲2); *Full Strick* (全力扣殺) and a few local releases in the Hong Kong region. For the production business, the Group will release the Golden Harvest classic movies remake *Fly me to Venus* (星語心願之再愛) in September 2015. High accolades were received from industry players after previewing this movie. The Group will continue to produce movies and TV programmes as well as Intellectual Property redevelopment in coming years by means of both self-investment and co-production with local and overseas studios and TV producers. The Group's film library with perpetual distribution rights continued contributing steady licensing income to the Group.

PROSPECTS

Looking ahead, the Group will continue to expand its cinema networks by organic growth and acquisition. As at 28 August 2015, the Group operated 64 cinemas with 454 screens in Mainland China and 2 cinemas with 11 screens are in various stages of internal renovation and are in the pipeline for opening. By the end of 2016, the Group expects to operate 78 cinemas with 542 screens in various cities in Mainland China based on lease agreements signed as at 28 August 2015. The captioned numbers above may vary due to the actual handover date, the progress of internal renovation, application for relevant licenses and the entering of new lease agreements during the period. In addition, the Group will keep identifying merger and acquisition opportunities in Mainland China. As at 28 August 2015, the Group had already signed sales and purchase agreements for 3 cinemas with 16 screens which will be handed over to us by October 2015.

In view of the growing demand for Chinese-language films, the Group will continue our production business through seeking opportunities in different platforms to co-operate with film and TV series production houses and looking for good scripts for Chinese language film and TV drama series co-productions. The Group will release the Golden Harvest classic movies remake *Fly me to Venus* (星語心願之再愛) in September 2015. High accolades were received from industry players after previewing this movie and we believe this movie will bring the Group considerable revenue in the second half of 2015.

Currently, the Group maintains reasonable liquidity and financial leverage. In order to cope with our business development, the Group will utilise and refinance available bank loan facilities to finance the various cinema projects in Mainland China and other investment opportunities.

FINANCIAL RESOURCES AND LIQUIDITY

The Group maintained a stable financial position throughout the period and its operations were financed by internal funding, bank borrowings and accumulated retained earnings. As at 30 June 2015, the Group had cash and cash equivalents amounted to HK\$313 million (31 December 2014: HK\$406 million). The Group's outstanding bank loans totalled HK\$617 million (31 December 2014: HK\$724 million). The decrease in bank loans was mainly due to the repayment of certain bank borrowings during the period. As at 30 June 2015, the Group's gearing ratio, calculated on the basis of external borrowings over total assets stood at approximately 22% (31 December 2014: 26%). As at 30 June 2015, the Group has HK\$22 million pledged cash balance to secure its banking facilities. Management will continue to monitor the gearing structure and make necessary adjustments in light of changes in the Group's development plan and economic conditions to minimise the potential risk. Currently, the Group has reasonable financial leverage. In order to cope with the expansion, the Group will utilise and refinance the available bank loan facilities to finance the cinema projects, potential acquisitions in Mainland China as well as other investment opportunities. The Group believes that its current cash holding and available banking facilities will be sufficient to fund its working capital requirements.

The Group's assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, except for certain assets and liabilities associated with the investments in Singapore and Taiwan. The overseas joint ventures of the Group are operating in their local currencies and are subject to minimal exchange risk. The directors will continue to assess the exchange risk exposure, and will consider possible hedging measures in order to minimise the risk at reasonable cost. The Group did not have any significant contingent liabilities or off-balance sheet obligations as of 30 June 2015 (2014: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group employed 1,602 (31 December 2014: 1,565) permanent employees. The Group remunerates its employees mainly by reference to industry practice. In addition to salaries, commissions and discretionary bonuses, share options will be granted to employees based on individual performance and contribution to the Group. The Group also operates a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance and, as at 30 June 2015, there was no forfeited contribution arising from employees leaving the retirement benefit scheme.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the period ended 30 June 2015 (30 June 2014: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its listed securities during the period ended 30 June 2015. Neither the Company nor any of its subsidiaries has repurchased or sold any of the Company's listed securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the period.

COMPLIANCE WITH MODEL CODE

The Company has adopted its own code on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). The Company has made specific enquiries with all the Directors and all of them have confirmed that they had complied with the requirements set out in the Model Code and the Company's Code for the period ended 30 June 2015.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE CODE

The Board recognises the importance of good corporate governance to maintain the Group's competitiveness and lead to its healthy growth. The Company has taken steps not only to comply with code provisions as set out in the Corporate Governance Code (the "CG Code") under Appendix 14 to the Listing Rules but also to aim at enhancing corporate governance practices of the Group as a whole.

For the period ended 30 June 2015, the Company has complied with the code provisions of CG Code, with the exception of code provisions A.4.1 and E.1.2.

Pursuant to code provision A.4.1 of the CG Code, non-executive directors of a listed issuer should be appointed for a specific term, subject to re-election. All non-executive Directors were not appointed for a specific term but are subject to the requirement of retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the code provisions of the CG Code.

Code provision E.1.2 requires the chairman of the Board to attend the annual general meeting of the Company held on 5 June 2015 (the "AGM"). Mr. Wu Kebo, the Chairman of the Board, was unable to attend the AGM due to other business commitment. Mr. Li Pei Sen, who took the chair of the AGM, together with other members of the Board who attended the AGM were of sufficient calibre and knowledge for answering questions at the AGM.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in accordance with the CG Code. The Audit Committee is delegated by the Board to assess matters related to the financial statements and to perform the duties, including reviewing the Company's financial controls and internal control, financial and accounting policies and practices and the relationship with the external auditor. The Audit Committee has reviewed the systems of internal control and the financial statements for the period ended 30 June 2015.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company and the Stock Exchange. The interim report of the Company for the period ended 30 June 2015 will be dispatched to the shareholders and made available on the same websites in due course.

APPRECIATION

I would like to take this opportunity to thank my fellow Directors, as well as the management and all our employees for the contribution they have made towards the Group's continued progress, and to our shareholders, customers and business partners for their support.

By order of the Board
**Orange Sky Golden Harvest
Entertainment (Holdings) Limited**
Wong Kwan Lai
Company Secretary

Hong Kong, 28 August 2015

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. Li Pei Sen

Ms. Wu Keyan

Independent Non-executive Directors:

Mr. Leung Man Kit

Mr. Huang Shao-Hua George

Ms. Wong Sze Wing