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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)

FURTHER ANNOUNCEMENT REGARDING CONTINUING CONNECTED TRANSACTION LEASING OF PROPERTY

Reference is made to the Previous Announcements dated 25 September 2012 and 25 June 2014 in relation to the Lease Agreement and the Memorandum to the Lease Agreement entered into between OSGH (China), an indirect wholly-owned subsidiary of the Company, and Jiangyin Orange Land in respect of the leasing of the Leased Property at Jiangyin Orange Land Cultural Complex for a period of 240 months commencing from the Commencement Date as stated in the announcement of the Company dated 25 September 2012.

As informed by Jiangyin Orange Land on or about 18 November 2014, the Leased Property could not be delivered on or before 31 December 2015.

On 2 December 2014, OSGH (China) and Jiangyin Orange Land entered into the Supplemental Agreement, pursuant to which Jiangyin Orange Land agreed to refund the prepayment of RMB100,000,000 (equivalent to approximately HK\$125,000,000), representing approximately 80% of the total amount of the Base Rental for the term of the Lease Agreement and also pay the Interest of RMB13,625,000 (equivalent to approximately HK\$17,031,250), being the Interest on the Base Rental prepayment during the period from October 2012 to November 2014, to OSGH (China).

Reference is made to the announcements of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “**Company**”) dated 25 September 2012 and 25 June 2014 (the “**Previous Announcements**”) in relation to the Lease Agreement and the Memorandum to the Lease Agreement entered into between OSGH (China), an indirect wholly-owned subsidiary of the Company, and Jiangyin Orange Land in respect of the leasing of the Leased Property at Jiangyin Orange Land Cultural Complex for a period of 240 months commencing from the Commencement Date as stated in the announcement of the Company dated 25 September 2012.

* *For identification purposes only*

Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Previous Announcements.

As informed by Jiangyin Orange Land on or about 18 November 2014, the Leased Property could not be delivered on or before 31 December 2015.

On 2 December 2014, OSGH (China) and Jiangyin Orange Land entered into a supplemental agreement to the Lease Agreement (as varied or supplemented by the Memorandum) (the “**Supplemental Agreement**”), pursuant to which Jiangyin Orange Land agreed to refund the prepayment of RMB100,000,000 (equivalent to approximately HK\$125,000,000), representing approximately 80% of the total amount of the Base Rental for the term of the Lease Agreement and also pay the Interest of RMB13,625,000 (equivalent to approximately HK\$17,031,250), being the Interest on the Base Rental prepayment during the period from October 2012 to November 2014, to OSGH (China).

SUPPLEMENTAL AGREEMENT TO THE LEASE AGREEMENT

The principal terms of the Supplemental Agreement are as follows:

Date : 2 December 2014

Parties : Jiangyin Orange Land and OSGH (China)

Subject matter : Jiangyin Orange Land agreed to refund to OSGH (China) the prepayment of RMB100,000,000 (equivalent to approximately HK\$125,000,000), representing approximately 80% of the total amount of the Base Rental for the term of the Lease Agreement, on or before 5 December 2014.

Jiangyin Orange Land should also pay the Interest of RMB13,625,000 (equivalent to approximately HK\$17,031,250) during the period from October 2012 to November 2014 to OSGH (China) on or before 5 December 2014, calculation of which is as follows: the rate of 7.5% per annum on the amounts of Base Rental prepayment from the respective dates of such payment as stated in the announcement of the Company dated 25 June 2014.

Other terms : It is mutually agreed that Jiangyin Orange Land shall continue to retain the refundable Security Deposit of RMB1,500,000 (equivalent to approximately HK\$1,875,000) paid by OSGH (China). The Security Deposit shall be refunded to OSGH (China) in accordance with the Lease Agreement after the vacant possession of the Leased Property being delivered by Jiangyin Orange Land to OSGH (China).

Jiangyin Orange Land should use its best endeavour to enable delivery of vacant possession of the Leased Property to OSGH (China) as soon as reasonable.

Save and except the changes mentioned above, all terms in the Lease Agreement (as varied or supplemented as aforesaid) shall remain unchanged.

ANNUAL CAPS FOR THE LEASE AGREEMENT

Upon entering into of the Supplemental Agreement, the New Annual Caps (as defined in the Company's announcement dated 25 June 2014) for each of the three financial years ending 31 December 2015, 2016 and 2017 of RMB0, RMB2,000,000 (equivalent to approximately HK\$2,500,000) and RMB3,000,000 (equivalent to approximately HK\$3,750,000) respectively will become inapplicable. The Company shall publish a further announcement and, if required, obtain shareholders' approval as soon as the revised annual caps of the Lease Agreement (as varied or supplemented as aforesaid) are determined upon having obtained the confirmation of, among other things, the delivery date of the Leased Property from Jiangyin Orange Land and OSGH (China) in accordance with the requirement under Rule 14A.54 of the Listing Rules.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As mentioned in the announcement of the Company dated 25 June 2014, the Group has not yet established any cinema in Jiangyin City, so the leasing of the Leased Property, which is in a suitable location in Jiangsu Province may offer a good opportunity for the Group to expand its cinema network in Jiangyin City. The Directors consider that entering into of the Lease Agreement (as varied or supplemented as aforesaid) can save the Company from incurring time and costs in sourcing alternate site for the establishment of a cinema in Jiangyin City and negotiating other lease with another landlord.

The Directors are of the view that the terms of the Supplemental Agreement have been arrived at after arm's length negotiation; and the refund of the prepayment and the payment of the Interest by Jiangyin Orange Land are in the interests of the Group and shareholders of the Company as a whole.

Jiangyin Orange Land is a connected person of the Company by virtue of being an associate of Mr. Wu, who is the chairman, a Director and a controlling shareholder of the Company. Ms. Wu Keyan is the sister of Mr. Wu and is an associate of Mr. Wu under Chapter 14A of the Listing Rules. In view of their interests above, Mr. Wu and Ms. Wu Keyan have abstained from voting on the relevant board resolution for approving the Supplemental Agreement and the transaction contemplated under the Supplemental Agreement. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, other than Mr. Wu and Ms. Wu Keyan, none of the Directors has material interest in the transaction and none of them is required to abstain from voting on the relevant board resolution.

IMPLICATIONS UNDER THE LISTING RULES

The entering into the Supplemental Agreement (including the payments contemplated thereunder) does not constitute a transaction under Chapter 14 of the Listing Rules. This announcement is published pursuant to the requirement under Rule 14A.35 of the Listing Rules.

The Company shall publish a further announcement and, if required, obtain shareholders' approval as soon as the revised annual caps of the Lease Agreement (as varied or supplemented as aforesaid) are determined upon having obtained the confirmation of, among other things, the delivery date of the Leased Property from Jiangyin Orange Land and OSGH (China) in accordance with the requirement under Rule 14A.54 of the Listing Rules.

INFORMATION REGARDING THE COMPANY, OSGH (CHINA) AND JIANGYIN ORANGE LAND

The Company

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activities of the Group are production, financing, distribution and theatrical exhibition of motion pictures. As of 2 December 2014, the Group operated 82 cinemas with 608 screens across China, Hong Kong, Taiwan and Singapore and is a leading distributor in the region.

OSGH (China)

OSGH (China) is a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company.

Jiangyin Orange Land

Jiangyin Orange Land is a company incorporated in the PRC and is a holding company of the land on which Jiangyin Orange Land Cultural Complex is situated. Its principal business activities are the development and construction of Jiangyin Orange Land Cultural Complex.

Jiangyin Orange Land is a connected person of the Company by virtue of being an associate of Mr. Wu, who is the chairman, a Director and a controlling shareholder of the Company.

In this announcement, the exchange rate of RMB1 to HK\$1.25 is used for reference only.

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

Hong Kong, 2 December 2014

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