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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)

PROPOSED GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

SHARE OPTIONS

The board of directors (the “**Board**”) of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “**Company**”) hereby announces that, on 13 April 2017, the Company resolved to conditionally grant 106,991,400 share options (the “**Options**”) to Mr. Wu Kebo (“**Mr. Wu**”) to subscribe for a total of 106,991,400 ordinary shares of HK\$0.1 each in the share capital of the Company (the “**Share(s)**”) under the share option scheme adopted on 11 November 2009 (the “**Share Option Scheme**”), subject to the independent shareholders’ approval at the forthcoming annual general meeting of the Company (the “**AGM**”). The total of 106,991,400 Shares to be issued under the Options represent approximately 3.9% of the existing issued share capital of the Company as at date of this announcement.

Details of the grant of the Options are as follows:

Date of conditional grant : 13 April 2017

Exercise price of the Options : HK\$0.840 per Share, which was determined as the highest of:

- (i) HK\$0.830, being the closing price of the Share as stated in the Stock Exchange’s daily quotation sheet on 13 April 2017;
- (ii) HK\$0.840, being the average closing price of the Share as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding 13 April 2017; and

* For identification purposes only

(iii) HK\$0.10, being the nominal value of a Share.

Total number of Shares which : 106,991,400 Shares (3.9%)
may be issued upon full
exercise of the Options and
the approximate percentage in
the issued share capital of the
Company as at the date of this
announcement

Validity period of the Options : During the period from 13 April 2017 to 12 April
2019 (both dates inclusive)

Subject to the terms of the Share Option Scheme as well as the Listing Rules, the Board has also resolved that Mr. Wu be authorised to grant 30,177,061 share options to any eligible participants (as defined in the Share Option Scheme) other than himself at his own discretion in the future.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules and the terms of the Share Option Scheme, where a grant of share options to a substantial shareholder of the Company would result in the Shares issued and to be issued upon exercise of all the share options (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares on the date of each grant, in excess of HK\$5 million,

such grant of share options must be approved by the independent shareholders at a general meeting at which all core connected persons of the Company (i.e. a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them) shall abstain from voting in favour, although they may vote against the resolution to approve the grant of share options at such general meeting.

Also, pursuant to Rule 17.03(4) of the Listing Rules, where any further grant of options to the grantees would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of shares in issue, such further grant must be separately approved by shareholders in general meeting.

As at the date of this announcement, without taking into account the Options conditionally granted to Mr. Wu, Mr. Wu is the chairman, an executive director and a substantial shareholder (having the meaning as ascribed thereto under the Listing Rules) of the Company who was interested in 1,844,412,097 Shares, representing approximately 67.23% of the existing issued share capital of the Company.

As the total number of Shares to be issued upon exercise of the Options offered to be granted to Mr. Wu represents in aggregate over 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares of HK\$0.830 on 13 April 2017; and as the total number of Shares issued and to be issued upon exercise of the Options granted to Mr. Wu would in a 12-month period exceed 1% of the Shares in issue, the grant of the Options to Mr. Wu is conditional upon the approval by the independent shareholders at the AGM. Mr. Wu and his associates shall abstain from voting at the AGM. Also, all core connected persons of the Company shall abstain from voting in favour at the AGM.

The grant of the Options to Mr. Wu was reviewed and approved by the independent non-executive directors of the Company in accordance with Rule 17.04(1) of the Listing Rules on 13 April 2017.

The resolution in relation to the conditional grant of the Options to Mr. Wu will be proposed at the AGM. A circular will be issued to the shareholders of the Company in relation to the AGM as soon as practicable.

By order of the Board
**Orange Sky Golden Harvest
Entertainment (Holdings) Limited**
Man Tak Cheung
Company Secretary

Hong Kong, 13 April 2017

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

Chairman and Executive Director:

Mr. Wu Kebo

Executive Directors:

Mr. Mao Yimin

Mr. Li Pei Sen

Ms. Wu Keyan

Ms. Chow Sau Fong, Fiona

Independent Non-Executive Directors:

Mr. Leung Man Kit

Ms. Wong Sze Wing

Mr. Fung Chi Man, Henry