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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 2025**

### **RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **HIGHLIGHTS**

	<b>2025</b>	<b>2024</b>	<b>Changes —</b>	
	<b>HK\$ million</b>	<b>HK\$ million</b>	<b>Increase/(decrease)</b>	<b>%</b>
		<b>(restated)</b>	<b>HK\$ million</b>	
<b>The Group</b>				
Revenue (from continuing operations)	<b>363</b>	369	<b>(6)</b>	<b>(2%)</b>
Gross profit (from continuing operations)	<b>243</b>	242	<b>1</b>	<b>1%</b>
Profit/(loss) attributable to equity holders	<b>137</b>	(81)	<b>218</b>	<b>(269%)</b>
Earnings/(loss) per share	<b>4.88 cents</b>	(2.89) cents		

- Revenue from continuing operations decreased by 2% from HK\$369.2 million in 2024 to HK\$362.7 million in 2025. The decline was mainly due to lower admissions, caused by lack of strong titles released during the period.
- Gross profit from continuing operations increased by 1%, rising from HK\$241.5 million in 2024 to HK\$242.9 million in 2025. This growth was mainly attributable to higher film royalty income during the period, which carries a higher profit margin.

\* For identification purposes only

- Profit attributable to equity holders increased during the period, turning around from a loss of HK\$81.0 million in 2024 to a profit of HK\$136.7 million in 2025. The increase is mainly attributable to the net effect of (i) a non-recurring net gain of HK\$19.1 million and HK\$85.8 million from reversal of reinstatement cost provisions and lease modifications respectively, resulting from the termination of certain cinemas' leases of the Group; (ii) an income tax credit of HK\$32.6 million arising from the reversal of deferred tax liabilities in connection with the disposal of a property in Singapore; (iii) impairment losses on non-financial assets of HK\$313.3 million during the six months ended 30 June 2024, whereas no such impairment was recorded for the six months ended 30 June 2025; (iv) a non-recurring net gain of HK\$294.3 million from the disposal of the Group's interest in a joint venture during the six months ended 30 June 2024, whereas no such gain was recorded for the six months ended 30 June 2025; and (v) a decrease in the Group's operating expenses due to cost reduction and temporary rental support during the six months ended 30 June 2025.
- Gearing ratio, calculated on the basis of bank borrowings over total assets, remained stable at 9.0% (31 December 2024: 8.0%).

## 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 2025 together with the comparative figures for the preceding six months ended 30 June 2024. The consolidated results have been reviewed by the audit committee of the Company (the “Audit Committee”).

### CONSOLIDATED INCOME STATEMENT

		<b>Six months ended 30 June 2025 HK\$'000 (Unaudited)</b>	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited) (Restated)</b>
	<i>Note</i>		
<b>Continuing operations</b>			
<b>Revenue</b>	3	<b>362,684</b>	369,249
Cost of sales		<b>(119,790)</b>	(127,741)
<b>Gross profit</b>		<b>242,894</b>	241,508
Other revenue	5	<b>114,618</b>	21,376
Other net loss		<b>(13,493)</b>	(9,855)
Selling and distribution costs		<b>(199,099)</b>	(213,906)
General and administrative expenses		<b>(25,403)</b>	(26,336)
Other operating expenses		<b>(4,072)</b>	(3,960)
<b>Profit from operations</b>		<b>115,445</b>	8,827
Finance costs	5(a)	<b>(10,360)</b>	(19,558)
<b>Profit/(loss) before taxation</b>	5	<b>105,085</b>	(10,731)
Income tax credit/(expense)	6	<b>31,627</b>	(6,947)
<b>Profit/(loss) for the period from continuing operations</b>		<b>136,712</b>	(17,678)
<b>Discontinued operations</b>			
Gain on disposal of interest in a joint venture		–	285,575
Exchange reserve realised upon disposal		–	8,723
Loss for the period from discontinued operations		–	(357,668)
		–	(63,370)
<b>Profit/(loss) for the period</b>		<b>136,712</b>	(81,048)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended <b>30 June</b> <b>2025</b> <i>HK\$'000</i> <b>(Unaudited)</b>	Six months ended 30 June 2024 <i>HK\$'000</i> (Unaudited) (Restated)
	<i>Note</i>		
<b>Attributable to:</b>			
Equity holders of the Company			
— Continuing operations		<b>136,712</b>	(17,678)
— Discontinued operations		<u>—</u>	<u>(63,370)</u>
		<b><u>136,712</u></b>	<b><u>(81,048)</u></b>
<b>Earnings/(loss) per share (HK cent)</b>	<b>7</b>		
<b>Basic and diluted</b>			
— Continuing operations		<b>4.88</b>	(0.63)
— Discontinued operations		<u>—</u>	<u>(2.26)</u>
		<b><u>4.88</u></b>	<b><u>(2.89)</u></b>

	<b>Six months ended 30 June 2025 HK\$'000 (Unaudited)</b>	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited) (Restated)</b>
<b>Profit/(loss) for the period</b>	<b>136,712</b>	<b>(81,048)</b>
<b>Other comprehensive income for the period</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— subsidiaries outside Hong Kong	<b>98,884</b>	<b>(33,356)</b>
	<b>98,884</b>	<b>(33,356)</b>
<b>Total comprehensive income for the period</b>	<b>235,596</b>	<b>(114,404)</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company		
— Continuing operations	<b>235,596</b>	<b>(58,795)</b>
— Discontinued operations	<b>—</b>	<b>(55,643)</b>
	<b>235,596</b>	<b>(114,438)</b>
Non-controlling interests	<b>—</b>	<b>34</b>
<b>Total comprehensive income for the period</b>	<b>235,596</b>	<b>(114,404)</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
<b>Non-current assets</b>			
Other property, plant and equipment		115,198	157,653
Right-of-use assets		390,815	726,127
		<u>506,013</u>	883,780
Other financial asset		62	62
Intangible assets		470,050	436,610
Goodwill		612,726	568,959
Other receivables, deposits and prepayments		12,865	16,245
		<u>1,601,716</u>	1,905,656
		-----	-----
<b>Current assets</b>			
Inventories		3,333	3,262
Film rights		14,845	15,095
Trade receivables	8	13,542	16,783
Other receivables, deposits and prepayments		40,117	43,084
Deposits and cash		152,205	133,568
Non-current asset held for sale	9	271,398	–
		<u>495,440</u>	211,792
		-----	-----
<b>Current liabilities</b>			
Bank loans		189,396	13,965
Trade payables	10	66,589	61,889
Other payables and accrued charges		94,517	123,320
Deferred income		19,022	44,407
Lease liabilities		67,601	105,529
Taxation payable		6,183	9,747
		<u>443,308</u>	358,857
		-----	-----
<b>Net current assets/(liabilities)</b>		<u>52,132</u>	(147,065)
		-----	-----
<b>Total assets less current liabilities</b>		<u>1,653,848</u>	1,758,591
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	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
<i>Note</i>		
<b>Non-current liabilities</b>		
Bank loans	–	156,016
Lease liabilities	129,923	293,297
Deferred tax liabilities	116,861	138,981
Financial derivative liabilities	1,678	507
	<u>248,462</u>	<u>588,801</u>
<b>NET ASSETS</b>	<u>1,405,386</u>	<u>1,169,790</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	279,967	279,967
Reserves	1,125,419	889,823
<b>Total equity attributable to equity holders of the Company</b>	<b>1,405,386</b>	<b>1,169,790</b>
<b>Non-controlling interests</b>	<u>–</u>	<u>–</u>
<b>TOTAL EQUITY</b>	<u>1,405,386</u>	<u>1,169,790</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

## 1 BASIS OF PREPARATION

The interim results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from that interim financial report.

The interim financial information has 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 information*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 27 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements as set out in note 2.

The preparation of the interim financial information 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 information contains condensed consolidated financial information 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 2024 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial information is unaudited, but has 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 Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to this interim financial information for the current accounting period. The amendments do not have a material impact on this interim information as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.



### 3 REVENUE

Revenue, which are from contracts within the scope of HKFRS 15, represents income from the sale of film, video and television rights, film and television drama distribution, theatre operations, promotion and advertising services and agency services.

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue.

### 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
- Singapore

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

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 reportable segments 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 results is adjusted operating result after taxation where net finance costs, exchange differences and extraordinary items (including impairment losses, gain/loss on disposal of non-financial assets and financial impact arising from early termination of leases) are excluded, and the effect of HKFRS 16, *Leases* is adjusted as if the rentals had been recognised under HKAS 17, *Leases*. To arrive at adjusted operating results after taxation, the Group's results are further adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and head office or corporate administration costs.

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

Management evaluates performance primarily based on operating results. 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															
Continuing operations								Discontinued operations							
Hong Kong		Mainland China		Singapore		Sub-total		Taiwan		360 Stage		Sub-total		Total	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Restated)				(Restated)				(Restated)		(Restated)		
Segment revenue:															
Revenue															
— Exhibition	50,877	69,837	-	-	285,913	287,072	336,790	356,909	-	126,246	-	-	-	126,246	336,790
— Distribution and production	1,851	3,861	27,204	-	14,569	38,154	43,624	42,015	-	1,222	-	-	-	1,222	43,624
— 360 Stage	-	-	-	-	-	-	-	-	-	-	10,788	-	10,788	-	10,788
— Corporate	294	294	-	-	-	-	294	294	-	-	-	-	-	294	294
Reportable segment revenue	53,022	73,992	27,204	-	300,482	325,226	380,708	399,218	-	127,468	-	10,788	-	138,256	380,708
Reportable segment profit/(loss) after taxation	3,160	(16,442)	26,014	(1,435)	5,378	20,041	34,552	2,164	-	(8,984)	-	(32,675)	-	(41,659)	34,552

*Reconciliations of reportable segment revenue and profit or loss*

	Continuing operations		Discontinued operations	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)
<b>Revenue</b>				
Reportable segment revenue	380,708	399,218	-	138,256
Share of revenue from a joint venture in Taiwan	-	-	-	(127,468)
Elimination of intra-segment revenue	(9,309)	(20,857)	-	-
Others	(8,715)	(9,112)	-	(2,473)
Consolidated revenue	362,684	369,249	-	8,315
<b>Profit/(loss) before taxation</b>				
Reportable profit/(loss) after taxation from external customers	34,552	2,164	-	(41,659)
Other operating income/(expenses), net	102,160	(19,842)	-	(21,711)
Income tax (credit)/expense	(31,627)	6,947	-	(2)
Consolidated profit/(loss) before taxation	105,085	(10,731)	-	(63,372)

## 5 PROFIT/(LOSS) BEFORE TAXATION

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

	Continuing operations Six months ended 30 June		Discontinued operations Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000 (Restated)	2025 HK\$'000	2024 HK\$'000 (Restated)
<b>(a) Finance costs</b>				
Interest on bank loans	3,656	14,406	–	58
Interest on lease liabilities	6,531	9,053	–	–
Other ancillary borrowing costs	173	1,351	–	–
Total finance costs on financial liabilities not at fair value through profit or loss	10,360	24,810	–	58
Less: finance cost capitalised into construction in progress*	–	(5,252)	–	–
	<u>10,360</u>	<u>19,558</u>	<u>–</u>	<u>58</u>

\* No finance costs have been capitalised for the six months ended 30 June 2025. The finance costs have been capitalised at rates ranging from 6.3% to 6.8% per annum for the six months ended 30 June 2024.

### (b) Staff costs (excluding directors' emoluments)

	Continuing operations Six months ended 30 June		Discontinued operations Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000 (Restated)	2025 HK\$'000	2024 HK\$'000 (Restated)
Salaries, wages and other benefits (note (i))	45,517	44,511	–	6,940
Contributions to defined contribution retirement plans	5,273	3,800	–	514
	<u>50,790</u>	<u>48,311</u>	<u>–</u>	<u>7,454</u>

(c) Other items

	Continuing operations		Discontinued operations	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)
Cost of inventories	18,303	18,240	–	217
Cost of services provided	101,077	108,979	–	13,603
Depreciation charge				
— owned property, plant and equipment	15,550	19,352	–	8,071
— right-of-use assets	44,027	49,469	–	14,487
Amortisation of intangible assets (note (ii))	–	–	–	8,369
Amortisation of film rights (note (ii))	410	522	–	–
Loss on disposals of property, plant and equipment	10,482	2,146	–	–
Impairment losses on non-financial assets				
— 360 Stage-related fixed assets	–	–	–	225,978
— development costs of 360 Stage	–	–	–	87,355
Exchange loss, net	3,011	9,855	–	282
Interest income from bank deposits	(495)	(501)	–	(7)
Gain on lease modifications (note (iii))	(85,849)	(11,717)	–	–
Reversal of reinstatement cost provisions (note (iii))	(19,100)	–	–	–
Government subsidies	(1,970)	(3,048)	–	(16,056)

Notes:

- (i) The amount includes provision for long service payments.
- (ii) The amortisation of film rights and intangible assets are included in “Cost of sales” in the consolidated income statement.
- (iii) A non-recurring gain of HK\$19,100,000 and HK\$85,849,000 attributable to the reversal of reinstatement cost provisions and lease modifications respectively was recognised as a result of the early termination of cinemas’ leases of the Group.

## 6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	Continuing operations		Discontinued operations	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)
<i>Current income tax</i>				
Provision for Hong Kong tax	–	–	–	–
Provision for overseas tax	1,879	4,688	–	–
Over provision in respect of prior years	(1,975)	–	–	(2)
	(96)	4,688	–	(2)
<i>Deferred tax — overseas</i>				
Origination and reversal of temporary differences	(31,531)	2,259	–	–
Actual tax (credit)/expense	(31,627)	6,947	–	(2)

No provision for Hong Kong Profits Tax has been made as the Group sustained a loss for Hong Kong Profits Tax for both periods.

No provision for Mainland China Corporate Income Tax has been made as the Group sustained a loss for Mainland China Corporate Income Tax for both periods.

The provision for Singapore Corporate Income Tax of the subsidiaries established in Singapore is calculated at 17% (2024: 17%) of the estimated taxable profits for the period.

## 7 EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

The calculation of basic earnings/loss per share has been based on the following profit/loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding.

#### (i) Weighted average number of ordinary shares (basic)

	<b>2025</b>	2024
	<b>Number of shares</b>	Number of shares
Issued ordinary share and weighted average number of ordinary shares as at 30 June	<b><u>2,799,669,050</u></b>	<u>2,799,669,050</u>

#### (ii) Profit/(loss) attributable to equity holders

	<b>Six months ended 30 June 2025 HK\$'000</b>	Six months ended 30 June 2024 HK\$'000 (Restated)
Profit/(loss) attributable to equity holders		
— Continuing operations	<b>136,712</b>	(17,678)
— Discontinued operations	<u>—</u>	<u>(63,370)</u>
	<b><u>136,712</u></b>	<u>(81,048)</u>

### (b) Diluted earnings/(loss) per share

The Company does not have any dilutive potential ordinary shares at 30 June 2024 and 2025. Diluted earnings/loss per share for the six months ended 30 June 2024 and 2025 is the same as the basic earnings/loss per share.

## 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 2025 HK\$'000	As at 31 December 2024 HK\$'000
Within 1 month	7,859	11,965
Over 1 month but within 2 months	2,092	2,304
Over 2 months but within 3 months	2,168	968
Over 3 months	1,423	1,546
	<u>13,542</u>	<u>16,783</u>

## 9 NON-CURRENT ASSET HELD FOR SALE

On 2 June 2025, the Group entered into the sale and purchase agreement with an independent third party, to dispose of the property located at 51 Yishun Central 1 #02-01 Singapore for a total consideration of S\$48,000,000 (the "Property Disposal"). The completion of the Property Disposal was subject to the passing of resolutions by shareholders at the special general meeting held on 7 August 2025. The resolution was passed at the special general meeting, and the Property Disposal was completed on 8 August 2025 (note 12).

## 10 TRADE PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables, based on invoice date, is as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Within 3 months	55,596	50,166
4 to 6 months	133	137
7 to 12 months	243	1,274
Over 1 year	10,617	10,312
	<u>66,589</u>	<u>61,889</u>

## 11 DISCONTINUED OPERATIONS

On 21 June 2024, the Group entered into a share purchase agreement with an independent third party to dispose of interest in a joint venture in Taiwan for a total consideration of NT\$1,249,835,000 (the “VS Disposal”).

On 20 December 2024, the Group entered into a sale and purchase agreement with the controlling shareholder to dispose of its interests in subsidiaries which operate the 360 stage operations (the “360 Disposal”).

Upon completion of the VS Disposal and the 360 Disposal, the Group no longer engages in these operations. Accordingly, the results of these operations were classified as discontinued operations and the Group has restated the comparative information for the six months ended 30 June 2024.

The results of the discontinued operations for the six months ended 30 June 2025 and 2024 are set out below:

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	–	8,315
Cost of sales	–	(22,189)
<b>Gross loss</b>	–	(13,874)
Other revenue	–	16,064
Other net loss	–	(282)
Selling and distribution costs	–	(30,481)
General and administrative expenses	–	(4,381)
Other operating expenses	–	(313,333)
<b>Loss from operations</b>	–	(346,287)
Finance costs	–	(58)
Share of loss of a joint venture	–	(11,325)
Gain on disposal of interest in discontinued operations	–	285,575
Exchange reserve realised upon disposal	–	8,723
<b>Loss before taxation</b>	–	(63,372)
Income tax credit	–	2
<b>Loss for the year from discontinued operations</b>	–	(63,370)
<b>Attributable to:</b>		
Equity shareholders of the Company	–	(63,370)
Non-controlling interests	–	–
	–	(63,370)

## 12 EVENT AFTER THE REPORTING PERIOD

The Property Disposal was approved by the Group’s shareholders through a special general meeting held on 7 August 2025 and the Property Disposal was completed on 8 August 2025. Subsequently, all the outstanding bank loans of the Group as at 30 June 2025 was fully repaid from the proceeds of the Property Disposal.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

Founded in 1970, Orange Sky Golden Harvest Group has been a world-class Chinese language film and entertainment company primarily engaged in film exhibition, film and TV programme production, and film distribution businesses.

The Group has played a vital role in the development of the Chinese language film industry. Since its inception, the Group has produced and financed over 600 movies and is currently a cinema chain that operates across Hong Kong and Singapore. To date, the Group owns a movie library of over 140 movies.

The pandemic has presented unprecedented challenges to the worldwide economy since 2020, and particularly the film and cinema industry has been one of the worst hit segments. Our industry has been suffering from growing popularity of streaming platforms and other forms of entertainment such as short video episodes that air on mobile platforms. A further blow to our industry is film supply disruption caused by Hollywood Actors and Writers Strikes that ended in late 2023 and the historic wildfires swept through Los Angeles earlier this year in January 2025. Various filming locations were damaged by the fire causing temporary halts to production. The recovery process for Hollywood and surrounding communities is ongoing and will take time and similarly our cinema business too will need help to get through the recovery period as film supplies get impacted once again.

With a lack of blockbusters in a thin release schedule resulted from the Hollywood Actors and Writers Strikes, similar to other cinema operators, we were expecting a decrease in box office, attendance and ultimately revenue. During the period, the Group's revenue from continuing operations has decreased by 2% to HK\$362.7 million (2024: HK\$369.2 million) due to lack of strong titles. While 2025 was a challenging year for film industry, the Group believes that the cinema industry worldwide is demonstrating resilience after the pandemic but with mixed results across different geographic markets.

The Group has been dedicating to expand cinemas from single use of movie viewing to an integrated entertainment hub featuring multiple lifestyle offerings such as live music concerts, e-sports events, collectibles, corporate events and food and beverages.

At the beginning of 2025, the Group operated 7 cinemas across various leased premises in Hong Kong. During the period, the Group had terminated the leases for all these cinemas and ceased its cinema operations in Hong Kong. As a result, by 30 June 2025, the Group no longer operated any cinemas in the region. Following the lease terminations during the period, the Group recorded a non-recurring gain of HK\$19.1 million, attributable to the reversal of reinstatement cost provisions, as well as a non-recurring gain of HK\$85.8 million arising from lease modifications.

As of 30 June 2025, the Group operated a network of 16 cinemas with a total of 122 screens in Singapore. In the first half of 2025 and 2024 from continuing operations, Singapore region contributed 79% and 81% to the Group's consolidated segment revenue, reaffirming its position as the Group's primary revenue driver. The Group will continue to focus on developing the Singapore market, given its significant contribution to the Group's revenue.

## **Film Exhibition**

Film exhibition business remained as the key revenue driver of the Group, which accounted for 88% of the Group's total segment revenue for the period ended 30 June 2025.

As of 30 June 2025, the Group maintained its network of 16 cinemas and 122 screens in Singapore. During the period, the Group's Singapore Golden Village Cinemas remained as the undisputed market leader locally with 57% respective share in local box office.

Film exhibition revenues of Hong Kong and Singapore regions have decreased by 6% to HK\$336.8 million during the period. The decrease was primarily attributed to a 7% reduction in total admissions from 3.26 million in the same period last year to 3.04 million resulted from lack of strong titles released during the six months period ended 30 June 2025. Average ticket price for the regions has increased from HK\$68 to HK\$70 during the period.

The major Hollywood blockbusters released during the period ended 30 June 2025 were *Mission: Impossible — The Final Reckoning* (職業特工隊：最終清算), *Captain America: Brave New World* (美國隊長4：勇敢新世界), *Minecraft Movie, A* (*Minecraft：我的世界大電影*), *Thunderbolts\** (雷霆特攻隊\*), *Lilo & Stitch* (史迪仔), *How To Train Your Dragon (2025)* (馴龍記(2025)) and *F1* (F1電影). The major Chinese language blockbusters for the year were *Nezha 2* (哪吒之魔童鬧海) from Mainland China and *I Want To Be Boss* (AI拼才會贏) from Singapore.

## Hong Kong

### *Operating Statistics of the Group's Cinemas in Hong Kong (For the six months ended 30 June 2025)*

	2025	2024
Number of cinemas*	0	8
Number of screens*	0	33
Admissions ( <i>million</i> )	0.8	0.9
Net average ticket price ( <i>HK\$</i> )	53	64
Box office receipts ( <i>HK\$ million</i> )	43	58

\* at 30 June

As at 30 June 2025, the Group no longer operated any cinemas in Hong Kong.

The Hong Kong cinema industry has struggled significantly due to a combination of factors, including a lack of strong Hollywood blockbuster titles, a disappointing post-pandemic economic recovery in Hong Kong, outwards migration of Hong Kong's younger population and the changed spending habits that people spend more money abroad or cross-border rather than locally. The weak economy has made consumers more reluctant to spend, which has directly affected cinema attendance and revenue. Specifically, the Hong Kong exhibition business experienced a decline in admissions, dropping from 0.9 million in the first half of 2024 to 0.8 million in the same period of 2025. Resulting from fewer admissions, box office receipts showed a steep decrease of 26% to HK\$42.8 million from HK\$57.9 million during the six months period ended 30 June 2025. The average ticket price has also decreased to HK\$53 (2024: HK\$64) where such decrease of average ticket price was to attract patrons to return to cinemas. Despite the decline in box office receipts in Hong Kong, the Group's Hong Kong segmental results still reported a profit of HK\$3.2 million (2024: loss of HK\$16.4 million) during the six months ended 30 June 2025. The profit was mainly attributable to significant temporary rental support from the landlords, which was only available up to the end of June 2025. With the benefit of this rental relief, premises costs for the Hong Kong exhibition segment dropped significantly, from HK\$41.0 million in the first half of 2024 to HK\$11.7 million in the same period of 2025.

## Singapore

### *Operating Statistics of the Group's Cinemas in Singapore (For the six months ended 30 June 2025)*

	2025	2024
Number of cinemas*	16	16
Number of screens*	122	122
Admissions ( <i>million</i> )	2.24	2.36
Net average ticket price ( <i>S\$</i> )	12.8	12.1
Net box office receipts ( <i>S\$ million</i> )	29	29

\* at 30 June

Singapore has been the main revenue contributor to the Group, attributing to 79% and 81% of the Group's consolidated segment revenue in first half of 2025 and 2024 from continuing operations. The Group's Singapore operations under the Golden Village brand remained the undisputed market leader locally operating a network of 16 cinemas and 122 screens, attributing to 51% of total installed screens in the country, but represented 57% of the country's total box office during the period. The high market share by box office has shown that Golden Village is the cinema of choice in Singapore and the absolute market leader locally.

During the period, Golden Village reported net box office receipts of S\$28.7 million (2024: S\$28.5 million), representing a 0.7% increase compared with 2024. The increase arose primarily from the net effect of (1) increase in net average ticket price by 6% to S\$12.8 in 2025 from S\$12.1 in 2024; and (2) lack of strong blockbusters releases during the period which resulted in 5% lower admissions amounting to 2.24 million (2024: 2.36 million). Golden Village concessions income also increased by 4% from S\$12.4 million in 2024 to S\$12.9 million in 2025 along with the 10% increase in spend per patron. Singapore operations recorded a segmental profit of HK\$5.4 million (2024: HK\$20.0 million) for the period ended 30 June 2025.

Golden Village has been dedicating efforts in expanding cinemas from a single-use movie-viewing theatre to become an integrated entertainment hub featuring other lifestyle offerings such as live music, e-sports, collectibles, and food and beverages. Furthermore, Golden Village is gradually expanding its Gold Class premium cinemas and dining options in response to the increasing demand for space and privacy, such expansion is to cater to consumers' evolving preferences after the pandemic.

To mitigate the risk of any further delay in Hollywood blockbuster release, Golden Village is committed to introduce more alternative contents, live streaming, and special movie screenings. Golden Village also offered movie vouchers and gift cards, unique merchandise items, promotions in partnership with landlords, and launched e-commerce websites to add in more variety of our revenues. In the meantime, Golden Village continued to source quality independent movies for distributions in Singapore to position the chain for exclusive screenings.

Golden Village is a household name in Singapore with a considerable larger scale of operations compared with local competitors. We remain confident in Golden Village business prospects, and will continue to expand Golden Village market leadership in Singapore going forward.

### **Film & TV Programme Distribution and Production**

The Group's film library carried perpetual distribution rights for over 140 self-owned titles, which contributed steady licensing income to the Group. One of the Group's key initiatives is to work with external studios for redevelopment of the Group's existing classical Chinese movies intellectual property into online movies, and film derivative arts.

Riding on the Group's leading position and long history in film distribution and production, the Group is one of the largest independent film distributors in Singapore. On an aggregated basis the Group's film distribution and production business recorded revenue of HK\$43.6 million (30 June 2024: HK\$43.2 million), representing a slight increase of 0.9% compared to same period last year. Key titles distributed by the Group included *I Want To Be Boss* (*AI拼才會贏*) and *Blood Brothers: Bara Naga — Malay* (*鐵血同盟：蛇血兄弟*) in Singapore.

For the production sector, the Group continued to remain prudent in investment decisions in film productions but is keen to work with external studios for redevelopment of the Group's classical Chinese film library into online moves and other film derivative arts. The Group remained active in seeking opportunities to work with local and overseas studios to produce movies and TV programmes of high quality.

## FINANCIAL REVIEW

### Profit and Loss

The Group's consolidated revenue from continuing operations decreased by 2% to HK\$362.7 million (2024: HK\$369.2 million) along with 7% lower total admission during the period. However, gross profit from continuing operations increased by 1%, rising from HK\$241.5 million in 2024 to HK\$242.9 million in 2025, which was mainly attributable to higher film royalty income during the period, which carries a higher profit margin.

Other revenue from continuing operations of HK\$114.6 million represents primarily a non-recurring net gain of HK\$19.1 million from reversal of reinstatement cost provisions and a non-recurring net gain of HK\$85.8 million from lease modifications which resulted from termination of certain cinemas' leases of the Group.

The Group's finance costs from continuing operations consisted of interest expense on bank loans and interest on lease liabilities. Interest expense on bank loans amounted to HK\$3.7 million, compared with HK\$14.4 million in last period. This decrease was mainly attributable to both a reduction in the outstanding loan balance and lower interest rates during the period.

Selling and distribution costs and general and administrative expenses from continuing operations decreased to HK\$224.5 million for the six months ended 30 June 2025, compared to HK\$240.2 million in the same period last year. Depreciation expense decreased to HK\$59.6 million (2024: HK\$68.8 million) during the period.

The Group's income tax from continuing operations recorded a credit of HK\$31.6 million (2024: expense of HK\$6.9 million) during the six months ended 30 June 2025 due to an income tax credit of HK\$32.6 million arising from the reversal of deferred tax liabilities in connection with the disposal of a property in Singapore.

The Group recorded a non-recurring net gain from discontinued operations of HK\$294.3 million from the disposal of its interest in a joint venture during the six months ended 30 June 2024. No such gain was recognised for the six months ended 30 June 2025.

The Group recognised an impairment loss from discontinued operations of HK\$313.3 million on non-financial assets during the six months ended 30 June 2024, whereas no such impairment was recorded in 2025.

As a result, profit attributable to equity holders increased during the period, turning around from a loss of HK\$81.0 million in 2024 to a profit of HK\$136.7 million in 2025.

## FINANCIAL RESOURCES AND LIQUIDITY

The Group's financial position remained healthy with net assets of HK\$1,405.4 million as of 30 June 2025 (31 December 2024: HK\$1,169.8 million).

As of 30 June 2025, the Group has total cash and bank balances amounted to HK\$152.2 million (31 December 2024: HK\$133.6 million). From a net cash or net debt perspective (total bank borrowing less total cash and bank balances), the Group's net debt has remained at a similar level from HK\$36.4 million as of 31 December 2024 to HK\$37.2 million as of 30 June 2025.

On 2 June 2025, the Group entered into a sale and purchase agreement with Lion (Singapore) Pte. Limited, an independent third party, to dispose of the property located at 51 Yishun Central 1 #02-01 in Singapore for a consideration of S\$48,000,000 (the "Disposal"). The Disposal was completed on 8 August 2025, with the net proceeds partially used to repay all outstanding bank borrowings. As a result, the carrying amount of the property, amounting to HK\$271.4 million, was classified as a non-current asset held for sale as of 30 June 2025, and the bank loans of HK\$189.4 million were reclassified as current liabilities at the end of the reporting period.

The Group's gearing ratio, calculated on the basis of bank borrowings over total assets stood at a healthy level of 9.0% (31 December 2024: 8.0%). Net gearing ratio calculated on the basis of net debt over total assets stood at a healthy level of 1.8% (31 December 2024: 1.7%) and the Group's cash to bank borrowings ratio at 80.4% (31 December 2024: 78.6%). The Group currently maintains a reasonable level of financial leverage and the Group believes that its current cash holding along with its available financial facilities shall provide sufficient resources for its working capital requirements.

The Group's assets and liabilities are principally denominated in United States dollars, Hong Kong dollars, Renminbi and Singapore dollars. The Group's bank borrowings are denominated in Singapore dollars, which is in line with the Group's main operating currencies. Each of the Group's overseas operations were operating in their local currencies and are subject to minimal exchange risk. The Group 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 2025 (31 December 2024: Nil).



## **OUTLOOK**

Asian economies will have to handle high levels of unpredictability in the trade outlook with much of the uncertainty coming from US tariffs, along with interest rates hikes, reduced consumer confidence, heightened uncertainties in global environment and worsened market sentiment amidst the Russia-Ukraine war, Israeli-Palestinian conflict and trade tensions. The trade barriers will have a ripple effect along entire supply chains and further destabilize international markets and may introduce risk of recession. Moreover, our industry may still have to suffer from lack of blockbusters in a thin release schedule.

The Group will therefore take a conservative approach on its future operation and expansion plans. In this rapidly evolving entertainment landscape with the rise of streaming platforms and social media, the Group believes that although cinemas remains a unique form of entertainment experience for moviegoers, we have to continue to introduce wide variety of diversified contents and high quality services to develop our cinemas into integrated lifestyle hubs as an entertainment destination for consumers. Looking ahead, the Group will prudently seek for suitable investment opportunities that can potentially achieve synergies to the Group's existing businesses and/or add values to the shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2025, the Group employed 204 (31 December 2024: 244) 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 2025, 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 2025 (30 June 2024: Nil).



## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

The Company did not redeem any of its listed securities during the period ended 30 June 2025. 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 C3 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 2025.

## **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 C1 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 2025, the Company has complied with the code provisions of CG Code, with the exception of code provision C.1.6 and F.2.2.

The code provision C.1.6 of the Corporate Governance Code stipulates that independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Ms. Wong Sze Wing, independent non-executive Director, was unable to attend the annual general meeting of the Company held on 26 June 2025 (the "AGM") and the special general meeting of the Company held on 7 August 2025 due to other work commitment.

Code provision F.2.2 requires the chairman of the Board to attend the AGM. Mr. Wu Kebo, the Chairman of the Board, was unable to attend the AGM on 26 June 2025 due to other business commitment. Ms. Chow Sau Fong, Fiona, 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 information 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 information for the period ended 30 June 2025.

## 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 2025 will be dispatched to the shareholders and made available on the same websites in due course.

## APPRECIATION

Finally, the board of directors would like to take this opportunity to express their gratitude to the diligence and contribution of the management and all our employees of the Group and trust and support from the shareholders, customers and business partners to the Group's development.

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

Hong Kong, 27 August 2025

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

*Chairman and Executive Director:*

Mr. Wu Kebo

*Executive Directors:*

Ms. Chow Sau Fong, Fiona

Ms. Go Misaki

Mr. Peng Bolun

Ms. Kong Minru

*Independent Non-executive Directors:*

Mr. Leung Man Kit

Ms. Wong Sze Wing

Mr. Fung Chi Man, Henry