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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

	2026	2025	**Changes — Decrease**	
	HK$ million	*HK$ million*	***HK$ million***	**%**
The Group				
Revenue	**284**	363	**(79)**	**(22%)**
Gross profit	**187**	243	**(56)**	**(23%)**
(Loss)/profit attributable to equity holders	**(55)**	137	**(192)**	**(140%)**
(Loss)/earnings per share	**(1.96) cents**	4.88 cents		

- Revenue decreased by 22% from HK$362.7 million in 2025 to HK$283.8 million in 2026. The decline was mainly due to lower admissions resulted from cessation of cinema operation in Hong Kong during first half of 2025.

- Gross profit decreased by 23%, from HK$242.9 million in 2025 to HK$186.8 million in 2026 along with the decrease in revenue. The gross profit margin held steady at 66% compared to 67% in the same period last year.

* *For identification purposes only*

- The Group recorded a loss attributable to equity holders of HK$55.0 million in 2026, compared to a profit of HK$136.7 million in 2025. The loss during the period is mainly attributable to the net effect of (i) a non-recurring net loss of approximately HK$30.8 million arising from a judgement in the legal proceedings made by the Court of First Instance of the High Court of Hong Kong (further details of which are set out in the Company's announcements dated 4 September 2018, 10 September 2018, 2 November 2018, 9 November 2018, 27 April 2026 and 27 May 2026) and the recognition of related legal and professional fees of approximately HK$28.6 million; (ii) the absence of non-recurring net gains during the six months ended 30 June 2026, compared to non-recurring net gains of HK$19.1 million and HK$85.8 million from the reversal of reinstatement cost provisions and lease modifications resulting from the termination of certain cinemas' leases of the Group during the six months ended 30 June 2025; and (iii) 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 during the six months ended 30 June 2025, whereas no such income tax credit was recorded for the six months ended 30 June 2026.

- The Group did not have any outstanding bank borrowings as at 30 June 2026. Accordingly, the gearing ratio, calculated on the basis of bank borrowings over total assets, remained at 0% (31 December 2025: 0%).

INTERIM RESULTS

The Board (the "Board") of directors (the "Directors" and each "Director") of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the "Company") hereby announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 together with the comparative figures for the preceding six months ended 30 June 2025. The consolidated results have been reviewed by the audit committee of the Company (the "Audit Committee").

CONSOLIDATED INCOME STATEMENT

	Note	**Six months ended 30 June 2026** *HK$'000* **(Unaudited)**	Six months ended 30 June 2025 *HK$'000* (Unaudited)
Revenue	*3*	**283,775**	362,684
Cost of sales		**(96,938)**	(119,790)
Gross profit		**186,837**	242,894
Other revenue		**10,787**	114,618
Other net gain/(loss)		**12,715**	(13,493)
Selling and distribution costs		**(180,987)**	(199,099)
General and administrative expenses		**(51,116)**	(25,403)
Other operating expenses		**(30,816)**	(4,072)
(Loss)/profit from operations		**(52,580)**	115,445
Finance costs	*5(a)*	**(3,373)**	(10,360)
(Loss)/profit before taxation	*5*	**(55,953)**	105,085
Income tax credit	*6*	**979**	31,627
(Loss)/profit for the period		**(54,974)**	136,712
(Loss)/earnings per share (HK cent)	*7*		
Basic and diluted		**(1.96)**	4.88

	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	**(54,974)**	136,712
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of:		
— subsidiaries outside Hong Kong	**(12,424)**	98,884
	(12,424)	98,884
Total comprehensive income for the period	**(67,398)**	235,596

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Non-current assets			
Other property, plant and equipment		**84,137**	97,871
Right-of-use assets		**357,785**	375,282
		441,922	473,153
Other financial asset		**62**	62
Intangible assets		**462,450**	462,450
Goodwill		**475,034**	475,034
Other receivables, deposits and prepayments		**18,025**	12,404
		1,397,493	1,423,103
Current assets			
Inventories		**2,893**	3,041
Film rights		**14,444**	14,444
Trade receivables	*8*	**14,169**	10,834
Other receivables, deposits and prepayments		**11,480**	36,130
Deposits and cash		**259,853**	258,617
		302,839	323,066
Current liabilities			
Trade payables	*9*	**64,975**	65,012
Other payables and accrued charges		**84,643**	79,022
Provisions		**41,917**	7,369
Deferred income		**16,689**	14,037
Lease liabilities		**63,054**	62,725
Taxation payable		**2,569**	6,421
		273,847	234,586
Net current assets		**28,992**	88,480
Total assets less current liabilities		**1,426,485**	1,511,583

	Note	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities		**93,287**	109,200
Deferred tax liabilities		**112,457**	114,244
		205,744	223,444
NET ASSETS		**1,220,741**	1,288,139
CAPITAL AND RESERVES			
Share capital		**279,967**	279,967
Reserves		**940,774**	1,008,172
TOTAL EQUITY		**1,220,741**	1,288,139

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 2026 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 reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 28 August 2026.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 2025 annual financial statements. The condensed consolidated interim financial information and the accompanying notes 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 HKFRS 9, *Financial instruments* and HKFRS 7*, Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments* issued by the HKICPA to this interim financial report, that are first effective for the current accounting period. These amendments do not have a material impact on this interim financial report.

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

— Chinese Mainland

— Singapore

The results of the Group's revenue from external customers for entities located in Hong Kong, Chinese Mainland 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. Intersegment 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		Chinese Mainland		Singapore		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Revenue								
— Exhibition	**246**	50,877	**–**	–	**284,226**	285,913	**284,472**	336,790
— Distribution and production	**1,293**	1,851	**1,464**	27,204	**24,050**	14,569	**26,807**	43,624
— Corporate	**154**	294	**–**	–	**–**	–	**154**	294
Reportable segment revenue	**1,693**	53,022	**1,464**	27,204	**308,276**	300,482	**311,433**	380,708
Reportable segment profit after taxation	**998**	3,160	**566**	26,014	**7,174**	5,378	**8,738**	34,552
Reconciliation — Revenue								
Reportable segment revenue							**311,433**	380,708
Elimination of intersegment revenue							**(19,226)**	(9,244)
Others							**(8,432)**	(8,780)
Consolidated revenue							**283,775**	362,684
Reconciliation — (Loss)/ profit before taxation								
Reportable profit after taxation from external customers							**8,738**	34,552
Other operating (expenses)/ income, net							**(63,712)**	102,160
Income tax credit							**(979)**	(31,627)
Consolidated (loss)/profit before taxation							**(55,953)**	105,085

5 (LOSS)/PROFIT BEFORE TAXATION

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

		Six months ended 30 June 2026	Six months ended 30 June 2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
(a)	**Finance costs**		
	Interest on bank loans	**–**	3,656
	Interest on lease liabilities	**3,373**	6,531
	Other ancillary borrowing costs	**–**	173
	Total finance costs on financial liabilities not at fair value through profit or loss	**3,373**	10,360
(b)	**Staff costs (excluding directors' emoluments)**		
	Salaries, wages and other benefits *(note (i))*	**34,684**	45,517
	Contributions to defined contribution retirement plans	**5,089**	5,273
		39,773	50,790
(c)	**Other items**		
	Cost of inventories	**16,219**	18,303
	Cost of services provided	**80,684**	101,077
	Depreciation charge		
	— owned property, plant and equipment	**14,831**	15,550
	— right-of-use assets	**43,043**	44,027
	Amortisation of film rights *(note (ii))*	**35**	410
	Loss on disposals of property, plant and equipment	**5**	10,482
	Exchange (gain)/loss, net	**(12,720)**	3,011
	Interest income from bank deposits	**(2,913)**	(495)
	Gain on lease modifications *(note (iii))*	**(822)**	(85,849)
	Reversal of reinstatement cost provisions *(note (iii))*	**–**	(19,100)
	Government subsidies	**(2,276)**	(1,970)

Notes:

(i) The amount includes provision for long service payments.

(ii) The amortisation of film rights 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 during the six months ended 30 June 2025.

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
Provision for Hong Kong tax	**–**	–
Provision for tax outside Hong Kong	**828**	1,879
Over provision in respect of prior years	**(2)**	(1,975)
	826	(96)
Deferred tax — outside Hong Kong		
Origination and reversal of temporary differences	**(1,805)**	(31,531)
Actual tax credit	**(979)**	(31,627)

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

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

The provision for Singapore Corporate Income Tax of the subsidiaries established in Singapore is calculated at 17% (2025: 17%) of the estimated taxable profits for the period.

7 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

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

	2026 Number of shares (Unaudited)	2025 Number of shares (Unaudited)
Issued ordinary share and weighted average number of ordinary shares as at 30 June	**2,799,669,050**	2,799,669,050

(ii) (Loss)/profit attributable to equity holders

	Six months ended 30 June 2026 ***HK\$'000*** **(Unaudited)**	Six months ended 30 June 2025 *HK\$'000* (Unaudited)
(Loss)/profit attributable to equity holders	**(54,974)**	136,712

(b) Diluted (loss)/earnings per share

The Company does not have any dilutive potential ordinary shares at 30 June 2026 and 2025. Diluted loss/earnings per share for the six months ended 30 June 2026 and 2025 is the same as the basic loss/earnings 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 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Within 1 month	**12,162**	7,685
Over 1 month but within 2 months	**234**	1,494
Over 2 months but within 3 months	**95**	83
Over 3 months	**1,678**	1,572
	14,169	10,834

9 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 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Within 3 months	**52,153**	52,617
4 to 6 months	**403**	96
7 to 12 months	**688**	1,268
Over 1 year	**11,731**	11,031
	64,975	65,012

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 in Singapore. To date, the Group owns a movie library of over 140 movies.

The pandemic has posed unprecedented challenges to the global economy since 2020, significantly impacting the film and cinema industry, which has been among the hardest hit segments. The industry's recovery remains intertwined with the volatility of the Hollywood release calendar, presenting unavoidable fluctuations in seasonal box office performances. Moreover, our industry is grappling with evolving consumer behaviors and shifting consumption habits, particularly the rising popularity of short reels and episodic content. These factors underscore the urgent need for adaptation and innovation within the cinematic landscape to align with changing audience preferences. Additionally, they necessitate a strategic diversification into alternative media to enrich our portfolio and ensure sustained relevance in an increasingly competitive market.

During the period, the Group's revenue decreased by 22% to HK$283.8 million (2025: HK$362.7 million), primarily driven by lower admissions resulting from the cessation of cinema operations in Hong Kong during the first half of 2025. While 2026 remains a challenging year for the film industry, the Group believes that the global cinema sector is demonstrating resilience after the pandemic but with mixed results across different geographic markets.

The Group is committed to transforming cinemas from traditional movie viewing spaces into integrated entertainment hubs that offer a diverse array of lifestyle experiences including live music concerts, e-sports events, collectibles, corporate events and a variety of food and beverage options. The cinema market is currently undergoing a structural polarisation, with consumer demand increasingly gravitating towards premium format screens like IMAX, 4DX and Screen X. In response to this trend, the Group is actively evaluating the feasibility of expanding its presence in the premium format segment.

During the period, the Group opened a new cinema with 6 screens at Century Square and closed a 5-screen cinema at Tiong Bahru in Singapore. As of 30 June 2026, the Group operated a network of 17 cinemas comprising a total of 132 screens in Singapore. Representing 99% of the Group's consolidated segment revenue in first half of 2026 (2025: 79%), Singapore region has effectively become the Group's singular operational anchor subsequent to the cessation of the Hong Kong cinema business in 2025. Moving forward, the Group will continue to channel its resources into maximising the potential of the Singapore market.

Singapore Film Exhibition

Operating Statistics of the Group's Cinemas in Singapore
(For the six months ended 30 June 2026)

	2026	2025
Number of cinemas*	**17**	16
Number of screens*	**132**	122
Admissions *(million)*	**2.21**	2.24
Net average ticket price *(S$)*	**12.9**	12.8
Net box office receipts *(S$ million)*	**29**	29

* at 30 June

Film exhibition business remained as the key revenue driver of the Group, which accounted for 91% of the Group's total segment revenue for the period ended 30 June 2026.

The major Hollywood blockbusters released during the period ended 30 June 2026 were *The Super Mario Galaxy Movie (超級瑪利歐銀河大電影), Michael (米高積遜), Project Hail Mary (末日聖母號), Hoppers (狸想奇兵), The Devil Wears Prada 2 (穿Prada的惡魔2), Toy Story 5 (反斗奇兵5) and Obsession (愛你致死不渝)*. The major other language blockbusters for the period were *Dear You (給阿嬷的情書)* from Chinese Mainland, *Colony (屍殺禁區)* from Korea and *Liang Po Po vs Ah Beng (梁婆婆VS阿炳)* from Singapore.

During the period, the Group's Singapore operations, Golden Village Cinemas, captured a dominant 62% share of the local box office, reinforcing its position as the undisputed market leader. This represents a notable improvement from the 57% market share recorded in the same period last year. This historically high market share firmly establishes Golden Village as the premier cinema of choice in Singapore.

Film exhibition revenues of Singapore operations have decreased by 1% to HK$284.2 million (2025: HK$285.9 million) during the period. Golden Village reported net box office receipts of S$28.5 million (2025: S$28.7 million), representing a 1% decrease compared with 2025. The decrease arose primarily from the net effect of (1) increase in net average ticket price by 0.8% to S$12.9 in 2026 from S$12.8 in 2025; and (2) lack of strong blockbusters releases during the period which resulted in 1% lower admissions amounting to 2.21 million (2025: 2.24 million). Golden Village concessions income also decreased by 4% from S$12.9 million in 2025 to S$12.4 million in 2026 along with the 3% decrease in spend per patron and 1% decrease in admissions. Singapore operations recorded a segmental profit of HK$7.2 million (2025: HK$5.4 million) for the period ended 30 June 2026.

Golden Village has been dedicating efforts in transforming cinemas from traditional single-use movie-viewing theatres into integrated entertainment hubs that offer a diverse range of lifestyle experiences including live music, e-sports, collectibles, and a wide variety of food and beverage options. Furthermore, Golden Village is gradually expanding its Gold Class premium cinemas and dining options in response to the increasing demand for space and privacy, aiming to cater to consumers' evolving preferences in the post-pandemic era.

To mitigate the risk of any further delay in Hollywood blockbuster release, Golden Village is committed to introducing a broader array of 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 diversify its revenue streams. Meanwhile, Golden Village continues to source quality independent movies for distribution in Singapore, positioning 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's business prospects, and will continue to expand Golden Village's 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 collaborate with external parties, leveraging our existing classical Chinese movies intellectual property to develop into online movies and creative derivatives.

Riding on the Group's leading position and long history in film distribution and production, the Group remains one of the largest independent film distributors in Singapore. The Group's film distribution and production business recorded revenue of HK$26.8 million (2025: HK$43.6 million), representing a 39% decrease compared to the same period last year. This decrease was primarily attributable to the recognition of a one-off film licensing deal in Chinese Mainland during the six months ended 30 June 2025. Key titles distributed in Singapore by the Group during the six months ended 30 June 2026 included *Liang Po Po vs Ah Beng (梁婆婆VS阿炳), Colony (屍殺禁區)* and *Dear You* (*給阿嬷的情書*).

For the production sector, the Group continued to remain prudent in investment decisions in film productions but is keen to collaborate with external parties, leveraging our classical Chinese film library to develop into online movies and creative derivatives. 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

During the six months ended 30 June 2026, the Group's consolidated revenue decreased by 22% to HK$283.8 million (2025: HK$362.7 million) accompanied by a 27% decline in total admissions mainly resulting from last year's cessation of cinema operations in Hong Kong. Driven by the reduction in revenue, gross profit also decreased by 23% from HK$242.9 million in 2025 to HK$186.8 million in 2026. The gross profit margin held steady at 66% compared to 67% in the same period last year.

Other revenue has decreased from HK$114.6 million in 2025 to HK$10.8 million in 2026. The decrease is mainly attributable to the absence of non-recurring net gains during the six months ended 30 June 2026, compared to 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 in 2025.

The Group's finance costs decreased to HK$3.4 million for the six months ended 30 June 2026, compared to HK$10.4 million for the same period in 2025. Finance costs for the current period primarily comprised interest on lease liabilities, whereas the prior period's finance costs included interest on bank loans, other ancillary borrowing costs and interest on lease liabilities. The reduction in finance costs was mainly attributable to the absence of bank loans interest following the full repayment of outstanding bank loans last year, as well as a decrease in interest on lease liabilities resulting from the termination of certain cinema leases by the Group in 2025.

Selling and distribution costs decreased by 9% to HK$181.0 million for the six months ended 30 June 2026, compared to HK$199.1 million for the same period last year. This decrease was mainly attributable to the absence of operating expenses from the Hong Kong exhibition business following the cessation of cinema operations in 2025.

General and administrative expenses increased to HK$51.1 million for the six months ended 30 June 2026, compared to HK$25.4 million for the same period last year. The increase was mainly attributable to the recognition of legal and professional fees of HK$28.6 million in connection with the Group's legal proceedings, further details of which are set out in the Company's announcements dated 4 September 2018, 10 September 2018, 2 November 2018, 9 November 2018, 27 April 2026 and 27 May 2026.

The Group's income tax recorded a credit of HK$0.98 million (2025: HK$31.6 million) during the six months ended 30 June 2026. The decrease in the credit amount was mainly due to the reversal of deferred tax liabilities of HK$32.6 million in connection with the disposal of a property in Singapore during the six months ended 30 June 2025, whereas no similar substantial income tax credit was recognised during the current period.

The Group recognised net provisions of HK$30.8 million for its legal proceedings following a judgement handed down by the Court of First Instance of the High Court of Hong Kong on 27 April 2026, further details of which are set out in the Company's announcements dated 4 September 2018, 10 September 2018, 2 November 2018, 9 November 2018, 27 April 2026 and 27 May 2026.

As a result, the Group recorded a net loss attributable to equity holders of the Company of HK$55.0 million for the six months ended 30 June 2026, reversing from a profit of HK$136.7 million for the same period in 2025.

FINANCIAL RESOURCES AND LIQUIDITY

The Group's financial position remained healthy with net assets of HK$1,220.7 million as of 30 June 2026 (31 December 2025: HK$1,288.1 million).

As of 30 June 2026, the Group has total cash and bank balances amounting to HK$259.9 million (31 December 2025: HK$258.6 million). The Group did not have any outstanding bank borrowings as at 30 June 2026 and 31 December 2025. Accordingly, the Group's gearing ratio, calculated as bank borrowings over total assets, remained at nil. 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. 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 2026 (31 December 2025: Nil).

OUTLOOK

Asian economies are currently facing severe trade volatility driven by U.S. tariffs, global interest rate hikes, and declining consumer confidence. This instability is further exacerbated by the Russia-Ukraine war, the Israeli-Palestinian conflict, and the ongoing U.S.-Iran tensions, which have severely disrupted critical shipping lanes and caused global Brent crude oil prices to soar. Collectively, these crises pose a significant threat of triggering a recession and disrupting supply chains. For our industry, this economic uncertainty arrives at a very challenging moment, as we are already struggling with a highly depleted release schedule and a severe lack of blockbuster products, alongside evolving consumer behaviors and shifting consumption habits, particularly the rising popularity of short-form reels and episodic content.

The Group will therefore take a conservative approach on its future operation and expansion plans. In this rapidly evolving entertainment landscape, characterised by the rise of streaming platforms and social media, the Group acknowledges that while cinemas remain a unique form of entertainment experience for moviegoers, we must continue to introduce wide variety of diversified contents and high quality services. Our goal is to develop our cinemas into integrated lifestyle hubs that serve as entertainment destinations for consumers. Looking ahead, the Group will prudently seek for suitable investment opportunities that can potentially achieve synergies with the Group's existing businesses and add values to the shareholders. Additionally, we will explore expansion opportunities in other entertainment sectors, such as concert business and multi-function entertainment venues to supplement our current offerings.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed 177 (31 December 2025: 207) 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 2026, 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 2026 (30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of its listed securities during the period ended 30 June 2026. 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 2026.

COMPLIANCE WITH 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 2026, 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 10 June 2026 (the "AGM") 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 10 June 2026 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

As disclosed in the announcement of the Company dated 15 June 2026, following the resignation of Ms. Wong Sze Wing with effect from 15 June 2026, the Board comprises five executive Directors and two independent non-executive Directors. As a result of the foregoing, the Company is not in compliance with the requirements of (i) Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") that the Board must include at least three independent non-executive Directors; (ii) Rule 3.10A of the Listing Rules that independent non-executive Directors must represent at least one-third of the board; (iii) Rule 3.21 of the Listing Rules that the audit committee of the Board must comprise a minimum of three members and must be chaired by an independent non-executive director; (iv) Rule 3.25 of the Listing Rules that the remuneration committee must be chaired by an independent non-executive Director and comprising a majority of independent non-executive Directors; and (v) Rule 3.27A of the Listing Rules that the nomination committee must be chaired by the chairman of the board or an independent non-executive Director and comprising a majority of independent non-executive Directors. The Company is in the process of identifying suitable candidate(s) to fill the casual vacancy of independent non-executive Director, the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Board in order to meet the aforementioned Listing Rules requirements, and will use its best endeavors to ensure a suitable candidate is appointed as soon as practicable, in any event within three months from 15 June 2026. Further announcement(s) will be made by the Company as and when appropriate.

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 2026.

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 2026 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, 28 August 2026

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
Mr. Go Tomohiro
Mr. Peng Bolun
Ms. Kong Minru

Independent Non-executive Directors:
Mr. Leung Man Kit
Mr. Fung Chi Man, Henry