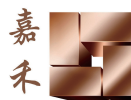


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Golden Harvest

**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)**

**FINAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**HIGHLIGHTS**

	2024 <i>HK\$ million</i>	2023 <i>HK\$ million</i> (restated)	Changes — Increase/(decrease) <i>HK\$ million</i>	%
<b>The Group</b>				
Revenue (from continuing operations)	734	793	(59)	(7%)
Gross profit (from continuing operations)	484	518	(34)	(7%)
Loss before taxation (from continuing operations)	(158)	(39)	(119)	308%
Loss attributable to equity holders	(243)	(90)	(152)	168%
Loss per share	(8.67) cents	(3.23) cents		

- Revenue from continuing operations decreased by 7% from HK\$792.8 million in 2023 to HK\$734.3 million in 2024, mainly resulting from the lack of strong titles released during the year.
- Gross profit from continuing operations decreased by 7% from HK\$518.4 million in 2023 to HK\$484.2 million in 2024 along with the decrease in revenue and the gross profit margin from continuing operations remained stable at 66% (2023: 65%).
- Loss attributable to equity holders increased from HK\$90.4 million in 2023 to HK\$242.6 million in 2024. The increase in loss was mainly due to (i) a non-recurring net gain of HK\$285.6 million and exchange reserve realised of HK\$8.7 million during the year ended 31 December 2024 upon disposal of the shares of the Group's joint venture; (ii) impairment losses on non-financial assets of HK\$442.2 million (2023: HK\$18.1 million); and (iii) decrease of the Group's consolidated gross profit.
- Gearing ratio, calculated on the basis of bank borrowings over total assets, has improved to 8.0% (31 December 2023: 12.8%).

\* For identification purposes only

## RESULTS

The Board (the “Board”) of directors (the “Directors” and each “Director”) of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 together with the comparative figures. The consolidated results have been reviewed by the audit committee of the Company (the “Audit Committee”).

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 December 2024*

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>734,259</b>	792,753
Cost of sales		<b>(250,050)</b>	(274,380)
<b>Gross profit</b>		<b>484,209</b>	518,373
Other revenue		<b>32,083</b>	23,850
Other net loss		<b>(18,255)</b>	(10,036)
Selling and distribution costs		<b>(423,849)</b>	(459,209)
General and administrative expenses		<b>(64,024)</b>	(60,789)
Other operating expenses		<b>(129,560)</b>	(11,589)
<b>(Loss)/profit from operations</b>		<b>(119,396)</b>	600
Finance costs	6(a)	<b>(38,781)</b>	(39,323)
<b>Loss before taxation</b>	6	<b>(158,177)</b>	(38,723)
Income tax expense	7	<b>(9,888)</b>	(7,791)
<b>Loss for the year from continuing operations</b>		<b>(168,065)</b>	(46,514)
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	11	<b>(74,577)</b>	(43,887)
<b>Loss for the year</b>		<b>(242,642)</b>	(90,401)

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
<b>Attributable to:</b>		
Equity holders of the Company	(242,642)	(90,398)
Non-controlling interests	<u>—</u>	<u>(3)</u>
<b>Total loss for the year</b>	<u><u>(242,642)</u></u>	<u><u>(90,401)</u></u>
<b>Loss attributable to equity shareholders of the Company arises from:</b>		
— Continuing operations	(168,065)	(46,511)
— Discontinued operations	<u>(74,577)</u>	<u>(43,887)</u>
	<u><u>(242,642)</u></u>	<u><u>(90,398)</u></u>
<b>Loss per share (HK cent)</b>	8	
<b>Basic and diluted</b>		
— Continuing operations	(6.00)	(1.66)
— Discontinued operations	<u>(2.67)</u>	<u>(1.57)</u>
	<u><u>(8.67)</u></u>	<u><u>(3.23)</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
<b>Loss for the year</b>	<b>(242,642)</b>	(90,401)
<b>Other comprehensive income for the year</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— subsidiaries outside Hong Kong	<b>(35,564)</b>	34,103
— a joint venture outside Hong Kong	<u>—</u>	<u>112</u>
	<b>(35,564)</b>	34,215
<b>Total comprehensive income for the year</b>	<b>(278,206)</b>	(56,186)
<b>Total comprehensive income attributable to:</b>		
Continuing operations	<b>(203,674)</b>	(12,319)
Discontinued operations	<b>(74,577)</b>	(43,887)
Equity holders of the Company	<b>(278,251)</b>	(56,206)
Non-controlling interests	<u>45</u>	<u>20</u>
<b>Total comprehensive income for the year</b>	<b>(278,206)</b>	(56,186)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 <b>HK\$'000</b>
<b>Non-current assets</b>			
Other property, plant and equipment		<b>157,653</b>	440,525
Right-of-use assets		<b>726,127</b>	1,438,157
		<b>883,780</b>	1,878,682
Interest in a joint venture		–	20,063
Other financial asset		<b>62</b>	–
Intangible assets		<b>436,610</b>	627,205
Goodwill		<b>568,959</b>	589,848
Other receivables, deposits and prepayments		<b>16,245</b>	41,478
		<b>1,905,656</b>	3,157,276
<b>Current assets</b>			
Inventories		<b>3,262</b>	6,744
Film rights		<b>15,095</b>	15,400
Trade receivables	9	<b>16,783</b>	18,562
Other receivables, deposits and prepayments		<b>43,084</b>	69,006
Pledged bank deposits		–	35,507
Deposits and cash		<b>133,568</b>	124,773
		<b>211,792</b>	269,992
<b>Current liabilities</b>			
Bank loans		<b>13,965</b>	104,306
Trade payables	10	<b>61,889</b>	73,582
Other payables and accrued charges		<b>123,320</b>	166,278
Deferred revenue		<b>44,407</b>	81,352
Lease liabilities		<b>105,529</b>	123,578
Taxation payable		<b>9,747</b>	5,849
		<b>358,857</b>	554,945
<b>Net current liabilities</b>		<b>(147,065)</b>	(284,953)
<b>Total assets less current liabilities</b>		<b>1,758,591</b>	2,872,323

	<b>2024</b>	2023
<i>Note</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Bank loans	<b>156,016</b>	335,078
Lease liabilities	<b>293,297</b>	431,036
Deferred revenue	–	502,704
Deferred tax liabilities	<b>138,981</b>	142,199
Financial derivative liabilities	<b>507</b>	–
	<u><b>588,801</b></u>	<u>1,411,017</u>
<b>NET ASSETS</b>	<u><b>1,169,790</b></u>	<u>1,461,306</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>279,967</b>	279,967
Reserves	<b>889,823</b>	1,182,585
<b>Total equity attributable to equity holders of the Company</b>	<b>1,169,790</b>	1,462,552
<b>Non-controlling interests</b>	–	(1,246)
<b>TOTAL EQUITY</b>	<u><b>1,169,790</b></u>	<u>1,461,306</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 STATEMENT OF COMPLIANCE

The financial results set out in the announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

### 2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

— Derivative financial instruments.

During the year ended 31 December 2024, the Group incurred a loss of HK\$242,642,000 and net cash outflow of HK\$39,709,000 in respect of its operating activities and lease rentals. As at 31 December 2024, the Group had net current liabilities of HK\$147,065,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have been taking various actions to improve the Group's operating cash flows, which include:

- implementing various strategies to improve the Group's exhibition, distribution and production income to generate additional operating cash inflows; and
- dispose of Group's properties.

Based on the directors' intentions and the cash flow forecast, assuming the success of the above measures, the directors are of the opinion that the Group is able to meet its obligations as and when they fall due. Accordingly, it is appropriate to prepare the Group's financial statements for the year ended 31 December 2024 on a going concern basis. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these financial statements.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in the consolidated financial statements.

### **3 CHANGES IN ACCOUNTING POLICIES**

#### **Changes in accounting policies**

##### *(i) New and amended HKFRSs*

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*



The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

**Amendments to HKAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)**

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions. The amendments have no effect on the group’s consolidated statement of profit or loss, cash flows and earnings per share.

**Amendments to HKFRS 16, *Leases* — *Lease liability in a sale and leaseback***

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the group has not entered into any sale and leaseback transactions.

**Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: disclosures* — *Supplier finance arrangements***

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the group has not entered into any supplier finance arrangements.

#### **4 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 and stage 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.

## 5 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
- Taiwan

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

The Group has disposed of its interests in the joint venture operating in Taiwan, and the 360 Stage related operations in Mainland China.

The result of these segments have been classified as discontinued operations during the year ended 31 December 2024 and the Group has restated the comparative information for the year ended 31 December 2023.

### Segment revenue and results

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:

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 result is adjusted operating result after taxation where net finance costs, exchange differences and extraordinary items (including impairment losses and gain/loss on disposal of non-financial assets) 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 result after taxation, the Group's result is 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 result after taxation, management is provided with segment information concerning revenue.

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

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

	Continuing operations							
	Hong Kong		Mainland China		Singapore		Sub-total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(restated)				(restated)
<b>Segment revenue:</b>								
Revenue								
— Exhibition	148,215	176,285	-	-	576,021	614,978	724,236	791,263
— Distribution and production	6,300	9,426	-	5,236	48,965	22,020	55,265	36,682
— 360 Stage	-	-	-	-	-	-	-	-
— Corporate	600	1,019	-	-	-	-	600	1,019
<b>Reportable segment revenue</b>	<b>155,115</b>	<b>186,730</b>	<b>-</b>	<b>5,236</b>	<b>624,986</b>	<b>636,998</b>	<b>780,101</b>	<b>828,964</b>
<b>Reportable segment (loss)/profit after taxation</b>	<b>(19,478)</b>	<b>(24,088)</b>	<b>(2,378)</b>	<b>3,119</b>	<b>35,574</b>	<b>48,948</b>	<b>13,718</b>	<b>27,979</b>
	Discontinued operations							
	Taiwan		360 Stage		Sub-total			
	2024	2023	2024	2023	2024	2023		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
		(restated)	(restated)		(restated)	(restated)		
<b>Segment revenue:</b>								
Revenue								
— Exhibition	126,246	397,490	-	-	126,246	397,490		
— Distribution and production	1,222	2,452	-	-	1,222	2,452		
— 360 Stage	-	-	19,743	7,227	19,743	7,227		
— Corporate	-	-	-	-	-	-		
<b>Reportable segment revenue</b>	<b>127,468</b>	<b>399,942</b>	<b>19,743</b>	<b>7,227</b>	<b>147,211</b>	<b>407,169</b>		
<b>Reportable segment (loss)/profit after taxation</b>	<b>(8,984)</b>	<b>15,658</b>	<b>(44,125)</b>	<b>(40,268)</b>	<b>(53,109)</b>	<b>(24,610)</b>		

	Consolidated					
	Continuing operations		Discontinued operations		Total	
	Sub-total		Sub-total		Total	
2024	2023	2024	2023	2024	2023	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(restated)		(restated)			
<b>Segment revenue:</b>						
Revenue						
— Exhibition	724,236	791,263	126,246	397,490	850,482	1,188,753
— Distribution and production	55,265	36,682	1,222	2,452	56,487	39,134
— 360 Stage	—	—	19,743	7,227	19,743	7,227
— Corporate	600	1,019	—	—	600	1,019
<b>Reportable segment revenue</b>	<b>780,101</b>	<b>828,964</b>	<b>147,211</b>	<b>407,169</b>	<b>927,312</b>	<b>1,236,133</b>
<b>Reportable segment (loss)/profit after taxation</b>	<b>13,718</b>	<b>27,979</b>	<b>(53,109)</b>	<b>(24,610)</b>	<b>(39,391)</b>	<b>3,369</b>

*Reconciliations of reportable segment revenue and profit or loss*

	Continuing operations		Discontinued operations	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
<b>Revenue</b>				
Reportable segment revenue	780,101	828,964	147,211	407,169
Share of revenue from a joint venture in Taiwan	—	—	(127,468)	(399,942)
Elimination of intra-segment revenue	(282)	(15,568)	—	—
Others	(45,560)	(20,643)	(2,559)	(223)
<b>Consolidated revenue</b>	<b>734,259</b>	<b>792,753</b>	<b>17,184</b>	<b>7,004</b>
<b>(Loss)/profit before taxation</b>				
Reportable (loss)/profit after taxation from external customers	13,718	27,979	(53,109)	(24,610)
Other operating expenses, net	(181,783)	(74,493)	(21,468)	(19,277)
Income tax expense	9,888	7,791	(2)	2
<b>Consolidated loss before taxation</b>	<b>(158,177)</b>	<b>(38,723)</b>	<b>(74,579)</b>	<b>(43,885)</b>

## 6 LOSS BEFORE TAXATION

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

	Continuing operations		Discontinued operations	
	Year ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
<b>(a) Finance costs</b>				
Interest on bank loans	22,550	29,738	76	40
Interest on lease liabilities	16,945	19,427	–	–
Other ancillary borrowing costs	4,539	3,795	–	–
Total finance costs on financial liabilities not at fair value through profit or loss	44,034	52,960	76	40
Less: finance costs capitalised into construction in progress ( <i>note (i)</i> )	(5,253)	(13,637)	–	–
	<u>38,781</u>	<u>39,323</u>	<u>76</u>	<u>40</u>
<b>(b) Staff costs</b>				
Salaries, wages and other benefits ( <i>note (ii)</i> )	99,685	103,296	19,125	18,679
Contributions to defined contribution retirement plans	8,075	8,765	1,201	1,307
	<u>107,760</u>	<u>112,061</u>	<u>20,326</u>	<u>19,986</u>

	Continuing operations		Discontinued operations	
	Year ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
<b>(c) Other items</b>				
Cost of inventories	36,627	38,621	368	119
Cost of services provided	212,701	234,129	14,016	–
Depreciation charge				
— owned property, plant and equipment	38,473	41,441	8,072	6,800
— right-of-use-assets	98,415	110,066	23,543	23,270
Impairment losses on non-financial assets				
— trademark	80,524	–	–	–
— cinema-related assets	45,637	10,281	–	–
— film right	544	1,308	–	–
— development costs of 360 Stage	–	–	88,821	6,506
— 360 Stage-related fixed assets	–	–	226,682	–
Amortisation of intangible assets				
— development costs of 360 Stage	–	–	8,369	6,945
Amortisation of film rights	722	1,629	–	–
Auditors' remuneration	3,527	3,286	–	107
Exchange loss/(gain), net	10,581	9,780	2,479	(334)
Interest income from bank deposits	(3,097)	(1,479)	(10)	(44)
Loss on disposal of property, plant and equipment	7,674	256	111	–
Gain on lease modification	(12,255)	(4,035)	–	–
Gain on disposal of joint venture (note (iv))	–	–	(285,575)	–
Gain on disposal of subsidiaries (note (v))	–	–	(35)	–
Exchange reserve realised upon disposal	–	–	(13,310)	–

Notes: (i) The finance costs have been capitalised at rates ranging from 6.30% to 6.80% (2023: 4.77% to 7.52%) per annum for the year ended 31 December 2024.

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

(iii) The amortisation of film rights for the year is included in “Cost of sales” in the consolidated income statement.

(iv) On 21 June 2024, the Group entered into the share purchase agreement with an independent third party to dispose the shares of its joint venture in Taiwan (the “VS Disposal”) for total consideration of NT\$1,249,835,000. During the year, the Group had sold 35.69% of the total issued share capital of its joint venture, a net gain on disposal of joint venture of approximately HK\$285,575,000 was recognised and exchange reserve of HK\$8,723,000 was realised for the year ended 31 December 2024. As at 31 December 2024, the Group had reclassified the remaining shareholding of 0.02% of total issued share capital of its joint venture to other financial asset and the results from the joint venture have been classified as discontinued operations.

(v) On 20 December 2024, the Group had entered into the sale and purchase agreement with the controlling shareholder to dispose its interests of 360 Stage (the “360 Disposal”) for total consideration of HK\$2,700,000. The results from the 360 Disposal had been classified as discontinued operations, a net gain of disposal of HK\$35,000 was recognised and exchange reserve of HK\$4,587,000 was realised for the year ended 31 December 2024.

## 7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	Continuing operations		Discontinued operations	
	Year ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
<i>Current income tax</i>				
Provision for Hong Kong tax	100	99	-	-
Provision for overseas tax	7,905	9,370	-	2
Under/(over) provision in respect of prior years	2	(50)	(2)	-
	8,007	9,419	(2)	2
<i>Deferred tax — overseas</i>				
Reversal of temporary differences	1,881	(1,628)	-	-
Actual tax expenses/(credit)	9,888	7,791	(2)	2

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year.

No provision for Mainland China Corporate Income Tax has been made in the consolidated financial statements as the Group sustained a loss for calculation of Mainland China Corporate Income Tax for both years.

The provision for Singapore Corporate Income Tax of the subsidiaries established in Singapore is calculated at 17% (2023: 17%) of the estimated taxable profits for the year.

## 8 LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company and the weighted average number of ordinary shares of 2,799,669,050 (2023: 2,799,669,050 shares) in issue during the year, calculated as follows:

(i) *Weighted average number of ordinary shares:*

	<b>2024</b>	2023
	<b>Number of shares</b>	Number of shares
Issued ordinary shares and weighted average number of ordinary shares at 31 December	<b><u>2,799,669,050</u></b>	<u>2,799,669,050</u>

(ii) *Loss attributable to equity shareholders*

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000 (restated)
— Continuing operations	<b>(168,065)</b>	(46,511)
— Discontinued operations	<b><u>(74,577)</u></b>	<u>(43,887)</u>
	<b><u>(242,642)</u></b>	<u>(90,398)</u>

### (b) Diluted loss per share

The Company does not have any dilutive potential ordinary shares at 31 December 2024 and 2023. Diluted loss per share for the years ended 31 December 2024 and 2023 is the same as the basic loss per share.



## 9 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 loss allowance, is as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	<b>11,965</b>	13,718
Over 1 month but within 2 months	<b>2,304</b>	2,364
Over 2 months but within 3 months	<b>968</b>	761
Over 3 months	<b>1,546</b>	1,719
	<hr/> <b>16,783</b> <hr/>	<hr/> 18,562 <hr/>

## 10 TRADE PAYABLES

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 3 months	<b>50,166</b>	55,509
4 to 6 months	<b>137</b>	230
7 to 12 months	<b>1,274</b>	7,214
Over 1 year	<b>10,312</b>	10,629
	<hr/> <b>61,889</b> <hr/>	<hr/> 73,582 <hr/>

## 11 DISCONTINUED OPERATIONS

On 21 June 2024, the Group disposed of its shares of its joint venture in Taiwan (see note 6(c)(iv)).

On 20 December 2024, the Group had entered into the sale and purchase agreement with the controlling shareholder to dispose its interests in subsidiaries which operate the 360 stage operations (see note 6(c)(v)).

Upon completion of the VS Disposal and 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 year ended 31 December 2023.

### Results of discontinued operations

	Note	Discontinued operations	
		2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	4 & 5	<b>17,184</b>	7,004
Cost of sales		<b>(22,753)</b>	(7,063)
<b>Gross loss</b>		<b>(5,569)</b>	(59)
Other revenue		<b>25,211</b>	23,529
Other net (loss)/income		<b>(2,590)</b>	334
Selling and distribution costs		<b>(57,012)</b>	(58,621)
General and administrative expenses		<b>(6,635)</b>	(4,837)
Other operating expenses		<b>(315,503)</b>	(6,506)
<b>Loss from operations</b>	6	<b>(362,098)</b>	(46,160)
Finance costs		<b>(76)</b>	(40)
Share of (loss)/profit of a joint venture		<b>(11,325)</b>	2,315
Gain on disposal of interest in discontinued operations		<b>285,610</b>	–
Exchange reserve realised upon disposal		<b>13,310</b>	–
<b>Loss before taxation</b>		<b>(74,579)</b>	(43,885)
Income tax credit/(expense)	7	<b>2</b>	(2)
<b>Loss for the year from discontinued operations</b>		<b>(74,577)</b>	(43,887)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(74,577)</b>	(43,887)
Non-controlling interests		<b>–</b>	–
		<b>(74,577)</b>	(43,887)

## 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.

With the 2023 Hollywood writers and actors strikes resulting in a lack of blockbusters in a thin release schedule, similar to other cinema operators, we were expecting a steep decrease in box office, attendance and ultimately revenue. The Group's revenue has decreased by 7% to HK\$734.3 million (2023: HK\$792.8 million) due to lack of strong titles. While 2024 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.

During the year, the Group has closed 2 cinemas with 7 screens in Hong Kong. On 21 June 2024, the Group has disposed its interest in Vie Show to Wanin International Co., Ltd at a total consideration of NT\$1,249,047,485 (the "VS Disposal") for approximately 35.69% of the total issued capital of Vie Show and the Group has recognised a net gain on disposal of HK\$285.6 million and realised exchange reserve of HK\$8.7 million.

The Group's first 360 stage in Suzhou was launched in July 2023, initially planned for a trial run during its early months. During the six months ended 30 June 2024, as a result of the ongoing economic challenges in Mainland China, affecting market recovery in the post-pandemic era, the attendance of the show remained unsatisfactory and the overall improvement of financial performance of the 360 stages was slower than expected. The Group has therefore reassessed the discount cashflow forecast with the assistance of external valuation specialist, and impairment losses of HK\$315.5 million had been provided on its investments in 360 stages. During the second half of 2024, the continued operating losses and the capital expenditure required for 360 stages imposed great pressure in the cash flows of the Group. In order to relieve the Group's operation and cash flows pressure, the Group disposed its interests of 360 stages to Majestic Dragon International Ltd, a company 100% beneficially owned by the controlling shareholder, at a total consideration of HK\$2.7 million (the "360 Disposal") on 20 December 2024. The 360 Disposal recognised a gain on disposal of approximately HK\$35,000 and exchange reserve of HK\$4.6 million has been realised.

## Film Exhibition

The Group's film exhibition business remained the key revenue driver, which accounted for 92% of the Group's total segment revenue for the year ended 31 December 2024.

As of 31 December 2024, the Group maintained its network of 23 cinemas and 150 screens across Hong Kong and Singapore. During the year, the Group's Singapore Golden Village Cinemas remained as the undisputed market leader locally with 53% share in the local box office.

Film exhibition segment revenue has decreased by 8% to HK\$724.2 million during 2024. The decrease was primarily attributed by 6% reduction in total admissions from 7.1 million in 2023 to 6.6 million in 2024 resulted from lack of strong titles released during the year. Average ticket price for the regions has decreased from HK\$71.5 to HK\$68.2 during the year.

The major Hollywood blockbusters released during the year were *Dune: Part Two* (沙丘瀚戰：第二章), *Godzilla X Kong: The New Empire* (哥斯拉 x 金剛：新帝國), *Kingdom of the Planet of the Apes* (猿人爭霸戰：猩凶帝國), *Inside Out 2* (玩轉腦朋友 2), *Despicable Me 4* (壞蛋獎門人 4), *Deadpool & Wolverine* (死侍與狼人) and *Moana 2* (魔海奇緣 2). The major Chinese language blockbusters for the year were *Twilight of the Warriors: Walled In* (九龍城寨之圍城), *Table For Six 2* (飯戲攻心2), *Cesium Fallout* (焚城) and *The Last Dance* (破•地獄) from Hong Kong and *Money No Enough 3* (錢不夠用3) from Singapore.

## Operating Statistics of the Group's Cinemas

(For the year ended 31 December 2024)

	Hong Kong	Singapore
Number of cinemas*	7	16
Number of screens*	28	122
Admissions (million)	2.0	4.6
Net average ticket price (HK\$)	61	71

\* at 31 December 2024

## Hong Kong

### *Operating Statistics of the Group's Cinemas in Hong Kong (For the year ended 31 December 2024)*

	<b>2024</b>	2023
Number of cinemas*	<b>7</b>	9
Number of screens*	<b>28</b>	35
Admissions ( <i>million</i> )	<b>2.0</b>	2.1
Net average ticket price ( <i>HK\$</i> )	<b>61</b>	69
Box office receipts ( <i>HK\$ million</i> )	<b>122</b>	143

\* at 31 December 2024

The Group has closed 2 cinemas with 7 screens during the year. Our Hong Kong operations branded under Golden Harvest Cinemas operated 7 cinemas and 28 screens as of 31 December 2024.

Apart from the dearth of blockbuster titles, Hong Kong cinema industry has also been greatly worsened by Hong Kong's disappointing post-pandemic economic performance, outwards migration of Hong Kong's younger population to foreign countries and the changed spending habits in the post-pandemic era with people spending more money abroad than locally. In addition, global headwinds continued to impact the macro economy, making consumers in general reluctant to spend. Against this backdrop, Hong Kong exhibition business has shown a declined revenue resulting mainly from a reduction in admissions from 2.1 million in last year to 2.0 million this year. Although successful local titles released during the year *Twilight of the Warriors: Walled In* (九龍城寨之圍城) and *The Last Dance* (破•地獄) have helped to increase cinemas admissions, the poor Hong Kong economy and lack of other strong Hollywood blockbusters still inevitably hurt the Group's Hong Kong film exhibition business. Resulting from fewer admissions, box office receipts decreased by 15% to HK\$121.7 million from HK\$143.1 million during the year. The average ticket price has also decreased to HK\$61 (2023: HK\$69) where such decrease of average ticket price was to attract patrons to return to cinemas. Meanwhile, Hong Kong operations continue to suffer from high rental and related premises costs. Although there was a temporary rental support from the landlord for the year, the Group's Hong Kong operations continued to record a segmental loss of HK\$19.5 million (2023: HK\$24.1 million) during the year. As a result, the Group has made impairment loss of HK\$45.6 million on the Hong Kong cinema-related assets for the year ended 31 December 2024.

## Singapore

### *Operating Statistics of the Group's Cinemas in Singapore (For the year ended 31 December 2024)*

	<b>2024</b>	2023
Number of cinemas*	<b>16</b>	16
Number of screens*	<b>122</b>	122
Admissions ( <i>million</i> )	<b>4.6</b>	5.0
Net average ticket price ( <i>S\$</i> )	<b>12.2</b>	12.4
Net box office receipts ( <i>S\$ million</i> )	<b>56</b>	61

\* at 31 December 2024

Singapore has been the main revenue contributor to the Group, attributing to 80% and 77% of the Group's total segment revenue in 2024 and 2023 respectively. The Group's Singapore operations branded under Golden Village Cinemas ("Golden Village") remained as the local market leader. As of 31 December 2024, Golden Village operated a network of 16 cinemas and 122 screens, attributing to 47% of the total installed screens in the country, but represented 53% of the country's total box office during the year. The absolute highest market share by box office locally proved that Golden Village is the cinema of choice in Singapore.

For the year ended 31 December 2024, Golden Village reported net box office receipts of S\$56.0 million (2023: S\$61.4 million), representing a 9% decrease compared to same period in 2023. The decline arose primarily from the lack of blockbusters releases during the year which resulted in 8% lower admissions amounting to 4.6 million (2023: 5.0 million). There had also been a slight decline in net average ticket price by 2% to S\$12.2 in 2024 from S\$12.4 in 2023. Golden Village concessions income also decreased by 5% from S\$26.6 million in 2023 to S\$25.2 million in 2024 along with the decrease in admissions and net box office receipts. Singapore operations recorded a segmental profit of HK\$35.6 million (2023: HK\$48.9 million) for the year.

Golden Village has been dedicated to expand cinemas from a 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. It opened a new concept six-house cinema with an event space that features live music, art showcases and interactive screenings to provide customised unique experience to our patrons through collaboration with a local boutique cinema circuit. Furthermore, Golden Village is gradually expanding its Gold Class premium cinemas and dining options to cater to the increasing demand for exclusive gathering space and privacy.

To mitigate the risk of any further delay in Hollywood blockbuster release, Golden Village has introduced more independent movies and diversified contents including alternative contents, live streaming of concerts and events, fan meetings 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 well-known household brand 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 Hong Kong and Singapore. On an aggregated basis the Group's film distribution and production business recorded revenue of HK\$55.3 million (2023: HK\$36.7 million), representing an increase of 51% compared to last year. Key titles distributed by the Group included *Rob N Roll* (臨時劫案) in Hong Kong. The prominent releases outside Hong Kong was *How To Make Millions Before Grandma Dies* (全職乖孫) and *Money No Enough 3* (錢不夠用3) 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 production and investment opportunities to work with local and overseas studios for movies and TV programmes of high quality.

## FINANCIAL REVIEW

### Profit and Loss

The Group's consolidated revenue from continuing operations decreased by 7% to HK\$734.3 million (2023: HK\$792.8 million) along with 6% lower total admission in the year. With the reduced in revenue and margin, gross profit for the period amounted to HK\$484.2 million, compared with HK\$518.4 million in 2023, representing a 7% decrease over the year.

Other revenue from continuing operations of HK\$32.1 million represents primarily gain on lease modification of HK\$12.3 million. Interest income from continuing operations during the year increased to HK\$3.1 million from HK\$1.5 million in 2023 since the Group has received the consideration from VS Disposal leading to an increase in the average cash and bank balance during 2024.

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\$22.6 million, compared with HK\$29.7 million in last year, the decrease in finance costs is mainly due to the repayment of bank borrowings during the year.

Depreciation expense from continuing operations for the year amounted to HK\$136.9 million (2023: HK\$151.5 million). The Group has made impairment losses on non-financial assets of HK\$126.7 million (2023: HK\$11.6 million) from continuing operations and HK\$315.5 million (2023: HK\$6.5 million) from discontinued operations.

The Group has made a non-recurring net gain from its discontinued operation for HK\$285.6 million and realised related exchange reserve of HK\$8.7 million during the year ended 31 December 2024 upon disposal of the shares of the Group's joint venture.

As a result, loss attributable to equity holders was HK\$242.6 million in 2024, compared with a loss of HK\$90.4 million in the last year.



## FINANCIAL RESOURCES AND LIQUIDITY

The Group's financial position remained healthy with net assets of HK\$1,170 million as of 31 December 2024.

As of 31 December 2024, the Group has total cash and bank balances amounted to HK\$133.6 million (2023: HK\$160.3 million), with nil pledged bank balances (2023: HK\$35.5 million). The reduction in cash on hand arose mainly from the net repayment of bank borrowings by HK\$269.4 million and the operating loss of the year offset by a non-recurring net gain of HK\$285.6 million on VS Disposal. From a net debt angle, (total bank borrowing less total cash and bank balances), the Group's net debt has decreased from HK\$279.1 million as of 31 December 2023 to HK\$36.4 million as of 31 December 2024.

The Group's gearing ratio, calculated on the basis of bank borrowings over total assets stood at a healthy level of 8.0% (31 December 2023: 12.8%). Net gearing ratio calculated on the basis of net borrowings over total assets stood at a healthy level of 1.7% (31 December 2023: 8.1%) and our cash to bank borrowings ratio at 78.6% (31 December 2023: 36.5%). The Group at this moment has reasonable financial leverage. Meanwhile, 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 Hong Kong dollars, Renminbi and Singapore dollars 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 31 December 2024 (31 December 2023: Nil).

## OUTLOOK

COVID-19 has been an unprecedented challenge to the worldwide economy since 2020, and particularly the film and cinema industry has been one of the worst hit segments. With interest rates hikes in 2024 and the impact of the Russia-Ukraine war and Israeli-Palestinian conflict, these have affected market sentiment and consumer spending. U.S. tariffs imposed by Donald Trump is likely to disrupt global supply chains, leading to increased costs worldwide, ultimately slowing down economic growth. It will also trigger retaliatory measures from other countries, creating trade tensions that can further destabilise international markets and hinder global economic cooperation. The Group will therefore take a conservative approach on its future expansion plan.

In Hong Kong, the Group will be prudent in operation decisions given the interest rate hikes, worsened market sentiments and global conflict are still creating uncertainties to the economy, making consumers cautious with their spending. For its distribution business, the Group will look for investment opportunities in quality film distribution projects in the territory with a conservative approach. The Group will also explore all possible options to minimise the Group's operating loss from Hong Kong region.

In Singapore, the Group will continue to look for expansion opportunities only when the return is attractive whilst balancing the investment risk. The Group will continue to gradually convert its existing cinemas into integrated lifestyle hubs and introduce creative product offerings such as toys merchandise to its customers.

The Group believes that cinemas is a unique form of immersive experience and that development of cinemas into integrated lifestyle hubs featuring blockbuster movies, pop culture merchandise, food and beverage, and live events to improve the immersive experience will further enhance cinemas competitiveness in the future.

Looking ahead, the Group will continue to seek investment opportunities in the regional media, entertainment, technology and lifestyle sectors that are creating synergies to the Group's existing businesses and add values to the shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2024, the Group employed 244 (2023: 441) 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 31 December 2024, there was no forfeited contribution arising from employees leaving the retirement benefit scheme.

## **FINAL DIVIDEND**

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

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

The Company did not redeem any of its listed securities during the year ended 31 December 2024. 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").

## **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 year ended 31 December 2024.

## **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 year ended 31 December 2024, 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 CG 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 and Mr. Fung Chi Man, Henry, independent non-executive Directors, was unable to attend the annual general meeting of the Company held on 26 June 2024 (the “AGM”) due to other work commitment. CG 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 2024 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 statements and to perform the duties, including reviewing the Company’s financial controls and internal control, financial and accounting policies and practices and the relationship with the external auditor. The Audit Committee has reviewed the systems of internal control and the financial statements for the year ended 31 December 2024.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## **EXTRACT OF DRAFT INDEPENDENT AUDITOR'S REPORT**

As disclosed in Note 2 to the consolidated financial statements reported in this announcement, during the year ended 31 December 2024, the Group incurred a loss of HK\$242,642,000 and net cash outflow of HK\$39,709,000 in respect of its operating activities and lease rentals. As at 31 December 2024, the Group had net current liabilities of HK\$147,065,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company's auditor has indicated to the Company that, if the conditions at that time continue to indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, then it expects to draw attention to this matter in the auditor's report in the form set out below:

### **“Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **Material uncertainty related to going concern**

We draw attention to note 2(b) to the consolidated financial statements which describes that the Group incurred a loss of HK\$242,642,000 and net cash outflow of HK\$39,709,000 in respect of its operating activities and lease rentals for the year ended 31 December 2024 and as at that date, had net current liabilities of HK\$147,065,000. As stated in note 2(b), these conditions, along with other matters set forth in note 2(b), indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the websites of the Company and the Stock Exchange. The annual report of the Company for the year ended 31 December 2024 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 March 2025

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

*Chairman and Executive Director:*

Mr. Wu Kebo

*Executive Directors:*

Mr. Li Pei Sen

Ms. Chow Sau Fong, Fiona

Ms. Go Misaki

Mr. Peng Bolun

*Independent Non-executive Directors:*

Mr. Leung Man Kit

Ms. Wong Sze Wing

Mr. Fung Chi Man, Henry