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英皇文化產業集團有限公司
Emperor Culture Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 491)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO LETTERS OF A CCEPTANCE FOR TENANCY
IN MALAYSIA**

On 30 August 2019, Emperor Cinemas Malaysia as tenant accepted the Letters of Acceptance given by K Two Realty and MTrustee Berhad as landlords respectively in relation to the tenancies of the Properties.

In accordance with HKFRS 16 “Leases” which have been taken effective from the annual periods beginning on or after 1 January 2019, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Properties under the Letters of Acceptance. Accordingly, the leasing transactions under the Letters of Acceptance will be regarded as acquisitions of assets by the Tenant for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the aggregated value of the right-of-use of the Properties under the Letters of Acceptance exceed 5% but are less than 25%, the transactions contemplated thereunder constitute discloseable transactions of the Company and are subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders’ approval requirement under the Listing Rules.

On 30 August 2019, Emperor Cinemas Malaysia as tenant accepted the Letters of Acceptance given by K Two Realty and MTrustee Berhad as landlords respectively in relation to the tenancies of the Properties.

FIRST LETTER OF ACCEPTANCE ACCEPTED BY TENANT ON 30 AUGUST 2019

Landlord: K Two Realty

Tenant: Emperor Cinemas Malaysia

First Property : Unit no. CIMA F1, F2 & F3, 1st Floor, Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Usage: for cinema operation and related business

Term: 3 years from Business Commencement Date

The Tenant has an option to renew for four (4) further terms of three (3) years each at a revised rent which is not more than 8% increment compared to the previous term, under a new tenancy agreement in accordance with the terms of the First Letter of Acceptance

Right-of-use Asset Value (including option periods): RM21.0 million (equivalent to approximately HK\$39.7 million) (exclusive of rates and utility charges but inclusive of management fees, promotion fees and other outgoings)

SECOND LETTER OF ACCEPTANCE ACCEPTED BY TENANT ON 30 AUGUST 2019

Landlord: MTrustee Berhad

Tenant: Emperor Cinemas Malaysia

Second Property: JUMPA Level 2 – MUS-01, MUS-03, MUS-03A, MUS-04 & MUS-05, Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Usage: for cinema operation and related business

Term: 3 years from Business Commencement Date

The Tenant has an option to renew for four (4) further terms of three (3) years each at a revised rent which is not more than 8% increment compared to the previous term, under a new tenancy agreement in accordance with the terms of the Second Letter of Acceptance

Right-of-use Asset Value (including option periods): RM4.4 million (equivalent to approximately HK\$8.3 million) (exclusive of rates and utility charges but inclusive of management fees, promotion fees and other outgoings)

Condition: Appropriate and valid authorization of signing the documents relating to tenancy of the Second Property shall be given by the landlord before 30 September 2019

The First Letter of Acceptance and the Second Letter of Acceptance are inter-conditional upon each other.

REASONS AND BENEFITS FOR THE LETTERS OF ACCEPTANCE

The Company is an investment holding company and its subsidiaries are principally engaged in entertainment, media and cultural development businesses, particularly in Greater China; which include (i) cinema development and operation, and (ii) investment in films and a variety of cultural events. Emperor Cinemas Malaysia is principally engaged in cinema operation in Malaysia.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, K Two Realty is an investment holding company incorporated in Malaysia with limited liability and MTrustee Berhad is a trustee for Capitaland Malaysia Mall Trust, both landlords are Independent Third Parties.

The terms and conditions of the Letters of Acceptance are arrived at after arm's length negotiation and the rentals were determined with reference to the prevailing market rental of similar property in the nearby locations. The Directors believed that the terms and conditions of the Letters of Acceptance are fair and reasonable and the transactions are on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 "Leases" which has been taken effective from the annual periods beginning on or after 1 January 2019, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Properties under the Letters of Acceptance. Accordingly, the leasing transactions under the Letters of Acceptance will be regarded as acquisitions of assets by the Tenant under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the aggregated value of the right-of-use of the Properties under the Letters of Acceptance exceed 5% but are less than 25%, the transactions contemplated thereunder constitute discloseable transactions of the Company and are subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders' approval requirement of the Company under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

"Director(s)"	board of directors of the Company
"Business Commencement Date"	tentatively not later than 14 May 2020, actual date to be advised by the Tenant
"Company"	Emperor Culture Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Emperor Cinemas Malaysia” or “Tenant”	Emperor Cinemas (Malaysia) Sdn. Bhd., a company incorporated in Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company
“First Letter of Acceptance”	the Letter of Acceptance given by K Two Realty as landlord in relation to the tenancy of the First Property accepted by Emperor Cinemas Malaysia as tenant on 30 August 2019
“First Property”	Unit No. CIMA F1, F2 & F3, 1st Floor, Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“K Two Realty”	K Two Realty Holding Sdn. Bhd., a company incorporated in Malaysia with limited liability
“Letters of Acceptance”	the First Letter of Acceptance and the Second Letter of Acceptance
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTrustee Berhad”	a company incorporated in Malaysia with limited liability, as trustee for Capitaland Malaysia Mall Trust
“Properties”	the First Property and the Second Property
“RM”	Malaysian ringgit, the lawful currency of Malaysia
“Second Letter of Acceptance”	the Letter of Acceptance given by MTrustee Berhad as landlord in relation to the tenancy of the Second Property accepted by Emperor Cinemas Malaysia as tenant on 30 August 2019

“Second Property”	JUMPA Level 2 – MUS-01, MUS-03, MUS-03A, MUS-04 & MUS-05, Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

Note: for illustrative purpose of this announcement only, conversion of RM into HK\$ is made at the rate of RM1.00 = HK\$1.891.

By order of the board
Emperor Culture Group Limited
Fan Man Seung, Vanessa
Chairperson

Hong Kong, 30 August 2019

As at the date hereof, the board of the Company comprises:

Executive Directors:

- Ms. Fan Man Seung, Vanessa
- Mr. Wong Chi Fai
- Mr. Yeung Ching Loong, Alexander
- Ms. Shirley Percy Hughes

Independent Non-executive Directors:

- Ms. Chan Sim Ling, Irene
- Mr. Ho Tat Kuen
- Ms. Tam Sau Ying