

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**MAJOR TRANSACTION**  
**IN RELATION TO THE LETTER OF OFFER**

On 27 May 2021, Treasure Faith as Tenant received the Letter of Offer as accepted by the Leasing Agent on behalf of the Landlord in relation to the lease transaction for cinema operation of the Group.

The lease transaction under the Letter of Offer will be regarded as an acquisition of asset 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 Premises under the Letter of Offer exceed 25% but is less than 100%, the transaction contemplated thereunder constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained a written approval from its controlling Shareholder holding more than 50% of the voting rights as at the date of this announcement, on the lease transaction under the Letter of Offer and the transaction contemplated thereunder in lieu of holding a general meeting of the Company.

A circular containing, among other things, further information of the Letter of Offer and the transaction contemplated thereunder, will be despatched to the Shareholders on or before 18 June 2021.

The Board announces that on 27 May 2021, Treasure Faith as Tenant received the Letter of Offer as accepted by the Leasing Agent on behalf of the Landlord in relation to the lease transaction for cinema operation of the Group.

**LETTER OF OFFER RECEIVED BY TENANT ON 27 MAY 2021 AS ACCEPTED BY THE LEASING AGENT ON BEHALF OF THE LANDLORD**

Landlord:	Times Square Limited
Tenant:	Treasure Faith
Leasing Agent:	Harriman
Premises:	All the cinema portion on 12th floor to 14th floor and part of 3rd Floor to 11th floor, Times Square, Causeway Bay, Hong Kong
Usage:	for cinema operation and related business
Term:	8 years from the Commencement Date
Deposit:	<p>A sum equivalent to three months' rent, rates, air-conditioning charge, service charge and promotional charge as deposit has been paid by the Tenant to the Leasing Agent upon issuing the Letter of Offer. (Subject to any increase in the air-conditioning and/or promotional and/or service charges that will / may be imposed by the Landlord prior to the Commencement Date).</p> <p>The deposit will (without prejudice to any other remedy or claim as may be available to the Landlord) be forfeited if the Tenant subsequently withdraw after the Letter of Offer has been accepted.</p> <p>Upon the execution of the Lease, the deposit paid under the Letter of Offer will be applied forwards payment of the deposit payable pursuant to the Lease.</p>
Lease:	The Letter of Offer shall be irrevocable. Subject to the terms and conditions of the Letter of Offer and mutually agreed by the parties, the parties shall enter into the Lease.
Right-of-use Asset Value:	Approximately HK\$92.5 million

The value (unaudited) of the right-of-use asset to be recognised by the Group under the Letter of Offer is approximately HK\$92.5 million which is the present value of lease payments throughout the lease term under the Letter of Offer, discounted by using the incremental borrowing rate with adjustment to fair value at initial recognition of refundable rental deposit and provision for reinstatement costs in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings.

**INFORMATION ON THE LANDLORD AND THE LEASING AGENT**

The Landlord is a company incorporated in Hong Kong with limited liability. The Landlord is principally engaged in the operation and management of Times Square as a shopping and commercial complex.

The Leasing Agent is a company incorporated in Hong Kong with limited liability. The Leasing Agent is principally engaged in leasing services.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Leasing Agent, the Landlord and their respective ultimate beneficial owners are Independent Third Parties.

## **REASONS AND BENEFITS FOR THE LETTER OF OFFER**

The Company is an investment holding company and its subsidiaries are principally engaged in entertainment, media and cultural development businesses which include (i) cinema operation, and (ii) investment in films and a variety of cultural events. Treasure Faith is an indirect wholly-owned subsidiary of the Company and is principally engaged in cinema related business. Starting from the Commencement Date, the Group will be able to expand its film exhibition network in Hong Kong by extending its presence strategically to another large-scale shopping mall located in prime area.

The terms and conditions of the Letter of Offer are arrived at after arm's length negotiation and the rental was determined with reference to the prevailing market rental. The Directors considers that the terms and conditions of the Letter of Offer are fair and reasonable and the transaction is 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 is effective for the annual periods beginning on or after 1 January 2019, the Group if entering into lease transaction as a lessee should recognise the right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. Accordingly, the lease transaction under the Letter of Offer will be regarded as an acquisition of asset 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 Premises under the Letter of Offer exceed 25% but is less than 100%, the transaction contemplated thereunder constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) for approving the Letter of Offer and the transaction contemplated thereunder if the Company was to convene a general meeting for the approval of the Letter of Offer and the transaction contemplated thereunder. The Company has obtained a written approval from Emperor Culture Group Holdings Limited, being the controlling Shareholder holding 2,371,313,094 shares of the Company, representing approximately 73.80% of the issued shares of the Company as at the date of this announcement, on the lease transaction under the Letter of Offer and the transaction contemplated thereunder in lieu of holding that general meeting of the Company under Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company shall be convened to approve the Letter of Offer and the transaction contemplated thereunder.

## GENERAL

A circular containing, among other things, further information of the Letter of Offer and the transaction contemplated thereunder, will be despatched to the Shareholders on or before 18 June 2021.

## TERMS USED IN THIS ANNOUNCEMENT

“Board” or “Director(s)”	board of directors of the Company
“Commencement Date”	the 14 <sup>th</sup> day from the date of the Landlord’s written notice to the Tenant stating that vacant possession of the Premises is available provided that the term of Lease shall commence no earlier than 19 July 2021
“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
“Group”	the Company and its subsidiaries from time to time
“Harriman” or “Leasing Agent”	Harriman Leasing Limited, a company incorporated in Hong Kong with limited liability, which acts as the leasing agent for and on behalf of the Landlord, and is an indirect wholly-owned subsidiary of Wharf Real Estate Investment Company Limited (Stock Code: 1997) and an Independent Third Party
“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)
“Landlord”	Times Square Limited, a company incorporated in Hong Kong with limited liability, and is an indirect wholly-owned subsidiary of Wharf Real Estate Investment Company Limited (Stock Code: 1997), being an Independent Third Party
“Lease”	the lease to be entered into between the Leasing Agent on behalf of the Landlord and the Tenant in respect of the Premises

“Letter of Offer”	the letter of offer issued by the Tenant and accepted by the Leasing Agent on behalf of the Landlord in relation to the lease transaction of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	All the cinema portion on 12th floor to 14th floor and part of 3rd floor to 11th floor, Times Square, Causeway Bay, Hong Kong
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasure Faith” or “Tenant”	Treasure Faith Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 27 May 2021

As at the date hereof, the Board 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