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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 TRANSACTION  
IN RELATION TO TENANCY AGREEMENT**

On 29 December 2021, Emperor Cinemas Beijing as Tenant entered into the Tenancy Agreement with Shenzhen Wan Chang as Landlord in relation to the tenancy of the Premises.

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 Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders' approval requirement under the Listing Rules.

The Board announces the execution of the Tenancy Agreement with the following particulars:

**THE TENANCY AGREEMENT**

Date:	29 December 2021
Landlord:	Shenzhen Wan Chang
Tenant:	Emperor Cinemas Beijing
Premises:	All the cinema portion on 5th floor to 7th floor of Vanke Plaza
Usage:	for cinema operation and related business
Lease Term:	15 years from Rent Commencement Date
Right-of-use Asset Value:	A total of approximately RMB32.5 million (equivalent to approximately HK\$39.8 million) within the lease term

The value (unaudited) of the right-of-use asset to be recognised by the Group under the Tenancy Agreement is approximately RMB32.5 million which is the present value of lease payments throughout the lease term under the Tenancy Agreement, 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**

The Landlord is a company with limited liability incorporated under the laws of the PRC. The Landlord is principally engaged in real estate development and operation, corporate management, and housing construction in the PRC.

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

## **REASONS AND BENEFITS FOR ENTERING INTO THE TENANCY AGREEMENT**

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. Emperor Cinemas Beijing is an indirect wholly-owned subsidiary of the Company and is principally engaged in cinema related business in the PRC. By opening a new cinema, the Board is of the view that entering into the Tenancy Agreement is an opportunity for the Group to further expand its film exhibition network in the PRC which is in line with the overall business development direction of the Group.

The terms and conditions of the Tenancy Agreement are arrived at after arm's length negotiation and the rentals were determined with reference to the prevailing market rent. The Directors believed that the terms and conditions of the Tenancy Agreement 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", the Company will recognise a right-of-use asset in the consolidated financial statements of the Company in connection with the tenancy of the Premises. Accordingly, the lease transaction under the Tenancy Agreement 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 Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders' approval requirement under the Listing Rules.

## TERMS USED IN THIS ANNOUNCEMENT

“Board” or “Director(s)”	board of directors of the Company
“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 Beijing” or “Tenant”	Emperor Cinemas (Beijing) Company Limited* (英皇電影城(北京)有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“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 PRC
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Premises”	All the cinema portion on 5th floor to 7th floor of Vanke Plaza
“Rent Commencement Date”	the next day of the expiry of the Rent-free Period or the formal opening date of Vanke Plaza (whichever is later)
“Rent-free Period”	6 months from the next day of the actual delivery date of the Premises from the Landlord to the Tenant (if Chinese New Year holiday involved, such period shall be automatically extended for 30 days)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holder(s) of the ordinary shares of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shenzhen Wan Chang” or “Landlord”	Shenzhen Wan Chang Real Estate Development Co., Ltd* (深圳市萬暢房地產開發有限公司), a company with limited liability incorporated under the laws of the PRC and is a wholly-owned subsidiary of China Vanke Co., Ltd., the shares of which are listed on the Stock Exchange (Stock Code: 2202) and the Shenzhen Stock Exchange (Stock Code: 000002)
“Tenancy Agreement”	the tenancy agreement dated 29 December 2021 entered into between the Tenant and the Landlord in respect of the lease of the Premises
“Vanke Plaza”	a shopping mall located at the intersection of Banxuegang Avenue and Bulong Road, Bantian Street, Longgang District, Shenzhen, the PRC* (中國深圳市龍崗區坂田街道坂雪崗大道與布龍路交匯處)
“%”	per cent

*\* English translation is directly translated from Chinese and for identification purpose only*

*Note: for illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.2245.*

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

Hong Kong, 29 December 2021

As the date of this announcement, 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