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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)

TIME OASIS LIMITED

(Incorporated in the British Virgin Islands)

**JOINT ANNOUNCEMENT PURSUANT TO RULE 3.7
OF THE TAKEOVERS CODE;
RULE 13.09 OF THE LISTING RULES
AND
THE INSIDE INFORMATION PROVISION**

This joint announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 26 February 2020, 25 March 2020, 24 April 2020, 25 May 2020 and 26 June 2020 (the “**Announcements**”) in relation to, among others, the Possible Acquisition of Received Shares and the Possible Voluntary Offer, where applicable. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

Further to the Letter of Intent dated 24 February 2020, which set out the intention of the Potential Purchaser to acquire the interests in the Target Company and the Potential Purchaser commenced negotiation with the Receivers for the acquisition of all or certain of the Received Shares, the Potential Purchaser has sent to the Receivers and the board of directors of the Target Company a documentation request list in order to facilitate the due diligence review on the Received Shares as well as the Target Group.

The Board and the sole director of the Potential Purchaser wish to update the shareholders and potential investors of the Company that, as at the date of this announcement:

- (i) the due diligence review on the Received Shares and the Target Group conducted by the Potential Purchaser is still ongoing and pending the provision of further information by the Target Group

which includes (i) latest management accounts of major subsidiaries of the Target Group; (ii) details and documents for current outstanding liabilities of the Target Group; (iii) details and breakdown of film rights and inventories of the Target Group; and (iv) details and documents for all outstanding litigation and commitment of the Target Group. Following the winding up order on SMI Holdings and appointment of Joint and Several Liquidators as announced by SMI Holdings on 8 May 2020, 15 May 2020, and 12 June 2020, the Potential Purchaser will continue to monitor the development of the relevant legal proceedings;

- (ii) the Potential Purchaser is still in the process to ascertain the position with major creditors of the Target Group and the possibility of restructuring the debts or debt securities owed by the Target Group to them. Since the last monthly update, there were two major meetings with major creditors to explore possible debt restructure plan of the Target Group. Discussions with the major creditors are ongoing;
- (iii) the Potential Purchaser was given by the Receivers to understand that they are exploring possible application to the court to require the provision of documents by the directors of the Target Company; and
- (iv) given that there is difficulty in obtaining necessary financial information and due diligence documents of the Target Group and this imposed limitations to the discussion, the Potential Purchaser/ Receivers were considering various actions to facilitate the process and hence negotiation and discussion between the Potential Purchaser and the Receivers for the acquisition of all or certain of the Received Shares are still ongoing.

Due to, among others, the recurrence of the coronavirus outbreak (COVID-19), the slow response time from management of the Target Group and extra time needed to assess the position of the Received Shares, longer period of time for due diligence on the Received Shares and the Target Group is required. Accordingly, the Potential Purchaser currently expects that approximately one more month is necessary to finalise the due diligence exercise.

The Board and the sole director of the Potential Purchaser wish to update the shareholders and potential investors of the Company that no formal agreements had been entered into in respect of the Possible Acquisition and the Possible Voluntary Offer as at the date of this announcement and negotiations and due diligence review are still in progress, thus there is no certainty (i) as to the terms of the Possible Acquisition; or (ii) that the Possible Acquisition will proceed or that it would lead to a mandatory general offer under Rule 26.1 of the Takeovers Code. There is also no certainty as to the terms of Possible Voluntary Offer.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid negotiation will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be jointly made by the Company and the Potential Purchaser as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

GENERAL

The Board and the sole director of the Potential Purchaser wish to emphasise that the Possible Acquisition is still under consideration of the Potential Purchaser and its negotiation with the Receivers. There is no certainty as to the terms of the Possible Acquisition and there is no assurance that the Possible Acquisition and/or the Possible Voluntary Offer will be materialised or eventually be consummated. The Possible Acquisition and/or the Possible Voluntary Offer, if materialised, will constitute notifiable transaction(s) of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or shareholders' approval requirements, where applicable, under the Listing Rules. Shareholders and potential investors of the Company or the Target Company should be aware that the Possible Acquisition and/or the Possible Voluntary Offer may or may not proceed. Shareholders and/or potential investors of the Company or the Target Company are advised to exercise caution in dealing in the securities of the Company or the Target Company.

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

For and on behalf of
Time Oasis Limited
Emperor Cinema Management Limited
Sole Director

Hong Kong, 24 July 2020

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

As at the date hereof, the sole director of the Potential Purchaser is Emperor Cinema Management Limited.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Target Group) contained in this joint announcement and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this joint announcement (other than those opinion expressed by the directors of the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

Ms. Fan Man Seung, Vanessa and Mr. Wong Chi Fai, being the directors of Emperor Cinema Management Limited, being the sole director of the Potential Purchaser, jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Group and the Target Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this joint announcement (other than those opinion expressed by the directors of the Group and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The information relating to the Target Company and Target Group in this joint announcement has been extracted from or based on the published information of the Target Company. The only responsibilities accepted by the directors of the Company and the Potential Purchaser in respect of such information is for the correctness and fairness of its reproduction and presentation.