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**Transmit Entertainment Limited**

**傳遞娛樂有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1326)**

**(1) MAJOR AND CONNECTED TRANSACTION  
IN RELATION TO A DISPOSAL**

**(2) POTENTIAL CONTINUING CONNECTED TRANSACTION**

**THE SPA**

On 18 January 2021, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SPA, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share, which represents the entire issued share capital of the Target Company, at the consideration of HK\$108,200,000.

**THE MANAGEMENT AGREEMENT**

Subject to Completion, on the Completion Date, the Target Company will enter into the Management Agreement with the Company in relation to the provision of services by the Target Company to the Company in respect of the management of the Langham Cinema for the period of 1 February 2021 to 31 January 2024.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% and all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Mr. Wong, being a director of certain subsidiaries of the Company, and his associates hold 100% of the issued share capital of the Purchaser. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (i) the Purchaser is a connected person at the subsidiary level, (ii) the Board has approved the Disposal, and (iii) the Directors (including the independent non-executive Directors) have also confirmed that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Subject to and upon Completion, the Target Company will become a wholly-owned subsidiary of the Purchaser, and will, therefore, become an associate of Mr. Wong and a connected person of the Company at the subsidiary level. The Management Agreement will constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps under the Management Agreement are expected to exceed 5%, the Management Agreement is subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will seek the requisite Shareholders' approval for the SPA, the Management Agreement and the transactions contemplated thereunder either by way of a written approval from the controlling Shareholder pursuant to Rule 14.44 and Rule 14A.37 of the Listing Rules, where applicable, or by way of Shareholders' approval to be obtained at an extraordinary general meeting of the Company. Further announcement will be made by the Company as and when appropriate.

## **GENERAL**

A circular containing, among other things, further details relating to the SPA, the Management Agreement and the transactions contemplated thereunder and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 8 February 2021.

**Completion is subject to the satisfaction of the conditions precedent set out in the SPA and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.**

## **(I) THE SPA**

### **Date**

18 January 2021

### **Parties**

- (i) the Vendor; and
- (ii) the Purchaser

### **Subject matter**

Pursuant to the terms of the SPA, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share, which represents the entire issued share capital of the Target Company.

## **Consideration**

The aggregate consideration for the sale and purchase of the Sale Share shall be the sum of HK\$108,200,000.

The Purchaser shall pay the consideration in the following manner:

- (a) a sum of HK\$22,000,000 (the “**Deposit**”) shall be payable by the Purchaser in cash to the Vendor upon the signing of the SPA. Upon Completion, such sum shall be applied as part payment of the consideration; and
- (b) a sum of HK\$86,200,000, being the balance of the consideration after deducting the Deposit received by the Vendor, shall be payable by the Purchaser in cash to the Vendor upon Completion.

If any of the conditions precedent set out in the section headed “Conditions Precedent” below is not satisfied or waived on or prior to the Longstop Date, or all such conditions have been satisfied or waived but the Purchaser does not comply with any of its obligations at Completion, the Deposit shall be forfeited by the Vendor in its entirety as liquidated damages.

## **Basis for determination of the consideration**

The consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the negative unaudited combined net asset value of the Target Subsidiaries as at 30 September 2020 in the amount of approximately HK\$182,800,000, (ii) the net amount due by the Target Group to the Company and its subsidiaries as at the date of the SPA in the amount of approximately HK\$208,000,000, which will be waived pursuant to SPA, (iii) the significant interest of the Target Subsidiaries in right-of-use assets of approximately HK\$433,000,000 and lease liabilities of approximately HK\$489,000,000 as at 30 September 2020, (iv) the valuation of the Target Subsidiaries conducted by an independent valuer in the amount of approximately HK\$92,000,000 as at 30 September 2020 which has taken into account the waiver of net amount due to the Company and its subsidiaries and (v) the reasons and benefits as set out in the paragraph headed “Reasons for and benefits of the Disposal” below.

Taking into consideration of the above, the Directors are of the view that the consideration and the terms and conditions of the Disposal are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **Conditions Precedent**

Completion shall be conditional upon and subject to:

- (a) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the SPA and the transactions contemplated thereby pursuant to the Listing Rules having been obtained;
- (b) the Reorganisation having been completed;
- (c) the warranties of the Vendor in the SPA remaining true and accurate in all material respects;
- (d) the warranties of the Purchaser in the SPA remaining true and accurate in all respects; and
- (e) the net amount due to the Company and its subsidiaries by the Target Group having been waived.

As at the date of the SPA, the net amount due to the Company and its subsidiaries by the Target Group was approximately HK\$208,000,000.

The Purchaser may at any time waive in writing any of the conditions set out in paragraph (b), (c) and (e). The Vendor may at any time waive in writing the condition set out in paragraph (d).

If the conditions set out above have not been satisfied (or waived as the case may be) on or before the Longstop Date, the Deposit shall be forfeited by the Vendor in its entirety as liquidated damages, and the SPA shall cease and determine (save and except for certain surviving clauses) and thereafter neither the Vendor nor the Purchaser shall have any obligations and liabilities towards the other under the SPA save for any antecedent breaches of the terms thereof.

## **Completion**

Subject to the fulfillment (or waiver as the case may be) of the above conditions precedent, Completion shall take place on the third business day after the fulfillment (or waiver as the case may be) of the last of the conditions set out in paragraph (a) and (b) (or such other date as may be agreed between the Purchaser and the Vendor).

After Completion, the Company will cease to hold any interest in the Target Group, each member of the Target Group will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated into the financial statements of the Company.

## INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong and is principally engaged in investment holding.

As at the date of this announcement, each of the Target Subsidiaries is a direct wholly-owned subsidiary of the Vendor. Upon completion of the Reorganisation, the Target Company will directly hold the entire issued share capital of each of the Target Subsidiaries.

The Target Subsidiaries are principally engaged in the businesses of the operation of four cinemas in Hong Kong and the sales of merchandise, membership subscription in cinemas, provision in advertising and film distribution agency service.

### Financial information

#### (1) *Cinema City (Hong Kong)*

Cinema City (Hong Kong) is principally engaged in the businesses of the operation of the cinema located at JP Plaza, Causeway Bay, Hong Kong.

Set out below is certain financial information of Cinema City (Hong Kong), as extracted from the audited financial statements of Cinema City (Hong Kong) for the two financial years ended 30 June 2020 which were prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the year ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Net loss before taxation	13,115	8,981
Net loss after taxation	13,115	8,981

Based on the unaudited financial statements of Cinema City (Hong Kong) as at 30 September 2020 prepared in accordance with Hong Kong Financial Reporting Standards, the negative unaudited net asset value of Cinema City (Hong Kong) as at 30 September 2020 was approximately HK\$47,500,000.

(2) *Cinema City (Chai Wan)*

Cinema City (Chai Wan) is principally engaged in the businesses of operation of cinemas located at Winner Centre, Chai Wan, Hong Kong and Lok Sing Centre, Causeway Bay, Hong Kong.

Set out below is certain financial information of Cinema City (Chai Wan), as extracted from the audited financial statements of Cinema City (Chai Wan) for the two financial years ended 30 June 2020 which were prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the year ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Net loss before taxation	41,975	7,131
Net loss after taxation	41,975	7,131

Based on the unaudited financial statements of Cinema City (Chai Wan) as at 30 September 2020 prepared in accordance with Hong Kong Financial Reporting Standards, the negative unaudited net asset value of Cinema City (Chai Wan) as at 30 September 2020 was approximately HK\$108,200,000.

(3) *Cinema City (TW)*

Cinema City (TW) is principally engaged in the businesses of the operation of the cinema located at Candy Park, Tsuen Wan, Hong Kong.

Set out below is certain financial information of Cinema City (TW), as extracted from the audited financial statements of Cinema City (TW) for the two financial years ended 30 June 2020 which were prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the year ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Net loss before taxation	9,468	3,640
Net loss after taxation	9,468	3,640

Based on the unaudited financial statements of Cinema City (TW) as at 30 September 2020 prepared in accordance with Hong Kong Financial Reporting Standards, the negative unaudited net asset value of Cinema City (TW) as at 30 September 2020 was approximately HK\$26,800,000.

(4) *Screen Media & Promotion*

Screen Media & Promotion is principally engaged in the businesses of sales of merchandise, membership subscription in cinemas, provision in advertising and film distribution agency service.

Set out below is certain financial information of Screen Media & Promotion, as extracted from the audited financial statements of Screen Media & Promotion for the two financial years ended 30 June 2020 which were prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the year ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Net profit before taxation	203	19
Net profit after taxation	165	16

Based on the unaudited financial statements of Screen Media & Promotion as at 30 September 2020 prepared in accordance with Hong Kong Financial Reporting Standards, the negative unaudited net asset value of Screen Media & Promotion as at 30 September 2020 was approximately HK\$300,000.

## **INFORMATION OF THE PARTIES**

### **The Vendor**

The Vendor is a company incorporated in Hong Kong with limited liability. The Vendor is a wholly-owned subsidiary of the Company and principally engaged in cinema operations and management.

### **The Purchaser**

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the issued share capital of the Purchaser is held as to 100% by Mr. Wong and his associates.

### **Financial effect of the Disposal**

After Completion, the Group will cease to own any interest in the Target Group, and each member of the Target Group will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated into the financial statements of the Company.

It is estimated that, upon Completion, the Company will record a net gain on the Disposal of approximately HK\$82,000,000, being the difference between (i) the consideration for the Sale Share and (ii) the sum of the unaudited net asset value of the Target Subsidiaries as at 30 September 2020, the net amount due to the Company and its subsidiaries by the Target Group (being approximately HK\$208,000,000 as at 30 September 2020) which will be waived on or prior to Completion and the estimated taxes and expenses in relation to the Disposal. The final amount of the gain on the Disposal is subject to the audit for the year ending 30 June 2021 by the auditors of the Company.

## **Intended use of proceeds**

The net proceeds from the Disposal after deducting related transaction costs and relevant tax are estimated to be approximately HK\$107,000,000.

The Group intends to apply the net proceeds from the Disposal for the purpose of general working capital of the Group, including operational, business expansion and brand building activities, and should any business with high potential arises the Company may also apply part of the proceeds for funding business development opportunities which are in line with the Group's strategies.

## **Reasons for and benefits of the Disposal**

The Group is principally engaged in (i) film, TV series and variety show production and distribution; (ii) film exhibition; (iii) pan-entertainment (including artiste and celebrity agency business as well as pan-entertainment businesses along the value chain); and (iv) other businesses.

Taking into account the historical performance of the Target Subsidiaries and the unfavourable and challenging environment brought about by COVID-19 resulting in the temporary closure of cinemas and a drastic decline in the profit of the Target Group, the Group intends to dispose of the cinema operations so as to reallocate its financial and other resources to the other businesses of the Group which are considered to have higher development potential, in order to generate more return to the Shareholders. The Directors believe that the Disposal will be beneficial to realizing the Company's strategic goal of developing its businesses in the current stay-at-home economy.

Based on the above, the Directors (including all of the independent non-executive Directors) consider that, although the Disposal is not in the ordinary and usual course of business of the Group, the Disposal is fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors has any material interest in the Disposal, as such no Director would be required to abstain from voting on the board resolution approving the Disposal.

## (II) THE MANAGEMENT AGREEMENT

Subject to Completion, on the Completion Date, the Target Company will enter into the Management Agreement with the Company in relation to the provision of services by the Target Company to the Company in respect of the management of the Langham Cinema.

<b>Term:</b>	1 February 2021 to 31 January 2024
<b>Scope of services:</b>	The Target Company will be engaged to provide a variety of management services to the Company for the Langham Cinema including ticketing management, small-scale maintenance, cleaning, security and operation data management (the “ <b>Services</b> ”).
<b>Income and expenses arising from the operations of the Langham Cinema:</b>	During the term of the Management Agreement, all income generated from the operations of the Langham Cinema will be enjoyed by the Target Company. At the same time, all costs and expenses incurred from the operations of the Langham Cinema shall be borne by the Target Company.
<b>Fees:</b>	The Target Company shall pay the Company a fee of HK\$50,000 per month.
<b>Annual cap and its basis:</b>	By the date of this announcement, the Group had not engaged the Target Company for providing similar management services. There were no relevant historical transaction figures to be disclosed or made reference to.

The cap for the transactions contemplated under the Management Agreement during the term of the Management Agreement is as follows:

<b>Period</b>	<b>Capped amount</b>
1 February 2021 – 30 June 2021:	HK\$37,500,000
1 July 2021 – 30 June 2022:	HK\$91,000,000
1 July 2022 – 30 June 2023:	HK\$92,000,000
1 July 2023 – 31 January 2024:	HK\$55,000,000

The above cap is determined principally with reference to the following factors:

- (a) the aggregate amount of fees to be paid by the Target Company to the Company; and
- (b) the costs and expenses expected to be incurred from the operations of the Langham Cinema which would be borne by the Target Company and would be reimbursed to the Company. The cap amounts of total costs and expenses for the above periods are determined based on the actual historical figures for the period from 1 July 2019 to 30 June 2020, including rental expenses of approximately HK\$64,000,000, staff costs of approximately HK\$5,900,000, and other selling and administrative expenses. The amounts of monthly rental payments for the period from 1 February 2021 to 31 January 2024 as stipulated in the tenancy agreement are also taken into account.

**Internal control:**

The costs and expenses to be incurred from the operations of the Langham Cinema will be supervised and monitored by the management and the finance department of the Company to ensure the relevant annual cap will not be exceeded. The finance department and management of the Company will also conduct regular checks on a quarterly basis to review the books and records in respect of the Langham Cinema. The Company has the rights to access to any operational and financial data and information of the Langham Cinema whenever the Company considers necessary, so that the Company is able to monitor the expenses and reimbursements of the Langham Cinema.

The Company's external auditors will conduct an annual review of the transactions in relation to the Management Agreement to ensure that the relevant annual cap is not exceeded.

The independent non-executive Directors will also conduct an annual review of the status of the transactions in relation to the Management Agreement to ensure that the Group has complied with its internal control process and the relevant requirements under the Listing Rules.

## Financial information

Set out below is certain financial information of Cinema City (Langham Place) Limited, as extracted from the audited financial statements of Cinema City (Langham Place) Limited for the two financial years ended 30 June 2020 which were prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Net loss before taxation	54,972	11,034
Net loss after taxation	54,972	11,109

## Indemnities in favour of the Group

Pursuant to the terms of the Management Agreement, the Target Company will indemnify the Company against all losses, damages, demands, suits, actions, proceedings, costs and expenses that may be suffered or incurred by the Company in connection with the operation and management of the Langham Cinema by the Target Company.

In addition, the Purchaser will execute a deed of indemnity and undertaking in favour of the Company and Cinema City (Langham Place) Limited, a wholly-owned subsidiary of the Company and the lessee of the lease of the Langham Cinema, pursuant to which the Purchaser will undertake to procure that the terms of the lease be observed and complied with and to indemnify the Company and Cinema City (Langham Place) Limited against all losses, damages, demands, suits, actions, proceedings, costs and expenses that may be suffered or incurred by any of them by reason of or arising out of any default or breach of or non-compliance with any provision of any of the lease of the Langham Cinema and/or any other relevant claim.

## Reasons for and benefits of the Management Agreement

The Group is the lessee of the Langham Cinema, the lease of which will expire in 2024. As mentioned above, taking into account the unfavourable and challenging environment brought about by COVID-19 resulting in the temporary closure of cinemas, the Group intends to reallocate its financial and other resources to other businesses. Accordingly, subject to and upon Completion, the Target Company will provide management services to the Langham Cinema pursuant to the Management Agreement, while the Company can earn a stable fee during the term of the Management Agreement.

The Directors (including the independent non-executive Directors) are of the view that the Management Agreement has been entered into in the ordinary course of business of the Group and on normal commercial terms, and its terms are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. None of the Directors has any material interest in the Management Agreement, as such no Director would be required to abstain from voting on the board resolution approving the Management Agreement.

### **(III) LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% and all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Mr. Wong, being a director of certain subsidiaries of the Company, and his associates hold 100% of the issued share capital of the Purchaser. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (i) the Purchaser is a connected person at the subsidiary level, (ii) the Board has approved the Disposal, and (iii) the Directors (including the independent non-executive Directors) have also confirmed that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Subject to and upon Completion, the Target Company will become a wholly-owned subsidiary of the Purchaser, and will, therefore, become an associate of Mr. Wong and a connected person of the Company at the subsidiary level. The Management Agreement will constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps under the Management Agreement are expected to exceed 5%, the Management Agreement is subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will seek the requisite Shareholders' approval for the SPA, the Management Agreement and the transactions contemplated thereunder either by way of a written approval from the controlling Shareholder pursuant to Rule 14.44 and Rule 14A.37 of the Listing Rules, where applicable, or by way of Shareholders' approval to be obtained at an extraordinary general meeting of the Company. Further announcement will be made by the Company as and when appropriate.

## **GENERAL**

A circular containing, among other things, further details relating to the SPA, the Management Agreement and the transactions contemplated thereunder and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 8 February 2021.

**Completion is subject to the satisfaction of the conditions precedent set out in the SPA and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cinema City (Chai Wan)”	Cinema City (Chai Wan) Limited, a company incorporated with limited liability in Hong Kong
“Cinema City (Hong Kong)”	Cinema City (Hong Kong) Limited, a company incorporated with limited liability in Hong Kong
“Cinema City (TW)”	Cinema City (TW) Limited, a company incorporated with limited liability in Hong Kong

“Company”	Transmit Entertainment Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the terms of the SPA
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Langham Cinema”	the cinema located at Langham Place, Mong Kok, Hong Kong
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 June 2021 or such other date as may be agreed between the Vendor and the Purchaser
“Management Agreement”	the agreement to be entered into between the Company and the Target Company at Completion in respect of the management of the Langham Cinema
“Mr. Wong”	Mr. Wong Pak Ming, being a director of certain subsidiaries of the Company

“Purchaser”	Mandarin Film and Culture Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Reorganisation”	the reorganisation of the Target Group to be conducted in such manner to be agreed between the Vendor and the Purchaser, upon completion of which the Target Company will directly hold the entire issued share capital of each of the Target Subsidiaries
“Sale Share”	one share of the Target Company, representing the entire issued share capital of the Target Company
“Screen Media & Promotion”	Screen Media & Promotion Limited, a company incorporated with limited liability in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.0025 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 18 January 2021 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Cinema City (WL) Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	collectively, the Target Company and upon completion of the Reorganisation, the Target Subsidiaries
“Target Subsidiaries”	Cinema City (Hong Kong), Cinema City (Chai Wan), Cinema City (TW) and Screen Media & Promotion

“Vendor” Cinema City Group Limited, a company incorporated with limited liability in Hong Kong and a wholly-owned subsidiary of the Company as at the date of this announcement

“%” per cent.

By order of the Board  
**Transmit Entertainment Limited**  
**Zhang Liang, Johnson**  
*Chairman*

Hong Kong, 18 January 2021

*As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. ZHANG Liang, Johnson (Chairman), Ms. ZHAO Wenzhu and Mr. LEE Hin Kwong, Patrick; and (ii) three independent non-executive Directors, namely Mr. WANG Bo, Mr. XIANG Feng and Mr. CHANG Eric Jackson.*