

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Emperor Culture Group Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---



**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 LETTER OF INTENT OF A TENANCY OF A CINEMA**

---

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 3 to 8 of this circular.

The transaction being the subject matter of this circular has been approved in writing by the controlling Shareholder of the Company in lieu of holding of a general meeting pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

2 February 2023

---

## CONTENTS

---

	<i>Pages</i>
<b>DEFINITIONS.....</b>	1
<b>LETTER FROM THE BOARD.....</b>	3
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP .....</b>	I-1
<b>APPENDIX II – GENERAL INFORMATION.....</b>	II-1

---

## DEFINITIONS

---

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

“Board” or “Directors”	the board of directors of the Company
“Box Office Turnover”	the net amount of all sums received (after deducting discount, refund, film-related taxes and film development fund payable to the government) from box office throughout the Premises
“Chengdu Zhen Tian Yi” or “Landlord”	Chengdu Zhen Tian Yi Business Service Co., Ltd* (成都市臻天怡商務服務有限公司), a company with limited liability registered under the PRC laws, and is an indirect wholly-owned subsidiary of KWG Group Holdings Limited (Stock Code: 1813), being an Independent Third Party
“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 PRC laws and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“Guangzhou Junzhao” or “Leasing Agent”	Guangzhou Junzhao Real Estate Management Co., Ltd Chengdu Branch* (廣州市君兆物業經營有限公司成都分公司), a branch under a company with limited liability registered as a Chinese-foreign joint venture enterprise under the PRC laws, and is an indirect wholly-owned subsidiary of KWG Group Holdings Limited (Stock Code: 1813), being an Independent Third Party
“HK\$”	Hong Kong dollar, 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(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)

---

## DEFINITIONS

---

“Latest Practicable Date”	27 January 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Lease Commencement Date”	the day immediately after the completion of the 1 <sup>st</sup> fitting-out period pursuant to the terms and conditions of the Letter of Intent, the 1 <sup>st</sup> fitting-out period being not more than 60 days immediately after the actual delivery date of the Premises from the Leasing Agent to the Tenant
“Letter of Intent”	the letter of intent dated 9 January 2023 entered into between the Tenant and the Leasing Agent on behalf of the Landlord in respect of the lease of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Premises”	a cinema located at Shops 515 and 606 on 5 <sup>th</sup> Floor and 6 <sup>th</sup> Floor of Chengdu U Fun, Gaoxin District, Chengdu, PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Turnover”	the net amount of all sums received (after deducting discount, refund and taxes) from the sale of confectionery food and drinks
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

*Note: for illustrative purpose of this circular only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.0874*

---

## LETTER FROM THE BOARD

---



**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)**

*Executive Directors:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

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

*Head office and principal place of  
business in Hong Kong:*

28th Floor  
Emperor Group Centre  
288 Hennessy Road  
Wanchai, Hong Kong

2 February 2023

*To the Shareholders*

Dear Sir/Madam,

**MAJOR TRANSACTION**  
**IN RELATION TO LETTER OF INTENT OF A TENANCY OF A CINEMA**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 9 January 2023 whereby the Board announced that Emperor Cinemas Beijing as Tenant entered into the Letter of Intent with the Leasing Agent on behalf of the Landlord in relation to the tenancy of a cinema located in Chengdu, PRC.

The purpose of this circular is to provide you with, among other things, further information of the Letter of Intent and the transaction contemplated thereunder and other information as required under the Listing Rules.

---

## LETTER FROM THE BOARD

---

### THE LETTER OF INTENT

Date: 9 January 2023

Landlord: Chengdu Zhen Tian Yi

Leasing Agent: Guangzhou Junzhao

Tenant: Emperor Cinemas Beijing

Premises: A cinema located at Shops 515 and 606 on 5<sup>th</sup> Floor and 6<sup>th</sup> Floor of Chengdu U Fun, Gaoxin District, Chengdu, PRC

Usage: Cinema operation and related business

Lease term: 10 years from the Lease Commencement Date

Rent: The annual rent payable shall consist of (i) the base rent or the box office turnover rent, whichever is higher; and (ii) the sales turnover rent

The aggregate amount of the base rent covering the whole of lease term under the Letter of Intent (inclusive of value added tax) is approximately RMB37.4 million (equivalent to approximately HK\$40.7 million). The box office turnover rent is calculated as certain percentage of the Box Office Turnover. The sales turnover rent is calculated as 8% of the Sales Turnover

For the 1<sup>st</sup> to 3<sup>rd</sup> year from the Lease Commencement Date, the annual base rent is approximately RMB3.4 million (equivalent to approximately HK\$3.7 million) and the annual box office turnover rent is 15% of the Box Office Turnover. For the 4<sup>th</sup> to 6<sup>th</sup> year from the Lease Commencement Date, the annual base rent is approximately RMB3.7 million (equivalent to approximately HK\$4.0 million) and the annual box office turnover rent is 16% of the Box Office Turnover. For the 7<sup>th</sup> to 9<sup>th</sup> year from the Lease Commencement Date, the annual base rent is approximately RMB4.0 million (equivalent to approximately HK\$4.3 million) and the annual box office turnover rent is 17% of the Box Office Turnover. For the 10<sup>th</sup> year from the Lease Commencement Date, the annual base rent is approximately RMB4.3 million (equivalent to approximately HK\$4.7 million) and the annual box office turnover rent is 18% of the Box Office Turnover

---

## LETTER FROM THE BOARD

---

The base rent shall be paid monthly in advance on or before the 25<sup>th</sup> day of each calendar month and the monthly sales turnover rent shall be payable monthly in arrears. In the event of the annual box office turnover rent exceeds the base rent paid, the Tenant shall pay the difference to the Leasing Agent pursuant to the terms and conditions of the Letter of Intent

The base rent and the turnover rent, including the turnover rent rate percentages, are determined after arm's length negotiation with reference to (i) the existing tenancies of other cinemas that the Group has entered into; (ii) the attributes of the Premises such as geographical location, term of the tenancy, number of houses seats and the estimated attendance of the Premises; and (iii) the rent of the Premises under the tenancy agreement which the Landlord had entered into with the previous tenant. Considering that (i) the rent of the Premises under the Letter of Intent, taking in account the attributes of the Premises as mentioned above, is similar, if not more favourable, to the existing tenancies of other cinemas that the Group has entered into with third party landlords; and (ii) the rent of the Premises under the Letter of Intent is more favourable than that under the tenancy agreement which the Landlord had entered into with the previous tenant, the Board is of the view that the rent is fair and reasonable

Earnest money:

RMB850,000 (equivalent to approximately HK\$924,000) payable within 15 business days upon the execution of the Letter of Intent and will be treated as deposit under the formal tenancy agreement after the signing of formal tenancy agreement. The earnest money will be forfeited if the Tenant subsequently withdraws from the Letter of Intent or fails to enter into the formal tenancy agreement pursuant to the terms and conditions of the Letter of Intent

Termination:

The Leasing Agent shall be entitled to terminate the Letter of Intent under certain circumstances as expressly provided under the Letter of Intent, which include, in particular, the Tenant fails to pay the earnest money pursuant to the terms and conditions of the Letter of Intent or fails to enter into the formal tenancy agreement with the Leasing Agent within 90 days from the date of the Letter of Intent due to the Tenant's own fault

---

## LETTER FROM THE BOARD

---

Condition precedent:	The Letter of Intent will take effect after the payment of earnest money. As at the Latest Practicable Date, the condition precedent has been fulfilled
Right-of-use asset value:	A total of approximately RMB27.5 million (equivalent to approximately HK\$29.9 million) covering whole of lease term

The value (unaudited) of the right-of-use asset to be recognised by the Group under the Letter of Intent is approximately RMB27.5 million (equivalent to approximately HK\$29.9 million) which is the present value of lease payments throughout the lease term under the Letter of Intent, discounted using the increment borrowing rate at 6.0% and 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.

Subject to the terms and conditions of the Letter of Intent and mutually agreed by the parties, the parties shall enter into a tenancy agreement. As at the Latest Practicable Date, it is expected that the formal tenancy agreement will be entered into on or before 9 April 2023, being 90 days from the date of the Letter of Intent.

### INFORMATION ON THE LANDLORD AND THE LEASING AGENT

The Landlord is a company with limited liability enterprise registered under the PRC laws and is principally engaged in property development.

The Leasing Agent is a branch under a company with limited liability registered as a Chinese-foreign joint venture enterprise under the PRC laws. It is principally engaged in property investment.

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.

### FINANCIAL EFFECT OF THE ACQUISITION OF RIGHT-OF-USE ASSETS

It is expected that upon the completion of the transaction contemplated under the Letter of Intent, there will be an increase in total assets of approximately HK\$29.5 million, comprising an increase in right-of-use assets of approximately HK\$29.9 million, increase in deposits of approximately HK\$0.5 million and netted-off by a decrease in bank balances and cash of approximately HK\$0.9 million. There will be an increase in total liabilities of approximately HK\$29.5 million, comprising an increase in lease liabilities of approximately HK\$28.5 million and provision for reinstatement of approximately HK\$1.0 million.

The Group expects the transaction contemplated under the Letter of Intent will increase the annual depreciation charges of right-of-use assets by approximately HK\$2.9 million and finance costs by approximately HK\$1.7 million in the first year of the Letter of Intent.

---

## LETTER FROM THE BOARD

---

### REASONS AND BENEFITS FOR ENTERING INTO THE LETTER OF INTENT

The Company is an investment holding company and its subsidiaries are principally engaged in entertainment, media and cultural development businesses which include cinema operation and investments in films. Emperor Cinemas Beijing is an indirect wholly-owned subsidiary of the Company and is principally engaged in cinema related business in the PRC.

The Board is of the view that entering into the Letter of Intent is an opportunity for the Group to expand the cinema network of *Emperor Cinemas* in the PRC which is in line with the overall business development direction of the Group.

The terms and conditions of the Letter of Intent, including the rent, are arrived at after arm's length negotiation. The Directors considers that the terms and conditions of the Letter of Intent 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 the Shareholders as a whole.

### IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the Group will recognise right-of-use assets in the consolidated financial statements of the Company in connection with the tenancy of the Premises. Accordingly, the lease transaction under the Letter of Intent will be regarded as acquisition of assets by the Group 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 assets of the Premises under the Letter of Intent 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 Intent and the transaction contemplated thereunder if the Company was required to convene a general meeting for the approval of the Letter of Intent 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, representing approximately 73.80% of the issued Shares as at the Latest Practicable Date, for the Letter of Intent and the transaction contemplated thereunder in lieu of holding a 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 Intent and the transaction contemplated thereunder.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Letter of Intent is fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

**A. FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the years ended 30 June 2020, 30 June 2021 and 30 June 2022 are disclosed in the following documents which have been published on the website of the Stock Exchange at <https://www.hkexnews.hk>, and the website of the Company at <https://www.EmpCulture.com>:

Annual report of the Company for the year ended 30 June 2020:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1019/2020101900398.pdf>

Annual report of the Company for the year ended 30 June 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1018/2021101800551.pdf>

Annual report of the Company for the year ended 30 June 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1017/2022101700423.pdf>

**B. INDEBTEDNESS**

At the close of business on 23 December 2022 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had an aggregate outstanding indebtedness amounting to approximately HK\$1,726.0 million, which consists of:

**Bank and other borrowings**

The Group had unsecured, unguaranteed and interest-bearing other loan and bank borrowing of approximately HK\$487.8 million and HK\$20.0 million respectively. The lender of the other loan who is a related party of the Group had agreed not to demand repayment of the other loan together with all accrued interest and all outstanding amounts until 20 January 2024 while the terms of the bank borrowing contain a repayment on demand clause in accordance with the facility letter.

The Group had amount due to non-controlling interests of approximately HK\$70.2 million which is unsecured, unguaranteed, interest-free and repayable after one year from the date of the close of business on 23 December 2022.

**Lease liabilities**

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted by using the Group's incremental borrowing rates. At the close of business on 23 December 2022, the Group had total lease liabilities amounting to HK\$1,148.0 million.

**Disclaimer**

Save for the aforesaid and apart from intra-group liabilities, at the close of business on 23 December 2022, the Group did not have any debt securities issued and outstanding, or any other borrowings or indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade payables) or acceptance credits or hire purchases commitments, or any other borrowings subject to mortgages or charges, or any other material contingent liabilities or guarantees.

**C. WORKING CAPITAL**

After taking into account the present internal financial resources available to the Group, including cash and bank balances as well as the available loan and banking facilities, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirement for at least 12 months from the Latest Practicable Date.

**D. MATERIAL ADVERSE CHANGE**

As disclosed in the announcement of the Company dated 20 January 2023, the Group expects to record a net loss of not more than HK\$150,000,000 for the six months ended 31 December 2022, mainly attributable to the pandemic situation in mainland China during the six months ended 31 December 2022, which caused intermittent suspension of operation of cinemas and hence inevitable affected the overall performance of the Group.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any circumstances or events that may give rise to a material adverse change in the financial or trading position of the Group since 30 June 2022, being the date to which the latest audited consolidated financial statements of the Group were made up.

**E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

In recent years, the Group has been devoted in expanding its cinema network through its label "*Emperor Cinemas*". The Group's cinema network under "*Emperor Cinemas*" mainly focusing on the Hong Kong and Mainland China markets, has grew from 5 cinemas offering over 6,200 seats as at 31 December 2018 to 17 cinemas offering approximately 17,600 seats as at 31 December 2022 globally, in particular Hong Kong and mainland China. Looking ahead, apart from continued efforts in expanding its cinema network, the Group will endeavour to elevate its customers' entertainment experience by offering thoughtful, detail-oriented services. The Group will also closely monitor the market conditions and promptly respond as appropriate.

Reopening of border between Hong Kong, Macau and mainland China will enhance the consumption sentiment. Social and leisure activities are expected to be fully resumed in the near future, which will boost the film production and film exhibition markets. Together with the rising disposable income and ongoing improvements of living standards in China, as well as the five-year plan laid out by the China Film Administration, the Group foresees a stable market development and a positive outlook. With its long-established *Emperor* brand label, and riding on its strategic network, the Group will strive to strengthen its core competencies in order to seize the opportunities arising as the industry recovers from the pandemic.

## 1. RESPONSIBILIY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the following Directors and chief executives of the Company were interested, or were deemed or taken to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to (a) be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the “**Model Code**”) to be notified to the Company and the Stock Exchange:

### (a) Long positions interests in the Company

#### *Shares*

<b>Name of Director</b>	<b>Capacity/Nature of interests</b>	<b>Number of issued Shares interested</b>	<b>% of the issued voting Shares</b>
Mr. Yeung Ching Loong, Alexander (“ <b>Mr. Alex Yeung</b> ”)	Eligible beneficiary of a private discretionary trust	2,371,313,094 ( <i>Note</i> )	73.80

*Note:* These Shares were held by Emperor Culture Group Holdings Limited, a wholly-owned subsidiary of Albert Yeung Entertainment Holdings Limited (“**AY Entertainment Holdings**”). AY Entertainment Holdings is held by Alto Trust Limited in trust for a private discretionary trust of which Mr. Alex Yeung is one of the eligible beneficiaries.

## (b) Long positions interests in associated corporations

## (i) Ordinary shares

Name of Directors	Name of associated corporations	Capacity/Nature of interests	Number of issued shares interested	% of the issued voting shares
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan")	Emperor International Holdings Limited ("Emperor International")	Beneficial owner	10,500,000	0.29
Mr. Alex Yeung	Emperor International	Eligible beneficiary of a private discretionary trust	2,747,611,223 (Note)	74.71
	Emperor Entertainment Hotel Limited ("Emperor E Hotel")	-ditto-	851,353,645 (Note)	71.63
	Emperor Watch & Jewellery Limited ("Emperor W&J")	-ditto-	4,298,630,000 (Note)	63.41
	Ulferts International Limited ("Ulferts")	-ditto-	600,000,000 (Note)	75.00

*Note:* Emperor International, Emperor E Hotel, Emperor W&J and Ulferts are companies with their shares listed on the Stock Exchange. These shares were ultimately owned by the respective private discretionary trusts. Mr. Alex Yeung had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such private discretionary trusts.

*(ii) Debentures*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interests</b>	<b>Amount of debentures held</b>
Mr. Wong Chi Fai ("Mr. Bryan Wong")	Emperor International	Interest in a controlled corporation	HK\$2,000,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying Shares would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

### 4. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors or their respective close associates in the business which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group ("**Competing Business**") as required to be disclosed pursuant to the Listing Rules were as follows:

- i. Mr. Alex Yeung, being one of the eligible beneficiaries of a private discretionary trust of which Dr. Yeung Sau Shing, Albert is the founder and settlor, is deemed to be interested in various private companies under such trust which are also engaged in film investment. Given that he cannot control the boards of the Company and the companies under such trust, the Directors considered the Group's interests are adequately safeguarded; and

- ii. Mr. Bryan Wong and Ms. Vanessa Fan had directorship interests in private companies engaged in film investment. In light of the size and dominance of the portfolio of the Group, such disclosed deemed Competing Business is considered immaterial.

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

## **5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, save as the agreements listed below in which Mr. Alex Yeung has deemed interest, there was no other contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

- (a) The master agreement dated 29 June 2020 entered into between the Company and Ulferts in relation to its continuous purchase of furniture products and obtaining furniture procurement related consultancy services for its cinema operation thereunder.
- (b) The master leasing agreement dated 3 December 2020 entered into between the Company and Emperor International in relation to the tenancy transactions thereunder.
- (c) The master framework agreement dated 15 July 2022 entered into between the Company and AY Entertainment Holdings in relation to the tenancy and licensing transactions thereunder.

## **6. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors has, directly or indirectly, any interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

## **7. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance were pending or threatened against any member of the Group.

**8. MATERIAL CONTRACTS**

During the two years immediately preceding the date of this circular up to and including the Latest Practicable Date, no contract (not being contracts entered into in the ordinary course of business of the Group) has been entered into by the Group and is or may be material.

**9. DOCUMENTS ON DISPLAY**

Copy of the Letter of Intent will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmpCulture.com>) in accordance with the Listing Rules from the date of the circular and up to 14 days thereafter.

**10. MISCELLANEOUS**

- (a) The company secretary of the Company is Ms. Liu Suet Ying, who is an associate member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 17/F, Far East Centre, 16 Harcourt Road, Hong Kong.
- (c) The English text of this circular shall prevail over its Chinese text.