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**UNIVERSE ENTERTAINMENT AND CULTURE
GROUP COMPANY LIMITED
寰宇娛樂文化集團有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

**CONNECTED TRANSACTION RELATING TO
LEASING OF WYLER CENTRE PROPERTIES**

CONNECTED TRANSACTION

The Board announces that on 29 January 2024, UDE, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement with UPI, the entire issued share capital of which is owned by Mr. Daneil Lam (the founder, the chairman of the Company, an executive Director and the controlling shareholder of the Company), at a monthly rental of HK\$244,000 (exclusive of Rates, Government Rent and management fee).

The principal terms of the Tenancy Agreement are as follow:

Date

29 January 2024

Parties

(1) UPI as landlord

The entire issued share capital of UPI is owned by Mr. Daneil Lam.

(2) UDE as tenant

UDE is an indirect wholly-owned subsidiary of the Company and is principally engaged in distribution of films in various videogram formats in Hong Kong.

Premises

The Wyler Centre Properties

Saleable Area

Approximately 13,983 square foot

Term

36 months commencing from 25 February 2024

Rental

HK\$244,000 per month (exclusive of Rates, Government Rent and management fee) payable monthly

The annual rental (exclusive of Rates, Government Rent and management fee) paid by the Group to UPI in respect of the Wyler Centre Properties for the financial years ended 30 June 2021, 30 June 2022, 30 June 2023 and 7 months ending 31 January 2024 was HK\$2,928,000, HK\$2,928,000, HK\$2,928,000 and HK\$1,708,000 respectively.

Annual Cap

Based on the monthly rental of HK\$244,000 payable under the Tenancy Agreement, the maximum aggregate amount payable under the Tenancy Agreement for the years ending 30 June 2024, 30 June 2025, 30 June 2026 and 30 June 2027 will not exceed HK\$1,011,000, HK\$2,928,000, HK\$2,928,000 and HK\$1,918,000 respectively.

Reasons for the entering into of the Tenancy Agreement

As the Group has been using the Wyler Centre Properties since early 2000, the Directors consider that there will be considerable time and cost saving (in terms of relocation and renovation) for the Group to continue to lease the Wyler Centre Properties from UPI.

The terms of the Tenancy Agreement were arrived at after arm's length negotiations between UDE and UPI with reference to the past monthly rental and the Rental Valuation performed by RGA as at 12 December 2023.

The Directors (except Mr. Daneil Lam who abstained from participating in the approval of the Tenancy Agreement due to his material interests therein), including the independent non-executive Directors, considered that the entering into of the Tenancy Agreement was in the ordinary and usual course of business of the Company; and the terms of the Tenancy Agreement were based on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is principally engaged in video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, leasing of investment properties, securities investment, trading, wholesaling and retailing of optical products and watches products, and provisions of type-setting, translation, printing, design, distribution of financial print products and other related services.

UPI is principally engaged in investment holding in Hong Kong and its entire issued share capital is owned by Mr. Daneil Lam.

UDE is an indirect wholly-owned subsidiary of the Company and is principally engaged in distribution of films in various videogram formats in Hong Kong.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 "Leases", the Group is required to recognize an additional asset representing its right to use Wyler Centre Properties, and as a result, the entering into the Tenancy Agreement and the transactions contemplated thereunder will be regarded as acquisitions of assets by the Group for the purpose of the Listing Rules.

Mr. Daneil Lam, who is the founder, the chairman of the Company, an executive Director and controlling shareholder of the Company, is a Connected Person. Accordingly, UPI is a connected person of the Company under the Listing Rules. Hence, the transactions contemplated under the Tenancy Agreement, the payment of monthly rental payment under the Tenancy Agreement will be regarded as one-off connected transaction.

As the highest applicable percentage ratio in respect of the Value of Right-of-Use Assets under the Tenancy Agreement in the amount of approximately HK\$8,026,000 is more than 0.1% but less than 5% and the Value of Right-of-Use Assets is more than HK\$3,000,000, the transactions contemplated under the Tenancy Agreement are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Universe Entertainment and Culture Group Company Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange
“Connected Person”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected with any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Mr. Daneil Lam”	Mr. Lam Shiu Ming, Daneil, the founder, chairman of the Company, an executive Director and controlling shareholder of the Company
“Rental Valuation”	HK\$244,000 per month, being the market rent of the Wyler Centre Properties as at 12 December 2023 performed by RGA
“RGA”	Ravia Global Appraisal Advisory Limited, an independent qualified valuer

“Shares”	the shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 29 January 2024 entered into between UPI as landlord and the UDE as tenant on terms as set out therein
“UDE”	Universe Digital Entertainment Limited (寰宇數碼娛樂有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“UPI”	Universe Property Investment Limited (寰宇物業投資有限公司), a company incorporated under the laws of Hong Kong with limited liability and the entire issued share capital of which is owned by Mr. Daneil Lam
“Value of Right-of-Use Assets”	the unaudited present value of the aggregated rental payment for the entire term of the Tenancy Agreement as discounted and recognised by the Group in accordance with HKFRS 16 for the right to use of Wyler Centre Properties
“Wyler Centre Properties”	Unit 1 on 18th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong and Car Parking Spaces Nos.1, 24, 25, 26 & 41 on 2nd Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong

On behalf of the Board
**Universe Entertainment and Culture
Group Company Limited**
Lam Shiu Ming, Daneil
Chairman and Executive Director

Hong Kong, 29 January 2024

As at the date of this announcement, the executive directors of the Company are Mr. Lam Shiu Ming, Daneil and Mr. Lam Kit Sun, and the independent non-executive directors of the Company are Mr. Choi Wing Koon, Mr. Tang Yiu Wing and Ms. Pong Suet Hing.

* *For identification purposes only*