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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)

2023/2024 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “**Board**” or “**Directors**”) of Emperor Culture Group Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2023 (the “**Period**”).

	For the six months ended	
	31 December	
	2023	2022
	HK'000	HK'000
Total revenue	267,186	212,231
<i>Box office takings</i>	219,964	184,386
<i>Others</i>	47,222	27,845
Gross profit	160,951	124,600
Loss for the period	143,218	145,230

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's total revenue is entirely derived from the cinema operation. During the Period, the recovery of the film industry as well as the increase in the total number of its cinemas has resulted in an increase in the Group's total revenue by 25.9% to HK\$267.2 million (2022: HK\$212.2 million), which mainly included the revenue from box office takings amounting to HK\$220.0 million (2022: HK\$184.4 million), increasing by 19.3% as compared with the previous year and accounting for 82.3% (2022: 86.9%) of the cinema operation revenue. In terms of revenue by geographical segment, revenue from the mainland China market increased significantly to HK\$117.3 million (2022: HK\$53.8 million) and accounted for 43.9% (2022: 25.4%) of the cinema operation revenue, while revenue from the Hong Kong market was HK\$137.3 million (2022: HK\$147.1 million) and accounted for 51.4% (2022: 69.3%) of the cinema operation revenue. During the Period, mainly due to the increase in the Group's total revenue, its net loss for the Period narrowed to HK\$143.2 million (2022: HK\$145.2 million).

BUSINESS REVIEW

The Group engages in entertainment, media and cultural development businesses, which mainly include operation of cinemas under *Emperor Cinemas Group*.

During the Period, an *Emperor Cinemas* was newly opened in Chongqing in mainland China, and an *Emperor Cinemas Plus+* was newly opened in The Wai, Hong Kong, which is a new shopping mall in Tai Wai, serving as another iconic community landmark in the New Territories, Hong Kong. As at 31 December 2023, the Group had a total of 23 cinemas in mainland China, Hong Kong and Macau under the *Emperor Cinemas* and *Emperor Cinemas Plus+*, as well as *MCL Cinemas Plus+* brands, offering a total of 175 houses with approximately 26,000 seats.

Located in either large-scale commercial and entertainment complex or upscale residential areas, the cinemas of the Group are positioned as high-end premium cinemas equipped with advanced technologies including IMAX® and CINITY theatre systems, ScreenX, 4DX or MX4D motion systems, D-Box seats and Dolby Atmos audio system. They also feature VIP houses and VIP lounges, where the audiences can enjoy premium and exclusive entertainment services.

PROSPECTS

The film exhibition market in China, including Hong Kong and Macau, has regained momentum recently. Movie-goers are showing heightened enthusiasm for Chinese films, in particular. With the continued increase in disposable income and living standards, the Group is confident that there will be room for further development in terms of leisure spending in the long run.

Given the macroeconomic headwinds, such as ongoing high interest rate and sustained inflation, the Group will adhere to its prudent financial and capital management policy, and continue exercising stringent control over operating costs, in order to enhance operating efficiency. Cinemas nowadays are generally regarded as integrated modern lifestyle hubs, featuring blockbuster movies, pop culture merchandise, food and beverage and live events. Leveraging its long-established *Emperor* brand label, the Group will continue strengthening its core competencies, in order to seize market opportunities, while adopting prudent expansion of its network in mainland China and Hong Kong. The Group will closely observe the market situation and promptly respond as appropriate.

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

As at 31 December 2023, the Group's cash and cash equivalents amounted to HK\$64.9 million (30 June 2023: HK\$82.0 million), which were mainly denominated in Hong Kong dollars and Renminbi.

To finance its operations and capital expenditure, the Group utilises cash flows generated from operations and from loan facilities granted by a related party and a bank. As at 31 December 2023, the Group had total borrowings of HK\$798.4 million (30 June 2023: HK\$685.9 million), which comprised a loan from a related party of HK\$708.1 million (30 June 2023: HK\$595.6 million), bank loan of HK\$20.0 million (30 June 2023: HK\$20.0 million) and amount due to non-controlling interests of HK\$70.3 million (30 June 2023: HK\$70.3 million), respectively. Except for the amount due to non-controlling interests, which is unsecured and interest-free, all these borrowings are unsecured, interest-bearing and have fixed repayment terms. The gearing ratio of the Group (expressed as a percentage of total borrowings over total assets) was 60.2% (30 June 2023: 48.9%) as at 31 December 2023.

Management has closely monitored the development of the pandemic and its impact on the current and anticipated liquidity of the Group in the future. Having considered the existing improvement measures implemented by the Group and the available loan facilities granted by the related party and the bank, the Directors believe that the Group will have sufficient financial resources to satisfy its future working capital and other financing requirements for the foreseeable future.

Exposure to Fluctuation in Exchange Rates and Related Hedges

The Group's cash and bank balances, income and expenditure are primarily denominated in Hong Kong dollars, Renminbi and Macau Pataca. As most of the Group's external monetary assets, liabilities and related transactions were transacted at and denominated in the functional currency of its foreign operations, the Group was not exposed to significant fluctuation in foreign exchange rates during the Period that would have material impacts on its financial performance.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group's number of employees was 752 (30 June 2023: 743). Total staff costs including the Directors' remuneration and other staff costs for the Period were HK\$63.2 million (2022: HK\$58.5 million). Each employee's remuneration was determined in accordance with individual's responsibilities, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

To provide incentive or rewards to staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the Company's interim report.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2022: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	<i>Notes</i>	Six months ended 31 December	
		2023	2022
		(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
REVENUE	4	267,186	212,231
Cost of sales		<u>(106,235)</u>	<u>(87,631)</u>
Gross profit		160,951	124,600
Other income and gains	5	3,095	8,425
Selling, marketing and other cinema operating expenses		(214,048)	(205,998)
General and administrative expenses		(33,476)	(26,876)
Other gains, net		–	8,866
Finance costs	7	(50,255)	(39,024)
Share of losses of joint ventures		<u>(9,485)</u>	<u>(15,223)</u>
LOSS BEFORE TAX	6	(143,218)	(145,230)
Income tax expense	8	–	–
LOSS FOR THE PERIOD		<u>(143,218)</u>	<u>(145,230)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		<u>973</u>	<u>(4,974)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>973</u>	<u>(4,974)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(142,245)</u></u>	<u><u>(150,204)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
<i>Notes</i>	HK\$'000	HK\$'000
LOSS FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the parent	(143,218)	(141,848)
Non-controlling interests	—	(3,382)
	<u>(143,218)</u>	<u>(145,230)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the parent	(142,245)	(148,348)
Non-controlling interests	—	(1,856)
	<u>(142,245)</u>	<u>(150,204)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted	<i>10</i> <u>HK\$(0.045)</u>	<u>HK\$(0.044)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		As at	
	31 December	30 June	
	2023	2023	
	(Unaudited)	(Audited)	
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
NON-CURRENT ASSETS			
Property, plant and equipment	409,132	428,759	
Right-of-use assets	699,140	762,733	
Prepayments, deposits and other receivables	51,343	50,627	
Investments in joint ventures	42,498	21,313	
	1,202,113	1,263,432	
TOTAL non-current assets			
CURRENT ASSETS			
Inventories	3,958	3,595	
Trade receivables	25,938	24,521	<i>11</i>
Prepayments, deposits and other receivables	27,942	28,181	
Amount due from a related company	313	–	
Amounts due from joint ventures	–	618	
Financial assets at fair value through profit or loss	63	63	
Cash and cash equivalents	64,942	81,986	
	123,156	138,964	
TOTAL current assets			
CURRENT LIABILITIES			
Trade payables, other payables and accruals	123,155	135,701	<i>12</i>
Contract liabilities	25,358	24,870	
Interest-bearing bank and other borrowings	20,028	20,030	
Lease liabilities	156,700	147,619	
Amounts due to related companies	4,989	4,103	
Amount due to a joint venture	250	250	
Amount due to non-controlling interests	70,259	70,259	
	400,739	402,832	
TOTAL current liabilities			
NET CURRENT LIABILITIES		(277,583)	(263,868)
TOTAL ASSETS LESS CURRENT LIABILITIES		924,530	999,564

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	31 December	As at
	2023	30 June
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES		
Provisions	62,203	61,761
Interest-bearing bank and other borrowings	708,083	595,633
Lease liabilities	867,563	913,244
	<u>1,637,849</u>	<u>1,570,638</u>
Total non-current liabilities	1,637,849	1,570,638
	<u>(713,319)</u>	<u>(571,074)</u>
Net liabilities	(713,319)	(571,074)
EQUITY		
Equity attributable to owners of the parent		
Issued capital	32,133	32,133
Reserves	(742,658)	(600,413)
	<u>(710,525)</u>	<u>(568,280)</u>
Non-controlling interests	(2,794)	(2,794)
	<u>(713,319)</u>	<u>(571,074)</u>
Total equity	(713,319)	(571,074)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the Period have been prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In addition, they have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2023.

Certain comparative figures have been reclassified to be consistent with the current period’s presentation.

The Group had a net loss attributable to owners of the parent of HK\$143,218,000 (2022: HK\$141,848,000) for the Period and net current liabilities of HK\$277,583,000 (30 June 2023: HK\$263,868,000) and net liabilities of HK\$713,319,000 (30 June 2023: HK\$571,074,000) as at 31 December 2023. The Group’s net loss for the Period included certain non-cash expenses/charges in an aggregate amount of HK\$98,440,000 (2022: HK\$105,111,000). The Group had total cash and cash equivalents of HK\$64,942,000 (30 June 2023: HK\$81,986,000) as at 31 December 2023.

The outbreak of novel coronavirus (“**Covid-19**”) had disrupted the business operations and developments of the Group in prior years and detrimentally affected its historical results and financial and liquidity positions. Against this backdrop, the Group was able to turn around and recorded a 25.9% increase in revenue to HK\$267,186,000 during the Period as compared to the prior period, reflecting a 117.9% increase in revenue of its business operations in Mainland China to HK\$117,298,000. In the opinion of the Directors, such increases were mainly attributable to a recovery of the Mainland China market, and a progressive improvement of business operations/developments of certain cinemas of the Group in Mainland China.

In preparing these condensed consolidated financial statements, the Directors have given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to attain growth and cash positive operations in the near future. Measures of active cost-saving and financial resources improvement to streamline/enhance the Group’s existing operations and to focus on improving the financial resources of the Group have been implemented/contemplated by the Group to control its operating expenses and cash outflows in the current and coming years and to enable the Group to revitalise itself to take advantage of any growth opportunities in the near future (the “**Cost-saving and Improvement Measures**”).

In addition, the Group has maintained a long-term loan facility from a related party in the amount of HK\$1,200,000,000 (the “**Other Loan Facility**”), with a carrying amount of HK\$708,083,000 (30 June 2023: HK\$595,633,000) as at 31 December 2023. The Group has also maintained a revolving loan facility from a bank in the amount of HK\$20,000,000 (the “**Bank Loan Facility**”), with a carrying amount of HK\$20,028,000 (30 June 2023: HK\$20,030,000) as at 31 December 2023.

1. BASIS OF PREPARATION *(Continued)*

The Directors have evaluated relevant conditions and events that are known or could be reasonably forecasted/estimated. Based on such evaluation, the Directors are of the opinion that, in light of the measures/arrangements contemplated/implemented to date, including, inter alia, the Cost-saving and Improvement Measures, and the availability of the Other Loan Facility and the Bank Loan Facility, the Group will have sufficient financial resources to satisfy its working capital and other financing requirements for the foreseeable future and, accordingly, it is appropriate for the Group to continue to adopt the going concern basis in preparing these condensed consolidated financial statements for the Period.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The application of the new and revised HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (a) Cinema operation
- (b) Investments in films

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, non-lease-related finance costs as well as unallocated corporate and other expenses are excluded from such measurement.

3. OPERATING SEGMENT INFORMATION (Continued)

Information regarding the above segments is reported as below:

Segment revenue and results

For the six months ended 31 December 2023

	Cinema operation (Unaudited) HK\$'000	Investments in films (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue (note 4)			
Sales to external customers	<u>267,186</u>	<u>–</u>	<u>267,186</u>
Segment results	(118,489)	–	(118,489)
<i>Reconciliation:</i>			
Bank interest income			73
Unallocated corporate and other expenses			(2,623)
Finance costs (other than interest on lease liabilities)			<u>(22,179)</u>
Loss before tax			<u>(143,218)</u>

For the six months ended 31 December 2022

	Cinema operation (Unaudited) HK\$'000	Investments in films (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue (note 4)			
Sales to external customers	<u>212,231</u>	<u>–</u>	<u>212,231</u>
Segment results	(131,751)	(9)	(131,760)
<i>Reconciliation:</i>			
Bank interest income			49
Unallocated corporate and other expenses			(2,753)
Finance costs (other than interest on lease liabilities)			<u>(10,766)</u>
Loss before tax			<u>(145,230)</u>

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as it is not regularly provided to management for review.

Other than the segment information disclosed above, there was no other information reviewed by management for both periods.

4. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Income from cinema operation	267,186	212,231
	<u>267,186</u>	<u>212,231</u>
(a) Disaggregated revenue information		
Segment		
	Cinema operation	
	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Types of goods or services		
Box office takings	219,964	184,386
Sale of concession goods	26,404	18,423
Screen advertising services	7,269	2,252
Others	13,549	7,170
	<u>267,186</u>	<u>212,231</u>
Total revenue from contracts with customers	267,186	212,231
	<u>267,186</u>	<u>212,231</u>
Geographical markets		
Mainland China	117,298	53,827
Hong Kong	137,341	147,119
Macau	12,547	10,575
Other region in Asia Pacific	–	710
	<u>267,186</u>	<u>212,231</u>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Box office takings

The performance obligation is satisfied when the film is exhibited to the customer and payment in advance is normally required.

Sale of concession goods

The performance obligation is satisfied at a point in time when the customer takes possession of the goods and payment is received upon delivery.

Screen advertising services

The performance obligation is generally satisfied over time when the customer simultaneously receives and consumes the benefits as the Group makes the cinema available for screening of advertisements over the period of the arrangement, while certain payments in advance are normally required.

5. OTHER INCOME AND GAINS

	Six months ended 31 December	
	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest income from:		
– Bank balances	73	49
– Deposits paid	986	976
Foreign exchange gain, net	84	71
Government subsidies*	443	6,628
Others	1,509	701
	3,095	8,425
	3,095	8,425

* The government subsidies mainly represented subsidies received under the Employment Support Scheme, Cinema Subsidy Scheme and Food Licence Holders Subsidy Scheme of the Government of the Hong Kong Special Administrative Region and subsidies received by certain subsidiaries from the local government authorities in the People's Republic of China (the "PRC"). There were no unfulfilled conditions or contingencies relating to these government subsidies.

6. LOSS BEFORE TAX

	Six months ended 31 December	
	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
The Group's loss before tax arrived at after charging/(crediting):		
Depreciation of property, plant and equipment*	41,543	49,931
Depreciation of right-of-use assets*	56,897	64,045
Lease payments not included in the measurement of lease liabilities*	9,736	1,913
Impairment of property, plant and equipment [#]	–	28,737
Impairment of right-of-use assets [#]	–	89,061
Gain on derecognition of lease liabilities and provisions of reinstatement costs [#]	–	(126,663)
Covid-19-related rent concessions from lessors [^]	–	(12,340)
	108,176	125,764
	108,176	125,764

* Depreciation of property, plant and equipment of HK\$41,499,000 (2022: HK\$49,845,000), depreciation of right-of-use assets of HK\$56,264,000 (2022: HK\$63,250,000) and lease payments not included in the measurement of lease liabilities of HK\$5,930,000 (2022: HK\$910,000) are included in "Selling, marketing and other cinema operating expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

[#] Included in "Other gains, net" in the condensed consolidated statement of profit or loss and other comprehensive income.

[^] In 2022, an amount of HK\$12,340,000 was included in "Selling, marketing and other cinema operating expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank and other borrowings	22,179	10,779
Interest on lease liabilities	28,076	28,245
	<u>50,255</u>	<u>39,024</u>

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (2022: Nil).

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in Bermuda and the BVI.

No provision for PRC Enterprise Income Tax has been made for the current and prior periods as the Group’s subsidiaries established in Mainland China either had no assessable profits arising in Mainland China or had available tax losses brought forward from previous years to offset their assessable profits generated during the current and prior periods.

No provisions for Macau Complementary Tax and Malaysia Corporate Income Tax have been made as the Group had no assessable profits arising in Macau and Malaysia for the current and prior periods.

9. DIVIDENDS

The Board has resolved not to declare any interim dividend for the year ending 30 June 2024 (2022: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic

The calculation of the basic loss per share amount for the Period is based on the loss for the Period attributable to ordinary equity holders of the parent of HK\$143,218,000 (2022: HK\$141,848,000), and the weighted average number of ordinary shares of the Company of approximately 3,213,341,000 (2022: 3,213,341,000) in issue during the Period.

Diluted

No adjustment has been made to the basic loss per share amounts presented for both periods as the Group had no potentially dilutive ordinary shares in issue during those periods.

11. TRADE RECEIVABLES

	As at	
	31 December 2023	30 June 2023
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	27,373	25,956
Impairment	(1,435)	(1,435)
	<u>25,938</u>	<u>24,521</u>

11. TRADE RECEIVABLES (Continued)

For the Group's box office takings and sale of concession goods and other products, payments on demand or in advance in cash or by major credit/debit cards or other electronic/mobile payment methods are normally required, with the settlements from the corresponding banks or other financial institutions normally within 2 to 30 days. The Group's trading term with its other customers are mainly on credit. The credit period is generally 1 month from the date of billing. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at	
	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Within 1 month	15,110	11,733
1 to 3 months	6,593	3,126
Over 3 months	4,235	9,662
	<u>25,938</u>	<u>24,521</u>

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at	
	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Trade payables	44,540	60,857
Accruals	29,316	19,343
Other payables	49,299	55,501
	<u>123,155</u>	<u>135,701</u>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at	
	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Within 3 months	29,073	34,332
Over 3 months	15,467	26,525
	<u>44,540</u>	<u>60,857</u>

REVIEW OF INTERIM RESULTS

These condensed consolidated financial statements of the Group for the Period have not been reviewed nor audited by the Company's auditor, Ernst & Young, but have been reviewed by the audit committee of the Company, which comprises three independent non-executive Directors.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all code provisions under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the Period.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the Period.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmpCulture.com>). The interim report of the Company for the Period will be available on the aforesaid websites in due course.

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

Hong Kong, 22 February 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

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

Independent Non-executive Directors:

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