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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)

2024/2025 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (“**Board**” or “**Directors**”) of Emperor Culture Group Limited (“**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the year ended 30 June 2025 (“**Year**”).

	For the year ended	
	30 June	
	2025	2024
	HK’000	HK’000
Revenue	480,644	494,541
<i>Box office takings</i>	389,244	401,873
<i>Others</i>	91,400	92,668
Gross profit	290,720	295,778
<i>Gross profit margin</i>	60.5%	59.8%
Impairment allowances	29,804	430,511
Earnings/(Loss) before interest, tax, depreciation and amortisation	54,629	(416,224)
Net (loss)	(141,646)	(715,149)

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the Year, global headwinds continued impacting the macro economy, resulting in a challenging business environment for the Group. Although affected by weak consumption sentiment and the lack of blockbusters, the Group's total revenue recorded only a mild decrease to HK\$480.6 million (2024: HK\$494.5 million) during the Year, which included revenue from box office takings of HK\$389.2 million (2024: HK\$401.9 million), accounting for 81.0% (2024: 81.3%) of the total revenue, and other income of HK\$91.4 million (2024: HK\$92.7 million), accounting for 19.0% (2024: 18.7%) of the total revenue. The Group's box office takings from the Mainland China and Hong Kong markets during the Year recorded mild declines of 0.5% and 4.7% respectively, while the overall box office takings of the two markets during the same period dropped by 8.8% and 5.1% respectively, reflecting the Group's outperformance of its box office takings against the market.

Attributable mainly to the significant decrease in impairment allowances to HK\$29.8 million (2024: HK\$430.5 million) as well as effective cost control measures implemented by the Group, the Group recorded earnings before interest, tax, depreciation and amortisation of HK\$54.6 million during the Year (2024: loss before interest, tax, depreciation and amortisation of HK\$416.2 million), and its net loss significantly narrowed to HK\$141.6 million (2024: HK\$715.1 million). Basic loss per share was HK\$0.04 (2024: HK\$0.22).

MARKET REVIEW

With a number of challenges including competition from streaming platforms, lack of blockbusters, high rental costs, and changes in audience consumption habits, the cinema industry in Hong Kong has been undergoing a consolidation – during the Year, more than 10 cinemas in the Hong Kong market closed down. According to statistics published by Hong Kong Box Office Limited, box office takings in Hong Kong during the year decreased by 5.1% year-on-year to HK\$1.2 billion. In view of the industry slump, the Hong Kong government launched promotional activities including the Cinema Day and 1st October Movie Fiesta, as well as some film production support schemes, to support the industry.

In the meantime, the entertainment preferences of audiences in the Mainland China market have been changing as a result of the rise of short reels, short dramas, etc. Movie lovers may opt to only go to cinemas for blockbusters, which tend to be concentrated during long holidays only such as Chinese New Year, summer and Golden Week. During the Year, the Chinese film market slowed down, with Mainland China box office revenue dropping by 8.8% year-on-year to RMB48.0 billion.

BUSINESS REVIEW

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

During the Year, one *Emperor Cinemas* was newly opened in Sanlitun, Beijing, China. As at 30 June 2025, the Group had a total of 24 cinemas in Mainland China, Hong Kong and Macau under the *Emperor Cinemas* and *Emperor Cinemas Plus+* brands, offering a total of 172 houses with approximately 25,000 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. Recently, the Group's *Emperor Cinemas* located at iSquare, Tsim Sha Tsui, Hong Kong received the “2024-2025 IMAX Excellence Awards – Best Performing IMAX Theatre”, which was a testament to the Group's dedication to provide exceptional cinemas facilities and excellent services to its customers.

PROSPECTS

A significant number of cinemas have closed down amid the ongoing market consolidation, while the Group's cinema network remains resilient and solid, enabling the Group to expand its market share. Supported by the Hong Kong government's measures for enhancing both quality and quantity of Hong Kong films as well as funding projects and activities that cultivate the public's cinema-going habit, the Group will strive to capture market opportunities when the industry revives. In the meantime, an increasing number of high-quality cinemas are being opened in new shopping malls in Mainland China. Many of them feature advanced audio-visual systems and spacious and comfortable seating, and offer a wide variety of food and beverages – providing audiences with especially enjoyable cinema experiences, which should help boost the numbers of cinema patrons, in turn benefitting the Group's business in Mainland China.

Recently, more collaboration between producers in Hong Kong and Mainland China are evident. It is envisaged that more Chinese blockbusters will be produced, and the Group has a positive view regarding the long-term development of the film and cinema industries. Leveraging its “*Emperor*” brand established over the past decades, the Group will continue strengthening its core competencies in order to seize the opportunities amid the consolidation of the cinema industry, driving towards its goal of becoming the local market leader and delivering sustainable returns to its shareholders.

FINANCIAL INFORMATION

Liquidity and Financial Resources

As at 30 June 2025, the Group's cash and cash equivalents amounted to HK\$49.8 million (2024: HK\$84.6 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 30 June 2025, the Group had total borrowings of HK\$1,066.0 million (2024: HK\$977.0 million), which comprised a loan from a related party of HK\$995.7 million (2024: HK\$889.7 million), amount due to non-controlling interests of HK\$70.3 million (2024: HK\$70.3 million) and zero balance of bank loan (2024: HK\$17.0 million). Except for the amount due to non-controlling interests, which was unsecured and interest-free, all these borrowings were unsecured, interest-bearing and had fixed repayment terms.

Having considered the business performance of the Group and the available loan facilities granted by the related party, 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 dollar, 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 Year that would have material impacts on its financial performance.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the number of the Group's employees was 585 (2024: 776). Total staff costs including the Directors' remuneration and other staff costs for the Year were HK\$101.9 million (2024: HK\$127.3 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 annual report.

FINAL DIVIDEND

The Board has resolved not to recommend any final dividend for the Year (2024: Nil).

ANNUAL GENERAL MEETING

In order to qualify for the right to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 3 December 2025 ("AGM"), all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong before 4:30 p.m. on Thursday, 27 November 2025 (record date). The register of members of the Company will not be closed for this purpose of ascertaining the right of the shareholders of the Company to attend and vote at the AGM.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 30 June 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
REVENUE	4	480,644	494,541
Cost of sales		<u>(189,924)</u>	<u>(198,763)</u>
Gross profit		290,720	295,778
Other income and gains	5	9,254	15,065
Gain/(loss) relating to leases, net	6	52,780	(230,356)
Selling, marketing and other cinema operating expenses		(293,636)	(411,117)
General and administrative expenses		(59,455)	(67,720)
Impairment of loans to joint ventures	6	(13,649)	(2,746)
Other expenses, net		(16,155)	(168,864)
Finance costs	7	(103,693)	(103,333)
Share of losses of joint ventures		<u>(7,812)</u>	<u>(41,856)</u>
LOSS BEFORE TAX	6	(141,646)	(715,149)
Income tax expense	8	<u>—</u>	<u>—</u>
LOSS FOR THE YEAR		<u>(141,646)</u>	<u>(715,149)</u>
Attributable to:			
Owners of the parent		(141,646)	(715,149)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(141,646)</u>	<u>(715,149)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	10	<u>HK\$(0.04)</u>	<u>HK\$(0.22)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
LOSS FOR THE YEAR	(141,646)	(715,149)
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	724	(4,153)
	724	(4,153)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(140,922)	(719,302)
Attributable to:		
Owners of the parent	(140,922)	(719,302)
Non-controlling interests	—	—
	(140,922)	(719,302)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		184,567	216,138
Right-of-use assets		229,764	385,017
Prepayments, deposits and other receivables		53,911	64,387
Investments in joint ventures		–	18,711
Total non-current assets		468,242	684,253
CURRENT ASSETS			
Inventories		3,672	3,615
Trade receivables	11	30,407	29,166
Prepayments, deposits and other receivables		31,316	30,266
Amounts due from joint ventures		307	2,645
Amount due from a related company		–	2,274
Pledged bank deposits		–	1,932
Cash and cash equivalents		49,821	84,636
Total current assets		115,523	154,534
CURRENT LIABILITIES			
Trade payables, other payables and accruals	12	103,099	126,479
Contract liabilities		34,718	26,577
Interest-bearing bank borrowing		–	17,032
Lease liabilities		114,181	139,965
Provisions		4,043	–
Amounts due to related companies		12,449	5,690
Amount due to a joint venture		387	250
Amount due to non-controlling interests		70,259	70,259
Total current liabilities		339,136	386,252
NET CURRENT LIABILITIES		(223,613)	(231,718)
TOTAL ASSETS LESS CURRENT LIABILITIES		244,629	452,535
NON-CURRENT LIABILITIES			
Provisions		56,620	60,890
Interest-bearing other borrowing		995,731	889,707
Lease liabilities		623,576	792,314
Total non-current liabilities		1,675,927	1,742,911
Net liabilities		(1,431,298)	(1,290,376)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**30 June 2025*

	2025 HK\$'000	2024 HK\$'000
EQUITY		
Equity attributable to owners of the parent		
Issued capital	32,133	32,133
Reserves	(1,460,637)	(1,319,715)
	(1,428,504)	(1,287,582)
Non-controlling interests	(2,794)	(2,794)
Total equity	(1,431,298)	(1,290,376)

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

The Group’s current liabilities exceeded its current assets by HK\$223.6 million as at 30 June 2025 and incurred a net loss of HK\$141.6 million for the year then ended. As at 30 June 2025, the Group’s current liabilities amounted to HK\$339.1 million, while its cash and cash equivalents was HK\$49.8 million. The Group’s current liquidity position may not be sufficient to finance its future working capital, capital expenditure and other investing and financing requirements in full as and when they fall due unless the Group is able to generate/receive sufficient net cash inflows from its operations and financing.

These conditions and the facts and circumstances summarised below indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern.

In preparing the consolidated financial statements, the Directors have given careful considerations to the current and anticipated future performance and liquidity of the Group and the ability of the Group to execute its plans to attain growth and cash positive operations in the future.

To finance the Group’s businesses, the Group has obtained a long-term loan facility from a related party in the amount of HK\$1,200 million (“**Other Loan Facility**”), of which an aggregate loan facility amount of HK\$863.5 million was utilised as at 30 June 2025, which is repayable on 30 June 2027 (“**Maturity Date**”).

To improve the current and future financial performance and liquidity conditions, various financial performance and resources improvement plans and measures have been implemented/contemplated by the Group to focus on improving the financial performance and liquidity of the Group and to enable the Group to take advantage of any growth opportunities in the future.

The Directors have considered relevant available information and factors about the future and reviewed the Group’s cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2025. The Directors believe and assume the Other Loan Facility will continue to be available and no repayment of the loan drawn thereunder and the accrued interest will need to be made before the Maturity Date, as the Group will be dependent on such financing. Based on such, the Directors are of the opinion that, taking into account the anticipated cash flows to be generated from the Group’s operations, the aforementioned financial performance and resources improvement plans and measures, and the availability of the Other Loan Facility, the Group will be able to meet its financial obligations as and when they fall due for a period of not less than twelve months from the end of the reporting period.

1. BASIS OF PREPARATION *(continued)*

Notwithstanding the above, material uncertainties exist as to whether the Group is able to generate/receive sufficient cash inflows from its operations and financing to maintain it as a going concern, including, but not limited to, whether it is able to successfully implement its various plans and measures as described above; whether it will continue to have sufficient external financing; and its operating cash flows are dependent on changing industry/market conditions. Should the Group be unable to maintain as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify its non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HKFRSs

The Group has adopted the following revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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; and
- (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.

Segment assets exclude pledged bank deposits, cash and cash equivalents, investments in unlisted equity securities included in financial assets at fair value through profit or loss ("FVPL") and other unallocated head office and corporate assets as these assets are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment liabilities exclude interest-bearing bank and other borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 30 June 2025/At 30 June 2025

	Cinema operation HK\$'000	Investments in films HK\$'000	Total HK\$'000
Segment revenue (note 4)			
Sales to external customers	480,644	–	480,644
Segment results	(85,280)	–	(85,280)
<i>Reconciliation:</i>			
Bank interest income			76
Unallocated corporate and other expenses			(2,991)
Finance costs (other than interest on lease liabilities)			(53,451)
Loss before tax			(141,646)
Segment assets	533,469	132	553,601
<i>Reconciliation:</i>			
Corporate and other unallocated assets			50,164
Total assets			583,765
Segment liabilities	1,018,829	20	1,018,849
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			996,214
Total liabilities			2,015,063
Other segment information			
Share of losses of joint ventures	7,812	–	7,812
Depreciation of property, plant and equipment	43,760	–	43,760
Depreciation of right-of-use assets	48,822	–	48,822
Gain on lease modifications	(52,654)	–	(52,654)
Impairment of property, plant and equipment	16,155	–	16,155
Reversal of impairment of right-of-use assets	(126)	–	(126)
Impairment of loans to joint ventures	13,649	–	13,649
Investments to joint ventures	–	–	–
Capital expenditure [#]	30,403	–	30,403

[#] Capital expenditure consists of additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 30 June 2024/At 30 June 2024

	Cinema operation HK\$'000	Investments in films HK\$'000	Total HK\$'000
Segment revenue (note 4)			
Sales to external customers	494,541	–	494,541
Segment results	(662,381)	68	(662,313)
<i>Reconciliation:</i>			
Bank interest income			173
Unallocated corporate and other expenses			(3,586)
Finance costs (other than interest on lease liabilities)			(49,423)
Loss before tax			(715,149)
Segment assets	751,792	131	751,923
<i>Reconciliation:</i>			
Corporate and other unallocated assets			86,864
Total assets			838,787
Segment liabilities	1,221,308	95	1,221,403
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			907,760
Total liabilities			2,129,163
Other segment information			
Share of losses of joint ventures	41,856	–	41,856
Depreciation of property, plant and equipment	84,287	–	84,287
Depreciation of right-of-use assets	111,305	–	111,305
Fair value gains on financial assets at FVPL	–	68	68
Gain on lease modifications	(28,456)	–	(28,456)
Impairment of property, plant and equipment	168,953	–	168,953
Impairment of right-of-use assets	258,812	–	258,812
Impairment of loans to joint ventures	2,746	–	2,746
Investments in joint ventures	18,711	–	18,711
Capital expenditure [#]	42,268	–	42,268

[#] Capital expenditure consists of additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Mainland China	204,705	207,698
Hong Kong	255,155	264,297
Macau	20,784	22,546
	<u>480,644</u>	<u>494,541</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Mainland China	252,208	317,981
Hong Kong	162,123	276,904
Macau	–	24,981
	<u>414,331</u>	<u>619,866</u>

The non-current asset information above is based on the locations of the assets and excludes non-current deposits and other receivables.

Information about major customers

Revenue from transactions with an external customer derived from the cinema operation segment contributing over 10% of the total revenue of the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
An external customer	—*	54,235

* The revenue generated from the relevant customer did not exceed 10% of the total revenue of the Group for the relevant year.

4. REVENUE

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

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Income from cinema operation	480,644	494,541

Revenue from contracts with customers (a) Disaggregated revenue information

Segment	Cinema operation	
	2025 HK\$'000	2024 HK\$'000
Types of goods or services		
Box office takings	389,244	401,873
Sale of concession goods	50,441	49,418
Screen advertising services	12,830	14,434
Others	28,129	28,816
Total revenue from contracts with customers	480,644	494,541
Geographical markets		
Mainland China	204,705	207,698
Hong Kong	255,155	264,297
Macau	20,784	22,546
	480,644	494,541

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Short-term advances received from customers:		
Cinema operation	26,178	24,226

4. REVENUE (continued)

Revenue from contracts with customers (continued)

(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.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed because all the remaining performance obligations are part of respective contracts that have an original expected duration of one year or less.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest income from:		
– Bank balances	76	173
– Deposits paid	2,190	2,238
Government subsidies	1,457	591
Management fee income	5,252	3,970
Derecognition of liabilities	–	4,528
Fair value gains on financial assets at FVPL	–	68
Others	279	3,497
	<u>9,254</u>	<u>15,065</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold [#]	11,652	11,719
Depreciation of property, plant and equipment ^{**}	43,760	84,287
Depreciation of right-of-use assets ^{**}	48,822	111,305
Gain on lease modifications [^]	(52,654)	(28,456)
(Reversal of)/provision of impairment of right-of-use assets [^]	(126)	258,812
Impairment of property, plant and equipment [*]	16,155	168,953
Impairment of loans to joint ventures	13,649	2,746
Loss/(gain) on disposal/written off of property, plant and equipment, net	3,094	(29)
Foreign exchange differences, net	(167)	(168)
Fair value gains on financial assets at FVPL		
– Mandatorily classified as such, including those held for trading	–	(68)

[#] Included in “Cost of sales” in the consolidated statement of profit or loss.

^{*} Included in “Other expenses, net” in the consolidated statement of profit or loss.

[^] Included in “Gain/(loss) relating to leases, net” in the consolidated statement of profit or loss.

^{**} Depreciation of property, plant and equipment of HK\$43,644,000 (2024: HK\$84,193,000) and depreciation of right-of-use assets of HK\$48,228,000 (2024: HK\$110,037,000) are included in “Selling, marketing and other cinema operating expenses” in the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings	53,451	49,423
Interest on lease liabilities	50,242	53,910
	<u>103,693</u>	<u>103,333</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 Year (2024: Nil).

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

No provision for People's Republic of China Enterprise Income Tax has been made for the current and prior years 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 years.

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 years.

9. DIVIDEND

The Board has resolved not to recommend any final dividend for the Year (2024: 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 Year is based on the loss for the Year attributable to ordinary equity holders of the parent of HK\$141,646,000 (2024: HK\$715,149,000), and the weighted average number of ordinary shares of the Company of 3,213,340,890 (2024: 3,213,340,890) in issue during the Year.

Diluted

No adjustment has been made to the basic loss per share amounts presented for the years ended 30 June 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during the years ended 30 June 2025 and 2024.

11. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	31,842	30,601
Impairment	(1,435)	(1,435)
	<u>30,407</u>	<u>29,166</u>

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 corresponding banks or other financial institutions normally within 2 to 30 days. The Group's trading terms 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:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	13,328	12,049
1 to 3 months	13,514	10,880
Over 3 months	3,565	6,237
	<u>30,407</u>	<u>29,166</u>

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>note (a)</i>)	59,655	59,638
Accruals	16,106	20,344
Other payables (<i>note (b)</i>)	27,338	46,497
	<u>103,099</u>	<u>126,479</u>

Notes:

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

	2025 HK\$'000	2024 HK\$'000
Within 1 month	23,601	12,717
1 to 2 months	917	9,914
2 to 3 months	5,312	7,144
Over 3 months	29,825	29,863
	<u>59,655</u>	<u>59,638</u>

The trade payables are non-interest-bearing and are normally settled on 2-month terms.

- (b) Other payables are non-interest-bearing and have an average term of 2 months.

SCOPE OF WORK OF CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company's independent auditor, Cheng & Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the Year as approved by the Board on 25 September 2025. The work performed by Cheng & Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Cheng & Cheng Limited on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company had reviewed the Group's consolidated financial statements for the Year in conjunction with the Company's independent auditor, Cheng & Cheng Limited. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 30 June 2025 and the annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") throughout the Year.

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 code of conduct regarding securities transactions by Directors. Having made specific enquiry of 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 Year.

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 throughout the Year.

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 Year.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

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

By order of the Board
Emperor Culture Group Limited
Yeung Ching Loong, Alexander
Chairman

Hong Kong, 25 September 2025

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

Executive Directors:

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

Independent Non-executive Directors:

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