

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 Interim Report

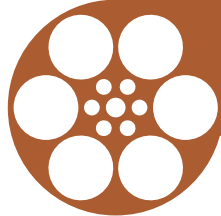
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# Contents

Results Summary	2
Management Discussion and Analysis	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	11
Notes to the Condensed Consolidated Financial Statements	12
Directors' and Chief Executives' Interests in Securities	26
Other Persons' Interests in Shares and Underlying Shares	28
Corporate Governance and Other Information	29



## RESULTS SUMMARY

The board of directors (“**Board**” or “**Directors**”) of Emperor Culture Group Limited (“**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the six months ended 31 December 2024 (“**Period**”).

	For the six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Total revenue	243,147	267,186
<i>Box office takings</i>	196,529	219,964
<i>Others</i>	46,618	47,222
Gross profit	147,226	160,951
Earnings before interest, tax, depreciation and amortisation	50,481	5,476
Net loss	56,823	143,218





# MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS

During the Period, global headwinds continued impacting the macro economy. As a result of weak consumption sentiment and the lack of blockbusters, the Group's total revenue decreased to HK\$243.1 million (2023: HK\$267.2 million) during the Period, which mainly included revenue from box office takings amounting to HK\$196.5 million (2023: HK\$220.0 million), accounting for 80.8% (2023: 82.3%) of the total revenue. In terms of revenue by geographical segment, revenue from the Hong Kong market increased by 2.7% to HK\$141.0 million (2023: HK\$137.3 million) and accounted for 58.0% (2023: 51.4%) of the total revenue, while revenue from the Mainland China market was HK\$90.1 million (2023: HK\$117.3 million) and accounted for 37.0% (2023: 43.9%) of the total revenue. During the Period, due to the gain relating to leases and effective cost control measures, the Group's earnings before interest, tax, depreciation and amortisation increased significantly to HK\$50.5 million (2023: HK\$5.5 million). Taking into account the depreciation and finance costs, the Group's net loss was HK\$56.8 million (2023: HK\$143.2 million). Basic loss per share was HK\$0.018 (2023: HK\$0.045).

## 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 Period, one *Emperor Cinemas* was newly opened in Sanlitun, Beijing, China. Sanlitun is a signature landmark within the capital city, and is a popular destination for shopping, dining, and entertainment. As at 31 December 2024, 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 180 houses with over 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.





# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECTS

Subsequent to the Period, ongoing financial and political concerns continue to cloud the economic outlook, leading to a subdued consumption sentiment. Nevertheless, 2025 Chinese Spring Festival box office revenue in Mainland China hit record high of over RMB10 billion. In addition, it is expected that in 2025 the Central Government will continue implementing stimulus policies to spur economic growth, which will boost domestic consumption and serve as a boost for the film exhibition market.

In recent years, changes in consumer habits and competition from streaming platforms have contributed to the transformation of cinemas – from merely the traditional function of showing films to integrated modern lifestyle hubs, providing movie-goers a one-stop affordable entertainment experience. Leveraging its “*Emperor*” brand established over the past decades, the Group will continue strengthening its core competencies in order to seize the opportunities arising from the increasing disposable income and living standards in Mainland China as well as the consolidation of the film exhibition industry in Hong Kong, with an aim of becoming the local market leader and bringing sustainable returns to its shareholders.

## OTHER FINANCIAL INFORMATION

### Liquidity and Financial Resources

As at 31 December 2024, the Group’s cash and cash equivalents amounted to HK\$67.2 million (30 June 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 31 December 2024, the Group had total borrowings of HK\$1,024.7 million (30 June 2024: HK\$977.0 million), which comprised a loan from a related party of HK\$954.4 million (30 June 2024: HK\$889.7 million), amount due to non-controlling interest of HK\$70.3 million (30 June 2024: HK\$70.3 million) and zero balance of bank loan (30 June 2024: HK\$17.0 million). Except for the amount due to non-controlling interest, which was unsecured and interest-free, all these borrowings were unsecured, interest-bearing and had fixed repayment terms. The gearing ratio of the Group (expressed as a percentage of total borrowings over total assets) was 139.6% (30 June 2024: 116.5%) as at 31 December 2024.

Having considered the business performance of 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.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Exposure to Fluctuation in Exchange Rates and Related Hedges

The Group's cash and bank balances, income and expenditure were 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 2024, the number of the Group's employees was 651 (30 June 2024: 776). Total staff costs including the Directors' remuneration and other staff costs for the Period were HK\$51.1 million (2023: HK\$63.2 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 this interim report.

### INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2023: Nil).





# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	Notes	Six months ended 31 December	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>REVENUE</b>	4	243,147	267,186
Cost of sales		(95,921)	(106,235)
Gross profit		147,226	160,951
Other income and gains	5	4,772	3,095
Gain relating to leases, net		31,918	–
Selling, marketing and other cinema operating expenses		(152,579)	(214,048)
General and administrative expenses		(31,496)	(33,476)
Finance costs	7	(53,508)	(50,255)
Share of losses of joint ventures		(3,156)	(9,485)
<b>LOSS BEFORE TAX</b>	6	(56,823)	(143,218)
Income tax expense	8	–	–
<b>LOSS FOR THE PERIOD</b>		(56,823)	(143,218)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
<i>Exchange differences on translation of foreign operations</i>		77	973
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		77	973
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		(56,746)	(142,245)





# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

		Six months ended 31 December	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
	Notes		
<b>LOSS FOR THE PERIOD</b>			
<b>ATTRIBUTABLE TO:</b>			
Owners of the parent		(56,823)	(143,218)
Non-controlling interest		–	–
		(56,823)	(143,218)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the parent		(56,746)	(142,245)
Non-controlling interest		–	–
		(56,746)	(142,245)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	10	HK\$(0.018)	HK\$(0.045)







# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	As at	
		31 December 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	225,744	216,138
Right-of-use assets		296,605	385,017
Prepayments, deposits and other receivables		53,416	64,387
Investments in joint ventures	12	15,555	18,711
<b>Total non-current assets</b>		<b>591,320</b>	<b>684,253</b>
<b>CURRENT ASSETS</b>			
Inventories		3,855	3,615
Trade receivables	13	36,926	29,166
Prepayments, deposits and other receivables		31,276	30,266
Amount due from related companies	16(c)	3,192	2,274
Amounts due from joint ventures	16(c)	247	2,645
Pledged bank deposits		–	1,932
Cash and cash equivalents		67,179	84,636
<b>Total current assets</b>		<b>142,675</b>	<b>154,534</b>
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables and accruals	14	136,752	126,479
Contract liabilities		29,775	26,577
Interest-bearing bank borrowing		–	17,032
Lease liabilities		113,419	139,965
Amounts due to related companies	16(c)	11,762	5,690
Amount due to a joint venture	16(c)	407	250
Amount due to non-controlling interest	16(d)	70,259	70,259
<b>Total current liabilities</b>		<b>362,374</b>	<b>386,252</b>





# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	As at	
	31 December 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
<b>NET CURRENT LIABILITIES</b>	(219,699)	(231,718)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	371,621	452,535
<b>NON-CURRENT LIABILITIES</b>		
Provisions	60,721	60,890
Interest-bearing other borrowing	954,474	889,707
Lease liabilities	703,548	792,314
<b>Total non-current liabilities</b>	1,718,743	1,742,911
<b>Net liabilities</b>	(1,347,122)	(1,290,376)
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	32,133	32,133
Reserves	(1,376,461)	(1,319,715)
	(1,344,328)	(1,287,582)
<b>Non-controlling interest</b>	(2,794)	(2,794)
<b>Total equity</b>	(1,347,122)	(1,290,376)





# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Attributable to owners of the parent									
	Issued capital HK\$'000	Share premium HK\$'000	Capital	Contributed surplus HK\$'000	Exchange	Other reserve HK\$'000	Accumulated losses HK\$'000	Non-		Total equity HK\$'000
			redemption reserve HK\$'000		fluctuation reserve HK\$'000			Total	controlling interest HK\$'000	
At 1 July 2023 (Audited)	32,133	912,843	50	58,658	938	(127,167)	(1,445,735)	(568,280)	(2,794)	(571,074)
Loss for the period	-	-	-	-	-	-	(143,218)	(143,218)	-	(143,218)
Other comprehensive income for the period: Exchange differences related to foreign operations	-	-	-	-	973	-	-	973	-	973
Total comprehensive income/ (loss) for the period	-	-	-	-	973	-	(143,218)	(142,245)	-	(142,245)
At 31 December 2023 (Unaudited)	32,133	912,843	50	58,658	1,911	(127,167)	(1,588,953)	(710,525)	(2,794)	(713,319)
At 1 July 2024 (Audited)	32,133	912,843	50	58,658	(3,215)	(127,167)	(2,160,884)	(1,287,582)	(2,794)	(1,290,376)
Loss for the period	-	-	-	-	-	-	(56,823)	(56,823)	-	(56,823)
Other comprehensive income for the period: Exchange differences related to foreign operations	-	-	-	-	77	-	-	77	-	77
Total comprehensive income/ (loss) for the period	-	-	-	-	77	-	(56,823)	(56,746)	-	(56,746)
At 31 December 2024 (Unaudited)	32,133	912,843	50	58,658	(3,138)	(127,167)	(2,217,707)	(1,344,328)	(2,794)	(1,347,122)





# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Net cash from/(used in) operating activities	9,821	(28,104)
Net cash used in investing activities	(23,263)	(48,744)
Net cash from/(used in) financing activities	(4,328)	59,305
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(17,770)</b>	<b>(17,543)</b>
Cash and cash equivalents at the beginning of the reporting period	84,636	81,986
Effect of foreign exchange rate changes, net	313	499
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>67,179</b>	<b>64,942</b>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	67,179	64,942





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 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 D2 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**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 2024.

The Group had a net loss attributable to owners of the parent of HK\$56,823,000 (2023: HK\$143,218,000) for the Period and net current liabilities of HK\$219,699,000 (30 June 2024: HK\$231,718,000) and net liabilities of HK\$1,347,122,000 (30 June 2024: HK\$1,290,376,000) as at 31 December 2024. The Group’s net loss for the Period included certain non-cash expenses/charges in an aggregate amount of HK\$53,796,000 (2023: HK\$98,440,000). The Group had total cash and cash equivalents of HK\$67,179,000 (30 June 2024: HK\$84,636,000) as at 31 December 2024.

In preparing these condensed 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.

The outbreak of the 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 has been able to progressively turnaround and targeted to eventually recover to pre-Covid-19 levels (“**recovery**”). The pace and magnitude of the recovery have been affected by a production slowdown and the delay in the releases of several Hollywood’s titles due to the Hollywood’s Writers Guild and Screen Actors Guild strikes in 2023, and the delay in the releases of several Chinese domestic films. Management has expected the uncertainties regarding market supplies, film release schedules and consequential box office revenues for future periods will continue at least for the foreseeable future and will significantly affect the Group’s recovery and its financial performance and cash flows for the relevant periods.





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 1. BASIS OF PREPARATION (CONTINUED)

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\$954.4 million was utilised as at 31 December 2024, which is repayable on 30 June 2027 ("**Maturity Date**"). The Group has also obtained a short-term revolving loan facility from a bank in the amount of HK\$20.0 million ("**Bank Loan Facility**"), and with zero balance as at 31 December 2024.

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 31 December 2024. 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 and the Bank 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.

The Group performs annual impairment testing of property, plant and equipment ("**PP&E**") and right-of-use assets ("**ROU Assets**") as at each 30 June and where an indication of impairment exists as at each reporting period end. At as 30 June 2024, impairment was determined by assessing the recoverable amount of each individual cinema, being the cash-generating unit ("**CGU**") to which the respective PP&E and ROU Assets relate. The recoverable amount of the CGU had been determined based on value in use calculation using cash flow projections based on financial budgets/forecasts covering the remaining lease term (including any expected renewal period) of the relevant leased cinema property ("**remaining lease term**"), approved by management. For certain CGUs, management considered cash flow projections for impairment testing covering a period in excess of five years are justified based on (i) the specific nature





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 1. BASIS OF PREPARATION (CONTINUED)

of the underlying business (including the growth potential of each cinema) and particular aspects of the film exhibition sector; and (ii) the industry knowledge and relevant experience of management in preparing such projections based on what management considers as reasonable and appropriate assumptions that represent management's best estimate of the range of economic conditions and market developments that management expects would exist over the relevant remaining lease term. As at 30 June 2024, the pre-tax discount rate applied to the cash flow projections for the CGUs was 12.0% (2023: 12.0%) reflecting specific risks relating to the CGUs. The revenue growth rate used was in the range mainly of 4% to 9% (2023<sup>1</sup>: 9% to 15%) and expenses growth rate used was 2% (2023: 2%).

Note:

1. With an assumption that the forecast revenue for the year 2024 would demonstrate a strong post-pandemic recovery, with box office revenue expected to rebound to levels comparable to the pre-pandemic period as the Hong Kong film industry recovered.

## 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 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

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>

The application of the 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.





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 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.

Information regarding the above segments is reported as below:

### Segment revenue and results

For the six months ended 31 December 2024

	Cinema operation (Unaudited) HK\$'000	Investments in films (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue</b> (note 4)			
Sales to external customers	243,147	–	243,147
<b>Segment results</b>	(26,904)	–	(26,904)
<i>Reconciliation:</i>			
Bank interest income			45
Unallocated corporate and other expenses			(2,769)
Finance costs (other than interest on lease liabilities)			(27,195)
Loss before tax			(56,823)







# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (Continued)

For the six months ended 31 December 2023

	Cinema operation (Unaudited) HK\$'000	Investments in films (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue (note 4)</b>			
Sales to external customers	267,186	–	267,186
<b>Segment results</b>	(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)			(22,179)
Loss before tax			(143,218)

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.





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 4. REVENUE

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

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Revenue from contracts with customers</b>		
Income from cinema operation	243,147	267,186

### (a) Disaggregated revenue information

#### Segment

	Cinema operation Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Types of goods or services</b>		
Box office takings	196,529	219,964
Sale of concession goods	25,711	26,404
Screen advertising services	6,967	7,269
Others	13,940	13,549
<b>Total revenue from contracts with customers</b>	<b>243,147</b>	<b>267,186</b>
<b>Geographical markets</b>		
Mainland China	90,055	117,298
Hong Kong	141,031	137,341
Macau	12,061	12,547
Other region in Asia Pacific	—	—
	<b>243,147</b>	<b>267,186</b>





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 4. REVENUE (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.

## 5. OTHER INCOME AND GAINS

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest income from:		
– Bank balances	45	73
– Deposits paid	1,077	986
Foreign exchange gain, net	81	84
Government subsidies*	875	443
Others	2,694	1,509
	4,772	3,095

\* The government subsidies mainly represented subsidies received by certain subsidiaries from the local government authorities in the People's Republic of China ("PRC"). There were no unfulfilled conditions or contingencies relating to these government subsidies.





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 6. LOSS BEFORE TAX

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
The Group's loss before tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment*	23,545	41,543
Depreciation of right-of-use assets*	30,251	56,897
Lease payments not included in the measurement of lease liabilities*	8,092	9,736
Gain on derecognition of lease liabilities <sup>^</sup>	(17,023)	—
Gain on lease modifications <sup>^</sup>	(14,522)	—
Loss on disposal of property, plant and equipment	1,791	—

\* Depreciation of property, plant and equipment of HK\$23,487,000 (2023: HK\$41,499,000), depreciation of right-of-use assets of HK\$29,133,000 (2023: HK\$56,264,000) and lease payments not included in the measurement of lease liabilities of HK\$6,424,000 (2023: HK\$5,930,000) are included in "Selling, marketing and other cinema operating expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

<sup>^</sup> Included in "Gain relating to leases, net" in the condensed consolidated statement of profit or loss and other comprehensive income.

## 7. FINANCE COSTS

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest on bank and other borrowings	27,195	22,179
Interest on lease liabilities	26,313	28,076
	53,508	50,255





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 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 (2023: 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 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 Period (2023: 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\$56,823,000 (2023: HK\$143,218,000), and the weighted average number of ordinary shares of the Company of approximately 3,213,341,000 (2023: 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.





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 11. MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT

	HK\$'000
At 1 July 2024, net carrying amount (Audited)	216,138
Additions	36,624
Depreciation provided during the Period	(23,545)
Disposal during the Period	(2,867)
Exchange realignment	(606)
<hr/>	
At 31 December 2024, net carrying amount (Unaudited)	225,744

## 12. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures represent the investment in H Cinematic Limited (in creditors' voluntary winding up), Emperor Cinemas Plus (TW) Limited and Emperor Cinemas Plus (SS) Limited, in which the Group holds 50% equity interest. All decisions about the relevant activities of the joint ventures require the unanimous consent of the joint venture partners. The principal activities of H Cinematic Limited, Emperor Cinemas Plus (TW) Limited and Emperor Cinemas Plus (SS) Limited are engaged in cinema operation in Hong Kong.

The share of losses of the joint ventures were recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the Period was HK\$3,156,000 (2023: HK\$9,485,000).





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 13. TRADE RECEIVABLES

	As at	
	31 December 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
Trade receivables	38,361	30,601
Impairment	(1,435)	(1,435)
	<u>36,926</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 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 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
Within 1 month	12,585	12,049
1 to 3 months	17,920	10,880
Over 3 months	6,421	6,237
	<u>36,926</u>	<u>29,166</u>





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at	
	31 December 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
Trade payables	69,623	59,638
Accruals	16,405	20,344
Other payables	50,724	46,497
	136,752	126,479

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 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
Within 1 month	17,130	12,717
1 to 2 months	12,956	9,914
2 to 3 months	5,981	7,144
Over 3 months	33,556	29,863
	69,623	59,638







# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 15. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	As at	
	31 December 2024 (Unaudited) HK\$'000	30 June 2024 (Audited) HK\$'000
<b>Contracted, but not provided for:</b>		
Property, plant and equipment	–	34,880

## 16. TRANSACTIONS WITH RELATED PARTIES

Related parties referred to herein or elsewhere in these condensed consolidated financial statements include (i) entities beneficially owned/controlled by entity/entities owned by relevant private discretionary trust(s) of which Dr. Yeung Sau Shing, Albert (“**Dr. Yeung**”), being a deemed substantial beneficial shareholder of the Company, is the founder, whilst Mr. Yeung Ching Loong, Alexander (“**Mr. Alex Yeung**”), a Director, is one of the eligible beneficiaries; (ii) an entity beneficially owned by a Director; (iii) a deemed substantial beneficial shareholder of the Company; and (iv) a family member of a deemed substantial beneficial shareholder of the Company and a Director.

- (a) In addition to the transactions, arrangements and balances detailed in these condensed consolidated financial statements, the Group had the following transactions with related parties during the Period:

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Company secretarial fee	140	140
Film promotion income	2,248	3,794
Film rental expense	326	788
Financial advisory fee	276	280
Interest expense on lease liabilities	2,011	2,147
Interest expense on other borrowing	26,767	21,450





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 16. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

(a) (Continued)

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Lease payments not included in the measurement of lease liabilities	1,190	1,225
Purchases of furniture	–	47
Reimbursement of general and administrative expenses	7,355	9,884
Sales of goods	1,456	590
Service fee income	2,592	1,200

- (b) Other borrowing with a carrying amount of approximately HK\$954,474,000 (30 June 2024: HK\$889,707,000) from a family member of both Dr. Yeung and a Director is unsecured, bears interest at Hong Kong Interbank Offered Rate plus 2% per annum and has a fixed repayment term of which the lender has agreed not to demand repayment of the other loan together with all accrued interest and all outstanding amounts until 30 June 2027.
- (c) The balances due with related companies and joint ventures are unsecured, interest-free and repayable on demand.
- (d) The amount due to non-controlling interest is unsecured and interest-free.
- (e) Compensation of key management personnel of the Group

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Fees	705	812





## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2024, the following Directors and chief executives of the Company (“**Chief Executives**”) had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (“**Model Code**”):

### (A) LONG POSITION INTERESTS IN THE COMPANY

#### Ordinary shares of the Company of HK\$0.01 each (“Shares”)

Name of Director	Capacity/ Nature of interests	Number of issued Shares interested	Approximate % of issued voting Shares
Mr. Alex Yeung	Eligible beneficiary of a private discretionary trust	2,371,313,094	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 was held by Alto Trust Limited in trust for a private discretionary trust of which Mr. Alex Yeung was one of the eligible beneficiaries.





## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

### (B) LONG POSITION INTERESTS IN ASSOCIATED CORPORATIONS OF THE COMPANY

Name of Directors	Name of associated corporations	Capacity/ Nature of interests	Number of shares interested	Approximate % of issued voting shares
Mr. Alex Yeung	Emperor International Holdings Limited ("Emperor International")	Eligible beneficiary of a private discretionary trust	4,121,416,834 (Note)	74.71
	Emperor Entertainment Hotel Limited ("Emperor E Hotel")	-Ditto-	636,075,041 (Note)	53.52
	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
	New Media Lab Limited ("New Media Lab")	-Ditto-	315,000,000 (Note)	52.50
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial owner	15,750,000	0.29
	Emperor E Hotel	-Ditto-	2,430,750	0.20

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

Save as disclosed above, as at 31 December 2024, none of the Directors or Chief Executives 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).





## OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executives, as at 31 December 2024, the persons or corporations (other than Directors or Chief Executives) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO (“**DI Register**”) were as follows:

### LONG POSITION IN SHARES

Names	Capacity/ Nature of interests	Number of Shares interested	Approximate % of issued voting Shares
AY Entertainment Holdings	Interest in a controlled corporation	2,371,313,094	73.80
Alto Trust Limited	Trustee of a private discretionary trust	2,371,313,094	73.80
Dr. Yeung	Founder of a private discretionary trust	2,371,313,094	73.80
Ms. Luk Siu Man, Semon (“ <b>Ms. Semon Luk</b> ”)	Interest of spouse	2,371,313,094	73.80

*Note:* These Shares were the same Shares of which Mr. Alex Yeung had deemed interests as those set out under Section (A) of “Directors’ and Chief Executives’ Interests in Securities” above. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in the same Shares.

Save as disclosed above, as at 31 December 2024, the Directors or Chief Executives were not aware of any other person or corporation (other than the Directors and Chief Executives) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register.





# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SHARE OPTIONS

The Company has adopted a share option scheme on 2 December 2021 (“**Share Option Scheme**”) to enable the Group to attract, retain and motivate talent participants to strive for future developments and expansion of the Group. No share options have been granted under the Share Option Scheme since its adoption. The number of options available for grant under the scheme mandate limit of the Share Option Scheme was 321,334,089 at the beginning and the end of the Period.

## CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of 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 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.

## CHANGES IN INFORMATION OF DIRECTORS

Save as those information set out in the announcement of the Company dated 26 September 2024 regarding, inter alia, the change in composition of Board committee, the changes in Directors’ information since the date of the 2023/2024 annual report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Alex Yeung was appointed as Acting Senior Asst. Commissioner (Youth) of Civil Aid Service of Hong Kong on 1 October 2024 and was promoted to Senior Asst. Commissioner (Youth) on 14 January 2025.
- With effect from 1 January 2025, the director’s fees payable to each Executive Director and each Independent Non-executive Director have been adjusted to HK\$80,000 and HK\$120,000 per annum respectively.





## CORPORATE GOVERNANCE AND OTHER INFORMATION

### REVIEW OF INTERIM REPORT

The condensed consolidated financial statements of the Group for the Period as set out in this interim report have not been reviewed nor audited by the Company's auditor, Messrs. Ernst & Young, but have been reviewed by the audit committee of the Company, which comprises three independent non-executive Directors.

### 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.

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

Hong Kong, 21 February 2025

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

*Executive Directors:*

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

*Independent Non-executive Directors:*

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

