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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1046)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
ACQUISITION OF PROPERTY**

**THE PRE-SALE CONTRACT**

The Board is pleased to announce that on 13 January 2021, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Pre-Sale Contract pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property at the Consideration of approximately RMB23,408,000 (equivalent to approximately HK\$27,856,000).

The principal terms of the Pre-Sale Contract are as follows:

**Date**

13 January 2021 (After trading hours of Stock Exchange)

**Parties**

Vendor: Beijing Liangma Real Estate Co., Ltd.\* (北京亮馬置業有限公司)

Purchaser: Universe Century Film Distribution (Beijing) Co., Ltd.\* (寰宇縱橫世紀電影發行(北京)有限公司)

The Vendor is a company established under the laws of the PRC which is principally engaged in property development in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The Purchaser is a company established under the laws of the PRC. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in distribution of films in the PRC.

### **Subject matter**

Pursuant to the Pre-Sale Contract, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property in accordance with the terms of the Pre-Sale Contract.

### **Information on the Property**

The Property is located at No. 1202, 12th Floor, Unit 1, Unit 8, Residential Building 8#, Beijing Jiangtai Shui'an Home Project \* (北京將台水岸家園項目8#住宅樓第一單元12層1202號) to be constructed by the Vendor on the Land located at Lots 1016-34 and 40, Tuofangying Village, Jiangtai Township, Chaoyang District, Beijing (北京朝陽區將台鄉駝房營村1016-34、40地塊). The gross floor area of the Property is expected to be approximately 229.24 square meter.

Currently the building where the Property is situated is still under construction and development by the Vendor, and is expected to be completed and shall be delivered to the Purchaser by the Delivery Date i.e. 31 December 2021. The designated use of the Property is for residential use. The Property will be used by the Group as its staff quarter.

### **Consideration and Payment Terms**

The Consideration for the Acquisition is approximately RMB23,408,000 (equivalent to approximately HK\$27,856,000) which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) as to approximately RMB2,348,000 (equivalent to approximately HK\$2,794,000) shall be paid on or before 13 January 2021;
- (b) as to RMB7,020,000 (equivalent to approximately HK\$8,354,000) to be paid on or before 30 January 2021; and
- (c) as to the remaining balance of RMB14,040,000 (equivalent to approximately HK\$16,708,000) to be paid on or before 10 March 2021.

The Consideration was determined after arm's length negotiation with reference to selling prices of the similar neighboring properties and the age of the Property, which is situated in a brand new building. The Consideration shall be satisfied by the internal resources of the Group and/or bank borrowings.

### **Delay on delivery of the Property**

Pursuant to the Pre-Sale Contract, save for the force majeure events specified in the Pre-Sale Contract, if:

- (i) the Vendor fails to deliver the Property within 180 days after the Delivery Date, the Vendor shall compensate the Purchaser by an amount equivalent to the daily interest rate of 0.005% of the amount of the Consideration actually paid by the Purchaser, for each day of late delivery of the Property;
- (ii) the Vendor fails to deliver the Property more than 180 days but not more than 360 days after the Delivery Date, the Vendor shall compensate the Purchaser by an amount equivalent to the daily interest rate of 0.01% of the amount of the Consideration actually paid by the Purchaser, for each day of late delivery of the Property;
- (iii) the Vendor fails to deliver the Property more than 360 days after the Delivery Date, the Purchaser has the right to terminate the Pre-Sale Contract within 30 days from the 361 day after the Delivery Date, and the Vendor shall refund the Purchaser for the amount of the Consideration actually paid by the Purchaser and compensate the Purchaser by an amount equivalent to 23% of the amount of the Consideration actually paid by the Purchaser; or
- (iv) the Vendor fails to deliver the Property more than 360 days after the Delivery Date, and the Purchaser does not exercise the right to terminate the Pre-Sale Contract within 30 days from the 361 day after the Delivery Date, the Pre-Sale Contract shall continue in full force and effect and the Vendor shall compensate the Purchaser by an amount equivalent to the daily interest rate of 0.01% of the amount of the Consideration actually paid by the Purchaser, for each day of late delivery of the Property.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTY**

The Group is currently renting its staff quarter in Beijing, PRC. With the expansion of the business of the Group in PRC, the Group needs a larger space in a convenient location in Beijing, PRC to be used as its new staff quarter. As the Property is strategically located in Chaoyang District (朝陽區), a core commercial and residential area in Beijing, PRC, the Directors believe that the Acquisition will also provide capital appreciation potential to the Group in the long run.

The Directors consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Pre-Sale Contract is more than 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and accordingly, shall be subject to disclosure by way of announcement under the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	acquisition of the Property by the Purchaser
“Board”	the board of Directors
“Company”	Universe Entertainment and Culture Group Company Limited (stock code: 1046), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	approximately RMB23,408,000 (equivalent to approximately HK\$27,856,000) being the total consideration payable by the Purchaser to the Vendor in respect of the Acquisition
“Delivery Date”	31 December 2021
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Land”	the piece of land located at Lots 1016-34 and 40, Tuofangying Village, Jiangtai Township, Chaoyang District, Beijing (北京朝陽區將台鄉駝房營村1016-34、40地塊)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement
“Pre-Sale Contract”	the pre-sale contract dated 13 January 2021 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Property”	No. 1202, 12th Floor, Unit 1, Unit 8, Residential Building 8#, Beijing Jiangtai Shui’an Home Project * (北京將台水岸家園項目8#住宅樓第一單元12層1202號) to be constructed by the Vendor on the Land
“Purchaser”	Universe Century Film Distribution (Beijing) Co., Ltd.* (寰宇縱橫世紀電影發行(北京)有限公司), a company established under the laws of the PRC and an indirectly wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company as at the date of this announcement

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Beijing Liangma Real Estate Co., Ltd.* (北京亮馬置業有限公司), a company established under the laws of the PRC
“%”	per cent.

*Unless otherwise specified, the conversion of RMB into HK\$ are based on the exchange rate of RMB1.00 to HK\$1.19. No representation is made that any amounts in RMB and HK\$ have been or could be converted at the relevant dates at the above rate or other rates or at all.*

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

Hong Kong, 13 January 2021

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

\* *For identification purposes only*