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LUK HING ENTERTAINMENT GROUP HOLDINGS LIMITED

陸慶娛樂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8052)

VOLUNTARY ANNOUNCEMENT

SUB-FRANCHISING AGREEMENT IN RELATION TO THE OPENING OF FIRST MONKEY MUSEUM NIGHT CLUB IN CHINA

This announcement is made by Luk Hing Entertainment Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the Shareholders and potential investors informed of the latest business development of the Group.

Reference is made to the voluntary announcement of the Company dated 28 December 2016 in relation to the entering into an exclusive master franchising agreement (“**Master Franchising Agreement**”) with Yuri Holdings Co., Ltd. (“**Yuri**”).

Pursuant to the Master Franchising Agreement, the Group is responsible for identifying and recruiting suitable sub-franchisees for the operation of monkey museum bar, lounge and night club in the People’s Republic of China (the “**PRC**”). The board of directors of the Company (the “**Board**”) is pleased to announce that on 24 January 2017, the Group and Yuri entered into a sub-franchising agreement (the “**Sub-Franchising Agreement**”) with a sub-franchisee in the PRC which is an independent third party and an operator of night clubs and bars in Hunan Province of the PRC, regarding the opening and operation of a monkey museum night club in Changsha City which is also the first monkey museum night club in the PRC.

Pursuant to the Sub-Franchising Agreement, the sub-franchisee shall pay franchising fees including (i) a one-off non-refundable start-up joining fee; and (ii) monthly fees based on revenue of the night club and in return it will be granted the rights to use the trademark to operate the monkey museum night club in Changsha for an initial period of eight years. Pursuant to the Master Franchising Agreement, the Group will receive a portion of the franchising fees in return for its services.

The Board is of the view that by entering into the Sub-Franchising Agreement, the Group can diversify its sources of revenue by leveraging on its expertise in offering premium clubbing and entertainment experience to customers through operating Club Cubic in Macau while at the same time minimizing its capital expenditure commitment.

By order of the Board of
Luk Hing Entertainment Group Holdings Limited
Choi Yiu Ying
Chairman and Executive Director

Hong Kong, 24 January 2017

As at the date of this announcement, the executive Directors are Mr. Choi Yiu Ying, Mr. Choi Siu Kit and Mr. Yeung Chi Shing; the non-executive Directors are Mr. Au Wai Pong Eric, Mr. Au Ion Weng and Ms. Poon Kam Yee Odilia; and the independent non-executive Directors are Mr. Lam Wai Chin Raymond, Mr. Chan Ting Bond Michael and Mr. Tse Kar Ho Simon.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for 7 days from the date of its posting and be posted on the website of the Company at <http://www.lukhing.com>.