

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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**

### **FORMATION OF JV COMPANY**

The Board is pleased to announce that on 2 June 2017, Luk Hing WOFE, an indirect wholly-owned subsidiary of the Company, entered into the JV Agreement with Zhuhai Wei Chong and Oasis Capital in respect of the formation of the JV Company in the PRC for the operation and management of a clubbing venue in Zhuhai which will be known as Club Cubic Zhuhai.

Pursuant to Rule 19.04(1)(f) of the GEM Listing Rules, the formation of the JV Company does not constitute a notifiable transaction of the Company and is not subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. The Company is publishing this announcement on a voluntary basis.

### **INTRODUCTION**

Reference is made to the announcements of the Company dated 12 December 2016, 10 February 2017, 11 April 2017 and 11 May 2017 in relation to the Memorandum of Understanding regarding the potential formation of the JV Company.

The Board is pleased to announce that on 2 June 2017, Luk Hing WOFE, an indirect wholly-owned subsidiary of the Company, entered into the JV Agreement with Zhuhai Wei Chong and Oasis Capital in respect of the formation of the JV Company in the PRC for the operation of a clubbing venue in Zhuhai which will be known as Club Cubic Zhuhai.

## THE JV AGREEMENT

Date : 2 June 2017

Parties and Investors : (i) Luk Hing WOFE  
to the JV Company (ii) Zhuhai Wei Chong  
(iii) Oasis Capital

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Zhuhai Wei Chong and Oasis Capital and their ultimate beneficial owners are Independent Third Parties.

### Business scope

The JV Company is proposed to be established as a limited liability company in the PRC and be principally engaged in the operation and management of clubbing venue in Zhuhai which will be known as Club Cubic Zhuhai.

### Capital Contribution

The amount of shareholders' loans, capital contribution to registered capital and percentage of equity interest in the JV Company shall be initially as follows:

No.	Shareholder	Shareholders' Loans (RMB)	Capital contribution to registered capital (RMB)	Percentage of equity interest (%)
1	Luk Hing WOFE	606,000	3,894,000	19.5
2	Zhuhai Wei Chong	1,212,000	7,788,000	38.9
3	Oasis Capital	—	8,318,000	41.6
	Total	<u>1,818,000</u>	<u>20,000,000</u>	<u>100</u>

The amount of capital contribution was determined after arm's length negotiations amongst the Parties, having taken into account the expected capital requirements of the JV Company.

If the JV Company is able to attract new investment from other investors, the amount of shareholders' loans, capital contribution and percentage of equity interest towards the JV Company is expected to be as follows:

<b>No.</b>	<b>Shareholder</b>	<b>Shareholders' Loans (RMB)</b>	<b>Capital contribution to registered capital (RMB)</b>	<b>Percentage of equity interest (%)</b>
1	Luk Hing WOFE	—	3,894,000	15
2	Zhuhai Wei Chong	—	7,788,000	30
3	Oasis Capital	—	8,318,000	32
4	New investor(s)	—	6,000,000	23
	<b>Total</b>	<b>—</b>	<b>26,000,000</b>	<b>100</b>

The Group intends to finance its investment in the JV Company from the net proceeds from the Company's listing on the GEM of the Stock Exchange.

#### **Other major terms of the JV Agreement**

Subsequent to the setting up of the JV Company, Luk Hing China shall enter into an agreement with the JV Company to license the Group's relevant trademarks in the PRC relating to the clubbing business to the JV Company for the operation and management of Club Cubic Zhuhai. The JV Company shall pay a monthly royalty fee in consideration of the licensing of the relevant trademarks.

Each of Zhuhai Wei Chong and Oasis Capital undertakes that it shall not directly or indirectly engage in any business which competes or may compete with the JV Company.

#### **REASONS FOR ENTERING INTO THE JV AGREEMENT**

The Group is a premium clubbing and entertainment business operator, primarily engaged in operating Club Cubic located in the City of Dreams in Cotai, Macau and organising featured events.

As disclosed in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 27 October 2016, the Company plans to expand in regions other than Macau through exploring potential cooperation partners and acquisition targets, discuss or sign memorandum of understanding or agreement.

The Board is of the view that the proposed formation of the JV Company under the JV Agreement will pave way for great opportunities for the Group to extend its clubbing operations outside Macau as the Board believes that there is enormous business potential in the premium clubbing and entertainment business operations in Zhuhai.

The Board expects that the proposed formation of the JV Company will diversify the Group's business and expand our coverage and sources of revenue.

## **GEM LISTING RULE IMPLICATIONS**

Pursuant to Rule 19.04(1)(f) of the GEM Listing Rules, the formation of the JV Company does not constitute a notifiable transaction of the Company and is not subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules for the reasons below:

- (i) the joint venture arrangement contemplated under the JV Agreement is to develop Club Cubic Zhuhai, thus is engaging in a single purpose project which is of a revenue nature in the ordinary and usual course of business of the Company;
- (ii) the joint venture arrangement is on an arm's length basis and on normal commercial terms; and
- (iii) the JV Agreement contains clause to the effect that the JV Company may not, without the unanimous consent of the shareholders of the JV Company, change the nature or scope of its business and enter into any transactions which are not on an arm's length basis.

The Company is publishing this announcement on a voluntary basis.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Company”	Luk Hing Entertainment Group Holdings Limited (stock code: 8052), a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the GEM board of the Stock Exchange
“Directors”	the directors of the Company
“GEM”	Growth Enterprise Market
“GEM Listing Rule(s)”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and/or any of its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“JV Agreement”	a legally binding joint venture agreement dated 2 June 2017 and entered into between the Parties in relation to formation of the JV Company
“JV Company”	珠海銳燁酒吧管理有限公司 (Zhuhai Ruiye Bar Management Company Limited*) a limited liability joint venture to be established by the Parties in and under the laws of the PRC
“Luk Hing China”	Luk Hing Group Development (China) Limited, an indirect wholly-owned subsidiary of the Company incorporated with limited liability under the laws of Hong Kong
“Luk Hing WOFE”	珠海陸慶文化發展有限公司 (Zhuhai Luk Hing Cultural Development Company Limited*), a direct wholly-owned subsidiary of Luk Hing China and an indirect wholly-owned subsidiary of the Company incorporated with limited liability under the laws of the PRC
“Memorandum of Understanding”	the non-legally binding memorandum of understanding entered into between Luk Hing China, Zhuhai Wei Chong and its controlling shareholder on 12 December 2016 (after trading hours) in relation to the proposed formation of the JV Company
“Oasis Capital”	Oasis Capital International Limited (海都國際有限公司), a company incorporated with limited liability under the laws of Hong Kong
“Party or Parties”	Luk Hing WOFE, Zhuhai Wei Chong and Oasis Capital together the Parties and each, a Party
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	the ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhuhai Wei Chong”

Zhuhai Wei Chong Culture Broadcasting Company Limited\*  
(珠海唯創文化傳播有限公司), a company incorporated with  
limited liability under the laws of the PRC

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

Hong Kong, 2 June 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.*

\* *For identification purposes only*