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LUK HING ENTERTAINMENT GROUP

**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)**

**DISCLOSEABLE TRANSACTION  
PROVISION OF LOANS AND  
FINANCIAL ASSISTANCE TO AFFILIATED COMPANY**

**PROVISION OF LOANS**

On 29 April 2019, Luk Hing China, as lender, entered into the New Loan Agreement with the JV Company, as borrower, pursuant to which, Luk Hing China has agreed to grant loans in the amount of up to RMB3.2 million for a term of 18 months.

The JV Company is an associated company of the Company, of which 19.5% equity interests of the JV Company is indirectly held by the Company. Prior to the entering into the New Loan Agreement, Luk Hing China had granted the Previous Loans to the JV Company in an aggregate amount of RMB4.97 million.

The Group is principally engaged in the operation of clubbing business and restaurants. Luk Hing China, as the lender of the New Loan and the Previous Loans, is an indirectly wholly-owned subsidiary of the Company principally engaged in investment holding.

**GEM LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the aggregate amount of the New Loan and the Previous Loans granted to the JV Company exceeds 5% but are less than 25%, the grant of the New Loan, together with the Previous Loans, constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As the aggregate amount of the New Loan and the Previous Loans granted to the JV Company exceeds 8% under the assets ratio defined under Rule 19.07(1) of the GEM Listing Rules, the grant of the New Loan, together with the Previous Loans, is subject to the disclosure obligations under Rule 17.18 of the GEM Listing Rules.

## **PROVISION OF NEW LOAN**

On 29 April 2019, Luk Hing China, as lender, entered into the New Loan Agreement with the JV Company, as borrower, pursuant to which, Luk Hing China has agreed to grant loans in the amount of up to RMB3.2 million, for a term of 18 months, details of which are as follows:

### **NEW LOAN AGREEMENT**

Date of agreement	:	29 April 2019
Lender	:	Luk Hing China
Borrower	:	the JV Company
Principal	:	up to RMB3.2 million
Interest rate	:	5% per annum
Term	:	18 months commencing from the drawdown date
Security	:	Nil
Repayment	:	The JV Company shall repay the principal amount and interest at loan maturity date or such earlier date to be agreed between the Lender and the Borrower

## **PROVISION OF PREVIOUS LOANS**

For the period from 1 September 2018 to 26 April 2019, Luk Hing China granted loans to the JV Company in an aggregate amount of RMB4.97 million. A summary of the Previous Loans is set out as follows:

### **PREVIOUS LOANS**

Lender	:	Luk Hing China
Borrower	:	the JV Company
Principal	:	RMB4.97 million
Interest rate	:	Nil
Term	:	18 months commencing from the drawdown date
Security	:	Nil
Repayment	:	The JV Company shall repay the principal amount at loan maturity date or such earlier date to be agreed between the Lender and the Borrower

### **FUNDING OF THE LOANS**

The Group will finance the New Loan and have financed the Previous Loans from the internal resources of the Group.

### **INFORMATION ON THE JV COMPANY**

The JV Company is a company incorporated in the PRC which is principally engaged in the operation and management of clubbing venue in Zhuhai which will be known as Club Cubic Zhuhai. The JV Company is an associated company of the Company, of which 19.5% equity interests of the JV Company is indirectly held by the Company. The remaining equity interests are held by Independent Third Parties.

### **INFORMATION ON THE GROUP AND THE LENDER**

The Group is principally engaged in the operation of clubbing business and restaurants. Luk Hing China, as the lender of the New Loan and the Previous Loans, is an indirectly wholly-owned subsidiary of the Company principally engaged in investment holding.

### **REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENT**

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. The Board is of the view that the JV Company 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 aggregate amount of the New Loan and the Previous Loans granted to the JV Company will be used to finance the renovation of Club Cubic Zhuhai which is expected to operate in second half of 2019.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As certain of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the aggregate amount of the New Loan and the Previous Loans granted to the JV Company exceeds 5% but are less than 25%, the grant of the New Loan, together with the Previous Loans, constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As the aggregate amount of the New Loan and the Previous Loans granted to the JV Company exceeds 8% under the assets ratio defined under Rule 19.07(1) of the GEM Listing Rules, the grant of the New Loan, together with the Previous Loans, is subject to the disclosure obligations under Rule 17.18 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Luk Hing Entertainment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which actual drawdown of the loan is made by the borrower
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected persons and is/are not a connected person(s) of the 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, of which 19.5% equity interests of the JV Company is indirectly held by the Company. The remaining equity interests are held by Independent Third Parties

“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
“New Loan”	loan in the aggregate amount of up to RMB3.2 million provided by Luk Hing China to the JV Company under New Loan Agreement
“Previous Loans”	the loans in the aggregate amount of RMB4.97 million granted by Luk Hing China to the JV Company between the period from 1 September 2018 to 26 April 2019
“Shareholder(s)”	holder(s) of the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 29 April 2019

*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 Ka Wai 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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at [www.lukhing.com](http://www.lukhing.com).*