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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)

INSIDE INFORMATION

CESSATION OF OPERATION OF CUBIC SPACE+ IN ZHUHAI

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that Zhuhai Ruiye Bar Management Company Limited (“**Zhuhai Ruiye**”), the Company’s subsidiary, was notified that the operation of CUBIC SPACE+ in Zhuhai has been ceased with effect from 20 October 2022.

Reference is made to the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those set out in the 2022 Interim Report.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

This announcement is made by Luk Hing Entertainment Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the 2022 Interim Report in relation to the legal proceeding between Zhuhai Ruiye and Zhuhai Urban Construction Group Co., Ltd.* (珠海城市建設集團有限公司) (“**Zhuhai Urban Construction**”), being the landlords of CUBIC SPACE+ and Zhuhai Urban Construction Haiyun Asset Management Co., Ltd.* (珠海城建海韻資產經營管理有限公司) (“**Haiyun Asset Management**”), being the property management company of CUBIC SPACE+. On 7 October 2022, Zhuhai Arbitration Commission ordered Zhuhai Ruiye to pay Zhuhai Urban Construction and Haiyun Asset Management approximately HK\$3 million for the outstanding rental and penalties.

As disclosed in 2022 Interim Report, CUBIC SPACE+ has suspended its operation since 13 January 2022 in the wake of stringent anti-epidemic measures imposed by the local government in Mainland China. Due to disputes between Zhuhai Urban Construction and Haiyun Asset Management and the Group in relation to the operation CUBIC SPACE+ at landmark Zhuhai Grand Theatre, in Zhuhai, the PRC, the Group would be unable to continue to operate CUBIC SPACE+ from 20 October 2022. The Group is seeking legal advice in relation to its rights over the aforesaid matter.

Based on the 2022 Interim Report, the assets of the CUBIC SPACE+ accounted for approximately 54% of the Group's total assets as at 30 June 2022. The Board emphasizes that the other businesses of the Group, including the restaurant business in Hong Kong remain in normal operation and are not affected by the aforementioned event. The Board is evaluating the effect of the aforementioned event on the financial position of the Group. The Group will take appropriate measures as necessary and make further announcement(s) as and when appropriate.

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

Hong Kong, 21 October 2022

As at the date of this announcement, the executive Directors are Mr. Choi Yiu Ying, Mr. Choi Siu Kit, Mr. Yeung Chi Shing and Mr. Zhang Rongxuan; the non-executive Director is Mr. Au Ka Wai; and the independent non-executive Directors are Mr. Chan Wai and Mr. Ip Hoi Fan.

This announcement, for which all the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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 Stock Exchange's website at www.hkexnews.hk, in the case of the announcement, on the "Latest Listed Company Information" page of the GEM for 7 days from the day of its posting. This announcement will also be published on the Company's website at www.lukhing.com.

* *For identification purpose only*