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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)

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE**

Reference is made to the prospectus of Luk Hing Entertainment Group Holdings Limited (the “**Company**”) dated 14 July 2023 (the “**Prospectus**”) and the announcement of the Company in relation to, among other things, the applications for the Rights Shares dated 4 August 2023 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, a total of 3 valid applications and acceptances under the PAL in respect of a total of 19,222,525 Rights Shares had been received, representing approximately 7.0% of the total number of Rights Shares available for subscription under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising under the Rights Issue. Based on the subscription results, the Rights Issue was under-subscribed by 254,905,475 Rights Shares, representing approximately 93.0% of the total number of the Rights Shares available for subscription under the Rights Issue.

As at the Record Date, there were no Non-Qualifying Shareholders and the number of the NQS Unsold Rights Shares is therefore nil.

PLACING ARRANGEMENT OF THE UNSUBSCRIBED RIGHTS SHARES AND COMPENSATORY ARRANGEMENTS

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 9 August 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 254,905,475 Unsubscribed Rights Shares, being all the Unsubscribed Rights Shares under the Compensatory Arrangements and representing approximately 93.0% of the issued Shares immediately upon completion of the Rights Issue, were successfully placed at the placing price of HK\$0.160 per Unsubscribed Rights Share, representing nil premium over the Subscription Price, to not less than six independent Placees. Accordingly, the amount of the Net Gain under the Compensatory Arrangements is nil and no Net Gain was realised and to be received by any No Action Shareholder and Non-Qualifying Shareholder on Friday, 25 August 2023.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Placees and where appropriate, their respective ultimate beneficial owner(s), is independent of and not connected with the Company and its connected persons and not a connected person of the Company upon completion of the Placing.

THE UNDERWRITING AGREEMENT

As all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Friday, 11 August 2023, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 11 August 2023.

As all the Unsubscribed Rights Shares were placed to the Placees under the Compensatory Arrangements, there are no Untaken Shares (being any Unsubscribed Rights Shares that are not placed by the Placing Agent under the Placing Agreement) for the Underwriter to subscribe for or procure the subscription for, pursuant to the terms of the Underwriting Agreement.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, for illustrative purposes, the shareholding structure of the Company immediately before and after completion of the Rights Issue is set out below:

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Welmen (Notes 1, 2)	109,350,000	39.89%	109,350,000	19.94%
Trendy Pleasure Limited (“ Trendy ”) (Note 3)	30,000,000	10.94%	30,000,000	5.47%
Mr. Yeung Chi Shing	1,800,000	0.66%	1,800,000	0.33%
Mr. Au Ka Wai	1,800,000	0.66%	1,800,000	0.33%
Restoran Oversea (CST) Sd Bhd (“ Restoran Oversea ”) (Note 4)	40,088,000	14.62%	158,988,000	29.00%
Other Placees	–	–	136,005,475	24.81%
Other public Shareholders	91,090,000	33.23%	110,312,525	20.12%
Total:	<u>274,128,000</u>	<u>100.00%</u>	<u>548,256,000</u>	<u>100.00%</u>

Note:

1. Welmen is owned as to 30.3111% by Yui Tak Investment Limited (“**Yui Tak**”) and Yui Tak is wholly owned by Ocean Concept Holdings Limited (“**Ocean Concept**”). Ocean Concept is owned as to 88.29% by Toprich Investment (Group) Limited (“**Toprich**”) and Toprich is wholly owned by Perfect Succeed Limited, which is in turn owned as to 50% by Mr. Choi Yat Hon and as to 50% by Mr. Choi Siu Kit.
2. On 2 March 2016, Mr. Choi Yat Hon and Mr. Choi Siu Kit, Mr. Au Wai Pong Eric, Mr. Au Ka Wai, Mr. Yeung Bernard Sie Hong and Mr. Yeung Chi Shing entered into an acting in concert confirmation whereby each of them confirmed that since 31 January 2011, they acted in concert with each other when dealing with matters concerning operation management, accounts, finance and treasury and human resources management of the Group. As such, pursuant to the acting in concert arrangement, each of Mr. Choi Yat Hon and Mr. Choi Siu Kit, Mr. Au Wai Pong Eric, Mr. Au Ka Wai and Mr. Yeung Chi Shing is deemed to be interested in all of the issued share capital of the Company held by Welmen. Mr. Yeung Chi Shing also directly holds 1,800,000 Shares. The aggregate Shares beneficially owned by Mr. Yeung Chi Shing is 111,150,000 Shares. Mr. Au Ka Wai also directly holds 1,800,000 Shares. The aggregate Shares beneficially owned by Mr. Au Ka Wai is 111,150,000 Shares.

3. Trendy is wholly owned by Saint Lotus Cultural Development Group Co., Limited, which is wholly owned by Mr. Zhang Jianguang.
4. Restoran Oversea is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by Oversea Enterprise Berhad. Oversea Enterprise Berhad (KLSE: OVERSEA) has been listed on the ACE Market of Bursa Malaysia Securities Berhad since 1 April 2010.

USE OF PROCEEDS

The net proceeds from the Rights Issue (after deducting the expenses) are approximately HK\$40.9 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds for the settlement of the liabilities including loans and payable.

DESPATCH OF SHARE CERTIFICATES

It is expected that the share certificates for the Rights Shares, in their fully-paid form, and the Unsubscribed Rights Shares successfully placed by the Placing Agent will be posted to the allottees and/or Placees by ordinary post at their own risk on Friday, 18 August 2023.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 21 August 2023.

By order of the Board
Luk Hing Entertainment Group Holdings Limited
Choi Siu Kit
Executive Director

Hong Kong, 18 August 2023

As at the date of this announcement, the executive Directors are Mr. Choi Yat Hon (formerly known as Choi Yiu Ying), Mr. Choi Siu Kit and Mr. Patrick Ting; the non-executive Director is Mr. Au Ka Wai; and the independent non-executive Directors are Mr. Ip Hoi Fan, Mr. Wong Chung Wai and Ms. Tse Mei Ling.

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 “Latest Company Announcements” page of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.lukhing.com.