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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)

LAPSE OF MAJOR TRANSACTION IN RELATION TO (I) ISSUANCE OF 2ND TRANCHE CONVERTIBLE PROMISSORY NOTES; AND (II) INVESTMENT IN GUANGZHOU JV COMPANY

Reference is made to (i) the announcements (the “**Announcements**”) of Luk Hing Entertainment Group Holdings Limited (the “**Company**”) dated (a) 3 July 2019 in relation to the major transaction of the Company; (b) 26 September 2019 in relation to the change in use of proceeds; and (c) 30 December 2019 in relation to the update on the major transaction and update in use of proceeds and establishment of Club Cubic Guangzhou; and (ii) the circular of the Company (the “**Circular**”) dated 22 August 2019 in relation to the 2nd Tranche Note Purchase Agreement, the Guangzhou Investment and the establishment of Club Cubic Guangzhou. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

LAPSE OF THE 2ND TRANCHE NOTE PURCHASE AGREEMENT

Pursuant to the supplemental 2nd Tranche Note Purchase Agreement, the consummation of the purchase and sale of the 2nd Tranche Convertible Promissory Notes was extended to a date on or before 30 June 2020. In view of the economic slowdown and the weakened consumer sentiment caused by the outbreak of Coronavirus disease (“**COVID-19**”) pandemic in the PRC, the Company has considered holding up the strategic plan of establishing Club Cubic Guangzhou in order to minimize potential risk and to protect Shareholders’ interest. Therefore, the Company and the 2nd Tranche Investor have agreed not to proceed with the completion of the 2nd Tranche Convertible Promissory Notes and accordingly the 2nd Tranche Note Purchase Agreement and the supplemental 2nd Tranche Note Purchase Agreement will lapse on 30 June 2020.

LAPSE ON INVESTMENT IN GUANGZHOU JV COMPANY

Pursuant to the supplemental Guangzhou JV Agreement, the capital contribution date of the Guangzhou JV Company was extended to a date on or before 30 June 2020. For the reasons as stated in the above, the 2nd Tranche Note Purchase Agreement and the supplemental 2nd Tranche Note Purchase Agreement will lapse on 30 June 2020 and accordingly the Guangzhou JV Agreement and the supplemental Guangzhou JV Agreement will also lapse on 30 June 2020.

As explained in the Company's announcement on "Further change in use of proceeds" of the same date, the Board considers that the lapse of the 2nd Tranche Note Purchase Agreement, the supplemental 2nd Tranche Note Purchase Agreement, the Guangzhou JV Agreement, and the supplemental Guangzhou JV Agreement will not have any material adverse impact on the business, operation and financial position of the Group.

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

Hong Kong, 26 June 2020

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 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 Company Announcements" page for 7 days from the day of its posting. This announcement will also be published on the Company's website at www.lukhing.com.