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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Luk Hing Entertainment Group Holdings Limited (the “**Company**”) dated 24 February 2023 and the clarification announcement of the Company dated 1 March 2023 (the “**Announcements**”) in relation to the placing of new shares under general mandate. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE PLACING

The Board is pleased to announce that the completion of the Placing took place on 17 March 2023 in accordance with the terms and conditions of the Placing Agreement, where an aggregate of 450,880,000 Placing Shares were successfully placed by the Company at the Placing Price of HK\$0.016 per Placing Share to the following places:

Placee(s)	No. of Placing Shares
Restoran Oversea (CST) Sdn Bhd (“ Restoran Oversea ”) <i>(Note 1)</i>	400,880,000
Attractive Venture Sdn Bhd (“ Attractive Venture ”) <i>(Note 2)</i>	<u>50,000,000</u>
Total	<u><u>450,880,000</u></u>

Notes:

- (1) Restoran Oversea is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by Oversea Enterprise Berhad.
- (2) Arreactive Venture is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by D'nonce Technology Berhad.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of Restoran Oversea, Attractive Venture and their respective ultimate controllers are Independent Third Parties. Immediately after the Placing Completion, Restoran Oversea has become a substantial shareholder of the Company.

The net proceeds from the Placing after deducting related professional fees and expenses are approximately HK\$7.0 million. The Company intends to apply the net proceeds from the Placing for satisfying the cash flow needs of the Group. Among which, the Company will utilise (i) approximately HK\$6.5 million for settlement of the Group's indebtedness (including the indebted sum relating to the convertible promissory note issued to Jolly Rise Holdings Limited, the petitioner of the winding-up petition filed on 16 December 2022 and which had been subsequently dismissed on 27 February 2023); and (ii) approximately HK\$0.5 million for general working capital purpose to accommodate the operating cash flow needs of the Group to support its business operation.

BACKGROUND OF THE PLACINGS

Restoran Oversea is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by Oversea Enterprise Berhad ("**Oversea Enterprise**").

Oversea Enterprise (KLSE: OVERSEA) is incorporated and domiciled in Malaysia, and it has been listed on the ACE Market of Bursa Malaysia Securities Berhad since 1 April 2010. Oversea Enterprise's operation of food service outlets entails a chain of five (5) Chinese restaurants, two (2) outlets in Klang Valley, two (2) outlets in Ipoh and one (1) in Genting Highlands offering home cooked Cantonese themed cuisines. In addition to the chain of Chinese restaurants, Oversea Enterprise has ventured into the operation of speciality restaurant offering Dim Sum. The Dim Sum outlet located at Sri Petaling was opened in 2005, with the intention to target Dim Sum connoisseur. Besides the operation of food service outlets, Oversea Enterprise's business model also includes the expansion into the manufacturing of confectioneries particularly moon cake since 1986.

Arreactive Venture is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by D'nonce Technology Berhad ("**D'nonce**").

D'nonce (KLSE: DNONCE) is a diversified engineering solutions provider with key customers from healthcare, electrical and electronics sectors and other industries. Established in 1989 and headquartered in Penang, with its trading and manufacturing subsidiaries in Kelantan, Selangor and Johor. D'nonce was listed on the Main Board of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) in 2001 and the following year, it expanded its operations to Thailand. D'nonce offers a wide of services including (i) end-to-end packaging and design solutions, (ii) precision polymer engineering services, (iii) clean room and contract manufacturing services, and (iv) supply chain management and sales and distribution of products.

EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The 450,880,000 Placing Shares represents (i) approximately 19.69% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.45% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares as at the date of this announcement.

The table below sets out the shareholding structures of the Company (i) immediately before the completion of the Placing; and (ii) immediately after the completion of the Placing:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
<i>Substantial shareholders</i>				
Welmen (Note 1, 2)	1,111,500,000	48.53%	1,111,500,000	40.55%
Trendy Pleasure Limited (“ Trendy ”) (Note 3)	300,000,000	13.10%	300,000,000	10.94%
Restoran Oversea (Note 4)	–	–	400,880,000	14.62%
<i>Public Shareholders</i>				
Arreactive Venture (Note 5)	–	–	50,000,000	1.82%
Other public Shareholders	878,900,000	38.37%	878,900,000	32.06%
Total	2,290,400,000	100.00%	2,741,280,000	100.00%

Notes:

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. Simon Choi and as to 50% by Mr. John Choi.
2. On 2 March 2016, Mr. Simon Choi, Mr. John Choi, 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. Simon Choi, Mr. John Choi, 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.
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.
5. Arreactive Venture is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by D’nonce.

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

Hong Kong, 17 March 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. Yeung Chi Shing; 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.

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