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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "Directors") of Luk Hing Entertainment Group Holdings Limited (the "Company") 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 (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.

THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three-month and nine-month periods ended 30 September 2023, together with the unaudited comparative figures for the respective corresponding period in 2022, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Three-month period ended 30 September | | Nine-month period ended 30 September | |
|--|-------|--|---------------------------------|---|---------------------------------|
| | | 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) |
| Revenue | 3 | 23,124 | 17,176 | 70,409 | 38,371 |
| Other income and gain | 4 | 2,314 | 469 | 3,031 | 2,184 |
| Cost of inventories sold | | (6,653) | (5,152) | (19,411) | (11,998) |
| Staff costs | | (9,169) | (8,381) | (26,997) | (23,450) |
| Property rentals and related expenses | | (1,729) | (3,619) | (5,458) | (7,425) |
| Advertising and marketing expenses | | (79) | (13) | (223) | (130) |
| Other operating expenses | | (3,775) | (9,095) | (10,276) | (18,650) |
| Depreciation and amortisation | | (3,320) | (6,872) | (9,939) | (19,932) |
| Impairment losses under expected credit loss model, net of reversal | | (223) | 79 | (885) | 120 |
| Loss on cessation of business | | - | (11,222) | - | (11,222) |
| Share of losses of Joint ventures | | - | (107) | - | (776) |
| Fair value change of financial guarantee at fair value through profit or loss | | - | - | (799) | - |
| Loss on financial guarantee | | - | - | (917) | - |
| Impairment loss on investment in associate | | - | - | (397) | - |
| Finance costs | 7 | (562) | (1,403) | (1,309) | (4,476) |
| Loss before taxation | | (72) | (28,140) | (3,171) | (57,384) |
| Taxation | 5 | - | - | - | 5 |
| Loss for the period | | (72) | (28,140) | (3,171) | (57,379) |
| Other comprehensive income/(loss): | | | | | |
| Exchange difference on translating of financial statements of overseas subsidiaries | | (192) | 1,794 | 1,377 | 1,642 |
| Total comprehensive loss for the period | | (264) | (26,346) | (1,794) | (55,737) |

| | Notes | Three-month period ended 30 September | | Nine-month period ended 30 September | |
|--|-------|--|---------------------------------|---|---------------------------------|
| | | 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) |
| Profit/(loss) for the period attributable to: | | | | | |
| Owners of the Company | | 92 | (20,714) | (3,715) | (41,746) |
| Non-controlling interests | | (164) | (7,426) | 544 | (15,633) |
| | | (72) | (28,140) | (3,171) | (57,379) |
| Other comprehensive income/(loss) for the period attributable to: | | | | | |
| Owners of the Company | | (128) | 1,211 | 812 | 1,473 |
| Non-controlling interests | | (64) | 583 | 565 | 169 |
| | | (192) | 1,794 | 1,377 | 1,642 |
| Total comprehensive income/(loss) for the period attributable to: | | | | | |
| Owners of the Company | | (36) | (19,503) | (2,903) | (40,273) |
| Non-controlling interests | | (228) | (6,843) | 1,109 | (15,464) |
| | | (264) | (26,346) | (1,794) | (55,737) |
| Earnings/(loss) per share | | | | | |
| | | HK cents | HK cents (Restated) | HK cents | HK cents (Restated) |
| – Basic | 6 | 0.02 | (9.02) | (1.21) | (18.36) |
| – Diluted | 6 | 0.02 | (9.02) | (1.20) | (18.36) |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2023

| | Attributable to owners of the Company | | | | | | | Attributable to non-controlling interests HK\$'000 (Unaudited) | Total HK\$'000 (Unaudited) | |
|---|--|--|--|--|---|---|--|--|----------------------------------|--------------------------------------|
| | Share capital HK\$'000 (Unaudited) | Share premium HK\$'000 (Unaudited) | Share-based compensation losses HK\$'000 (Unaudited) | Legal reserve HK\$'000 (Unaudited) (Note) | Exchange reserve HK\$'000 (Unaudited) | Accumulated losses HK\$'000 (Unaudited) | Other reserve HK\$'000 (Unaudited) | | | Sub-total HK\$'000 (Unaudited) |
| As at 1 January 2022 | 22,544 | 77,839 | 1,648 | 12 | 251 | (140,377) | (685) | (38,768) | (21,902) | (60,670) |
| Loss for the period | - | - | - | - | - | (41,746) | - | (41,746) | (15,633) | (57,379) |
| Other comprehensive income for the Period | - | - | - | - | 1,473 | - | - | 1,473 | 169 | 1,642 |
| Lapsed of share options | - | - | (246) | - | - | 246 | - | - | - | - |
| Exercise of share options | 360 | 1,330 | (646) | - | - | - | - | 1,044 | - | 1,044 |
| As at 30 September 2022 | 22,904 | 79,169 | 756 | 12 | 1,724 | (181,877) | (685) | (77,997) | (37,366) | (115,363) |
| As at 1 January 2023 | 22,904 | 79,169 | 756 | - | 1,193 | (172,183) | (3,440) | (71,601) | (36,117) | (107,718) |
| (Loss)/profit for the period | - | - | - | - | - | (3,715) | - | (3,715) | 544 | (3,171) |
| Other comprehensive income for the Period | - | - | - | - | 812 | - | - | 812 | 565 | 1,377 |
| Ordinary shares issued | 31,922 | 19,153 | - | - | - | - | - | 51,075 | - | 51,075 |
| Transaction costs attributable to issue of new shares | - | (3,371) | - | - | - | - | - | (3,371) | - | (3,371) |
| Lapsed of share options | - | - | (92) | - | - | 92 | - | - | - | - |
| As at 30 September 2023 | 54,826 | 94,951 | 664 | - | 2,005 | (175,806) | (3,440) | (26,800) | (35,008) | (61,808) |

Note: In accordance with the provisions of the Macau Commercial Code, the subsidiary of the Company in Macau are required to transfer a minimum of 25% of its profit for the year to a legal reserve before appropriation of dividends until the legal reserve equals half of the capital of the subsidiary. This reserve is not distributable to its shareholders.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Luk Hing Entertainment Group Holdings Limited (“the Company”) was incorporated in Cayman Islands on 30 November 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 11 November 2016, the Company’s shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1180, Cayman Islands and the principal place of business in Hong Kong is located at Room 1505, 15/F., Shun Tak Centre West Tower, 168-200 Connaught Road Central, Sheung Wan, Hong Kong. The Company is an investment holding company.

The directors of the Company regard Welmen Investment Co. Ltd, a company incorporated in the British Virgin Islands as the ultimate holding company.

The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in the food and beverage and entertainment industry. The Group’s principal activities are operation of clubs and restaurants, organising music-related featured events as well as granting loans to entities in the food and beverage and entertainment industries (“Money Lending Business”).

The functional currency of the subsidiaries established in Macau is Macau Pataca (“MOP”), the functional currency of the subsidiaries established in the People’s Republic of China (the “PRC”) is Renminbi (“RMB”) and the functional currency of the Company and Hong Kong operating subsidiaries is Hong Kong dollars (HK\$).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the investors as the shares of the Company are listed on the GEM of the Stock Exchange. All values are rounded to the nearest thousand of HK\$ (“HK\$’000”) except when otherwise indicated.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The condensed consolidated quarterly financial information of the Group has not been audited. The unaudited condensed consolidated quarterly financial statements of the Group for the nine-month period ended 30 September 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and in accordance with the applicable disclosure requirements of the GEM Listing Rules.

(b) Basis of Measurement and Going Concern Assumption

The unaudited condensed consolidated quarterly financial statements of the Group for the nine-month period ended 30 September 2023 do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the audited annual financial statements included in the annual report of the Company dated 30 March 2023. The accounting policies adopted are consistent with those applied in the Group’s audited annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), except the new and revised HKFRSs, which are effective for the financial year beginning from 1 January 2023. The adoption of these new and revised HKFRSs has not had material impact on the unaudited condensed consolidated quarterly financial statements of the Group for the nine-month period ended 30 September 2023. The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

As at 30 September 2023, the Group had net current liabilities and net liabilities of approximately HK\$69,209,000 and HK\$61,808,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and consequently, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its business.

The directors of the Company have been taking steps to improve the liquidity position of the Group. These steps include:

- (i) the Company has proactively explored fund raising activities including:
 - (1) On 24 February 2023, the Company has entered into a placing agreement with Sanston Financial Group Limited, the placing agent, on the placing of 450,880,000 placing shares by issuance of new shares under the general mandate. The placing was completed on 17 March 2023 and the net proceeds of approximately HK\$6.9 million was raised. Among which, approximately HK\$6.5 million was used for partial settlement of outstanding principal of convertible promissory notes and convertible loans. The net proceeds have been fully utilised.
 - (2) On 6 April 2023, the Company had entered into, among others, an underwriting agreement and a placing agreement with Sanston Financial Group Limited. Pursuant to the agreements, upon the share consolidation of the then every ten (10) issued and unissued shares of par value HK\$0.01 each into one (1) consolidated share of par value HK\$0.1 becoming effective, the Company had conducted a rights issue on the basis of one (1) rights shares of every one (1) consolidated share held, in order to raise gross proceeds of approximately HK\$43.9 million. The net proceeds from the rights issue are estimated to be not more than approximately HK\$40.9 million. Among which, (i) approximately HK\$20.4 million will be used for full and final settlement of the Group's remaining outstanding liabilities arising from convertible promissory notes and convertible loans that were issued by the Group in June 2019 and July 2019, respectively, (ii) approximately HK\$3.7 million for repayment of unsecured loans to the executive director, Mr. Choi Siu Kit, (iii) approximately HK\$3.5 million will be used for settlement of directors' fees and salaries payable up to 31 December 2022; (iv) approximately HK\$0.8 million for repayment of principal of bank loan to The Bank of East Asia Limited and (v) approximately HK\$5.7 million for repayment of overdue head office and rental expenses and professional fees. A total of approximately HK\$6.8 million from the net proceeds of the above share issues will be used as the working capital of the Company.

- (ii) negotiate with banks for renewing banking facilities. Based on the latest communications with the banks, the directors of the Company are not aware of any intention of the banks to withdraw their bank facilities or require early repayment of the loans, and the directors believe that the existing bank facilities will be renewed when their current terms expire given the good track records and relationships the Group has with the banks;
- (iii) implement stronger measures aiming at improving the working capital and cash flows of the Group, including closely monitoring incurrence of other operating expenses;

Provided that the above-mentioned plans and measures can be successfully achieved and improve the liquidity position of the Group, the Directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the third quarterly financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments have not been reflected in the third quarterly financial statements.

3. REVENUE

Revenue represents the amounts received or receivable from the sales of food, beverage and other products and loan interest income from Money Lending Business.

An analysis of the Group's revenue for the period is as follows:

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|--|--|-------------|---|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue from contracts with customers: | | | | |
| Recognised at a point in time | | | | |
| Sales of food, and other products | 21,143 | 15,532 | 64,240 | 33,811 |
| Sales of beverage | 1,981 | 1,560 | 6,169 | 4,304 |
| | 23,124 | 17,092 | 70,409 | 38,115 |
| Revenue from other sources: | | | | |
| Loan interest income | - | 84 | - | 256 |
| | 23,124 | 17,176 | 70,409 | 38,371 |

4. OTHER INCOME AND GAIN

| | For the three-month period | | For the nine-month period | |
|--|----------------------------|-------------|---------------------------|-------------|
| | ended 30 September | | ended 30 September | |
| | 2023 | 2022 | 2023 | 2022 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Net foreign exchange loss | (91) | (620) | (385) | (1,040) |
| Consultancy and management fee income | – | – | 300 | 146 |
| COVID-19-related rental concession | – | 630 | 226 | 630 |
| Government grants (note (a)) | – | 447 | – | 2,319 |
| Gain on disposal of plant and Equipments (note (b)) | – | – | – | 61 |
| Financial guarantee income | – | – | 397 | – |
| Waiver of convertible loan | 518 | – | 518 | – |
| Waiver of interest expenses | 1,887 | – | 1,887 | – |
| Others (note (c)) | – | 12 | 88 | 68 |
| | 2,314 | 469 | 3,031 | 2,184 |

Notes:

- (a) For the nine-month period ended 30 September 2022, government grants of HK\$2,319,000 in respect of COVID-19-related subsidies, of which of HK\$1,200,000 relates to Catering Business Subsidy Scheme, and Employment Support Scheme of approximately HK\$1,119,000 under the Anti-epidemic Fund have provided by the Hong Kong government.
- (b) For the nine-month period ended 30 September 2022, the Group disposed a motor vehicle at value HK\$220,000 to a related party.
- (c) Others mainly included the sponsorship income from bank.

5. TAXATION

| | For the three-month period | | For the nine-month period | |
|-----------------------------|----------------------------|-------------|---------------------------|-------------|
| | ended 30 September | | ended 30 September | |
| | 2023 | 2022 | 2023 | 2022 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Income tax expenses | | | | |
| – PRC Enterprise Income Tax | – | – | – | (5) |

No provision for Hong Kong profits tax is made since the Hong Kong subsidiary has no estimated assessable profit for the three-month and nine-month periods ended 30 September 2023 and 2022, respectively.

6. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(losses) per share attributable to owners of the Company is based on the following data:

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|---|--|---------------------------------|---|---------------------------------|
| | 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) |
| Profit/(loss) for the purpose of basic and diluted earnings/(losses) per share | 92 | (20,714) | (3,715) | (41,746) |
| | '000 | '000 (Restated) | '000 | '000 (Restated) |
| Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share | 405,678 | 229,754 | 306,601 | 227,386 |
| Effect of dilutive potential ordinary shares: | | | | |
| – Share options (Note) | 2,251 | – | 2,251 | – |
| Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share | 407,929 | 229,754 | 308,852 | 227,384 |

On 4 July 2023, every ten issued and unissued shares of par value HK\$0.01 each in the share capital of the Company was consolidated into one share of par value HK\$0.1 (the "Share Consolidation"). Following the Share Consolidation on 4 July 2022, 2,741,280,000 shares in the issued share capital of the Company were consolidated into 274,128,000 consolidated shares. Details of the Share Consolidation are set out in the Company's announcements dated 6 April 2023 and the Company's circular dated 9 June 2023.

On 18 August 2023, the Company issued 274,128,000 ordinary shares at a subscription price of HK\$0.16 per rights share, in connection with the rights issue on the basis of one rights share for every one share held by the qualifying shareholders on the record date (the "Rights Issue"), resulting in net proceeds of HK\$40.9 million. Accordingly, the number of issued shares of the Company increased from 274,128,000 shares to 548,256,000 shares. Details of the Rights Issue are set out in the Company's circular dated 9 June 2023, the prospectus dated 14 July 2023 and the Company's announcement dated 4 August 2023 and 18 August 2023.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the three-month and nine-month periods ended 30 September 2022 have been retrospectively adjusted to reflect the said share consolidation and the rights issue.

Note: The diluted loss per share for the three-month and nine-month periods ended 30 September 2023 was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the three-month and nine-month periods ended 30 September 2022, diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares in issue.

7. FINANCE COSTS

| | For the three-month period | | For the nine-month period | |
|--|----------------------------|--------------------|---------------------------|--------------------|
| | ended 30 September | ended 30 September | ended 30 September | ended 30 September |
| | 2023 | 2022 | 2023 | 2022 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Interest on convertible promissory notes | – | 355 | – | 1,393 |
| Interest on convertible loans | – | 138 | – | 542 |
| Interest on bank loans | 191 | 132 | 540 | 424 |
| Interest on lease liabilities | 190 | 761 | 570 | 2,067 |
| Others | 181 | 17 | 199 | 50 |
| | 562 | 1,403 | 1,309 | 4,476 |

8. DIVIDEND

The Board does not recommend the payment of any dividend by the Company for the nine-month period ended 30 September 2023 (2022: Nil).

9. LITIGATION AND CONTINGENT LIABILITIES

On 11 October 2021, Zhuhai Ruiye, the Company's subsidiary, received an arbitration request issued by 珠海城市建設集團有限公司 ("城建集團"), the landlords of CUBIC SPACE+ and 珠海城建海韻資產經營管理有限公司 ("城建海韻"), the property management company of CUBIC SPACE+, alleged that Zhuhai Ruiye has breached the tenancy agreement of CUBIC SPACE+ in Zhuhai, the PRC. 城建集團 and 城建海韻 alleged that Zhuhai Ruiye had failed to pay the rental expense and building management fee for the period of October 2018 to August 2019 and February 2020 to April 2020, together with costs of the legal proceedings for approximately HK\$8,346,000 (equivalent to approximately RMB6,924,000). Zhuhai Ruiye submitted that the condition of the property was of substandard quality at the delivery date and suffered substantial losses due to water leakage of the property. Zhuhai Ruiye applied for a counterclaim against the landlords and the property management company and requested a waiver for the rental fee and building management fee for the above period and compensation for the losses due to the water leakage of the property, repairs and maintenances, labor costs together with costs of legal proceedings for approximately HK\$15,947,000 (equivalent to approximately RMB13,230,000). The arbitration committee requested Zhuhai Ruiye to provide the evidences of the substandard quality of the property and breakdown for the labor cost for further judgement. On 7 September 2022, Zhuhai Arbitration Commission issued an arbitration award against the case between Zhuhai Ruiye, 城建集團 and 城建海韻. According to the arbitration award, Zhuhai Ruiye had to pay rental expenses to 城建集團 for the period of 24 January 2019 to 31 August 2019 which amounted for approximately HK\$1,932,000 (equivalent to approximately RMB1,726,000) and 50% of rental expenses of April 2020 which amounted for approximately HK\$140,000 (equivalent to approximately RMB125,000). Zhuhai Ruiye also had to pay the liquidated damages and penalties to 城建集團 which amounted for HK\$1,130,000 (equivalent to approximately RMB1,010,000) together with the costs of legal proceedings of approximately HK\$248,000 (equivalent to approximately RMB222,000). The amounts are included in other payables. On 21 October 2022, the Company further announced that due to disputes between 城建集團 and 城建海韻 in relation to the operation of CUBIC SPACE+ at landmark Zhuhai Grand Theatre, the Group would be unable to continue to operate CUBIC SPACE+ from 20 October 2022 and the Company is seeking legal advice in relation to its rights over the aforesaid matter.

As at the date of approval of this report, the Company is seeking legal advice in relation to its rights over the aforesaid matter, as well as certain employment disputes relating to the aforesaid matter, which, to the best of the knowledge of the Directors, concerned an amount of approximately RMB2.5 million. Save as disclosed in the above, there was no update on the litigations.

MANAGEMENT DISCUSSION AND ANALYSIS

During the first three quarters of 2023, the Group is primarily engaged in the operation of restaurants namely “HEXA” and “SIXA” in Hong Kong.

BUSINESS REVIEW

Hong Kong’s retail sales are ticking up since the end of 2022, with the latest figure showing an improvement in spending on catering businesses after full resumption of cross-border travel on February 6, 2023. Recovery of local consumption and the increase in the number of visitors led to the uplift of sales revenue of our restaurants in the first three quarters of 2023. Our restaurants have resumed to the pre-pandemic level of revenue performance. The restaurant business continues to contribute a stable source of income to the Group.

The impact of COVID-19 is finally receding after three years long. Our business and operations revert to normal after lifting of anti-epidemic measures. The Group continued maintaining its proactive while prudent approach to recover from the pandemic shadow. During the period under review, the Group has taken a number of measures to improve its liquidity and financial position including: (i) the Company has implemented stronger measures to improve the working capital and cashflow of the Group, including closely monitoring incurrence of other operating expenses; and (ii) the Company has proactively explored fund raising activities included (1) having successfully completed placing of 450,880,000 placing shares by issuance of new shares under general mandate for net proceeds of approximately HK\$6.9 million on 17 March 2023; and (2) having entered into underwriting agreement and placing agreement with Sanston Financial Group Limited on 6 April 2023 in respect of, among others, rights issue on the basis of one (1) rights shares for every one (1) consolidated share, for raising gross proceeds of up to approximately HK\$43.9 million. Please refer to the announcements of the dated 24 February 2023, 1 March 2023, 17 March 2023, 6 April 2023, 4 August 2023, 18 August 2023 as well as the circular and the prospectus of the Company dated 9 June 2023 and 14 July 2023 for details.

FINANCIAL REVIEW

Revenue

Total revenue of the Group increased by 83.3% from approximately HK\$38.4 million in the first three quarters of 2022 to approximately HK\$70.4 million in the same period of 2023 as our restaurants have resumed to the pre-pandemic level of revenue performance after full resumption of cross-border travel.

Expenses

Cost of inventories sold mainly represents for the costs of beverage, food and tobacco products sold. It increased by 61.7% from approximately HK\$12.0 million in the first three quarters of 2022 to approximately HK\$19.4 million in the same period of 2023 which was in line with the increase of revenue.

Staff costs is one of the major components of the Group's operating expenses, which mainly consists of Directors' emoluments, salaries, retirement benefit scheme contribution and other benefits. Staff costs increased by 14.9% from approximately HK\$23.5 million in the first three quarters of 2022 to approximately HK\$27.0 million in the same period of 2023. Staff costs resumed to normal along with rebound of sales revenue for which the increased impact was partially offset by the stringent cost control measure.

Property rentals and related expenses decreased by 25.7% from approximately HK\$7.4 million in the first three quarters of 2022 to approximately HK\$5.5 million in the same period of 2023 resulted from the cessation of operation of CUBIC SPACE+.

Advertising and marketing expenses increased by 71.5% from approximately HK\$130,000 in the first three quarters of 2022 to approximately HK\$223,000 in the same period of 2023 due to the rebound of sales revenue.

Other operating expenses represent expenses incurred for the operations. These include mainly cleaning and laundry, utilities, credit card commission, repair and maintenance and legal and professional fee. Other operating expenses decreased by 44.9% from approximately HK\$18.7 million in the first three quarters of 2022 to approximately HK\$10.3 million in the same period of 2023. Other operating expenses resumed to normal mainly with the absence of the write-off expense of HK\$3.4 million on the outstanding receivables from an associate company and bad debt provision of approximately HK\$4.8 million on the outstanding loan and interest receivable from an individual under the money lending business which the Company has taken legal action against the individual to recover the outstanding receivables in the first three quarters of 2022.

Depreciation and amortization decreased by 50.3% from approximately HK\$19.9 million in the first three quarters of 2022 to approximately HK\$9.9 million in the same period of 2023. This was mainly due to the cessation of operation of CUBIC SPACE+ from October 2022.

Loss Attributable to Owners of the Company

Net loss attributable to owners of the Company was approximately HK\$3.7 million in the first three quarters of 2023 compared to that of approximately HK\$41.7 million in the same period of 2022 caused by (i) the rebound of sale revenue in our restaurants; and (ii) operating expenses minimized in CUBIC SPACE+ after cessation of operation in October 2022.

USE OF PROCEEDS

Rights Issue

On 6 April 2023, the Company had entered into, among others, an underwriting agreement and a placing agreement with Sanston Financial Group Limited. Pursuant to the agreements, upon the share consolidation of the then every ten (10) issued and unissued shares of par value HK\$0.01 each into one (1) consolidated share of par value HK\$0.1 becoming effective, the Company had conducted a rights issue on the basis of one (1) rights shares of every one (1) consolidated share held, in order to raise gross proceeds of approximately HK\$43.9 million.

The rights shares were allotted and issued on 18 August 2023. The net proceeds from the rights issue were approximately HK\$40.9 million. Among which, (i) approximately HK\$20.4 million will be used for full and final settlement of the Group's remaining outstanding liabilities arising from convertible promissory notes and convertible loans that were issued by the Group in June 2019 and July 2019, respectively, (ii) approximately HK\$3.7 million for repayment of unsecured loans to the executive director, Mr. Choi Siu Kit, (iii) approximately HK\$3.5 million will be used for settlement of directors' fees and salaries payable up to 31 December 2022; (iv) approximately HK\$0.8 million for repayment of principal of bank loan to The Bank of East Asia Limited and (v) approximately HK\$5.7 million for repayment of overdue head office and rental expenses and professional fees. A total of approximately HK\$6.8 million from the net proceeds of the above share issues will be used as the working capital of the Company. The aggregate nominal value of the Rights Shares was HK\$27,412,800.

For details, please refer to the Company's announcements dated 10 April 2023, 2 May 2023, 25 May 2023, 30 June 2023, 4 August 2023 and 18 August 2023, the circular dated 9 June 2023, the prospectus dated 14 July 2023 (the "Prospectus").

An analysis of the utilisation of the net proceeds for the nine months ended 30 September 2023 is set out below:

| | Planned use of net proceeds as stated in the Prospectus HK\$'000 | Actual use of net proceeds up to 30 September 2023 HK\$'000 | Unutilised net proceeds up to 30 September 2023 HK\$'000 | Date by which net proceeds are expected to be fully utilized |
|---|---|--|---|---|
| Full and final settlement of the Group's remaining outstanding liabilities arising from convertible promissory notes and convertible loans that were issued by the Group in June 2019 and July 2019, respectively | 20,400 | 17,924 | 2,476 | Before the end of March 2024 |
| Repayment of unsecured loans to the executive director, Mr. Choi Siu Kit | 3,700 | 3,700 | – | – |
| Settlement of directors' fees and salaries payable up to 31 December 2022 | 3,500 | 3,335 | 165 | Before the end of March 2024 |
| Repayment of principal of bank loan to The Bank of East Asia Limited | 800 | 355 | 445 | Before the end of March 2024 |
| Repayment of overdue head office and rental expenses and professional fees | 5,700 | 5,700 | – | – |
| Working capital of the Company | 6,800 | 6,228 | 572 | Before the end of July 2024 |
| Total | 40,900 | 37,242 | 3,658 | |

OUTLOOK

Reference is made to the prospectus of the Company dated 14 July 2023, the Board of the Company proposed to raise up to approximately HK\$43.9 million before expenses by way of a rights issue of 274,128,000 rights shares at the subscription price of HK\$0.160 each and on the basis of one rights share for every one share held by the qualifying shareholders on the record date. The Board believes such fund-raising activities will help the Company to meet its repayment obligations and improve the cash-flow for its business operations since the net liabilities of the Group has continued to be substantial and posed uncertainties relating to going concern basis of the Group.

We expect our restaurant business in Hong Kong will improve in the second half of 2023, due to Consumption Voucher Scheme announced by the Hong Kong government where each qualified person in Hong Kong will receive HK\$2,000 or HK\$1,000 through AlipayHK, BoC Pay, PayMe from HSBC, Tap & Go, WeChat Pay HK or Octopus respectively on 16 July 2023.

Despite the end of COVID-19, there are still many challenges in the business environment, including economic slowdown, weak consumption and higher capital cost in Hong Kong because of the Fed rate increase. These factors will create economic pressure on the Group's business development.

The Group is still relatively optimistic about its business and operations and will continue to monitor its costs closely while trying to maximise its revenue by providing first-class services to its customers. In the long run, we will pay close attention to the changes in the market, formulate business plans and strategies for long-term business development and explore other business opportunities in order to expand revenue streams in an effort to offset the adverse impact of the economic hard times.

Choi Siu Kit

Executive Director

Hong Kong, 13 November 2023

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2023, the interests and short position of the Directors and the Company's chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules were as follows:

| Name of Director/ Chief Executive | Name of Group member/associated corporation | Nature of interest | Number and class of securities ⁽¹⁾ | Approximate percentage of shareholding interest |
|--------------------------------------|---|--|--|--|
| Mr. Choi Yat Hon (Notes 2 and 3) | The Company | Interest of a controlled corporation, interest held jointly with another person | 109,350,000 ordinary shares of the Company (L) | 19.95% |
| | Welmen Investment Co. Ltd ("Welmen") | Interest of a controlled corporation | 3,031.11 ordinary shares of Welmen (L) | 30.3111% |
| | | Beneficial owner | 1,262.225 ordinary shares of Welmen (L) | 12.62225% |
| Mr. Choi Siu Kit (Notes 2 and 3) | The Company | Interest of a controlled corporation, interest held jointly with another person | 109,350,000 ordinary shares of the Company (L) | 19.95% |
| | Welmen | Interest of a controlled corporation | 3,031.11 ordinary shares of Welmen (L) | 30.3111% |
| | | Beneficial owner | 1,262.225 ordinary shares of Welmen (L) | 12.62225% |

| Name of Director/ Chief Executive | Name of Group member/associated corporation | Nature of interest | Number and class of securities ⁽¹⁾ | Approximate percentage of shareholding interest |
|--------------------------------------|---|---|--|--|
| Mr. Au Ka Wai (Note 2) | The Company | Interest held jointly with another person | 109,350,000 ordinary shares of the Company (L) | 19.95% |
| | | Personal Interest | 1,800,000 ordinary shares of the Company (L) | 0.33% |
| | Welmen | Beneficial owner | 1,604.44 ordinary shares of Welmen (L) | 16.0444% |

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company or the relevant associated corporation.
- (2) On 2 March 2016, Mr. Choi Yat Hon, 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, details of which are set out in the Prospectus. On 20 August 2019, Mr. Yeung Bernard Sie Hong sold all his shares in Welmen to Mr. Choi Kuen Kwan (father of Mr. Choi Yat Hon and Mr. Choi Siu Kit). On 4 June 2020, Mr. Choi Kuen Kwan sold 50% and 50% of his shares in Welmen to Mr. Choi Yat Hon and Mr. Choi Siu Kit respectively. As such, pursuant to the acting in concert arrangement, each of Mr. Choi Yat Hon, Mr. Choi Siu Kit, Mr. Au Wai Pong Eric, Mr. Au Ka Wai and Mr. Yeung Chi Shing is deemed to be interested in 19.95% of the issued share capital of the Company held by Welmen.
- (3) 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 ("Perfect Succeed"), which is in turn owned as to 50% by Mr. Choi Yat Hon and as to 50% by Mr. Choi Siu Kit. By virtue of the SFO, each of Mr. Choi Yat Hon and Mr. Choi Siu Kit is deemed to be interested in 30.3111% of the issued share capital of Welmen held by Yui Tak and 19.95% of the issued share capital of the Company held by Welmen.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2023, none of the Directors and the Company's chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, the person (other than the Directors or the Company's chief executives) or company who or which had an interest and short position in the shares and underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

| Name of shareholder | Nature of interest | Number and class of securities⁽¹⁾ | Approximate percentage of shareholding interest |
|--|--------------------------------------|---|--|
| Welmen Investment Co. Ltd ("Welmen") (Note 2) | Beneficial owner | 109,350,000 ordinary shares (L) | 19.95% |
| Yui Tak Investment Limited ("Yui Tak") (Note 2) | Interest of a controlled corporation | 109,350,000 ordinary shares (L) | 19.95% |
| Ocean Concept Holdings Limited ("Ocean Concept") (Note 2) | Interest of a controlled corporation | 109,350,000 ordinary shares (L) | 19.95% |
| Toprich Investment (Group) Limited ("Toprich") (Note 3) | Interest of a controlled corporation | 109,350,000 ordinary shares (L) | 19.95% |

| Name of shareholder | Nature of interest | Number and class of securities⁽¹⁾ | Approximate percentage of shareholding interest |
|--|--------------------------------------|---|--|
| Perfect Succeed Limited ("Perfect Succeed") (Note 3) | Interest of a controlled corporation | 109,350,000 ordinary shares (L) | 19.95% |
| Trendy Pleasure Limited ("Trendy") (Note 5) | Beneficial owner | 30,000,000 ordinary shares (L) | 5.47% |
| Saint Lotus Cultural Development Group Co., Limited ("Saint Lotus") (Note 5) | Interest of a controlled corporation | 30,000,000 ordinary shares (L) | 5.47% |
| Mr. Zhang Jianguang (Note 5) | Interest of a controlled corporation | 30,000,000 ordinary shares (L) | 5.47% |
| Ms. Chan Ting Fai (Note 6) | Interest of spouse | 109,350,000 ordinary shares (L) | 19.95% |
| Ms. Lee Wan (Note 7) | Interest of spouse | 109,350,000 ordinary shares (L) | 19.95% |
| Restoran Oversea (CST) Sdn Bhd ("Restoran Oversea") (Note 9) | Interest of a controlled corporation | 159,988,000 ordinary shares (L) | 29.18% |

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company.
- (2) Welmen is owned as to 19.95% by Yui Tak and Yui Tak is wholly owned by Ocean Concept. By virtue of the SFO, each of Yui Tak and Ocean Concept is deemed to be interested in 39.89% of the issued share capital of the Company held by Welmen.
- (3) Ocean Concept is owned as to 88.29% by Toprich and Toprich is wholly owned by Perfect Succeed, which is in turn owned as to 50% by Mr. Choi Yat Hon and as to 50% by Mr. Choi Siu Kit. By virtue of the SFO, each of Toprich, Perfect Succeed, Mr. Choi Yat Hon and Mr. Choi Siu Kit is deemed to be interested in 19.95% of the issued share capital of the Company held by Welmen.
- (4) Trendy Pleasure Limited is wholly owned by Saint Lotus and Saint Lotus is wholly owned by Mr. Zhang Jianguang. By virtue of the SFO, each of Saint Lotus and Mr. Zhang Jianguang is deemed to be interested in 5.47% of the issued share capital of the Company held by Trendy.
- (5) Ms. Chan Ting Fai is the spouse of Mr. Choi Siu Kit. By virtue of the SFO, Ms. Chan Ting Fai is deemed to be interested in 19.95% of the issued share capital of the Company in which Mr. Choi Siu Kit is interested.

- (6) Ms. Lee Wan is the spouse of Mr. Au Wai Pong Eric. By virtue of the SFO, Ms. Lee Wan is deemed to be interested in 19.95% of the issued share capital of the Company in which Mr. Au Wai Pong Eric is interested.
- (7) Restoran Oversea is a company incorporated in Malaysia with limited liability and wholly and beneficially owned by Oversea Enterprise Berhad.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2023, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHAREHOLDING STRUCTURE OF THE COMPANY

Changes in shareholding structure of the Company were made as follow:

- (a) on 4 July 2023, every ten issued and unissued shares of par value HK\$0.01 each in the share capital of the Company was consolidated into one share of par value HK\$0.1 (the "Share Consolidation");
- (b) immediately following the Share Consolidation on 4 July 2023, the authorised share capital of the Company was changed from HK\$100,000,000 divided into 10,000,000,000 shares of par value HK\$0.01 each in the share capital of the Company to HK\$100,000,000 divided into 1,000,000,000 consolidated shares of par value HK\$0.1 each;
- (c) the proposal to raise up to approximately HK\$43.9 million before expenses by way of a rights issue of 274,128,000 rights shares at the subscription price of HK\$0.160 each and on the basis of one rights share for every one share held by the qualifying shareholders on the record date. Please refer to the prospectus of the Company dated 14 July 2023 for further information;
- (d) a total of three valid applications had been received for a total of 19,222,525 Rights Shares of the Company, representing approximately 7.0% of the total number of Rights Shares offered under the Rights Issue. Please refer to the announcement dated 4 August 2023 for further information; and
- (e) as at 4:00 pm of 9 August 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent ("Sanston Financial Group limited"), 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. Please refer to the announcement dated 18 August 2023 for further information.

PURCHASES, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine-month period ended 30 September 2023.

INTEREST IN A COMPETING BUSINESS

The controlling shareholders of the Company (the "Controlling Shareholders") are interested in certain restaurant businesses in Macau (the "Retained Macau Restaurant Business"). Compared to the Group's clubbing business in Macau, the Retained Macau Restaurant Business has different industry nature, opening business hours and target customers. Accordingly, our Directors are of the view that the Retained Macau Restaurant Business are clearly delineated from the Group's businesses and will not compete (either directly or indirectly) or are not likely to compete with the Group's businesses.

Mr. Choi Siu Kit, our executive Director and also controlling shareholder of the Company, is engaged in certain restaurant and bar business in Hong Kong before the Listing (the "Retained HK Restaurant and Bar Business"). Set out below are the details of his interests in the Retained HK Restaurant and Bar Business during the nine-month period ended 30 September 2023:

| Name of entity | Nature of interests |
|--|--|
| Mighty Force Catering Group Limited (Note) | Approximately 50% of issued share capital was held by Mr. Choi Siu Kit's spouse, who was also a director |
| Sham Tseng Chan Kee Roasted Goose Company Limited (Note) | Approximately 7.5% of issued share capital was held by Mr. Choi Siu Kit's spouse |
| Eastern Full Limited (Note) | Approximately 7.5% of issued share capital was held by Mr. Choi Siu Kit's spouse |

Note: Operate/franchise restaurants with trading name of Sham Tseng Chan Kee in Hong Kong.

As Mr. Choi Siu Kit had engaged the Retained HK Restaurant before the Group's Listing, such business are excluded from the Group and is not covered by the Deed of Non-competition entered between the Controlling Shareholders and the Company.

Save as disclosed, during the nine-month period ended 30 September 2023, none of the Directors or the controlling shareholders of the Company, neither themselves nor their respective close associates (as defined in the GEM Listing Rules) were engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and paragraph D.3.3 and D.3.7 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Ms. Tse Mei Ling, Mr. Mak Kwok Kwan Terence and Ms. Woo Man Hung. Ms. Tse Mei Ling who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules, serves as the chairman of the audit committee. The primary responsibilities of the audit committee include but without limitation to the followings: (i) assisting the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems; (ii) overseeing the audit process; and (iii) performing other duties and responsibilities as assigned by the Board.

The audit committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2023.

CHANGES IN DIRECTORS' INFORMATION

The change in Director's information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of the 2023 Interim Report of the Company, is set out below:

Mr. Mak Kwok Kwan Terence was appointed as an independent non-executive Director, a member of the audit committee of the Company (the "Audit Committee"); a member of the remuneration committee of the Company (the "Remuneration Committee") and a member of the nomination committee of the Company (the "Nomination Committee") with effect from 4 September 2023. Mr. Mak Kwok Kwan Terence has been re-designated as Chairman of Nomination Committee with effect from 3 October 2023.

Ms. Woo Man Hung was appointed as an independent non-executive Director, a member of the Audit Committee; a member of the Remuneration Committee and a member of the Nomination Committee with effect from 4 September 2023;

Mr. Wong Chung Wai tendered his resignation as an independent non-executive Director and ceased to be a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee with effect from 4 September 2023;

Mr. Choi Yat Hon tendered his resignation as an executive Director, ceased to be the Chairman of the Board and the Chairman of the Nomination Committee with effect from 3 October 2023;

Mr. Au Ka Wai tendered his resignation as a non-executive Director and ceased a member of the Audit Committee and a member of the Remuneration Committee with effect from 3 October 2023; and

Mr. Ip Hoi Fan tendered his resignation as an independent non-executive Director; ceased to be a member of the Remuneration Committee and a member of the Nomination Committee with effect from 3 October 2023.

Mr. Patrick Ting, has been appointed as a member of the Nomination Committee with effect from 3 October 2023.

BOARD OF DIRECTORS

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Choi Siu Kit

Mr. Patrick Ting

Independent Non-executive Directors

Ms. Tse Mei Ling

Mr. Mak Kwok Kwan Terence

Ms. Woo Man Hung

By Order of the Board of
LUK HING ENTERTAINMENT GROUP HOLDINGS LIMITED
Choi Siu Kit
Executive Director

Hong Kong, 13 November 2023

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.