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Fulum Group Holdings Limited
富臨集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1443)

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS
SUPPLEMENTAL AGREEMENT TO THE 2017
CONNECTED TENANCY FRAMEWORK AGREEMENT**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



金融有限公司
OCTAL Capital Limited

Reference is made to the Circulars in relation to the 2017 Connected Tenancy Framework Agreement, the 2017 Connected Tenancy Framework Supplemental Agreement and the 2018 Connected Tenancy Framework Supplemental Agreement entered into between the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung on 18 January 2017, 24 February 2017 and 8 June 2018, respectively, pursuant to which the parties agreed to (a) renew the existing connected leases; and (b) enter into the new connected leases, at the material time, within the term of the 2017 Connected Tenancy Framework Agreement. The 2017 Connected Tenancy Framework Agreement, as amended and supplemented by the 2017 Connected Tenancy Framework Supplemental Agreement and the 2018 Connected Tenancy Framework Supplemental Agreement, was approved by an ordinary resolution of the Independent Shareholders at the extraordinary general meeting of the Company held on 21 March 2017.

2019 CONNECTED TENANCY FRAMEWORK SUPPLEMENTAL AGREEMENT

The Board announces that on 2 April 2019 (after trading hours), the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung entered into the 2019 Connected Tenancy Framework Supplemental Agreement to amend and supplement the 2017 Connected Tenancy Framework Agreement.

The 2019 Connected Tenancy Framework Supplemental Agreement is subject to the approval of the Independent Shareholders. The 2019 Connected Tenancy Agreements will only be entered after the approval of the 2019 Connected Tenancy Framework Supplemental Agreement by the Independent Shareholders.

Upon the 2019 Connected Tenancy Framework Supplemental Agreement becoming effective, the existing 2017 Connected Tenancy Framework Agreement, details of which are referred to in the circular of the Company dated 28 February 2017 will be amended and supplemented accordingly.

AGGREGATION OF TRANSACTIONS

Reference is made to the announcements of the Company dated 20 October 2015 and 30 June 2016 and the Circulars in respect of the 2018 Connected Tenancy Agreements. Given that all the landlords under the 2018 Connected Tenancy Agreements and the 2019 Connected Tenancy Agreements are members of the Connected Landlord Entities, the transactions contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement are required to be aggregated with the transactions contemplated under the 2018 Connected Tenancy Agreements pursuant to Rule 14.22, Rule 14.23 and Rule 14A.81 of the Listing Rules.

LISTING RULES IMPLICATIONS

The Connected Landlord Entities are associates of connected persons of the Company and are therefore connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules, and the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The applicable percentage ratios for the Group's Aggregate Annual Caps are more than 5% but less than 25%. The entering into of the 2019 Connected Tenancy Framework Supplemental Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The entering into of the 2019 Connected Tenancy Framework Supplemental Agreement will be subject to the notification, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under the Listing Rules.

An extraordinary general meeting will be convened, during which an ordinary resolution(s) will be proposed to the Independent Shareholders to consider and if appropriate, approve the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps. Any vote of the Independent Shareholders at the extraordinary general meeting will be taken by poll.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise and give recommendation to the Independent Shareholders on the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps. Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, *inter alia*, (i) details of the transactions contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the extraordinary general meeting will be despatched to the Shareholders as soon as practicable, but in any event not later than 25 April 2019.

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

BACKGROUND INFORMATION

Reference is made to the Circulars in relation to the 2017 Connected Tenancy Framework Agreement, the 2017 Connected Tenancy Framework Supplemental Agreement and the 2018 Connected Tenancy Framework Supplemental Agreement entered into between the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung on 18 January 2017, 24 February 2017 and 8 June 2018, respectively, pursuant to which the parties agreed to (a) renew the existing connected leases; and (b) enter into the new connected leases, at the material time, within the term of the 2017 Connected Tenancy Framework Agreement. The 2017 Connected Tenancy Framework Agreement as amended and supplemented by the 2017 Connected Tenancy Framework Supplemental Agreement and the 2018 Connected Tenancy Framework Supplemental Agreement, was approved by an ordinary resolution of the Independent Shareholders at the extraordinary general meeting of the Company held on 21 March 2017.

THE 2019 CONNECTED TENANCY FRAMEWORK SUPPLEMENTAL AGREEMENT

The Board announces that on 2 April 2019 (after trading hours), the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung entered into the 2019 Connected Tenancy Framework Supplemental Agreement to amend the 2017 Connected Tenancy Framework Agreement.

Pursuant to the 2019 Connected Tenancy Framework Supplemental Agreement, the parties agreed that, among other things, the aggregate annual caps pursuant to the 2017 Connected Tenancy Framework Agreement shall be amended to HK\$109,210,152 for the year ending 31 March 2020, in order to address (i) the transaction amounts of HK\$10,296,040 contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement for the year ending 31 March 2020; and (ii) the termination and variation of certain of the 2018 Connected Tenancy Agreements.

The 2019 Connected Tenancy Framework Supplemental Agreement is subject to the approval of the Independent Shareholders. The 2019 Connected Tenancy Agreements will only be entered after the approval of the 2019 Connected Tenancy Framework Supplemental Agreement by the Independent Shareholders. Upon the 2019 Connected Tenancy Framework Supplemental Agreement becoming effective, the existing 2017 Connected Tenancy Framework Agreement, details of which are referred to in the Circulars will be amended and supplemented accordingly.

THE 2017 CONNECTED TENANCY FRAMEWORK AGREEMENT, THE 2017 CONNECTED TENANCY FRAMEWORK SUPPLEMENTAL AGREEMENT, THE 2018 CONNECTED TENANCY FRAMEWORK SUPPLEMENTAL AGREEMENT AND THE 2019 CONNECTED TENANCY AGREEMENTS

Principal terms of the 2017 Connected Tenancy Framework Agreement and details of the 2017 Connected Tenancy Framework Supplemental Agreement

For the summary of the principal terms of the 2017 Connected Tenancy Framework Agreement and details of the 2017 Connected Tenancy Framework Supplemental Agreement, please refer to the circular of the Company dated 28 February 2017.

Details of the 2018 Connected Tenancy Framework Supplemental Agreement

For the details of the 2018 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder, please refer to the circular of the Company dated 13 July 2018.

Principal terms of the 2019 Connected Tenancy Agreements

The following sets forth a summary of the principal terms of the 2019 Connected Tenancy Agreements:

Parties	:	(a) Relevant member of the Group; and (b) relevant member of the Connected Landlord Entities as set forth in the table headed “The Premises” below.
Term	:	The terms of the 2019 Connected Tenancy Agreements range from 8 months to 10 months as set forth in the table headed “The Premises” below.

Rent and other outgoing : Relevant member of the Group shall pay the monthly rent as set forth in the table headed “The Premises” below in advance without deduction or set off on or before the agreed day of each calendar month.

Relevant member of the Group shall deposit with the relevant member of the Connected Landlord Entities sums equivalent to two times of the monthly rents as deposits for each of the 2019 Connected Tenancy Agreements.

Save for the monthly rent of Premises 8 in the table headed “The Premises” below which includes the tax payable to PRC government but exclusive of management fee and all deposits and charges for utilities, relevant member of the Group shall also be responsible for paying:

- (i) all the Government rent, taxes and outgoings of a recurring nature imposed on the Premises or the owner or occupier of the Premises by the Government;
- (ii) rates charged on the Premises as assessed by the Government quarterly in advance which shall be payable on the first day of the months of January, April, July and October, provided that the first payment shall be paid on the commencement of the relevant 2019 Connected Tenancy Agreement; and
- (iii) all deposits and charges for utilities (i.e. the transmission of sewage, water, electricity, gas and telecommunications) at the Premises.

The Premises

The following sets forth a summary of the landlords, tenants, location, monthly rental, term and use for each of the Premises. The parties have agreed to, subject to the approval of the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement by the Independent Shareholders, enter into the 2019 Connected Tenancy Agreements for the New Connected Leases:

	Landlord	Tenant	Location	Monthly rent	Term	Use
1.	Sino Horse Investment Limited ⁽¹⁾	Central Crest Limited	Portion of Shop A on the Ground Floor of Kimberley House, No.35 Kimberley Road, Kowloon, Hong Kong	HK\$195,000	1 August 2019 to 31 March 2020 ⁽⁹⁾	Restaurant operation
2.	Central Base Industrial Limited ⁽²⁾	Sino Emotion Limited	Shop 201 on the Second Floor of Kings Wing Plaza 2, No.1 On Kwan Street, Sha Tin, New Territories, Hong Kong	HK\$536,750	1 August 2019 to 31 March 2020 ⁽¹⁰⁾	Restaurant operation
3.	Step Dragon International Limited ⁽³⁾	China Kings Development Limited	Portion of Workshop B2 on Ground Floor, Kai Tak Factory Building Stage II, No.99 King Fuk Street & Nos.39-41 Tsuek Luk Street, Kowloon, Hong Kong	HK\$25,000	1 June 2019 to 31 March 2020 ⁽¹¹⁾	Restaurant operation
4.	Able Dynasty Development Limited ⁽⁴⁾	China Kings Development Limited	Workshop B-2A and Canteen & Rest Room on Ground Floor, Kai Tak Factory Building Stage II, No.99 King Fuk Street & Nos.39-41 Tseuk Luk Street, Kowloon, Hong Kong	HK\$55,000	1 June 2019 to 31 March 2020 ⁽¹¹⁾	Restaurant operation
5.	Merry Gain International Limited ⁽⁵⁾	Centro (Asia) Limited	1st Floor, No.90 Hung To Road, Kowloon, Hong Kong	HK\$75,000	1 June 2019 to 31 March 2020 ⁽¹¹⁾	Restaurant operation

6.	Kind Rich International Limited ⁽⁶⁾	Centro (Asia) Limited	2nd Floor, No.90 Hung To Road, Kowloon, Hong Kong	HK\$75,000	1 June 2019 to 31 March 2020 ⁽¹¹⁾	Restaurant operation
7.	China Spring Development Limited ⁽⁷⁾	China Kings Development Limited	Portion of Ground Floor (known as Shop B and Shop C) of Kwai Chung Car Park and Shopping Centre, Nos.26-30 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong	HK\$113,800	1 June 2019 to 31 March 2020 ⁽¹¹⁾	Restaurant operation
8.	廣州順隆投資有限公司 ⁽⁸⁾	廣州加盈餐飲管理有限公司安華匯分公司	Rooms 01-22, 22nd Floor, Lufu Lianhe Guangchang (Lufu Union Square), No. 233, Hanxi Avenue West, Panyu District, Guangzhou, China* (中國廣州市番禺區漢溪大道西233號路福聯合廣場22層01-22房)	RMB128,000	1 June 2019 to 31 March 2020 ⁽¹¹⁾	Office premise

Notes:

- (1) Sino Horse Investment Limited is directly wholly-owned by Mr. Yeung, an executive Director and Controlling Shareholder, and hence is an associate of a connected person of our Company under the Listing Rules.
- (2) Central Base Industrial Limited is directly wholly-owned by Mr. Yeung, an executive Director and Controlling Shareholder, and hence is an associate of a connected person of our Company under the Listing Rules.
- (3) Step Dragon International Limited is directly wholly-owned by China Moral Corporation Limited, which is indirectly owned as to approximately 41.59%, 30.69%, 20.79% and 6.93%, respectively, by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, and hence is an associate of a connected person of our Company under the Listing Rules.
- (4) Able Dynasty Development Limited is directly wholly-owned by China Moral Corporation Limited, which is indirectly owned as to approximately 41.59%, 30.69%, 20.79% and 6.93%, respectively, by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, and hence is an associate of a connected person of our Company under the Listing Rules.
- (5) Merry Gain International Limited is directly wholly-owned by China Full Treasure Limited, which is indirectly owned as to approximately 41.59%, 30.69%, 20.79% and 6.93%, respectively, by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, and hence is an associate of a connected person of our Company under the Listing Rules.

* For identification purpose only

- (6) Kind Rich International Limited is directly wholly-owned by China Full Treasure Limited, which is indirectly owned as to approximately 41.59%, 30.69%, 20.79% and 6.93%, respectively, by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, and hence is an associate of a connected person of our Company under the Listing Rules.
- (7) China Spring Development Limited is directly wholly-owned by Foo Lum Properties Limited, which is indirectly owned as to approximately 41.59%, 30.69%, 20.79% and 6.93% respectively, by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung and hence is an associate of a connected person of our Company under the Listing Rules.
- (8) 廣州順隆投資有限公司 is directly wholly-owned by Rare Achievement Limited, which is directly wholly-owned by Mr. Yeung and hence is an associate of a connected person of our Company under the Listing Rules.
- (9) On 30 June 2016, Central Crest Limited, as tenant, entered into the tenancy agreement with the Sino Horse Investment Limited, as landlord, for leasing the subject premises for a term of three years commencing from 1 August 2016 to 31 July 2019. Central Crest Limited and Sino Horse Investment Limited have indicated their intention to renew certain part of the subject premises under the existing tenancy to 31 March 2020 by entering into a new tenancy agreement upon the expiration of the existing tenancy.
- (10) On 30 June 2016, Sino Emotion Limited, as tenant, entered into the tenancy agreement with the Central Base Industrial Limited, as landlord, for leasing the subject premises for a term of three years commencing from 1 August 2016 to 31 July 2019. Sino Emotion Limited and Central Base Industrial Limited have indicated their intention to renew the existing tenancy to 31 March 2020 by entering into a new tenancy agreement upon the expiration of the existing tenancy.
- (11) There will be a one-month rent free period from 1 June 2019 to 30 June 2019.

BASIS OF DETERMINATION OF THE RENT OF THE PREMISES

The 2019 Connected Tenancy Framework Supplemental Agreement was entered into on an arm's length negotiations. The aggregate rent of the Premises for the year ending 31 March 2020 is HK\$10,296,040. The rent of each of the Premises has been arrived at after arm's length negotiations according to (i) the market rent of the Premises with reference to the fair rent letters issued by the Valuer; and (ii) various conditions of the Premises, including but not limited to the location of the Premises as well as the facilities and management services associated with the Premises.

THE GROUP'S AGGREGATE ANNUAL CAPS AND THE 2019 PROPOSED ANNUAL CAPS

The following sets forth the Group's Aggregate Annual Caps and the 2019 Proposed Annual Caps:

	For the year ending 31 March 2020 HK\$
Original annual caps	110,206,112 ⁽¹⁾
Revised annual caps	98,914,112 ⁽²⁾
2019 Proposed Annual Caps	<u>10,296,040⁽³⁾</u>
Group's Aggregate Annual Caps	<u>109,210,152⁽⁴⁾</u>

Notes:

- (1) Representing the original amount of the Group's aggregate annual caps as disclosed in the circular of the Company dated 13 July 2018.
- (2) Among the 2018 Connected Tenancy Agreements, three of the tenancies with a monthly rent of HK\$146,400, HK\$386,400 and HK\$403,200 were terminated with effect from April 2018, February 2019 and February 2019, respectively. One of the tenancies was varied by a deed of variation entered by the respective landlord and respective tenant, pursuant to which the monthly rent was reduced from HK\$198,738 to HK\$193,738 with effect from March 2018. As a result, the original annual caps as disclosed in the circular of the Company dated 13 July 2018 has been reduced accordingly.
- (3) Representing the aggregate monthly rent of the Premises stipulated in the 2019 Connected Tenancy Agreements during the years ending 31 March 2020, taking into account of the rent free period.
- (4) Representing the sum of the revised annual caps and the 2019 Proposed Annual Caps.

The 2019 Proposed Annual Caps were determined after taking into account (i) the rent of the Premises; (ii) the market rent of the Premises according to the fair rent letters issued by the Valuer; and (iii) various conditions of the Premises, including but not limited to the location of the Premises as well as the facilities and management services associated with the Premises. The fair rent letters assessed the market rent of the Premises, based on the prevailing market conditions and the rental level of similar properties at the vicinity.

The payment of the rent of the Premises will be funded by internal resources of the Group.

REASONS AND BENEFITS OF ENTERING INTO THE 2019 CONNECTED TENANCY FRAMEWORK SUPPLEMENTAL AGREEMENT

Out of the eight Premises, seven of them would be used as restaurants of the Group. These seven Premises are all located in prime locations of various districts in Kowloon and New Territories, with easy transportation access and are of great convenience to the customers and able to further strengthen the branding and maintain the number of the restaurants of the Group in prime locations. Among the seven Premises, the restaurants located at Kimberley Road and On Kwan Street have been operating since August 2016 and September 2016, respectively, the Board considered that the renewal of their tenancy is fair and reasonable in order to avoid any material disruptions in their operations. The remaining one Premises would be used as the Group's headquarter in the PRC in order to meet the Group's operational needs to manage its restaurants in the PRC, the Board considered that such arrangement would generate benefits to the Group as a whole in terms of catering the operation and organic growth of the Group in the PRC while saving administration costs. In view of the benefits discussed above, the Board is not aware of any disadvantages to the Company of entering into the 2019 Connected Tenancy Framework Supplemental Agreement.

As Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, being the executive Directors, have material interests in the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder, Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung had abstained from voting on the Board resolutions approving the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder.

Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the date of this announcement, none of the other Directors has any material interest in the 2019 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder and therefore no other Director was required to abstain from voting on the resolution(s) of the Board approving the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps.

The Board (excluding Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung) is of the opinion that:

- (i) the terms of the 2019 Connected Tenancy Framework Supplemental Agreement are on normal commercial terms and are fair and reasonable;
- (ii) the amount of the Group's Aggregate Annual Caps are fair and reasonable;
- (iii) the fair rent letters issued by the Valuer are also provided to support that the rent of the Premises is on normal commercial terms; and

- (iv) the transactions contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement are and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP

The Group is principally engaged in restaurant operations in Hong Kong and the PRC, the provision of festival food products, production, sale and distribution of food products related to restaurant operations.

All the relevant members of the Group which would, subject to the approval of the 2019 Connected Tenancy Framework Supplemental Agreement by the Independent Shareholders, enter into the 2019 Connected Tenancy Agreements as tenants, are indirect wholly-owned subsidiaries of the Company and are principally engaged in restaurant operation, provision of management services to fellow subsidiaries or processing, sale and distribution of food products in Hong Kong.

INFORMATION ABOUT THE CONNECTED LANDLORD ENTITIES

All the relevant members of the Connected Landlord Entities which would, subject to the approval of the 2019 Connected Tenancy Framework Supplemental Agreement by the Independent Shareholders, enter into the 2019 Connected Tenancy Agreements as landlords, are property investment companies.

AGGREGATION OF TRANSACTIONS

Reference is made to the announcements of the Company dated 20 October 2015 and 30 June 2016 and the Circulars in respect of the 2018 Connected Tenancy Agreements. Given that all the landlords under the 2018 Connected Tenancy Agreements and the 2019 Connected Tenancy Agreements are members of the Connected Landlord Entities, the transactions contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement are required to be aggregated with the 2018 Connected Tenancy Agreements pursuant to Rule 14.22, Rule 14.23 and Rule 14A.81 of the Listing Rules. Please refer to the section headed “The Group’s Aggregate Annual Caps and the 2019 Proposed Annual Caps” for details.

LISTING RULES IMPLICATIONS

The Connected Landlord Entities are associates of connected persons of the Company and are therefore connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules, and the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The applicable percentage ratios for the Group's Aggregate Annual Caps are more than 5% but less than 25%. The entering into of the 2019 Connected Tenancy Framework Supplemental Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The entering into of the 2019 Connected Tenancy Framework Supplemental Agreement will be subject to the notification, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under the Listing Rules.

An extraordinary general meeting will be convened, during which an ordinary resolution(s) will be proposed to the Independent Shareholders to consider and if appropriate, approve the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps. Any vote of the Independent Shareholders at the extraordinary general meeting will be taken by poll.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise and give recommendation to the Independent Shareholders on the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps. Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, *inter alia*, (i) details of the transactions contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the extraordinary general meeting will be despatched to the Shareholders as soon as practicable, but in any event not later than 25 April 2019.

GENERAL

As Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung have material interests in the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement and the transactions contemplated thereunder, Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung would abstain from voting in the extraordinary general meeting of the Company on the resolution(s) approving the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps. Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the date of this announcement, no other Shareholder has a material interest in the 2019 Connected Tenancy Framework Supplemental Agreement and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) approving the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group's Aggregate Annual Caps.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2017 Connected Tenancy Framework Agreement”	the tenancy framework agreement (including any amendment(s) thereto and supplemental agreement(s)), dated 18 January 2017 entered into among the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung;
“2017 Connected Tenancy Framework Supplemental Agreement”	the supplemental agreement dated 24 February 2017 entered into among the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung in relation to 2017 Connected Tenancy Framework Agreement;
“2018 Connected Tenancy Agreement(s)”	the 31 connected tenancy agreements (including any amendment(s) thereto and supplemental agreement(s)) entered into between the relevant member(s) of the Group and the relevant member(s) of the Connected Landlord Entities during 2015 to 2018, containing the detailed terms and conditions governing the lease of each of the premises as disclosed in the announcement of the Company dated 20 October 2015 and 30 June 2016 and the Circulars;
“2018 Connected Tenancy Framework Supplemental Agreement”	the supplemental agreement dated 8 June 2018 entered into among the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung in relation to 2017 Connected Tenancy Framework Agreement;
“2019 Connected Tenancy Agreement(s)”	the eight connected tenancy agreements (including any amendment(s) thereto and supplemental agreement(s)) to be entered into between the relevant member(s) of the Group and the relevant member(s) of the Connected Landlord Entities containing the detailed terms and conditions governing the lease of each of the Premises within the term of the 2019 Connected Tenancy Framework Supplemental Agreement;

“2019 Connected Tenancy Framework Supplemental Agreement”	the supplemental agreement dated 2 April 2019 entered into among the Company and Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung and Mr. Leung in relation to 2017 Connected Tenancy Framework Agreement;
“2019 Proposed Annual Caps”	the aggregate amount of the proposed annual caps for transactions contemplated under the 2019 Connected Tenancy Framework Supplemental Agreement;
“associate(s)”, “connected person(s)” and “controlling shareholder(s)”	has the meaning ascribed to this term under the Listing Rules;
“Board”	the board of Directors;
“China Sage”	China Sage International Limited, a company incorporated in the British Virgin Islands with limited liability on 28 May 2014 and directly wholly-owned by Mr. Yeung. China Sage is one of the Controlling Shareholders;
“Circulars”	the circulars of the Company dated 28 February 2017 and 13 July 2018;
“Company”	Fulum Group Holdings Limited (stock code: 1443), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange;
“Connected Landlord Entities”	various entities controlled by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung, Mr. Leung and/or their associates, being the landlords of the Premises as set forth in the table headed “The Premises” in this announcement;
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and, in the context of the Company, refers to Mr. Yeung, China Sage, Mr. YC Yeung and Mr. YK Yeung;
“Director(s)”	the director(s) of the Company;
“Government”	the government of Hong Kong;
“Group”	the Company and its subsidiaries;

“Group’s Aggregate Annual Caps”	the aggregate amount of the Revised Annual Caps and the 2019 Proposed Annual Cap;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Board Committee”	a committee of the Board established with all independent non-executive Directors, namely Mr. Fan Chun Wah Andrew, Mr. Wu Kam On Keith and Mr. Ng Ngai Man Raymond, as members;
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed by the Securities and Futures Commission to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group’s Aggregate Annual Caps;
“Independent Shareholders”	the Shareholders other than Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung, Mr. CN Yeung, Mr. Leung and those Shareholders who are otherwise interested or involved in the entering into of the 2019 Connected Tenancy Framework Supplemental Agreement are required to abstain from voting in the extraordinary general meeting of the Company on the resolution to approve the 2019 Connected Tenancy Framework Supplemental Agreement, the transactions contemplated thereunder and the Group’s Aggregate Annual Caps;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. CN Yeung”	Mr. Yeung Chun Nin (楊振年), the son of Mr. YC Yeung;
“Mr. Leung”	Mr. Leung Siu Sun (梁兆新), an executive Director;
“Mr. YC Yeung”	Mr. Yeung Yun Chuen (楊潤全), an executive Director and one of the Controlling Shareholders;
“Mr. Yeung”	Mr. Yeung Wai (楊維), an executive Director, the chairman, the chief executive officer and one of the Controlling Shareholders;

“Mr. YK Yeung”	Mr. Yeung Yun Kei (楊潤基), an executive Director and one of the Controlling Shareholders;
“New Connected Leases”	the leases of eight Premises agreed to be undertaken pursuant to the 2019 Connected Tenancy Framework Supplemental Agreement, details of which are set forth in “The Premises” in this announcement;
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan;
“Premises”	the eight premises in respect of the New Connected Leases to be leased pursuant to the 2019 Connected Tenancy Framework Supplemental Agreement as set forth in the table headed “The Premises” in this announcement;
“Revised Annual Caps”	the revised annual caps for the 2018 Connected Tenancy Agreements ;
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Valuer”	Asset Appraisal Limited, an independent property valuer; and
“%”	per cent.

By order of the Board
Fulum Group Holdings Limited
YEUNG WAI
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, 2 April 2019

For the purpose of this announcement, the exchange rate for the conversion of RMB into HK\$ for indication only is: RMB1.0=HK\$1.17.

As at the date of this announcement, the Board comprises Mr. Yeung Wai, Mr. Yeung Yun Chuen, Mr. Yeung Yun Kei and Mr. Leung Siu Sun as executive Directors; and Mr. Fan Chun Wah Andrew, Mr. Wu Kam On Keith and Mr. Ng Ngai Man Raymond as independent non-executive Directors.