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Fameglow Holdings Limited

亮晴控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8603)

MAJOR TRANSACTION IN RELATION TO THE NEW LEASE AGREEMENT

THE NEW LEASE AGREEMENT

The Board announces that on 24 February 2021 (after trading hours), Worldwide Beauty Limited, an indirectly wholly-owned subsidiary of the Company, as Lessee, agreed and finalised the terms of the New Lease Agreement in respect of the lease of the Premises with Benington Limited and Renaissance City Development Company Limited, Independent Third Parties, together as Lessor, for a period commencing from 1 June 2021 to 28 February 2026 (both days inclusive).

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to HKFRS 16, as a result of the entering into the New Lease Agreement, the Group shall recognise the right-of-use asset in the consolidated financial statements of the Company, and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with the GEM Listing Rules. The estimated value of the right-of-use asset to be recognised by the Company under the New Lease shall amount to approximately HK\$42.6 million.

As the applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the New Lease Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 25% but less than 100%, the entering into the New Lease Agreement constitutes a major transaction of the Company and is accordingly subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Rule 19.44 of the GEM Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting if (i) no Shareholder will be required to abstain from voting at a general meeting of the Company for the approval of the New Lease Agreement and the transaction contemplated thereunder; and (ii) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the New Lease Agreement and the transaction contemplated thereunder.

To the best of the knowledge of the Directors, no Shareholder will be required to abstain from voting at a general meeting of the Company for approving the New Lease Agreement and the transaction contemplated thereunder, and Equal Joy, which holds 600,000,000 shares of the Company (representing 75% of the total issued share capital of the Company as at the date of this announcement), has provided written shareholders' approval for the New Lease Agreement and the transaction contemplated thereunder. As such, the Company is exempt from convening a general meeting to approve the New Lease Agreement and the transaction contemplated thereunder.

A circular of the Company containing, among other things, further information on the New Lease Agreement and the transaction contemplated thereunder is expected to be dispatched to the Shareholders for information purposes in accordance with the GEM Listing Rules on or before 17 March 2021.

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The Board announces that on 24 February 2021, Worldwide Beauty Limited, an indirectly wholly-owned subsidiary of the Company, as Lessee, agreed and finalised the terms of the New Lease Agreement in respect of the lease of the Premises with Benington Limited and Renaissance City Development Company Limited, Independent Third Parties, together as Lessor, for a period commencing from 1 June 2021 to 28 February 2026 (both days inclusive).

The principal terms of the New Lease Agreement are set out below:

Lessee: Worldwide Beauty Limited, an indirectly wholly-owned subsidiary of the Company

Lessor: Benington Limited and Renaissance City Development Company Limited, Independent Third Parties

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Lessor is owned by Champion Real Estate Investment Trust (stock code: 2778) and the Lessor and its ultimate beneficial owner(s) are Independent Third Parties

Premises: L5603-12 – Suite nos. 03, 05, 06, 07, 08, 09, 10, 11 and 12 on level 56, Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon

L5601-02 & 15 – Suite nos. 01 to 02 and 15 on level 56, Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon

Term of lease: L5603-12 – 1 June 2021 to 28 February 2026

L5601-02 & 15 – 1 December 2021 to 28 February 2026

Total rent payable: the total rent payable under the New Lease, exclusive of rates, management charges and other outgoing charges, is approximately HK\$45.2 million

Deposit: HK\$3,154,063.20

The terms of the New Lease Agreement were determined after arm's length negotiations between the Lessor and Lessee and with reference to the prevailing market rental for properties of similar type, age and location.

The rent is expected to be funded through the internal resources of the Group.

INFORMATION OF THE PARTIES

The Company and the Group

The Company is an investment holding company. The Group principally engages in provision of treatment services and sale of skincare products in Hong Kong.

The Lessor

The Lessor is primarily engaged in property investment.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Lessor is owned by Champion Real Estate Investment Trust (stock code: 2778) and the Lessor and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS AND BENEFITS FOR THE NEW LEASE

The Group is principally engaged in provision of treatment services and sale of skincare products in Hong Kong. The Group plans to open a flagship medical aesthetic centre at the Premises. By leveraging the prime locations of the Premises, the Group could offer clients with an enhanced experience resulting in client satisfaction, thereby enhancing client loyalty and driving repeat clients and client referrals. The Group could also take advantage of its enlarged geographical presence to attract new and more diverse customers.

In addition, the terms (including the rent and management fee) of the New Lease Agreement were determined after arm's length negotiations between the Lessor and Lessee and with reference to the prevailing market rental for properties of similar type, age and location. The Directors consider that the terms of the New Lease Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Acquisition of asset by the Company

Pursuant to HKFRS 16, as a result of the entering into the New Lease Agreement, the Group shall recognise the right-of-use asset in the consolidated financial statements of the Company, and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with the GEM Listing Rules. The estimated value of the right-of-use asset to be recognised by the Company under the New Lease shall amount to approximately HK\$42.6 million.

Major transaction

As the applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the New Lease Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 25% but less than 100%, the entering into the New Lease Agreement constitutes a major transaction of the Company and is accordingly subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to Rule 19.44 of the GEM Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting if (i) no Shareholder will be required to abstain from voting at a general meeting of the Company for the approval of the New Lease Agreement and the transaction contemplated thereunder; and (ii) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the New Lease Agreement and the transaction contemplated thereunder.

To the best of the knowledge of the Directors, no Shareholder will be required to abstain from voting at a general meeting of the Company for approving the New Lease Agreement and the transaction contemplated thereunder, and Equal Joy, which holds 600,000,000 shares of the Company (representing 75% of the total issued share capital of the Company as at the date of this announcement), has provided written shareholders' approval to approve the New Lease Agreement and the transaction contemplated thereunder. As such, the Company is exempt from convening a general meeting to approve the New Lease Agreement and the transaction contemplated thereunder.

A circular of the Company containing, among other things, further information on the New Lease Agreement and the transaction contemplated thereunder is expected to be dispatched to the Shareholders for information purposes in accordance with the GEM Listing Rules on or before 17 March 2021.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Fameglow Holdings Limited, an exempted company incorporated with limited liability in the Cayman Islands and, the shares of which are listed on GEM of the Stock Exchange (Stock code: 8603)
“connected person”	has the meaning ascribed to it under GEM Listing Rules
“Directors”	The directors of the Company
“Equal Joy”	Equal Joy Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Lessor”	Benington Limited and Renaissance City Development Company Limited, Independent Third Parties
“Lessee”	Worldwide Beauty Limited, an indirectly wholly-owned subsidiary of the Company

“Premises”	L5603-12 – Suite nos. 03, 05, 06, 07, 08, 09, 10, 11 and 12 on level 56, Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon
	L5601-02 & 15 – Suite nos. 01 to 02 and 15 on level 56, Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon
“New Lease Agreement”	an agreement entered into between Worldwide Beauty Limited and the Lessor on 24 February 2021 for the lease of the Premises
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Fameglow Holdings Limited
Mr. Yip Chun Kwok Danny, MH
Chairman and Executive Director

Hong Kong, 24 February 2021

As at the date of this announcement, the executive Directors are Mr. Yip Chun Kwok Danny, MH and Ms. Fu Chi Ching; and the independent non-executive Directors are Mr. Tan Pui Kwan, Mr. Khoo Wun Fat William and Mr. Yu Chi Wing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.fameglow.com.