

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**(1) DISCLOSEABLE TRANSACTION**  
**IN RELATION TO THE LEASE OF THE TUEN MUN FOOD COURT**  
**AND**  
**(2) CONNECTED TRANSACTIONS**  
**IN RELATION TO THE 2021 CONNECTED TENANCY AGREEMENTS**

**(1) THE LEASE OF THE TUEN MUN FOOD COURT**

The Board announces that on 12 July 2021, Sino Linkage (an indirect wholly-owned subsidiary of the Company) as tenant accepted and entered into the Offer Letter with the Landlord Agent (as agent of the Landlord) in respect of the lease of the Tuen Mun Food Court for a term of six years commencing on 1 September 2021 and ending on 31 August 2027 (both days inclusive) for the operation of a new food court of the Group.

Pursuant to HKFRS 16, the Company will recognise the unaudited value of right-of use assets on its consolidated statement of financial position in connection with the leasing of the Tuen Mun Food Court under the Offer Letter. Accordingly, the transaction contemplated under the Offer Letter will be regarded as an acquisition of asset by the Company for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated value of the right-of-use assets under the Offer Letter is more than 5% but less than 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **(2) THE 2021 CONNECTED TENANCY AGREEMENTS**

The Board further announces that on 12 July 2021, certain members of the Group as lessees entered into the 2021 Connected Tenancy Agreements with the Lessors, pursuant to which the relevant members of the Group agreed to lease the Premises from the Lessors for a term of 20 months commencing on 1 August 2021 and ending on 31 March 2023 (both days inclusive).

As at the date of this announcement, each of the Lessors was indirectly controlled by Mega Kingdom, which was in turn owned as to 41% and 31% by Mr. Yeung and Mr. YC Yeung, respectively. As each of Mr. Yeung and Mr. Yeung YC is an executive Director, the Lessors are regarded as associates of Mr. Yeung and Mr. Yeung YC and thus connected persons of the Company under the Listing Rules. Accordingly, the 2021 Connected Tenancy Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16, the Company will recognise right-of-use assets on its consolidated statement of financial position in connection with the tenancy of the Premises under the 2021 Connected Tenancy Agreements. Accordingly, the entering into of the 2021 Connected Tenancy Agreements will be regarded as acquisition of assets by the Group which will constitute one-off connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the aggregated value of the right-of-use assets to be recognised by the Group exceed 0.1% but are less than 5%, the transactions contemplated under the 2021 Connected Tenancy Agreements are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **(1) THE LEASE OF THE TUEN MUN FOOD COURT**

### **Background**

On 12 July 2021, Sino Linkage (an indirect wholly-owned subsidiary of the Company) as tenant accepted and entered into the Offer Letter with the Landlord Agent (as agent of the Landlord) in respect of the lease of the Tuen Mun Food Court for a term of six years commencing on 1 September 2021 and ending on 31 August 2027 (both days inclusive) for the operation of a new food court of the Group.

Set out below is a summary of the principal terms of the lease under the Offer Letter:

<b>Date:</b>	12 July 2021
<b>Parties</b>	(1) Sino Linkage (as tenant); and  (2) the Landlord Agent (as agent for the Landlord)
<b>Location:</b>	Nos. 2253A, 2253B, 2255 and 2256A, 2/F, Tuen Mun Town Plaza (I), 1 Tuen Shing Street, Tuen Mun, New Territories, Hong Kong
<b>Use:</b>	For the operation of food court
<b>Term:</b>	Commencing on 1 September 2021 and ending on 31 August 2027 (both days inclusive)
<b>Total consideration payable:</b>	Aggregate base rent of HK\$27,295,755, subject to additional turnover rent determined with reference to the monthly gross sales turnover of the Tuen Mun Food Court which may be imposed pursuant to the terms and conditions of the Offer Letter (exclusive of rates, government rent, management fee, air-conditioning charges and other charges and outgoings)  The Group intends to finance the rental payments by the internal resources of the Group
<b>Rent-free period</b>	From 1 September 2021 to 31 January 2022 (both days inclusive)
<b>Upfront payment</b>	Approximately HK\$3,673,000, representing one month of the monthly base rent, management fee, promotion levy and rates and government rent, security deposit, vetting charge, debris removal cost and fitting out deposit

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the Offer Letter amounted to be approximately HK\$24,928,370, representing the present value of the aggregate base rent payable under the Offer Letter in accordance with HKFRS 16.

### **Reasons for and benefits of entering into the Offer Letter**

The Tuen Mun Food Court would be used for the operation of a new food court of the Group. The Board considers that the opening of a new food court of the Group is in line with the Group's strategy to diversify its business portfolio and meet with the market demands for food variety and takeaways. In addition, the Tuen Mun Food Court is located in one of the largest shopping malls in the Tuen Mun district. With the growing population in the district,

the Company considers that the operation of the Tuen Mun Food Court would enhance the business of the Group and further maintain the presence of the Group in prime locations.

The terms of the Offer Letter, including the rental payments, were determined after arm's length negotiation between the Group and the Landlord after taking into account the prevailing market rent and lease terms of similar premises in the proximity of the Tuen Mun Food Court. The Board is of the view that the entering into of the Offer Letter is conducted in the ordinary and usual course of business of the Group, the terms and conditions thereof are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

### **Information of the Parties**

#### ***Sino Linkage***

Sino Linkage is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company which is principally engaged in operation of food court.

#### ***The Landlord and the Landlord Agent***

Each of the Landlord and the Landlord Agent is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) the Landlord and the Landlord Agent are principally engaged in property investment and real estate and general agencies; and (b) each of the Landlord, the Landlord Agent and their respective ultimate beneficial owner(s) is an Independent Third Party.

### **Implications under the Listing Rules**

Pursuant to HKFRS 16, the Company will recognise the unaudited value of right-of use assets on its consolidated statement of financial position in connection with the leasing of the Tuen Mun Food Court under the Offer Letter. Accordingly, the transaction contemplated under Offer Letter will be regarded as an acquisition of asset by the Company for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated value of the right-of-use assets under the Offer Letter are more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## (2) THE 2021 CONNECTED TENANCY AGREEMENTS

### Background

On 12 July 2021, certain members of the Group (as lessees) entered into the 2021 Connected Tenancy Agreements with the Lessors (as lessors), pursuant to which the relevant members of the Group agreed to lease the Premises from the Lessors for a term of 20 months from 1 August 2021 to 31 March 2023 (both days inclusive).

### The 2021 Connected Tenancy Agreements

Set out below is a summary of the principal terms of the 2021 Connected Tenancy Agreements:

Premise No.	Lessor (Note 1)	Lessee (Note 2)	Premise	Approximate GFA (sq. ft)	Monthly Rental (Note 3)	Intended Use
1	K Richman Limited	Fulum Management Limited (富臨管理有限公司)	Major portion of 26/F, Tower B, Capital Tower, No.38 Wai Yip Street, Kowloon And Car Parking Spaces Nos P29, P30 and P31 on B1/F, Capital Tower, No.38 Wai Yip Street, Kowloon	9,282 (excluding car parking spaces)	220,000	Office and car parking
2	China Good Corporation Limited	Best Food Development Limited (美食發展有限公司)	Shop 106 on the 1st floor and Shops 209-213, 215-219 on the 2nd floor of Hsin Kuang Centre, No. 120 Lung Cheung Road, Wong Tai Sin, Kowloon	2,131	70,000	Supermarket and takeaway store
3	China Queen Investment Limited	Best Food Development Limited (美食發展有限公司)	Workshop B1, G/F, Kai Tak Factory Building Stage II, No. 99 King Fuk Street and Nos. 39-41 Tseuk Luk Street, Kowloon	1,200	38,000	Grocery
4	China Spring Development Limited	China Show Industrial Limited (中展實業有限公司)	Major portion of Restaurant 7 on the 1st Floor, Canaryside, No.8 Shung Shum Street, Kowloon	1,756	58,000	Chinese restaurant
5	China All Enterprises Limited	China Extreme Limited (中堅有限公司)	Portion of Unit A (also known as Units Nos. 201, 202, 215, 216 and 217A), 2/F, Kin Wing Commercial Building, No 24-30 Kin Wing Street, Tuen Mun, New Territories	2,322	28,000	Chinese restaurant

*Notes:*

1. Each of the Lessors of the 2021 Connected Tenancy Agreements is indirectly controlled by Mega Kingdom.
2. Each of the lessees of the 2021 Connected Tenancy Agreements is a wholly-owned subsidiary of the Company.
3. The monthly rental is exclusive of rates, Government rent, services and management charges and other outgoings.

The aggregated value of the right-of-use asset to be recognised by the Company under the terms of the 2021 Connected Tenancy Agreements amounted to approximately HK\$8,084,067, representing the present value of the aggregate lease payments to be made under the 2021 Connected Tenancy Agreements in accordance with HKFRS16.

**Payment of rent and other outgoings**

Apart from the monthly rental, the relevant members of the Group shall also be responsible for paying (i) all the Government rent, taxes, expenses and outgoings of a recurring nature imposed on the Premises or the owner or occupier of the Premises by the Government or other competent authority; (ii) rates as assessed by the Government; and (iii) the service and management charges and other charges for utilities in respect of the respective Premises.

**Basis for determination of the rentals of the 2021 Connected Tenancy Agreements**

The terms and the monthly rental for each of the 2021 Connected Tenancy Agreements have been agreed by the parties after arm's length negotiations and are on normal commercial terms with reference to (i) the prevailing market rent of other premises comparable to those under the 2021 Connected Tenancy Agreements as assessed by an independent valuer; (ii) the location of the Premises; and (iii) facilities and management services associated with the Premises.

**Reasons for and benefits of entering into the 2021 Connected Tenancy Agreements**

As one of the major restaurant chains in Hong Kong, the Group continuously searches for quality premises for its operations. The Board considers that the Premises are located in prime locations of various districts in Hong Kong. Premise No. 1 is located adjacent to the existing office of the Group and would provide additional spaces to its office. Premise No. 2 is located in the neighbourhood of residential areas in Wong Tai Sin and would be used for the operation of the Group's supermarket and takeaway store. Premise No. 3 is located in proximity to factory and residential buildings in San Po Kong and would be used for the operation of a grocery supplying food and related products to the community. As at the date of this announcement, the Group is operating seven supermarkets. The opening of the new

supermarket and takeaway stores and grocery at Premise No. 2 and No. 3, respectively, is an expansion of the Group's new business lines and in line with the Group's strategy to diversify its business portfolio. Premise No. 4 and No. 5 are located close to the existing restaurants of the Group and represent an expansion of the Group's existing Chinese restaurants.

The rental under each of the 2021 Connected Tenancy Agreements has been determined with reference to the prevailing market rental rate of comparable properties in the area where the Premises are situated. Taking into consideration of the above, the Directors (including the independent non-executive Directors) consider that the transactions contemplated under the 2021 Connected Tenancy Agreements are conducted in the ordinary and usual course of business of the Company and on normal commercial terms or better, and the terms of the 2021 Connected Tenancy Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, being the executive Directors, have material interests in the 2021 Connected Tenancy Agreements 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 2021 Connected Tenancy Agreements. Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the date of this announcement, no other Director has any material interest in the transactions contemplated under the 2021 Connected Tenancy Agreements and therefore no other Directors was required to abstain from voting on the resolutions of the Board approving of the 2021 Connected Tenancy Agreements and the transactions contemplated thereunder.

### **Information of the Parties**

Each of the lessees under the 2021 Connected Tenancy Agreements is a wholly-owned subsidiary of the Company and principally engages in restaurant operation, provision of management services and processing, sale and distribution of food products in Hong Kong.

Each of the Lessors of the 2021 Connected Tenancy Agreement is a company incorporated in Hong Kong with limited liability and principally engages in property investment.

### **Implications under the Listing Rules**

As at the date of this announcement, each of the Lessors was indirectly controlled by Mega Kingdom, which was in turn owned as to 41% and 31% by Mr. Yeung and Mr. YC Yeung, respectively. As each of Mr. Yeung and Mr. Yeung YC is an executive Director, the Lessors are regarded as associates of Mr. Yeung and Mr. Yeung YC and thus connected persons of the Company under the Listing Rules. Accordingly, the 2021 Connected Tenancy Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.



In accordance with HKFRS 16 “Leases”, the Company will recognise right-of-use assets on its consolidated statement of financial position in connection with the tenancy of the Premises under the 2021 Connected Tenancy Agreements. Accordingly, the entering into of the 2021 Connected Tenancy Agreements will be regarded as acquisition of assets by the Group which will constitute one-off connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the aggregated value of the right-of-use assets to be recognised by the Group exceed 0.1% but are less than 5%, the transactions contemplated under the 2021 Connected Tenancy Agreements are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## INFORMATION OF THE GROUP

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

## DEFINITIONS

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

“2021 Connected Tenancy Agreements”	the five tenancy agreements all dated 12 July 2021 entered into between relevant members of the Group and the Lessors in relation to the granting of tenancies to the Group for the use of the Premises
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, in the context of the Company, refers to Mr. Yeung, China Sage International Limited (a company incorporated in the British Virgin Islands and directly wholly-owned by Mr. Yeung), Mr. YC Yeung and Mr. YK Yeung;



“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Government”	the government of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” which include standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associate(s)
“Landlord”	Entertainment City Limited (娛樂天地有限公司), a company incorporated in Hong Kong with limited liability
“Landlord Agent”	Sino Real Estate Agency Limited (信和地產代理有限公司), a company incorporated in Hong Kong with limited liability and the agent of the Landlord
“Lessors”	Collectively, (i) K Richman Limited; (ii) China Good Corporation Limited; (iii) China Queen Investment Limited; (iv) China Spring Development Limited; and (v) China All Enterprises Limited, being the lessors of the Premises under the 2021 Connected Tenancy Agreement, each of which is a company incorporated in Hong Kong with limited liabilities and is controlled by Mega Kingdom as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mega Kingdom”	Mega Kingdom Holdings Limited (鉅國控股有限公司), a company incorporated in the British Virgin Islands and owned as to 41%, 31%, 21% and 7% by Mr. Yeung, Mr. YC Yeung, Mr. YK Yeung and Mr. Leung, respectively, as at the date of this announcement
“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 of the Board 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
“Offer Letter”	the offer letter dated 28 June 2021 signed by the Landlord Agent and accepted and entered into by Sino Linkage as tenant on 12 July 2021, stipulating the principal terms of the lease of the Tuen Mun Food Court
“Premises”	the premises in respect of the leases to be entered pursuant to the 2021 Connected Tenancy Agreements as set forth in the paragraphs headed “(2) The 2021 Connected Tenancy Agreement – The 2021 Connected Tenancy Agreements” in this announcement
“Share(s)”	Ordinary share(s) in the share capital of the Company
“Sino Linkage”	Sino Linkage Enterprise Limited (中訊企業有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“sq. ft”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tuen Mun Food Court”	the premises situated at Nos. 2253A, 2253B, 2255 and 2256A, 2/F, Tuen Mun Town Plaza (I), 1 Tuen Shing Street, Tuen Mun, New Territories, Hong Kong

“PRC”

the People’s Republic of China

“%”

per cent.

By order of the Board  
**Fulum Group Holdings Limited**  
**Yeung Wai**  
*Chairman and Executive Director*

Hong Kong, 12 July 2021

*As at the date of this announcement, the Board comprises Mr. Yeung Wai (Chairman), Mr. Wu Kam On Keith (Vice Chairman and CEO), Mr. Yeung Yun Chuen, Mr. Yeung Yun Kei, Mr. Leung Siu Sun and Mr. Yeung Ho Wang as executive Directors; and Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon as independent non-executive Directors.*