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Future Bright Holdings Limited

佳景集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

DISCLOSEABLE TRANSACTION ENTERING INTO OF A LEASE AGREEMENT

The Board announces that on 16 February 2022, Bright Gain, a wholly-owned subsidiary of the Company, as tenant, entered into the Lease Agreement with the Landlord which gives Bright Gain the right to use the Property for operation of a casual Cantonese restaurant for 6 years with effect from 1 March 2022 at a monthly rental of HK\$170,000 for the first three years and HK\$190,000 for the subsequent three years.

Pursuant to HKFRS 16, the Company needs to recognize the right to use the Property as an acquisition of asset and as one of the applicable percentage ratios in respect of the rental payable under the Lease Agreement is more than 5% but below 25%, the entering into of the Lease Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Hence, it is subject to the notification and announcement requirements but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Board announces that on 16 February 2022, Bright Gain, a wholly-owned subsidiary of the Company, as tenant, entered into the Lease Agreement with the Landlord which details are set out below.

* For identification purpose only

THE LEASE AGREEMENT

Parties:	(1) Max Peace Assets Management Limited, as the Landlord; and (2) Bright Gain, a wholly-owned Macau subsidiary of the Company, as the Tenant.
Property:	Em Macau, Avenida Marginal Do Lam Mau N° 407, Rés-do-chão E, also known as 澳門林茂海邊大馬路407號海擎天下E座
Term:	A period of 6 years with effect from 1 March 2022
Gross floor area:	approximately 197 square metres
Rental:	The Tenant is required to pay to the Landlord a rent of HK\$170,000 per month for the first three years and HK\$190,000 per month for the subsequent three years, payable on the first day of each calendar month
Rent free period:	Three months from 1 March 2022 to 31 May 2022
Deposit:	The Tenant is required to place with the Landlord a security deposit of HK\$340,000 which shall be topped up to HK\$380,000 on or before 1 March 2025

RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, the Company needs to recognize the right to use the Property as an acquisition of asset as follows:

	Amount <i>HK\$'000</i>
Lease Agreement	10,337

The above amount is calculated with reference to the present value of the aggregate lease payments including stamp duty and estimated reinstatement costs and based on a discount rate of 5.89%.

REASON AND BENEFIT FOR ENTERING INTO THE LEASE AGREEMENT

The Group has been operating a casual Cantonese restaurant “Good Fortune Kitchen” in a residential district in the Flower City, Cotai, Macau which targets local Macau residents since 2017. In view of the demand and popularity of this cuisine, the Group plans to open a second branch of “Good Fortune Kitchen” at The Praia, which is a large-scale residential development with about 1,344 households in the residential district of Fai Chi Kei in Macau Peninsula. There are 7 other residential developments with about 7,800 households, and a total population of about 30,000 people in the neighborhood. Having considered the population density of the area and the location of the Property, the Board believes that the entering into of the Lease Agreement would generate stable turnover to the Group.

The rental terms under the Lease Agreement have been determined after arm’s length negotiation between the parties and with reference to the prevailing market rent of similar properties in the nearby area. The Directors considered that the transaction contemplated under the Lease Agreement is in the ordinary and usual course of business of the Group, the terms of the Lease Agreement are on normal commercial terms and have been on an arm’s length basis between the parties, and the terms of the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, THE TENANT AND THE LANDLORD

Information of the Company and the Tenant

The Company is principally engaged in the sales of food and catering, food souvenir and property investment business. Bright Gain is a company incorporated in Macau with limited liability and a wholly-owned subsidiary of the Company. Bright Gain is principally engaged in the operation of restaurants and food court counters.

Information of the Landlord

The Landlord is a company incorporated under the laws of the British Virgin Islands. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Landlord is principally engaged in the business of investment holding, and it and its ultimate beneficial owner(s) are Independent Third Parties.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Company needs to recognize the right to use the Property as an acquisition of asset and as one of the applicable percentage ratios in respect of the rental payable under the Lease Agreement is more than 5% but below 25%, the entering into of the Lease Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Hence, it is subject to the notification and announcement requirements but exempt from Shareholders’ approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of the Directors
“Bright Gain” or “Tenant”	Bright Gain Restaurant Company Limited, a company incorporated in Macau and a wholly-owned subsidiary of the Company, as the tenant under the Lease Agreement
“Company”	Future Bright Holdings Limited (Stock Code: 703), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party”	a third party which is independent of the Company and its connected persons (as defined in the Listing Rules)
“Landlord”	Max Peace Assets Management Limited, a company incorporated under the laws of the British Virgin Islands and ultimately owned by an individual who is an Independent Third Party, as the landlord under the Lease Agreement
“Lease Agreement”	the lease agreement dated 16 February 2022 and made between the Tenant and the Landlord in respect of the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the People’s Republic of China
“Property”	Em Macau, Avenida Marginal Do Lam Mau N° 407, Rés-do-chão E, also known as 澳門林茂海邊大馬路407號海擎天地下E座

“Shareholder(s)” holder(s) of the issued share(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board of
Future Bright Holdings Limited
Chan Chak Mo
Managing Director

Hong Kong, 16 February 2022

As at the date hereof, the members of the Board comprise (i) Mr. Chan Chak Mo, the Managing Director, (ii) Mr. Chan See Kit, Johnny, the Chairman, (iii) Ms. Leong In Ian, the executive Director, and (iv) Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln and Mr. Chan Pak Cheong Afonso, the independent non-executive Directors.