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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE NEW LEASE AGREEMENT

THE NEW LEASE AGREEMENT

The Board announces that on 6 December 2023, 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 The Peninsula Hotel Limited, an Independent Third Party, as Lessor, for a period commencing from 1 April 2024 to 31 March 2029 (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.

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 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement.

THE NEW LEASE AGREEMENT

The Board announces that on 6 December 2023, 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 The Peninsula Hotel Limited, an Independent Third Party, as Lessor, for a period commencing from 1 April 2024 to 31 March 2029 (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: The Peninsula Hotel Limited, an Independent Third Party

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the ultimate beneficial owner of the Lessor is The Hongkong and Shanghai Hotels, Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 45) and the Lessor and its ultimate beneficial owner(s) are Independent Third Parties

Premises: Shops MW1A, MW3, MW5, MW6–10, Mezzanine Floor, The Peninsula

Gross Area: Approximately 4,000 square feet

Term of lease: 5 years commencing from 1 April 2024 to 31 March 2029 (both days inclusive)

Total consideration payable: The total consideration payable under the New Lease Agreement exclusive of rates, management charges and outgoing charges, is approximately HK\$12.8 million

Deposits: HK\$1,022,830

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

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 Lessee

The Lessee is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal activities of the Lessee are provision of treatment services and sale of skincare products.

The Lessor

The Lessor is primarily engaged in hotel operation.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the ultimate beneficial owner of the Lessor is The Hongkong and Shanghai Hotels, Limited, which primarily engaged in hotel operation and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 45). The Lessor and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS AND BENEFITS FOR THE NEW LEASE AGREEMENT

The Group is principally engaged in provision of treatment services and sale of skincare products in Hong Kong. The Group's Tsim Sha Tsui centre have been operated at the Premises since 2021. The Directors believe that, taking into account the historical performance of the Tsim Sha Tsui centre, entering into the New Lease Agreement for the Premises will enable the Group to secure its profitability.

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

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 Agreement shall amount to approximately HK\$12.8 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 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement.

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
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“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
“Lessee”	Worldwide Beauty Limited, an indirectly wholly-owned subsidiary of the Company
“Lessor”	The Peninsula Hotel Limited, an Independent Third Party
“New Lease Agreement”	the lease agreement in relation to the Premises, the principal terms of which are set out in the section headed “THE NEW LEASE AGREEMENT” in this announcement
“Premises”	Shops MW1A, MW3, MW5, MW6–10, Mezzanine Floor, The Peninsula

“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, 6 December 2023

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. Kwok David 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.