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EEKA Fashion Holdings Limited

贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

(formerly known as Koradior Holdings Limited 珂萊蒂爾控股有限公司)

**CONNECTED TRANSACTION:
ACQUISITION OF PROPERTIES IN SHENZHEN**

The Board announces that the Vendor and the Purchaser (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreements both dated 4 December 2018 pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties for a total cash consideration of RMB29,338,280.70 (equivalent to approximately HK\$32,272,109). Completion of the Acquisition Agreements took place in January 2019.

As the Vendor is an executive Director and one or more of the relevant percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) applicable to the acquisition of the Properties exceed 0.1% but all are less than 5%, the acquisition of the Properties constituted a connected transaction for the Company which was only subject to the reporting and announcement requirements and was exempt from the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

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THE ACQUISITION AGREEMENTS

Date 4 December 2018

Parties

- (1) Vendor: Mr. Jin Ming
- (2) Purchaser: Shenzhen Jin Yuexin Investment and Development Company Limited* (深圳市金悦鑫投資發展有限公司), an indirect wholly-owned subsidiary of the Company

As the Vendor is an executive Director, he is a connected person of the Company.

Subject matters

Pursuant to the Acquisition Agreements, the Vendor has agreed to sell and the Purchaser has agreed to purchase the following Properties:

- (1) Unit 7G, Zone B, Shum Yip Terra's Hongsong Building, Terra 6th Road North, Futian, Shenzhen, the PRC, with a gross floor area of approximately 533 sq.m. (the "Unit 7G"); and
- (2) Unit 8H, Zone B, Shum Yip Terra's Hongsong Building, Terra 6th Road North, Futian, Shenzhen, the PRC, with a gross floor area of approximately 487 sq.m. (the "Unit 8H").

Unit 7G was acquired by the Vendor in 2009 at a consideration of about RMB7,467,000 (equivalent to approximately HK\$8,213,700) and was leased to the Group at the monthly rent of RMB64,002 during the two financial years ended 31 December 2018 (i.e. RMB768,024 per year).

Unit 8H was acquired by the Vendor in 2013 at a consideration of about RMB18,235,000 (equivalent to approximately HK\$20,058,500) and was used by the Vendor personally prior to the acquisition of the Properties by the Group. It did not generate any rental income for the two financial years prior to the date of the Acquisition Agreements.

Consideration

The aggregate consideration for the acquisition of the Properties was RMB29,338,280.70 (equivalent to approximately HK\$32,272,109), which shall be paid by the Purchaser to the Vendor within 30 days after the titles of the Properties have been transferred and registered in the name of Purchaser. The consideration was agreed between the Vendor and the Purchaser after arm's length negotiations with reference to an independent valuation of the Properties which was valued at not less than RMB30,000,000. The consideration was financed by the Group's internal resources.

Completion

Application shall be made to transfer and register the titles of the Properties within 30 days from the date of the Acquisition Agreements, which was completed on 9 January 2019.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION AGREEMENTS

The Company is an investment holding company. The Group engages in the design, retail and wholesale of womenswear products of the Group's self-owned brands, namely "Koradior", "La Koradior", "Koradior elsewhere" and "De Kora" which target affluent ladies between the ages of 30 and 45 in the PRC. In addition, in 2017 the Group entered into an exclusive distribution and marketing agreement for a term of five years in relation to products under the brands "Obzee" and "O'2nd" which cover a wide range of high quality womenswear, which targets affluent ladies between the ages of 25 to 50. The long term objective of the Group is to be the top player of the high-end womenswear industry in the PRC.

The Properties are units of Shum Yip Terra's Hongsong Building located in Shenzhen, the PRC, of which the entire 7th and 8th (save for Unit 8H) floors were either owned by or leased to and have been used by the Group as its headquarters in the PRC over the years. Since the listing of the Shares on the Stock Exchange in 2014, the Company has been leasing Unit 7G for office use.

The Directors (including the independent non-executive Directors but excluding the Vendor who has abstained from voting at the relevant Board meeting) consider that the geographical location of the Properties is suitable and ideal for the operations of the Group and the Group has therefore continued to renew the lease agreement for Unit 7G annually for the last 5 years. In view of the expansion of the Group's operation, there is a need for the Company to expand its existing office premises for its business operations in the PRC. By entering into Acquisition Agreements, the Group would be able to continue to use the Unit 7G to and to use the additional space from Unit 8H to conduct its business operations without reliance on the connected person of the Company. Further, the convenient location of expanding its office premises at the same location where the Group is headquartered is ideal and beneficial to the Group.

After the completion of the Acquisition Agreements, the Group now owns the entire 7th and 8th floors (save for Unit 8F, which has been leased to the Group from a connected person for the last 5 years) of Shum Yip Terra's Hongsong Building. The Directors (including the independent non-executive Directors but excluding the Vendor who has abstained from voting at the relevant Board meeting) consider that the consideration for the acquisition of the Properties to be fair and reasonable and on normal commercial terms taking into account the valuation of the Properties, the property prices of comparable properties in the same vicinity as the Properties.

The Directors (including the independent non-executive Directors but excluding the Vendor who has abstained from voting at the relevant Board meeting) are of the view that the acquisition of the Properties would make available to the Company its long-term office premises, help to hedge against any rental fluctuations, expand the Group's properties portfolio and capture the capital appreciation potential in the Properties.

The Directors (including the independent non-executive Directors but excluding the Vendor who has abstained from voting at the relevant Board meeting) have approved the execution of the Acquisition Agreements and they are of the opinion that: (i) although the transactions contemplated under the Acquisition Agreements were not entered in the ordinary and usual course of business of the Group, the Properties are used for the ordinary and usual course of business of the Group; and (ii) the terms of the Acquisition Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Vendor is an executive Director, and one or more of the relevant percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) applicable to the acquisition of the Properties exceed 0.1% but all are less than 5%, the acquisition of the Properties constituted a connected transaction for the Company which was only subject to the reporting and announcement requirements and was exempt from the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

The Vendor, an executive Director, who has a material interest in the Acquisition Agreements, has abstained from voting on the relevant resolutions at the Board meeting for approving the Acquisition Agreements. Save as disclosed above, none of the Directors has a material interest in the Acquisition Agreements.

The Company acknowledges its delay in the publication of this announcement. Such delay is not intentional but an inadvertent oversight of the connected nature of the transactions under the Acquisition Agreements notwithstanding that it is not a discloseable transaction under the Listing Rules (given that all the applicable percentage ratios for the Acquisition Agreements being less than 2%). The Board is apologetic for such inadvertence as well as the circumstances in which the non-compliance with the Listing Rules occurred.

Upon becoming aware of the connected nature of the transactions contemplated under the Acquisition Agreements, the management took immediate steps to comply with the reporting and announcement requirements under the Listing Rules.

To prevent the reoccurrence of similar non-compliance in the future, the Company has taken and will continue to take the following measures and actions: (i) the management staff shall continue to oversee and monitor the Company's on-going compliance with the Listing Rules in relation to its transactions; (ii) the Company shall from time to time brief its management staff on the importance of the reporting procedures for notifiable and connected transactions under the Listing Rules prior to execution of any agreement; and (iii) the Company shall seek professional advice where necessary as to any action required to be taken in relation to any proposed transactions. Going forward, the Company will make disclosure in a timely manner to ensure compliance with the Listing Rules in this regard.

DEFINITIONS

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

“Acquisition Agreements”	the two sale and purchase agreements both dated 4 December 2018 entered into between the Vendor and the Purchaser in relation to the acquisition of the Properties by the Purchaser
“Board”	the board of Directors
“Company”	EEKA Fashion Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People's Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Properties”	the properties situated at (i) 7G, Zone B, Shum Yip Terra's Hongsong Building, Terra 6th Road North, Futian, Shenzhen, the PRC; and (ii) 8H, Zone B, Shum Yip Terra's Hongsong Building, Terra 6th Road North, Futian, Shenzhen, the PRC

“Purchaser”	Shenzhen Jin Yuexin Investment and Development Company Limited* (深圳市金悦鑫投資發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Jin Ming, the chairman of the Board and an executive Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meter
“%”	per cent.

By Order of the Board
EEKA Fashion Holdings Limited
JIN MING
Chairman

Hong Kong, 13 September 2019

Unless otherwise specified, the conversion of RMB into HK\$ are based on the exchange rate of RMB1.00 to HK\$1.10. No representation is made that any amounts in RMB and HK\$ have been or could be converted at the relevant dates at the above rate or other rates or at all.

** The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*

As at the date of this announcement, the Board comprises Mr. Jin Ming, Ms. He Hongmei and Mr. Jin Rui as executive Directors; and Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong as independent non-executive Directors.