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**UNION ASIA
ENTERPRISE HOLDINGS LTD
萬亞企業控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8173)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

THE 2021 TENANCY AGREEMENT

The Board announces that on 11 December 2020, the Tenant, an indirect wholly owned subsidiary of the Company as tenant and the Landlord as landlord entered into the 2021 Tenancy Agreement in relation to the lease of the Premises for a term of twelve months from 1 January 2021 to 31 December 2021 (both days inclusive).

IMPLICATIONS UNDER THE GEM LISTING RULES

The Landlord is wholly and beneficially owned by Mr. Norman Chan, who is an executive Director and a Controlling Shareholder. The Landlord is therefore a connected person of the Company. Accordingly, the 2021 Tenancy Agreement and the transactions contemplated thereunder constitutes a continuing connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules.

Reference is made to the circular of the Company dated 29 May 2019 in relation to the lease of the Premises under the Previous Tenancy Agreement. As the Previous Tenancy Agreement and the 2021 Tenancy Agreement both relate to the leasing of the Premises, the Previous Tenancy Agreement and the 2021 Tenancy Agreement have been aggregated under Chapter 20 of the GEM Listing Rules.

Given that more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Annual Caps under the 2021 Tenancy Agreement (as aggregated with the Previous Tenancy Agreement and the Option Notice) exceed 5% but are less than 25% and are less than HK\$10,000,000, the 2021 Tenancy Agreement and the transactions contemplated thereunder is subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Reference is made to the circular of the Company dated 29 May 2019 in relation to the Previous Tenancy Agreement in relation to the lease of the Premises for the term from 1 January 2018 to 31 December 2019. The Tenant exercised the option to extend the tenancy of the Premises for a period of one year commencing from 1 January 2020 to 31 December 2020 pursuant to the term of the Previous Tenancy Agreement. Pursuant to the Previous Tenancy Agreement, the Group has been leasing the Premises from the Landlord. As the lease of the Premises will expire on 31 December 2020, after arm's length negotiations, the Board announces that on 11 December 2020, the Tenant as the tenant and the Landlord as the landlord entered into the 2021 Tenancy Agreement in relation to the lease of the Premises for a term of twelve months from 1 January 2021 to 31 December 2021 (both days inclusive).

2021 TENANCY AGREEMENT

The principal terms of the 2021 Tenancy Agreement are set out below:

Date:	11 December 2020
Parties:	(i) Waldorf Holdings Limited, a company wholly-owned by Mr. Norman Chan as landlord; and (ii) BTR (HK) Limited, an indirect wholly owned subsidiary of the Company, as tenant
Premises:	Flats A, B, C, D, E, F and G on 15th Floor and private parking space Nos. P9, P10 and P11 on 3rd Floor of 15 Chong Yip Street, Kowloon, Hong Kong
Term:	twelve months from 1 January 2021 to 31 December 2021 (both days inclusive)
Monthly rent:	HK\$348,000 per calendar month (inclusive of all government rents and rates and management fee) payable in advance in cash without any deduction on the first day of each and every calendar month.
Deposit:	HK\$696,000 (being two months' rent)

Historical transaction value

The actual rents paid by the Tenant to the Landlord under the Previous Tenancy Agreement and the Option Notice are as follows:

	Actual rent paid
Year ended 31 March 2018 (from 1 January 2018 to 31 March 2018)	HK\$1,044,000
Year ended 31 March 2019	HK\$4,176,000
Year ended 31 March 2020	HK\$4,176,000
Year ending 31 March 2021 (from 1 April 2020 to 30 November 2020)	HK\$2,784,000

Annual Caps

For the two years ending 31 March 2022, the maximum annual aggregate amounts payable (the “**Annual Caps**”) by the Tenant to the Landlord, which are determined with reference to the rents payable by the Tenant to the Landlord under the Previous Tenancy Agreement and the Option Notice and the 2021 Tenancy Agreement, are as follows:

	Year ending 31 March 2021 HK\$	Year ending 31 March 2022 HK\$
Previous Tenancy Agreement and the Option Notice	3,132,000	—
2021 Tenancy Agreement	1,044,000	3,132,000
Annual Caps	4,176,000	3,132,000

In arriving at the above Annual Caps, the Directors have taken into account the following factors:

- (a) the historical figures of the actual amounts paid by Tenant under the Previous Tenancy Agreement and the Option Notice; and
- (b) the prevailing market conditions and the prevailing market rent for similar properties in the vicinity of the Premises at the relevant time.

REASONS AND BENEFITS FOR ENTERING INTO THE 2021 TENANCY AGREEMENT

The Group is principally engaged in the provision of interior design services to premises including private residences, corporate offices, service apartments, hotels, residential clubhouses, show flats and sales galleries.

The Tenant is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of interior design services to premises including private residences, corporate offices, service apartments, hotels, residential clubhouses, show flats and sales galleries.

The Landlord is a company incorporated in Hong Kong and is wholly and beneficially owned by Mr. Norman Chan, an executive Director and a Controlling Shareholder and the Landlord is principally engaged in the holding and leasing of the Premises.

The Group has been leasing the Premises from the Landlord as its office in Hong Kong for more than 2 years. The Company considers that it would be beneficial to lease the Premises as it will enable the Group to secure its stable operation at the Premises without incurring additional costs and expenses in identifying, renovating and relocating to alternative premises and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of the 2021 Tenancy Agreement were determined after arm's length negotiations between the Tenant and the Landlord. The Directors (including the independent non-executive Directors) are of the view that the terms of the 2021 Tenancy Agreement are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the 2021 Tenancy Agreement and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Norman Chan has a material interest in the 2021 Tenancy Agreement and the transactions contemplated thereunder, Mr. Norman Chan had therefore abstained from voting on the resolutions passed by the Board to approve the 2021 Tenancy Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the 2021 Tenancy Agreement and the transactions contemplated thereunder and was required to abstain from voting on the relevant Board resolutions approving the 2021 Tenancy Agreement and the transactions contemplated thereunder.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Landlord is wholly and beneficially owned by Mr. Norman Chan, who is an executive Director and a Controlling Shareholder. The Landlord is therefore a connected person of the Company. Accordingly, the 2021 Tenancy Agreement and the transactions contemplated thereunder constitutes a continuing connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules.

Reference is made to the circular of the Company dated 29 May 2019 in relation to the lease of the Premises under the Previous Tenancy Agreement. As the Previous Tenancy Agreement and the 2021 Tenancy Agreement both relate to the leasing of the Premises, the Previous Tenancy Agreement and the 2021 Tenancy Agreement have been aggregated under Chapter 20 of the GEM Listing Rules.

Given that more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Annual Caps under the 2021 Tenancy Agreement (as aggregated with the Previous Tenancy Agreement and the Option Notice) exceed 5% but are less than 25% and are less than HK\$10,000,000, the 2021 Tenancy Agreement and the transactions contemplated thereunder is subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

DEFINITION

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2021 Tenancy Agreement”	a tenancy agreement dated 11 December 2020 entered into between the Tenant (an indirect wholly-owned subsidiary of the Company) as tenant and the Landlord as the landlord in relation to the lease of the Premises
“Board”	board of Directors
“Company”	Union Asia Enterprise Holdings Limited 萬亞企業控股有限公司 (stock code: 8173), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Landlord”	Waldorf Holdings Limited, a company incorporated in Hong Kong with limited liability on 3 July 2012, which is wholly owned by Mr. Norman Chan
“Mr. Norman Chan”	Mr. Chan Norman Enrique, one of the Controlling Shareholders and an executive Director

“Option Notice”	the option notice dated 21 October 2019 signed by the Tenant and the Landlord in relation to the exercise of the option by the Tenant to extend the term of the lease of the Premises for a term of one year from 1 January 2020 to 31 December 2020
“Premises”	Flats A, B, C, D, E, F and G on 15th Floor and private parking space Nos. P9, P10 and P11 on 3rd Floor of 15 Chong Yip Street, Kowloon, Hong Kong
“Previous Tenancy Agreement”	the tenancy agreement dated 22 February 2018 entered into between the Tenant and the Landlord in relation to the lease of the Premises
“Tenant”	BTR (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Union Asia Enterprise Holdings Limited
Chan Norman Enrique
Chairman and Executive Director

Hong Kong, 11 December 2020

As at the date of this announcement, the Board comprised two executive Directors, Mr. Chan Norman Enrique and Mr. Lee Alex Kam-fai and three independent non-executive Directors, Mr. Kwong U Hoi Andrew, Mr. Wong Jonathan and Mr. Chi Chi Hung Kenneth.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 website of the GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.unionasiahk.com.