
CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTION

We have entered into certain transactions with parties who are connected persons, and these transactions will continue following Listing, thereby constituting continuing connected transactions of our Group under the Listing Rules.

Exempt Continuing Connected Transaction

1. *Lease Agreement – Premises owned by Mr. Chan*

On 20 December 2013, a lease agreement (“**Mr. Chan’s First Lease Agreement**”) was entered into between Mr. Chan (as landlord) and Earthasia (Shanghai) (as tenant) in respect of a property situated at No.189, Lane 555, Hongxu Road, Minxing District Shanghai, PRC (“**Mr. Chan’s First Premises**”). On the same date, another lease agreement (“**Mr. Chan’s Second Lease Agreement**”, together with Mr. Chan’s First Lease Agreement collectively called “**Mr. Chan’s Lease Agreements**”) was entered into between Mr. Chan (as landlord) and Earthasia (Shanghai) (as tenant) in respect of a property situated at Room 3107, No.1, Lane 133, Guangfuxi Road, Putuo District Shanghai, PRC (“**Mr. Chan’s Second Premises**”).

Each of Mr. Chan’s Lease Agreements was for a term of 3 years commencing on 1 January 2014 and ending on 31 December 2016 (both days inclusive) at a monthly rental of RMB24,000 and RMB10,000 (exclusive of water, electricity, gas, telephone, internet charges and other utilities outgoings which are payable by the tenant) respectively. Mr. Chan’s First Premises has a gross floor area of approximately 278.27 sq.m. and is currently used as a staff quarter of the Group. Mr. Chan’s Second Premises has a gross floor area of approximately 84.07 sq.m. and is currently used to accommodate the staff or clients of our Group when they visit Shanghai.

The rentals under Mr. Chan’s Lease Agreements were determined by making reference to the market rates of neighbouring properties. AVISTA Valuation Advisory Limited, an independent property valuer, has confirmed that the rentals under Mr. Chan’s Lease Agreements are at market rate.

Since Mr. Chan is a Director and hence a connected person of our Company, Mr. Chan’s Lease Agreements constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios with respect to the transactions contemplated under Mr. Chan’s Lease Agreements on an annual basis, when aggregated under Rule 14A.25 of the Listing Rules, are less than 5% and the annual consideration is less than HK\$1,000,000, the performance of Mr. Chan’s Lease Agreements constitute exempt continuing connected transactions of our Company under Rule 14A.33 of the Listing Rules, and is exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. *Lease Agreement – Premises owned by Mr. Tian*

On 17 February 2014, a lease agreement (“**Mr. Tian’s First Lease Agreement**”) was entered into between Mr. Tian, Ms. Guo Jianhua and Mr. Tian Ye (collectively as landlord) and Earthasia (Shanghai) (as tenant) in respect of a property situated at Room 603, Block 4, No.555, Nanchang Road, Xuhui District

CONNECTED TRANSACTIONS

Shanghai, PRC (“**Mr. Tian’s First Premises**”). On the same date, another lease agreement (“**Mr. Tian’s Second Lease Agreement**”, together with Mr. Tian’s First Lease Agreement collectively called “**Mr. Tian’s Lease Agreements**”) was entered into between Mr. Tian, Ms. Guo Jianhua and Mr. Tian Ye (collectively as landlord) and Earthasia (Shanghai) (as tenant) in respect of a property situated at Room 2701, Block 2, No.555, Nanchang Road, Xuhui District Shanghai, PRC (“**Mr. Tian’s Second Premises**”).

Each of Mr. Tian’s Lease Agreements was for a term of 10 months commencing on 1 March 2014 and ending on 31 December 2014. The monthly rental of Mr. Tian’s First Premises and Mr. Tian’s Second Premises are RMB12,000 and RMB15,000 respectively (exclusive of water, electricity, gas, telephone and cable fees which are payable by the tenant). Mr. Tian’s First Premises and Mr. Tian’s Second Premises have gross floor area of approximately 103.81 sq.m. and 128.87 sq.m. respectively, and are currently used to accommodate the staff or clients of our Group when they visit Shanghai.

The rentals under Mr. Tian’s Lease Agreements were determined by making reference to the market rates of neighbouring properties. AVISTA Valuation Advisory Limited, an independent property valuer, has confirmed that the rentals under Mr. Tian’s Lease Agreements are at market rate.

Ms. Guo Jianhua is Mr. Tian’s wife and Mr. Tian Ye is their son, and hence Ms. Guo Jianhua and Mr. Tian Ye are associates of Mr. Tian. Since Mr. Tian is a Director and hence a connected person of our Company, Mr. Tian’s Lease Agreements constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios with respect to the transactions contemplated under Mr. Tian’s Lease Agreements on an annual basis, when aggregated under Rule 14A.25 of the Listing Rules, are less than 5% and the annual consideration is less than HK\$1,000,000, the performance of Mr. Tian’s Lease Agreements constitute exempt continuing connected transactions of our Company under Rule 14A.33 of the Listing Rules, and is exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONFIRMATION FROM THE DIRECTORS

The Directors (including the independent non-executive Directors), after taking into account of the view of an independent property valuer that the rentals under Mr. Chan’s Lease Agreements and Mr. Tian’s Lease Agreements are at market rate, confirm that each of Mr. Chan’s Lease Agreements and Mr. Tian’s Lease Agreements has been entered into in the ordinary and usual course of business of our Group and on normal commercial terms.