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UKF (HOLDINGS) LIMITED

英裘(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01468)

CONTINUING CONNECTED TRANSACTION LICENCE AGREEMENT

On 24 January 2019, UKFM, a direct wholly-owned subsidiary of the Company, entered into a Licence Agreement as Licensee with Kingkey Enterprise and KK Culture together as Licensors, in respect of the leasing of the Premises for a term commencing from 24 January 2019 to 15 May 2020 (both days inclusive).

As Mr. Chen Jiarong (“**Mr. Chen**”) is the controlling shareholder (as defined in the Listing Rules) of the Company, who indirectly owns approximately 72.87% shareholding interest in the Company, Mr. Chen is a connected person of the Company. Mr. Chen owns the entire issued share capital of Kingkey Enterprise and is a substantial shareholder (as defined in the Listing Rules) of KK Culture, therefore, both Kingkey Enterprise and KK Culture, being the associates of Mr. Chen, are connected persons of the Company. Accordingly, the transactions contemplated under the Licence Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios calculated under the Listing Rules for the transactions contemplated under the Licence Agreement are less than 5%, such transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders’ approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

THE LICENCE AGREEMENT

On 24 January 2019, UKFM, a direct wholly-owned subsidiary of the Company, entered into a Licence Agreement as Licensee with Kingkey Enterprise and KK Culture together as Licensors, in respect of the leasing of the Premises for a term commencing from 24 January 2019 to 15 May 2020 (both days inclusive).

The principal terms of the Licence Agreement are as follows:

Date:	24 January 2019
Parties:	(i) Kingkey Enterprise and KK Culture together as Licensors; and (ii) UKFM as Licensee
Premises:	A segregated portion (approximately 6,000 square feet) of the Whole Floor
Whole Floor:	44th Floor, Office Tower, Convention Plaza, No.1 Harbour Road, Hong Kong
Term of licence:	From 24 January 2019 to 15 May 2020 (both days inclusive)
Rent:	HK\$580,000 per month (exclusive of Government rates, management fees and air-conditioning charges and utility charges), payable on or before the 15th day of each month
Deposit:	Nil
Government rates:	The Licensee shall bear the portion of the rates being assessed on the Whole Floor to be calculated proportionate to the area of the Premises, which is currently estimated to be HK\$147,600.00 per quarter

Management Fee and Air-Conditioning charge:	The Licencee shall bear the portion of the building management and air-conditioning charge being assessed on the Whole Floor to be calculated proportionate to the area of the Premises, which is approximately HK\$95,349.80 per month
Utility Charges:	The Licencee shall bear the portion of the utility charges incurred by the users on the Whole Floor to be calculated proportionate to the area of the Premises

PROPOSED CAPS

The proposed caps set by the Board for different periods within the licence term are as follows:

	Cap amount HK\$
Period	
24 January 2019 to 31 March 2019	1,700,000
1 April 2019 to 31 March 2020	8,200,000
1 April 2020 to 15 May 2020	1,100,000

The proposed cap represents approximately the aggregate amount of estimated rents, rates, fees and charges payable under the Licence Agreement for each period. The monthly rent is determined after arm's length negotiations with reference to the prevailing market rents advised by the independent surveyor in respect of premises within the same building. The sharing of other rates, fees and charges as mentioned above is generally based on the area of the Premises as compared to the total area of the Whole Floor. The Directors (including the independent non-executive Directors) consider such caps as fair and reasonable.

REASONS FOR ENTERING INTO THE LICENCE AGREEMENT

To cope with business expansion and development of the Group's financial services business, the Group is in need for more office spaces. The Premises is located within a well-equipped and well managed office building and the office building is being one of the landmark buildings in Hong Kong. The Board considers the Premises suitable for the use as the Group's new office.

The terms of the Licence Agreement were negotiated on an arm's length basis and the rental chargeable under the Licence Agreement was determined after taking into account the prevailing market rental rates as advised by an independent surveyor. The Directors (including the independent non-executive Directors) consider that the Licence Agreement is entered into in the ordinary and usual course of business of the Company, and its terms are on normal commercial terms and are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE LICENSORS

The Group is principally engaged in trading of fur skins, mink farming in Denmark, fur skins brokerage, provision of securities brokerage services, provision of wealth management service and money lending.

Kingkey Enterprise is an investment holding company established in Hong Kong with limited liability.

KK Culture is a company incorporated in Cayman Islands with limited liability and continued in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:550).

IMPLICATIONS UNDER THE LISTING RULES

As Mr. Chen Jiarong (“**Mr. Chen**”) is the controlling shareholder (as defined in the Listing Rules) of the Company, who indirectly owns approximately 72.87% shareholding interest in the Company, Mr. Chen is a connected person of the Company. Mr. Chen owns the entire issued share capital of Kingkey Enterprise and is a substantial shareholder (as defined in the Listing Rules) of KK Culture, therefore, both Kingkey Enterprise and KK Culture, being the associates of Mr. Chen, are connected persons of the Company. Accordingly, the transactions contemplated under the License Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios calculated under the Listing Rules for the transactions contemplated under the Licence Agreement are less than 5%, such transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders’ approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

“associates”	has the same meaning as ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	UKF (Holdings) Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are primary listed on the Main Board of the Stock Exchange (Stock Code: 1468)

“connected person(s)”	has the same meaning as ascribed thereto in the Listing Rules
“controlling shareholder”	has the same meaning as ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kingkey Enterprise”	Kingkey Enterprise Hong Kong Limited (京基實業香港有限公司), a company incorporated in Hong Kong with limited liability
“KK Culture”	KK Culture Holdings Limited, a company incorporated in Cayman Islands with limited liability and continued in Bermuda, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 550)
“Licence Agreement”	the Licence Agreement dated 24 January 2019 entered into between Licensee and the Licensors in relation to the leasing of the Premises
“Licensors”	Kingkey Enterprise and KK Culture
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	a segregated portion of the Whole Floor
“Shares(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder”	has the same meaning as ascribed thereto in the Listing Rules
“UKFM” or “Licensee”	UKF Management Limited, a direct wholly-owned subsidiary of the Company
“Whole Floor”	44th Floor, Office Tower, Convention Plaza, No.1 Harbour Road, Hong Kong
“%”	per cent.

By order of the Board
UKF (HOLDINGS) LIMITED
Wong Chun Chau
Chairman

Hong Kong, 24 January 2019

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Wong Chun Chau (*Chairman*)

Ms. Kwok Yin Ning

Independent Non-executive Directors:

Ms. Mak Yun Chu

Mr. Tang Tat Chi

Mr. Hung Wai Che