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歐化國際有限公司

Ulferts International Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1711)

DISCLOSEABLE TRANSACTION IN RELATION TO THE TENANCY OF THE PROPERTY

On 1 February 2021, Mighty Wish as tenant entered into the Tenancy Agreement with Goodman FS Holdings as landlord in relation to the tenancy of the Property.

In accordance with HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Property under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as acquisition of assets by the Tenant for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the aggregated value of the right-of-use of the Property under the Tenancy Agreement exceed 5% but is less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction and is subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders’ approval requirement under the Listing Rules.

On 1 February 2021, Mighty Wish as tenant entered into the Tenancy Agreement with Goodman FS Holdings as landlord in relation to the tenancy of the Property.

THE TENANCY AGREEMENT

Landlord:	Goodman FS Holdings
Tenant:	Mighty Wish
Property:	5 th Floor and 12 th Floor of Block 1 of Goldman Tuen Mun Distribution Centre, 3A Hung Cheung Road, Tuen Mun, New Territories, Hong Kong
Term:	2 years commencing from 1 March 2021 to 28 February 2023 (both days inclusive)
Usage:	Warehouse
Right-of-use Asset Value:	Approximately HK\$13.52 million, (exclusive of rates, Government rent and management charge)

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in retail of home furniture mainly imported from Europe.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord is a company incorporated in the Cayman Islands with limited liability and its ultimate beneficial owners are Independent Third Parties.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and the rental was determined with reference to the prevailing market rental of similar property in the nearby locations. The Directors considered that the terms of the Tenancy Agreement are fair and reasonable and the transactions are on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 "Leases" adopted by the Company, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Property under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as acquisition of assets by the Tenant for the purpose under the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the value of the right-of-use of the Property under the Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the announcement requirement but exempt from Shareholders' approval requirement of the Company under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

"Board" or "Director(s)"	the board of directors of the Company
"Company"	Ulferts International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Group"	the Company and its subsidiaries from time to time
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)

“Landlord”	Goodman FS Holdings, a company incorporated in the Cayman Islands and registered in Hong Kong as non-Hong Kong company with limited liability, being an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mighty Wish” or “Tenant”	Mighty Wish Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Property”	5 th Floor and 12 th Floor of Block 1 of Goldman Tuen Mun Distribution Centre, 3A Hung Cheung Road, Tuen Mun, New Territories, Hong Kong
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 1 February 2021 entered into between Mighty Wish as tenant and Goodman FS Holdings as landlord in relation to the tenancy of the Property
“%”	per cent

By order of the Board
Ulferts International Limited
Wong Chi Fai
Chairman

Hong Kong, 1 February 2021

As at the date hereof, the Board comprises:

Executive Directors:

Mr. Wong Chi Fai
Mr. Ng Koon Keung, Ricky
Ms. Mok Fung Lin, Ivy
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Mr. Chan Yee Man
Mr. Chiu Kin Fai
Mr. Ng Hoi Yue