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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 TRANSACTIONS
IN RELATION TO RENEWAL OF TENANCIES
OF THE PROPERTIES**

On 20 May 2022, Link Profit Investment as tenant entered into the Tenancy Agreements with the Landlord in relation to the renewal of the tenancies of the Properties.

The lease transactions under the Tenancy Agreements will be regarded as acquisition of assets by the Group which constitute discloseable transactions of the Company and are subject to the announcement requirement but exempt from obtaining Shareholders' approval under the Listing Rules.

The Board announces the execution of the Tenancy Agreements with the following particulars: -

FIRST TENANCY AGREEMENT

Date:	20 May 2022
Landlord:	Sun Hung Kai Real Estate
Tenant:	Link Profit Investment
First Property:	Shop No. 108-109, Level 1, 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Lease Term:	3 years commencing from 1 November 2021 to 31 October 2024 (both days inclusive)
Usage:	As retail shop
Right-of-use Asset Value:	A total of approximately HK\$18.6 million to be recognised within the lease term

SECOND TENANCY AGREEMENT

Date:	20 May 2022
Landlord:	Sun Hung Kai Real Estate
Tenant:	Link Profit Investment
Second Property:	Shop No. 306, Level 3, 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Lease Term:	3 years commencing from 17 September 2021 to 16 September 2024 (both days inclusive)
Usage:	As retail shop
Right-of-use Asset Value:	A total of approximately HK\$9.4 million to be recognised within the lease term

INFORMATION OF THE LANDLORD

The Landlord is a company incorporated in Hong Kong with limited liability principally engaged in real estate and general agencies business.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

REASONS AND BENEFITS FOR RENEWAL OF TENANCY AGREEMENTS

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

Upon expiry of the tenancies of the Properties in 2021, the Group has been negotiating with the Landlord in respect of renewal of tenancies of the Properties and the relevant tenancies continued subsequently on a short term basis pending finalization of the renewed Tenancy Agreements. On the date of this announcement, the terms of the Tenancy Agreements were agreed by mutual consent and the Tenancy Agreements become effective retrospectively. The terms and conditions of the Tenancy Agreements are arrived at arm's length negotiation between the parties with reference to the prevailing market rental of similar properties in the nearby locations. The Directors considered that the terms and conditions of the Tenancy Agreements are fair and reasonable and the transactions are on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Group will recognise right-of-use assets in the consolidated financial statements of the Company in connection with the tenancies of the Properties. Accordingly, the lease transactions under the Tenancy Agreements will be regarded as acquisition of assets by the Group 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 assets to be recognised under the Tenancy Agreements exceed 5% but are less than 25%, the transactions contemplated thereunder constitute discloseable transactions of the Company and are subject to the announcement requirement but exempt from obtaining Shareholders’ approval 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 issued shares of which are listed on the Stock Exchange
“First Property”	Shop No. 108-109, Level 1, 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
“First Tenancy Agreement”	the tenancy agreement dated 20 May 2022 entered into between the Landlord and the Tenant in relation to renewal of tenancy of the First Property
“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” or “Sun Hung Kai Real Estate”	Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, a company incorporated in Hong Kong with limited liability, being an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Link Profit Investment” or “Tenant”	Link Profit Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Properties”	First Property and Second Property
“Second Property”	Shop No. 306, Level 3, 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
“Second Tenancy Agreement”	the tenancy agreement dated 20 May 2022 entered into between the Landlord and the Tenant in relation to renewal of tenancy of the Second Property
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	First Tenancy Agreement and Second Tenancy Agreement
“%”	per cent

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

Hong Kong, 20 May 2022

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Wong Chi Fai
Ms. Mok Fung Lin, Ivy
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

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