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**UKF**

**UKF (HOLDINGS) LIMITED**

**英裘(控股)有限公司**

*(Incorporated in Cayman Islands with limited liability)*

(Stock Code: 08168)

**DISCLOSABLE TRANSACTION  
ACQUISITION OF MINK FARM IN DENMARK**

The Board is pleased to announce that in order to expand the upstream business of the Group and provide an additional source of fur skins for the Group, UKF (Denmark) A/S, an indirect wholly owned subsidiary of the Company, entered into the Acquisition Agreement on 2 November 2013 as Purchaser with the Vendor in respect of acquisition of the Subject Properties, which include a mink farm located in Denmark.

As one of the applicable percentage ratios stipulated under Rule 19.07 of the GEM Listing Rules in respect of the Transaction exceed 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that UKF (Denmark) A/S, an indirect wholly owned subsidiary of the Company, entered into the Acquisition Agreement on 2 November 2013 as Purchaser with the Vendor in respect of acquisition of the Subject Properties, which include a mink farm located in Denmark.

**ACQUISITION AGREEMENT**

**Date:** 2 November 2013, Hong Kong time (1 November 2013, Danish time)

**Parties:** Vendor: Hans Kurt Høgedal

Purchaser: UKF (Denmark) A/S

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

**Assets to be acquired:** Subject Properties

- Subject Properties:** The Land including, among others, the Mink Farm and the buildings located on it, fixtures and fittings, manure, machinery, equipment and all appurtenances rightly belonging to the Land, and with the same rights, encumbrances, easements and obligations as during the ownership of the Vendor.
- The Land is sold in its present state and condition. The farm house built on the Land is subject to a lease agreement for a term of 18 months from the completion date, during which the tenant may use the house to store wood free of charge.
- Consideration:** The consideration of acquiring the Subject Properties is DKK7,400,000 (equivalent to about HK\$10,582,000).
- The consideration of acquiring the Subject Properties was determined on an arm's length basis and normal commercial terms and will be satisfied by the internal resources of the Group
- Terms of Payment:** The terms of payments of the consideration for acquiring the Subject Properties are as follows:
- (a) 25% of the consideration, corresponding to DKK1,850,000 (equivalent to about HK\$2,645,500) will be paid no later than 5 business days after the execution of the Acquisition Agreement (i.e. 8 November 2013);
  - (b) 75% of the consideration, corresponding to DKK5,550,000 (corresponding to HK\$7,936,500) will be paid on the date of completion (i.e. 1 December 2013);
- The consideration for acquiring the Subject Properties shall be paid by way of deposit. The deposited amounts may solely be released upon fulfilment of all conditions and registration of conveyance without any remarks.
- Completion Date:** 1 December 2013
- Conditions:** The Transaction is subject to the fulfilment of the following conditions:—
- (a) The Purchaser's legal counsel receives certain property documents and other documents as requested by the Purchaser's legal counsel on or before 15 November 2013 and approves such documents on or before 30 November 2013; and
  - (b) A liquid manure agreement is entered into between the Purchaser and the Vendor on or before 1 December 2013.

## INFORMATION ABOUT THE MINK FARM

According to the European Fur Breeders' Association, an organisation which represents European fur farmers' interests at both European and international institutions, Denmark is the largest producer of mink pelts.

The Mink Farm is on the Land locating in the northwest of Denmark. The Mink Farm is registered as an A-Farm. The Vendor has obtained the approval to rear up to 3,300 breeding animals in the Mink Farm. The current approval can be assigned to the Purchaser without costs for the Purchaser. The Mink Farm produced about 18,000 minks in the year ended 31 December 2012. The Purchaser intends to purchase the female minks in the Mink Farm from the Vendor for breeding at conditions to be agreed.

According to the management accounts provided by the Vendor prepared in accordance with the International Financial Reporting Standards, the book value of the Subject Properties as at 31 December 2012 were approximately DKK7.4 million (equivalent to about HK\$10,582,000).

For the two financial years ended 31 December 2011 and 2012, the net profit before and after taxation attributable to the Subject Properties calculated in accordance with the International Financial Reporting Standards were as follows:

	<b>For the year ended 31 December 2011</b>		<b>For the year ended 31 December 2012</b>	
	<i>DKK million (Approximate) (Unaudited)</i>	<i>HK\$ million (Approximate) (Unaudited)</i>	<i>DKK million (Approximate) (Unaudited)</i>	<i>HK\$ million (Approximate) (Unaudited)</i>
Net profit before taxation	3.7	5.3	4.0	5.7
Net profit after taxation	2.8	4.0	3.0	4.3

## REASONS FOR AND BENEFITS OF TRANSACTIONS

The Purchaser entered into the Acquisition Agreement for the purpose of expanding the upstream business of the Group and providing an additional source for securing the procurement of fur skins for the Group. The Board estimates that the maintaining cost for operating the Mink Farm will be in the region of HK\$8.4 million and that the Mink Farm will rear about 21,300 minks every year. With the procurement of minks supplied at the rearing costs, the trading of fur skin will generate better profit for the Group. Thus, the Directors believe that the terms of the Transaction are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

The Acquisition Agreement was entered into by the Group with an Independent Third Party. As one of the applicable percentage ratios stipulated under Rule 19.07 of the GEM Listing Rules in respect of the Transaction exceed 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## GENERAL INFORMATION

The Group is principally engaged in the trading and brokerage of fur skins of minks and foxes and mink farming.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition Agreement”	the agricultural property purchase agreement dated 2 November 2013 entered into between the Vendor and the Purchaser in respect of the acquisition of the Subject Properties
“Board”	the board of Directors
“Company”	UKF (Holdings) Limited, a limited company incorporated in the Cayman Islands whose shares are listed on the GEM
“Directors”	the directors of the Company
“DKK”	Danish Kroner, the lawful currency of Denmark
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) not connected to the Company, any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the GEM Listing Rules
“Land”	a piece of agricultural land of about 26,984 square metres located at Ulleruphusevej 16, 7900 Nykobing M, Denmark
“Purchaser”	UKF (Denmark) A/S, a limited company incorporated in Denmark and an indirect wholly owned subsidiary of the Company
“Mink Farm”	the mink farm acquired under the Acquisition Agreement
“Subject Properties”	has the meaning ascribed to it under the paragraph “ <b>Subject Properties</b> ” in the section “ <b>Acquisition Agreement</b> ” above

“Transaction” transaction(s) contemplated under the Acquisition Agreement

“Vendor” Hans Kurt Høgedal

On behalf of the Board  
**UKF (Holdings) Limited**  
**Wong Chun Chau**  
*Chairman*

Hong Kong, 2 November 2013

*Executive Directors:*

Mr. Wong Chun Chau

Ms. Kwok Yin Ning

*Independent non-executive Directors:*

Mr. Ang Wing Fung

Mr. Tang Tat Chi

Mr. Jean-pierre Philippe

*For the purpose of illustration only and unless otherwise stated, conversion of DKK to HK\$ in this announcement is based on the exchange rate of DKK1.00 to HK\$1.43. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.*

*This announcement, for which all 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 in this announcement misleading.*

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