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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)

CONTINUING CONNECTED TRANSACTIONS
2025 MASTER LEASING AGREEMENT

On 16 October 2025 (after trading hours), the Company entered into the 2025 MLA with Emperor International and AY Holdings to govern arrangements for the Tenancy Transactions between (i) the Group and Emperor International Group and (ii) the Group and AY Group during the period from 1 October 2025 to 31 March 2027.

As the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Annual Caps are less than 25% and the total consideration is less than HK$10,000,000, the Tenancy Transactions are subject to the announcement, reporting and annual review requirements but exempt from Shareholders' approval under Chapter 14A of the Listing Rules.

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2025 MLA DATED 16 OCTOBER 2025

Parties

(1) The Company;

(2) Emperor International; and

(3) AY Holdings

Term

1 October 2025 – 31 March 2027

Subject to compliance with the then relevant requirements of the Listing Rules, or any waiver obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the 2025 MLA shall be automatically renewed for a successive period of 3 years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2025 MLA.

Key terms and conditions

Relevant members of the Group as tenant and relevant members of Emperor International Group or AY Group, as the case may be, as landlord, may from time to time enter into Definitive Leasing Agreement(s) in relation to any Tenancy Transaction upon, and subject to, the terms and conditions in compliance with the 2025 MLA, provides that:

(a) all the Tenancy Transactions have been and shall be conducted in the usual and ordinary course of business of the Group, Emperor International Group and AY Group and are in the interests of their respective shareholders as a whole;

(b) the terms of each Definitive Leasing Agreement have been and shall be on normal commercial terms or on terms which are no less favourable to the Group than terms offered by Independent Third Parties;

(c) the terms of the Tenancy Transactions have been and shall be arrived at after arm's length negotiation and the amount of rental thereinunder the respective Definitive Leasing Agreements shall be determined based on the condition of the properties and with reference to the then prevailing market rents on premises comparable in location, area and permitted use;

(d) all the Tenancy Transactions have been and shall be concluded in compliance with all applicable provisions of the Listing Rules, the applicable laws, 2025 MLA and relevant Definitive Leasing Agreements; and

(e) the Group has/shall have the option to consider third party landlords and premises other than the properties of Emperor International Group and/or AY Group.

Historical transactions amounts

Set out below are the historical amounts of right-of-use assets recognised and Variable Lease Payments and other short-term lease payments paid under the Tenancy Transactions between (i) the Group and Emperor International Group and (ii) the Group and AY Group for the two years ended 31 March 2025 and the six months ended 30 September 2025:

	For the year ended 31 March		**For the six months ended 30 September**
	2024	**2025**	**2025**
	HK$'000	*HK'000*	*HK$'000*
Tenancy Transactions between the Group and Emperor International Group			
Right-of-use assets	4,511	2,108	944
Variable Lease Payments and other short-term lease payments	2,592	4,278	1,686
Tenancy Transactions between the Group and AY Group			
Right-of-use assets	-	-	-
Variable Lease Payments and other short-term lease payments	-	-	168

Annual Caps

In accordance with HKFRS 16 "Leases", the Group is required to recognise a right-of-use asset and a lease liability, which are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate in the year of entering into the lease where the Group acts as a lessee. Correspondingly, the Group is required to set annual caps on the total value of right-of-use assets relating to leases expected to be entered into by the Group as a lessee in each period/year under the 2025 MLA.

In addition, according to HKFRS 16 "Leases", the Variable Lease Payments under Tenancy Transactions will be recognised as expenses incurred by the Group. The annual caps for Variable Lease Payments and other short-term lease payments will be recognised as expenses which are determined with reference to the annual maximum amount of Variable Lease Payments and other short-term lease payments payable by the Group in respect of Tenancy Transactions in each period/year under the 2025 MLA.

Set out below are the proposed Annual Caps under the 2025 MLA for each of respective periods:

	For the six months ending 31 March 2026 *HK$'000*	**For the year ending 31 March 2027** *HK'000*
Aggregate Right-of-Use Annual Cap	5,000	9,800
Aggregate Rental Expense Annual Cap	5,000	9,800

Annual Caps represent the estimated respective maximum value of (i) the total value of the right-of-use assets relating to leases to be or expected to be entered into by the Group in the respective period(s) of the term under the 2025 MLA; and (ii) the Variable Lease Payments and other short-term lease payments payable by the Group in respect of Tenancy Transactions in the respective period(s) of the term under the 2025 MLA.

The Annual Caps have been determined after taking into account:

(i) the historical transaction amounts of rental, management fee (if any) and charges paid by the Group to Emperor International Group and AY Group under all Tenancy Transactions;

(ii) the terms of existing Tenancy Transactions :

As at the date of this announcement, members of the Group are leasing properties from Emperor International Group and AY Group in Hong Kong including:

(a) an office unit located at Emperor Group Centre, No. 288 Hennessy Road, Wanchai, Hong Kong;

(b) a retail shop located at Wei King Building, 275 Chatham Road North, Hung Hom, Kowloon, Hong Kong;

(c) a retail shop located at Fitfort, 560 King's Road, North Point, Hong Kong;

(d) a retail shop located at New Town Mansion, No.2 Tuen Lee Street, Tuen Mun, New Territories;

(e) a light box located at New Town Mansion, No.2 Tuen Lee Street, Tuen Mun, New Territories; and

(f) a warehouse located at Shan Ling Industrial Building, No. 15 San On Street, Tuen Mun, New Territories.

There are 6 existing tenancy/lease/licence agreements entered into between (i) members of the Group as tenants and (ii) members of Emperor International Group and/or AY Group as landlords in respect of the abovementioned properties. The earliest expiry date of the leases is 31 March 2026 and the latest one is 31 December 2026. The monthly rental ranges from HK$28,500 to HK$330,000 and the gross floor area ranges from 856 sq. ft. to 57,000 sq. ft. The duration of the leases are usually 6 months to 3 years;

(iii) assuming all the above tenancies will be renewed upon expiry and taking into account the possible oncoming adjustment in rental rates;

(iv) the potential business development and expansion of the Group and the possibility of entering into new Tenancy Transactions with Emperor International Group and AY Group under the 2025 MLA in the forthcoming years;

(v) the location and usage of the properties of the existing property portfolio of Emperor International Group and/or AY Group and potential acquisition of properties by Emperor International Group and/or AY Group which can be available for leasing to the members of the Group in the future; and

(vi) the prevailing market rents of the properties as compared with similar properties in the vicinity.

Based on the above, the Board is of the view that the proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES TO ASSESS TENANCY TRANSACTIONS

The Group will follow a series of procedures in selecting the premises and determining the rentals and terms of the tenancies. When the management of the Group is about to renew existing tenancy or open a new retail shop which requires new premises, the operation team of the Group will conduct site visits and source available properties in the selected location. The Group will then collect rental quotations of not less than three shortlisted properties from different landlords if there are such number of available properties in the selected location. Furthermore, the Group will further assess the rental and obtain comparable information for the determination of terms of tenancy. In the event of the number of shortlisted properties in the selected location is less than three, the Company will assess the fairness and reasonableness of the rental with reference to the comparable information of similar properties in the vicinity such as rental rate per sq. ft. and location, which may include those not meeting into the selection criteria of the Group or unavailable to the Group. Should there be no comparable information available, the Group may engage independent property appraiser to prepare valuation reports; conduct internal research to assess the valuation; and/or assess the valuation with reference to previous tenancy agreements

for renewal cases. After the operation team gathers and analyses the aforesaid information of the proposed tenancy, the management will review and approve the tenancy. With such internal approval, the Definitive Leasing Agreement(s) will be entered into between relevant parties.

With the above control procedures, the Directors consider that the Tenancy Transactions are conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

In addition, to ensure that the Definitive Leasing Agreement(s) will be entered into in accordance with the general terms of the 2025 MLA and the requirements of Chapter 14A of the Listing Rules, (i) the management of the Group will assess each of the Definitive Leasing Agreements with the aforementioned procedures; (ii) the relevant departments of the Group will record the transaction amount(s) to ensure that the Annual Caps will not be exceeded; (iii) the Group will engage external auditor to conduct an annual review of the Tenancy Transactions to opine on whether the Annual Caps have been exceeded; and (iv) the independent non-executive Directors will review the Tenancy Transactions contemplated under the 2025 MLA annually.

Accordingly, the Board is of the view that (i) the Tenancy Transactions will be conducted on normal commercial terms and will not be prejudicial the interests of the Company and the Shareholders; and (ii) the above internal control procedures are adequate to safeguard the interests of the Company and the Shareholders under the Tenancy Transactions.

REASONS FOR AND BENEFITS OF THE 2025 MLA

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

The Group currently leases properties from Emperor International Group and AY Group and shall continue to lease the properties in the future. Entering into the 2025 MLA will govern the Tenancy Transactions between (i) the Group and Emperor International Group and (ii) the Group and AY Group, and also serve to streamline the relevant process of reporting, announcement and Shareholders' approval, if necessary, whenever there is new tenancy or renewal of the Tenancy Transactions between (i) the Group and Emperor International Group and/or (ii) the Group and AY Group. Besides, the obtaining of the Annual Caps will help reduce the relevant administrative burden and costs on the Company in complying with the requirements under the Listing Rules. The Definitive Leasing Agreements will be agreed on an arm's length basis, on normal commercial terms or on terms no less favourable to the Group than those terms offered by Independent Third Parties as landlords.

The Directors (including the independent non-executive Directors) consider that the 2025 MLA has been conducted in the ordinary and usual course of business of the Group and negotiated on an arm's length basis, on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole, and that the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company, Emperor International and AY Holdings are indirectly controlled by the respective private discretionary trusts which were set up by Dr. Yeung, who is the deemed substantial shareholder of the Company. As such, under Chapter 14A of the Listing Rules, Emperor International and AY Holdings are deemed connected persons of the Company and accordingly, the transactions contemplated under the 2025 MLA constitutes continuing connected transactions of the Company.

Mr. Yeung Ching Loong, Alexander, an executive Director, did abstain from voting on the relevant Board resolution(s) of the Company in view of his deemed interest in the transactions by virtue of being one of the eligible beneficiaries of the aforesaid discretionary trusts.

Ms. Fan Man Seung, Vanessa, being an executive Director, did abstain from voting on the relevant Board resolution(s) of the Company as she also takes up a management role in Emperor International and AY Holdings.

Save for the aforesaid, no other Director has a material interest or conflict of role in the transactions and has abstained from voting.

As the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Annual Caps are less than 25% and the total consideration is less than HK$10,000,000, the Tenancy Transactions are subject to the announcement, reporting and annual review requirements but exempt from Shareholders' approval under Chapter 14A of the Listing Rules.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

"2025 MLA"	the master leasing agreement dated 16 October 2025 entered into between the Company, Emperor International and AY Holdings, including any subsequent master leasing agreements renewed or extended pursuant to the terms thereof
"Aggregate Rental Expense Annual Cap"	for the purpose of Chapter 14A of the Listing Rules and pursuant to HKFRS 16, the annual caps of the Company for Variable Lease Payments and other short-term lease payments recognised as expenses incurred by the Group which are determined with reference to the annual maximum amount of Variable Lease Payments and other short term lease payments to be or expected to be payable by the Group in respect of Tenancy Transactions for each of the financial period(s) during the term under the 2025 MLA
"Aggregate Right-of-Use Annual Cap"	for the purpose of Chapter 14A of the Listing Rules and pursuant to HKFRS 16, the annual caps of the Company for Fixed Lease Payments which are determined with reference to the annual maximum amount of the total value of right-of-use asset in respect of Tenancy Transactions to be or expected to be entered into for each of the respective periods during the term under the 2025 MLA

"Annual Caps"	Aggregate Right-of-Use Annual Cap and Aggregate Rental Expense Annual Cap
"AY Group"	all companies (including their respective associates) directly or indirectly controlled by various private discretionary trusts set up by Dr. Yeung (other than (i) Emperor International Group, (ii) Emperor Entertainment Hotel Limited (stock code: 296) and its subsidiaries from time to time, (iii) Emperor Capital Group Limited (stock code: 717) and its subsidiaries from time to time, (iv) Emperor Culture Group Limited (stock code: 491) and its subsidiaries from time to time, (v) Emperor Watch & Jewellery Limited (stock code: 887) and its subsidiaries from time to time, (vi) New Media Lab Limited (stock code: 1284) and its subsidiaries from time to time, and (vii) the Group). The members of AY Group engage in property investment, music publishing, artiste management, provision of financial services and sales and production of motion pictures
"AY Holdings"	Albert Yeung Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being the agent acting on behalf of relevant members of AY Group, is principally engaged in investment holding
"Board" or "Directors"	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 (Stock Code: 1711)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Definitive Leasing Agreement(s)"	definitive agreement(s) which has / have been entered and may be entered into between (1) any member(s) of the Group on the one part and (2) any members of Emperor International Group or AY Group on the other part from time to time in relation to any of the Tenancy Transactions (setting out the terms of the tenancy, including the parties, detailed description of the properties, usage, duration, rental and specific terms such as rent free period, early termination, deposits, fees and charges) subsisting as at the date thereof and at any time during the term of the 2025 MLA
"Dr. Yeung"	Dr. Yeung Sau Shing, Albert
"Emperor International"	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in property investments and property development in the Greater China and overseas and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 163)

"Emperor International Group"	Emperor International and its subsidiaries from time to time
"Fixed Lease Payments"	fixed amount of periodic rental/licence fees paid or payable to Emperor International Group and/or AY Group by the Group under the Definitive Leasing Agreement(s)
"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 PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Shareholder(s)"	holder(s) of the shares of the Company
"sq. ft."	square feet
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
"Tenancy Transaction(s)"	all existing and future tenancy/licence transaction(s) between members of the Group as tenants and Emperor International Group or AY Group as landlords regarding the leasing of properties of Emperor International Group or AY Group, as the case may be, as contemplated under the 2025 MLA and the Definitive Leasing Agreement(s)
"Variable Lease Payments"	variable amount of payments linked to revenue generated from the leased properties paid or payable to Emperor International Group and/or AY Group by the Group under the Definitive Leasing Agreement(s)
"%"	per cent.

By order of the Board
Ulferts International Limited
Yeung Ching Loong, Alexander
Chairman

Hong Kong, 16 October 2025

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

Executive Directors:	Mr. Yeung Ching Loong, Alexander Mr. Chan Chuen Yin Ms. Fan Man Seung, Vanessa
Independent Non-executive Directors:	Ms. Chan Yee Man Mr. Chui Kin Fai Mr. Ng Hoi Yue