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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)

2023/2024 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (“Board” or “Directors”) of Ulferts International Limited (“Company”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as “Group”) for the year ended 31 March 2024 (“Year”).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

In the face of market challenges, the Group’s total revenue inevitably decreased to HK\$171.6 million (2023: HK\$216.1 million) during the Year. Gross profit was HK\$99.7 million (2023: HK\$133.2 million).

Revenue from the retail segment amounted to HK\$155.1 million (2023: HK\$195.0 million), accounting for 90.4% (2023: 90.2%) of the Group’s total revenue. Aggregate retail sales revenue of “*Ulferts*” and “*Ulferts Signature*” amounted to HK\$78.0 million (2023: HK\$110.0 million), and remained the key revenue contributor, accounting for 50.3% (2023: 56.4%) of total retail revenue. Aggregate retail sales revenue of “*Slumberland*” and “*Ulfenbo*” was HK\$41.9 million (2023: HK\$48.2 million), accounting for 27.0% (2023: 24.7%) of total retail revenue. The retail sales revenue of “*at • home*” was HK\$35.2 million (2023: HK\$36.8 million), accounting for 22.7% (2023: 18.9%) of total retail revenue.

Due to the decline in its total revenue, the Group recorded a net loss of HK\$25.0 million (2023: HK\$21.0 million) during the Year. Basic loss per share was HK3.13 cents (2023: HK2.63 cents).

MARKET REVIEW

Although the macroeconomic data showed signs of recovery during the Year, the foundations of economic recovery remained weak. While overall consumption sentiment has regained momentum, the value index of retail sales of furniture has not yet fully returned to normal levels. Facing the complex situation of accelerated market demand differentiation, deepening competition patterns and increasing challenges along with the gloomy property market, the demand for furniture was sluggish during the Year.

BUSINESS REVIEW

The Group is a leading retailer of high quality home furniture mainly imported from Europe. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since January 2018.

The Group has been established for over 45 years, and takes pride in providing superior quality stylish furniture in Hong Kong. As at 31 March 2024, the Group operated a total of 24 points-of-sale ("POS") in Hong Kong under the trade names of "*Ulferts Signature*", "*Ulferts*" and "*at • home*", which specialise in furniture products, as well as "*Ulfenbo*" and "*Slumberland*", which specialise in mattresses and bedding products.

"*Ulferts*" and "*Ulferts Signature*" are dedicated to elevating customers' home living standard with style and quality, and offer a wide variety of contemporary style furniture products targeting middle to high-end groups. "*at • home*" offers quality compact furniture and home accessories to suit small living spaces of modern families.

Targeting the mass market, "*Ulfenbo*" offers mattresses, pillows, sofas and other ancillary items, which are distributed through "*Ulfenbo*" specialty stores and department store counters.

The Group is the sole agent of "*Slumberland*" and "*Vono*" in Hong Kong and Macau. "*Slumberland*" is a well-known British mattress brand offering premium mattresses for households and hotels, targeting high-end market while "*Vono*", another British mattress brand, targets the mass market. In addition to mattresses, both brands also offer pillows and bedding products.

In addition, the Group is also operating online shopping platforms for "*Ulferts*", "*at • home*" and "*Ulfenbo*", in order to maximise market coverage and revenue.

Retail Business

- *Effective Market Segmentation*

With a clear understanding of market segmentation, the Group defines and identifies target consumer profiles in order to develop product and marketing strategies to reach out to their specific preferences.

“*Ulferts*”, the Group’s core retail label, is dedicated to providing high quality, stylish and luxury furniture. It offers a wide variety of contemporary style furniture products, enabling its customers to create their ideal homes. The Group operates “*Ulferts*” showrooms across Hong Kong, targeting middle to high-mid income groups. “*Ulferts Signature*” offers high-end branded furniture products and also luxury European tailor-made furniture. It targets up-market customers seeking a superior lifestyle. Another retail line, “*at • home*”, offers quality, stylish and compact furniture. It targets the mid-range segment and is geared towards the needs of young couples and new families.

With over 100 years’ history, the British brand “*Slumberland*” targets up-market customers and is committed to providing premium mattresses that enable customers to enjoy better and healthier sleep, while “*Vono*”, another British mattress brand owned by the same supplier targets the mass market. The products of “*Slumberland*” and “*Vono*” are distributed through the stores of “*Ulferts*”, “*at • home*” and “*Ulfenbo*” as well as department store counters of “*Slumberland*”.

“*Ulfenbo*” is a self-owned label which has been recognised by the “Hong Kong Top Brand Mark” for ten consecutive years since 2014, under the Hong Kong Top Brand Scheme organised by the Chinese Manufacturers Association of Hong Kong and Hong Kong Brand Development Council. “*Ulfenbo*” products focus on mass market consumers who demand quality but affordable mattresses, pillows and other ancillary items to enhance their sleep experience. “*Ulfenbo*” products are distributed through “*Ulfenbo*” stores, which are typically small-scale, and are designed with a casual and relaxing environment, to highlight smart living style. “*Ulfenbo*” products are also distributed at “*at • home*” stores and department store counters for enhancing the market reach.

- ***Diverse Product Portfolio***

The Group offers a wide variety of furniture products – ranging from leather and fabric sofas, cabinets, dining tables and chairs, through wardrobes, coffee tables and sideboards, to beds, which are imported from European and Asian countries. The Group currently carries more than 50 furniture brands in “*Ulferts Signature*” and “*Ulferts*” showrooms, as well as “*at • home*” stores, including international brands such as himolla, Gamma, MIDJ, egoitaliano and MALERBA, most of which the Group has built long-standing relationship. “*at • home*” particularly offers various compact furniture products with special features and functions to suit the local small living spaces, as well as chic home accessories.

The Group also specialises in mattress and bedding products, covering high-end and mass markets. “*Slumberland*” mainly offers mattresses with its unique posture springing system which enhances the comfort and support of the body. Besides, the Group offers mattresses, pillows, sofas, sofabeds, beds, as well as other ancillary items under its self-owned label “*Ulfenbo*”. By providing different models of mattresses and pillows in various sizes with varying supports and features, the Group endeavours to meet diverse customer needs.

- ***Comprehensive Retail Sales Channel***

As at 31 March 2024, the Group had 24 POS in Hong Kong, with the number of outlets in each retail line as follows:

	Number of POS
Furniture Products	
“ <i>Ulferts Signature</i> ”	1
“ <i>Ulferts</i> ”	3
“ <i>at • home</i> ”	5
Mattresses and Bedding Products	
“ <i>Slumberland</i> ” store and department store counters	6
“ <i>Ulfenbo</i> ” stores and department store counters	9
	<hr/>
Total	24
	<hr/> <hr/>

“*Ulferts*” showrooms are strategically located in either upscale residential areas or major shopping areas, targeting middle to high-mid income groups. With its solid presence in these mature locations, the Group enjoys substantial foot traffic and a high brand reputation. The Group’s flagship store, “*Ulferts Signature*”, is a 3-storey store with gross floor area of approximately 21,700 square feet, in Hung Hom. It features more luxurious lines of furniture and masterpieces with opulent designs and sophisticated finishing and excellent craftsmanship. Premium brands including Cornelio Cappellini, Malerba and Crystal Stone are available at “*Ulferts Signature*”. “*at • home*” stores are generally located in shopping malls which carries a furniture theme. Meanwhile, “*Ulfenbo*” stores and department store counters are situated in residential areas, to capitalise on the market potential. During the Year, one “*Ulfenbo*” store was opened in Tuen Mun.

- ***Excellent Customers Shopping Experience***

“*Ulferts Signature*” and “*Ulferts*” showrooms are spacious, with a stylish and elegant environment, enabling the Group to display a wide spectrum of products for customers to touch and feel and to maximise customers’ shopping experience. The ambience, setting and placement of furniture within the distinctive display zones have all been tailor-designed by a dedicated visual merchandising team to impart harmonious, home-like comfort. The salespersons are well-trained and offer customers advice catering for their personal needs. In recognition of its service excellence, “*at • home*” received the “Quality Service Leader Seasonal Award – Furniture & Home Accessories Category” for April to June 2023, in the Quality Service Programme organised by the Hong Kong Retail Management Association.

- ***Diversified Marketing Strategies***

The Group believes that brand recognition is crucial for driving long-term growth and success. To enhance brand awareness, the Group regularly conducted a range of marketing and promotional campaigns spanning social media engagements, print advertisements, outdoor billboards and advertising as well as pop-up exhibitions at suitable venues. It also launched promotional campaigns such as seasonal sale, annual sale and stock clearance sale, as well as joint promotions with banks and other companies.

Wholesale Business

The Group operates a wholesale business spanning mattresses, sofas and sofas under its self-owned label “*Ulfenbo*” as well as the British brands “*Slumberland*” and “*Vono*” for mattresses and bedding products, through over 100 dealers in Hong Kong and Macau.

Special Projects

Complementing its retail and wholesale business, the Group has a special projects division, which undertakes furniture-related projects primarily for corporate customers in relation to cinemas, hotels, showflats, offices, staff quarters and tertiary institutions. The division provides services ranging from planning and designing, through procuring custom-made furniture to final installation for corporate customers, as well as liaison services with furniture manufacturers.

PROSPECTS

The macro environment will continue to present challenges in terms of complexity, competition and uncertainty. The path to recovery for the local economy will be arduous and full of twists and turns. With the interest rate cut expected to be pushed back, it would take time for this to catalyse a rebound in the local property market, which would take even longer to be reflected in the furniture market. The Group will closely monitor the market situation and promptly respond as appropriate, and will be cautious in the course of footprint expansion. It will remain steadfast in its strategic determination and core business focus, and strictly adhere to its prudent financial and capital management policy, and continue exercising stringent control over operating costs, in order to enhance operation efficiency and achieve sustainability.

FINANCIAL INFORMATION

Capital Structure, Liquidity and Financial Resources

There was no material change in the capital structure during the Year. Cash and cash equivalents of the Group was HK\$43.4 million (2023: HK\$62.1 million), which were mainly denominated in Hong Kong dollars. As at 31 March 2024, bank borrowings of the Group was nil (2023: nil), hence its gearing ratio was zero (2023: zero). The Group has available banking facilities of approximately HK\$90.1 million as at 31 March 2024. The cash position and the available banking facilities enable the Group to retain high flexibility and endurance to cater for future development and market uncertainty.

As at 31 March 2024, the Group's current assets and current liabilities were approximately HK\$105.7 million (2023: HK\$128.2 million) and HK\$65.0 million (2023: HK\$69.9 million), respectively. Current ratio and quick ratio of the Group were 1.6 (2023: 1.8) and 1.0 (2023: 1.2), respectively.

In view of the Group's financial position as at 31 March 2024, the Board considered that the Group had sufficient working capital for its operations and future development plans against market challenges.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group's number of employees was 126 (2023: 133). Total staff costs including Directors' remuneration for the Year were HK\$43.6 million (2023: HK\$45.9 million). Each employee's remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance, as well as market pay level. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentive or rewards to the staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Option Scheme" in notes to the consolidated financial statements of the Company's annual report for the Year.

FINAL DIVIDEND

The Board did not recommend any payment of final dividend for the Year (2023: Nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
REVENUE	4	171,638	216,148
Cost of sales		<u>(71,979)</u>	<u>(82,964)</u>
Gross profit		99,659	133,184
Other income and gains	4	4,271	6,749
Selling and distribution expenses		(96,945)	(119,145)
General and administrative expenses		(23,680)	(23,968)
Other expenses		(5,217)	(15,591)
Finance costs		<u>(2,717)</u>	<u>(2,527)</u>
LOSS BEFORE TAX	5	(24,629)	(21,298)
Income tax credit/(expense)	6	<u>(377)</u>	<u>281</u>
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(25,006)</u>	<u>(21,017)</u>
Attributable to:			
Owners of the parent		<u>(25,006)</u>	<u>(21,017)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic and diluted (expressed in HK cents per share)		<u>(3.13)</u>	<u>(2.63)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,052	3,288
Right-of-use assets		27,460	49,794
Prepayments, deposits and other receivables		4,125	9,788
Deferred tax assets		4,836	5,182
		<hr/>	<hr/>
Total non-current assets		39,473	68,052
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		41,127	43,639
Trade receivables	8	3,901	3,085
Prepayments, deposits and other receivables		17,324	19,461
Cash and cash equivalents		43,358	62,059
		<hr/>	<hr/>
Total current assets		105,710	128,244
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and bills payables	9	2,285	5,199
Other payables and accruals		27,650	24,020
Lease liabilities		28,300	36,777
Provisions		5,663	3,741
Tax payable		1,090	206
		<hr/>	<hr/>
Total current liabilities		64,988	69,943
		<hr/>	<hr/>
NET CURRENT ASSETS		40,722	58,301
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		80,195	126,353
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 March 2024

	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	10,889	30,115
Provisions	4,595	6,521
	<hr/>	<hr/>
Total non-current liabilities	15,484	36,636
	<hr/>	<hr/>
Net assets	64,711	89,717
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	110,337	110,337
Accumulated losses	(45,626)	(20,620)
	<hr/>	<hr/>
Total equity	64,711	89,717
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

The financial information relating to the years ended 31 March 2024 and 2023 included in this preliminary announcement of annual results 2024 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to the statutory annual consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 March 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 March 2024 in due course.
- The Company’s auditor has reported on the consolidated financial statements of the Group for both years. The auditor’s reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon initial application.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

The Group principally focuses on the retail and wholesale of imported furniture, and special projects. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) *Revenue from external customers*

Substantially all of the Group's revenues from external customers during the years ended 31 March 2024 and 2023 were attributed to Hong Kong based on the location of the customers or the location of certain key processes/resources from which the Group derived the revenues.

(b) *Non-current assets*

All of the Group's non-current assets as at the end of the reporting period were located in Hong Kong based on the location of the assets.

Information about major customers

No revenues from transactions with a single external customer for the years ended 31 March 2024 and 2023 amounted to 10% or more of the total revenue of the Group.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
Retail of furniture	155,146	195,018
Wholesale of furniture	10,179	12,987
Special projects – project sales	6,313	8,143
	<u>171,638</u>	<u>216,148</u>

4. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Types of goods		
Sale of furniture	<u>171,638</u>	<u>216,148</u>
Timing of revenue recognition		
At a point in time	<u>171,638</u>	<u>216,148</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is generally satisfied upon delivery of goods. For retail sale of furniture, payment in advance and/or upon delivery by customers is normally required. For wholesale of furniture, payment is generally due within 30 to 60 days from the date of billing. For project sales, payment is generally due based on terms agreed by relevant parties as set out in the respective agreements.

An analysis of other income and gains is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income and gains		
Other service income	1,561	1,445
Government subsidies*	–	3,283
Bank interest income	1,701	1,245
Gain on disposal of items of property, plant and equipment	–	15
Others	<u>1,009</u>	<u>761</u>
	<u>4,271</u>	<u>6,749</u>

* The government subsidies for the year ended 31 March 2023 mainly represented subsidies received under the Employment Support Scheme and the Phasing Out Euro IV Diesel Commercial Vehicles – Ex-gratia Payment Scheme of the Government of Hong Kong Special Administrative Region. There were no unfulfilled conditions or contingencies relating to the subsidies.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of inventories sold	71,232	81,419
Write-down of inventories to net realisable value	<u>747</u>	<u>1,545</u>
Total amount recognised as cost of sales	<u>71,979</u>	<u>82,964</u>
Depreciation of property, plant and equipment	2,435	5,909
Depreciation of right-of-use assets	31,500	42,511
Lease payments not included in the measurement of lease liabilities	3,771	4,665
Impairment/(reversal of impairment) of trade receivables, net	63	(6)
Impairment of property, plant and equipment	442	2,255
Impairment of right-of-use assets	4,775	13,336
Gain on disposal of items of property, plant and equipment	<u><u>-</u></u>	<u><u>(15)</u></u>

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the year ended 31 March 2024 (2023: Nil).

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current – Hong Kong		
Underprovision/(overprovision) in prior years	31	(410)
Deferred	<u>346</u>	<u>129</u>
Total tax charge/(credit) for the year	<u><u>377</u></u>	<u><u>(281)</u></u>

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 800,000,000 (2023: 800,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2024 and 2023.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculation of basic and diluted loss per share is based on:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent used in the basic and diluted loss per share calculation	<u>(25,006)</u>	<u>(21,017)</u>
	Number of shares	
	2024	2023
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	<u>800,000,000</u>	<u>800,000,000</u>

8. TRADE RECEIVABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	4,238	3,359
Impairment	<u>(337)</u>	<u>(274)</u>
	<u>3,901</u>	<u>3,085</u>

The Group's retail sales are usually paid in cash or by major credit/debit cards, with the settlement from the corresponding banks or other financial institutions normally within 7 to 30 days. The Group's trading terms with its wholesale and project customers are mainly on credit, except for new customers, where payment in advance and/or upon delivery is normally required. The credit period for these customers is generally one to two months, extending up to six months for major project customers, or based on terms agreed by the relevant parties as set out in the respective agreements. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

8. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	3,123	2,172
1 to 3 months	563	658
Over 3 months	215	255
	<u>3,901</u>	<u>3,085</u>

9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	1,863	3,097
1 to 3 months	247	1,431
Over 3 months	175	671
	<u>2,285</u>	<u>5,199</u>

The trade and bills payables are non-interest-bearing and are normally settled on terms of 60 to 120 days.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year as approved by the Board on 27 June 2024. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Ernst & Young on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company had reviewed the Group's consolidated financial statements for the Year in conjunction with the Company's independent auditor, Messrs. Ernst & Young. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2024 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the Year.

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions by Directors ("Ulferts Securities Code") on no less exacting terms than the required standards as set out in Appendix C3 to the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"). Having made specific enquiry of the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Ulferts Securities Code throughout the Year.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted throughout the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.UlfertsIntl.com>). The annual report of the Company will be published on the aforesaid websites and will be dispatched to the shareholders of the Company in due course.

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

Hong Kong, 27 June 2024

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

Executive Directors:

Mr. Yeung Ching Loong, Alexander
Mr. Chan Chuen Yin
Ms. Mok Fung Lin, Ivy
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

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