

INTERIM REPORT 2024/2025



歐化國際有限公司
Ulferts International Limited

Incorporated in Hong Kong with limited liability (Stock Code: 1711)

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MANAGEMENT DISCUSSION AND ANALYSIS

The board of directors (“Board” or “Directors”) of Ulferts International Limited (“Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as “Group”) for the six months ended 30 September 2024 (“Period”).

RESULTS

Against the backdrop of a challenging market environment and weakening consumption sentiment, the Group’s total revenue decreased to HK\$79.4 million (2023: HK\$89.6 million) during the Period. Gross profit was HK\$46.3 million (2023: HK\$51.4 million).

Revenue from the retail segment amounted to HK\$74.7 million (2023: HK\$78.9 million), accounting for 94.1% (2023: 88.1%) of the Group’s total revenue. Aggregate retail sales revenue of “**Ulferts**” and “**Ulferts Signature**” amounted to HK\$35.2 million (2023: HK\$42.0 million), and remained the key revenue contributor, accounting for 47.1% (2023: 53.2%) of total retail revenue. The retail sales revenue of “**at • home**” was HK\$20.1 million (2023: HK\$15.8 million), accounting for 26.9% (2023: 20.0%) of total retail revenue. Aggregate retail sales revenue of “**Slumberland**” and “**Ulfenbo**” was HK\$19.4 million (2023: HK\$21.1 million), accounting for 26.0% (2023: 26.8%) of total retail revenue.

Owing to the decline in its total revenue, the Group recorded a net loss of HK\$11.1 million (2023: HK\$9.2 million) during the Period. Basic loss per share was HK1.39 cents (2023: HK1.14 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 September 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, sofas and other ancillary items, which are distributed through "**Ulfenbo**" specialty stores, department store counters and wholesale channel.

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 and are distributed through "**Slumberland**" specialty store, department store counters, other POS operated by the Group as well as wholesale channel.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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 furniture with a large collection of colours and configurations. 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 the specialty store and 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.

MANAGEMENT DISCUSSION AND ANALYSIS

- *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 30 September 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	
“ Ulferts Signature ”	1
“ Ulferts ”	3
“ at • home ”	5
Mattresses and Bedding Products	
“ Slumberland ” store and department store counters	7
“ Ulfenbo ” stores and department store counter	8
Total	24

MANAGEMENT DISCUSSION AND ANALYSIS

“**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 Period, one “**Slumberland**” store was opened in Shatin and one “**Slumberland**” department store counter was opened in Tsuen Wan.

- *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, “**Ulferts**” received the “Quality Service Leader Seasonal Award – Furniture & Home Accessories Category” for April to June 2024, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Wholesale Business

The Group operates a wholesale business for mattresses under its self-owned label “**Ulfenbo**” as well as the British brands “**Slumberland**” and “**Vono**”, 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, and staff quarters. 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 general macro environment will continue to be challenging as the retail market remains competitive and local consumer spending is still conservative due to the current economic situation. In a positive development, the latest interest rate reduction has provided a stimulus for the local property market sentiment, but it will take some time to reflect in the furniture market. The Group will observe the market closely, promptly respond to changes in the market, and continue exercising stringent financial management with an aim of maintaining stable business performance. As a full recovery of the furniture market is yet to come, the Group will adopt a prudent expansion plan, and will keep preparing for reaping the benefits when the operating environment reverses in the future.

FINANCIAL INFORMATION

Capital Structure, Liquidity and Financial Resources

There was no material change in the capital structure during the Period. Cash and cash equivalents of the Group was HK\$34.9 million (31 March 2024: HK\$43.4 million) as at 30 September 2024, which were mainly denominated in Hong Kong dollars. As at 30 September 2024, the Group did not have any bank borrowings (31 March 2024: nil), hence its gearing ratio was zero (31 March 2024: zero). The cash position enables the Group to retain high flexibility and endurance to cater for future development and market uncertainty.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2024, the Group's current assets and current liabilities were approximately HK\$90.8 million (31 March 2024: HK\$105.7 million) and HK\$59.4 million (31 March 2024: HK\$65.0 million), respectively. Current ratio and quick ratio of the Group were 1.5 (31 March 2024: 1.6) and 0.9 (31 March 2024: 1.0), respectively.

In view of the Group's financial position as at 30 September 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 30 September 2024, the Group's number of employees was 122 (31 March 2024: 126). Total staff costs including Director's remuneration and the other staff costs for the Period were HK\$22.5 million (2023: HK\$23.0 million). Employees' 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 Options" of this interim report.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2023: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
REVENUE	4	79,375	89,625
Cost of sales		(33,111)	(38,257)
Gross profit		46,264	51,368
Other income and gains	4	1,699	1,779
Selling and distribution expenses		(46,739)	(48,920)
General and administrative expenses		(11,602)	(11,994)
Finance costs		(736)	(1,389)
LOSS BEFORE TAX	5	(11,114)	(9,156)
Taxation	6	–	–
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(11,114)	(9,156)
Attributable to:			
Owners of the parent		(11,114)	(9,156)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted (expressed in HK cents per share)		(1.39)	(1.14)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2024

		30 September 2024 (unaudited)	31 March 2023 (audited)
	Notes	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,139	3,052
Right-of-use assets		20,030	27,460
Prepayments, deposits and other receivables		3,819	4,125
Deferred tax assets		4,836	4,836
Total non-current assets		31,824	39,473
CURRENT ASSETS			
Inventories		37,312	41,127
Trade receivables	9	3,040	3,901
Prepayments, deposits and other receivables		15,507	17,324
Cash and cash equivalents		34,911	43,358
Total current assets		90,770	105,710
CURRENT LIABILITIES			
Trade and bills payables	10	2,355	2,285
Other payables and accruals		28,566	27,650
Lease liabilities		19,804	28,300
Provisions		7,564	5,663
Tax payable		1,090	1,090
Total current liabilities		59,379	64,988
NET CURRENT ASSETS		31,391	40,722
TOTAL ASSETS LESS CURRENT LIABILITIES		63,215	80,195
NON-CURRENT LIABILITIES			
Lease liabilities		6,924	10,889
Provisions		2,694	4,595
Total non-current liabilities		9,618	15,484
Net assets		53,597	64,711
EQUITY			
Equity attributable to owners of the parent			
Share capital		110,337	110,337
Accumulated losses		(56,740)	(45,626)
Total equity		53,597	64,711

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Share capital	Accumulated losses	Total equity
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023 (audited)	110,337	(20,620)	89,717
Loss and total comprehensive loss for the period	–	(9,156)	(9,156)
At 30 September 2023 (unaudited)	110,337	(29,776)	80,561
At 1 April 2024 (audited)	110,337	(45,626)	64,711
Loss and total comprehensive loss for the period	–	(11,114)	(11,114)
At 30 September 2024 (unaudited)	110,337	(56,740)	53,597

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
	HK\$'000	HK\$'000
Net cash from operating activities	15,525	18,878
Net cash used in investing activities	(1,550)	(192)
Net cash used in financing activities	(22,422)	(23,654)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,447)	(4,968)
Cash and cash equivalents at beginning of period	43,358	62,059
CASH AND CASH EQUIVALENTS AT END OF PERIOD	34,911	57,091
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	34,911	57,091

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosures required by Appendix 16 to The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Companies Ordinance (“CO”).

The unaudited condensed consolidated financial statements have been prepared on the historical cost convention. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2024.

The financial information relating to the year ended 31 March 2024 that is included in this interim report 2024 does not constitute the Company’s statutory annual consolidated financial statements for 2024 but is derived from those financial statements. Further information relating to these statutory annual consolidated financial statements required to be disclosed in accordance with section 436 of the CO is as follows:

- (a) The Company has delivered the consolidated financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the CO.
- (b) The Company’s auditor has reported on the consolidated financial statements of the Group for the year ended 31 March 2024. 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 report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the CO.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to HKAS 1	Non-current liabilities with Covenants (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRSs has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

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 resources 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) *Revenue from external customers*

Substantially all of the Group's revenues from external customers during the six months ended 30 September 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.

4. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of project services rendered during the Period.

An analysis of revenue is as follows:

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Retail of furniture	74,664	78,902
Wholesale of furniture	3,708	5,852
Special projects	1,003	4,871
	79,375	89,625

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND OTHER INCOME (Continued)

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Types of goods or services		
Sale of goods	79,375	89,625
Total revenue from contracts with customers	79,375	89,625
Timing of revenue recognition		
At a point in time	79,375	89,625
Total revenue from contracts with customers	79,375	89,625
Other income and gains		
Other service income	1,093	768
Bank interest income	342	955
Government subsidies	257	–
Others	7	56
	1,699	1,779

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. LOSS BEFORE TAX

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

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold and services provided	33,780	37,684
(Write-back)/Write-down of inventories to net realisable value	(669)	573
Total amount recognised as cost of sales	33,111	38,257
Depreciation of property, plant and equipment	1,463	1,072
Depreciation of right-of-use assets	16,655	16,966

6. INCOME TAX

The Group did not generate any assessable profits arising in Hong Kong during the Period (2023: Nil).

7. DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2023: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. 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 Period 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 Period.

The Group had no potentially dilutive ordinary shares in issue during both periods.

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
	HK\$'000	HK\$'000
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic and diluted loss per share calculation	(11,114)	(9,156)
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic and diluted loss per share calculation	800,000,000	800,000,000

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. TRADE RECEIVABLES

The Group's retail sales are usually paid in cash or by major credit/debit cards. 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, or extending up to six months for major project customers. 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.

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

	30 September 2024 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Within 1 month	2,987	3,123
1 to 3 months	53	563
Over 3 months	–	215
	3,040	3,901

10. 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:

	30 September 2024 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Within 1 month	1,874	1,863
1 to 3 months	267	247
Over 3 months	214	175
	2,355	2,285

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. CONTINGENT LIABILITIES

At end of reporting period, contingent liabilities not provided for by the Group in the financial statements were as follows:

	30 September 2024 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
In connection with a bank guarantee given to a landlord in lieu of rental deposit required under certain tenancy agreements	2,187	2,187
	2,187	2,187

12. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions, arrangements and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Period:

	Six months ended 30 September 2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Project sales	519	2,063
Lease expenses	944	3,254
Reimbursement of administrative expenses	1,312	1,366
Financial advisory fees	195	188
Company secretarial fees	139	139

Related parties are (i) companies controlled by relevant private discretionary trusts of which Dr. Yeung Sau Shing, Albert ("Dr. Yeung") is the founder; (ii) company controlled by a Director; or (iii) certain Directors.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

12. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Compensation of key management personnel of the Group:

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
	HK\$'000	HK\$'000
Fees	645	570
Short-term employee benefits	2,692	2,717
Post-employment benefits	59	59
	2,751	2,776
Total compensation paid to key management personnel	3,321	3,346

13. FAIR VALUE AND FAIR VALUE HIERARCHY

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

At the end of the reporting period, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities/repayable on demand of these instruments or the effect of discounting is not material.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 September 2024, the following Director(s) and chief executive(s) of the Company ("Chief Executive") had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (Ulferts Securities Code):

(a) Long position interests in the Company

Ordinary shares of the Company ("Shares")

Name of Director	Capacity/Nature of interests	Number of Shares interested	% of issued voting Shares
Mr. Yeung Ching Loong, Alexander ("Mr. Alex Yeung")	Eligible beneficiary of a private discretionary trust	600,000,000	75.00

Note:

These Shares were held by Ulferts International Group Holdings Limited ("Ulferts Holdings"), a wholly-owned subsidiary of Albert Yeung Investments Holdings Limited ("AY Investments Holdings"). AY Investments Holdings was in turn held by First Trust Management AG ("First Trust") in trust for a private discretionary trust of which Mr. Alex Yeung was one of the eligible beneficiaries.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

(b) Long position interests in associated corporations of the Company

Ordinary shares

Name of Directors	Name of associated corporations	Capacity/ Nature of interests	Number of shares interested	Approximate % of issued voting shares
Mr. Alex Yeung	Emperor International Holdings Limited ("Emperor International")	Eligible beneficiary of a private discretionary trust	4,121,416,834	74.71
	Emperor Entertainment Hotel Limited ("Emperor E Hotel")	- Ditto -	636,075,041	53.52
	Emperor Watch & Jewellery Limited ("Emperor W&J")	- Ditto -	4,298,630,000	63.41
	Emperor Culture Group Limited ("Emperor Culture")	- Ditto -	2,371,313,094	73.80
	New Media Lab Limited ("New Media Lab")	- Ditto -	315,000,000	52.50
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial Owner	15,750,000	0.29
	Emperor E Hotel	- Ditto -	2,430,750	0.20

Note:

Emperor International, Emperor E Hotel, Emperor W&J, Emperor Culture and New Media Lab are companies with their shares listed on the Stock Exchange. These shares were ultimately owned by the respective private discretionary trusts which were all founded by Dr. Yeung Sau Shing, Albert ("Dr. Yeung"). Mr. Alex Yeung had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such trusts.

Save as disclosed above, as at 30 September 2024, none of the Directors nor Chief Executives had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executives, as at 30 September 2024, the persons or corporations (other than the Director or Chief Executive) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO ("DI Register") were as follows:

Long positions in the Shares

Name	Capacity/Nature of interests	Number of Shares interested	% of issued voting Shares
AY Investments Holdings	Interest in a controlled corporation	600,000,000	75.00
First Trust	Trustee of a private discretionary trust	600,000,000	75.00
Dr. Yeung	Founder of a private discretionary trust	600,000,000	75.00
Ms. Luk Siu Man, Semon	Interest of spouse	600,000,000	75.00

Note:

These Shares were the same Shares of which Mr. Alex Yeung had deemed interest as set out under Section (a) of "Directors' and Chief Executives' Interests in Securities" above.

Save as disclosed above, as at 30 September 2024, the Directors or Chief Executives were not aware of any other person or corporation (other than the Director and Chief Executive) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTIONS

The Company has adopted a share option scheme on 8 January 2018 (“Share Option Scheme”) to provide incentive or rewards to eligible participants including the Directors and employees of the Group. No share option has been granted under the Share Option Scheme since its adoption. The number of options available for grant under the scheme mandate limit of the Share Option Scheme was both 80,000,000 Shares as at the beginning and the end of the Period.

CORPORATE GOVERNANCE CODE

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

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 the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”). Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in Ulferts Securities Code throughout the Period.

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 Period.

CHANGE IN INFORMATION OF DIRECTOR

The change in Director’s information since the date of 2023/2024 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Mr. Alex Yeung was appointed as (i) chairman of Hong Kong United Youth Exchange Foundation with effect from 1 July 2024; (ii) board member of Hong Kong Ocean Park Corporation with effect from 1 July 2024; and (iii) Acting Senior Asst. Commissioner (Youth) of Civil Aid Service of Hong Kong with effect from 1 October 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF INTERIM REPORT

The condensed consolidated financial statements of the Group for the Period as set out in this interim report have not been reviewed nor audited by the Company's auditor, Messrs. Ernst & Young, but this report has been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors.

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 Period.

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

Hong Kong, 22 November 2024

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

Executive Directors:

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

Independent Non-executive Directors:

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