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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)

2024/2025 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (“Board” or “Director(s)”) 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 2025 (“Year”).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Against the backdrop of a challenging market environment and weakening consumption sentiment, the Group’s total revenue inevitably decreased to HK\$153.0 million (2024: HK\$171.6 million) during the Year. Gross profit was HK\$88.3 million (2024: HK\$99.7 million).

Revenue from the retail segment amounted to HK\$145.1 million (2024: HK\$155.1 million), accounting for 94.8% (2024: 90.4%) of the Group’s total revenue. Aggregate retail sales revenue of “*Ulferts*” and “*Ulferts Signature*” amounted to HK\$70.8 million (2024: HK\$78.0 million), and remained the key revenue contributor, accounting for 48.8% (2024: 50.3%) of total retail revenue. The retail sales revenue of “*at • home*” was HK\$37.6 million (2024: HK\$35.2 million), accounting for 25.9% (2024: 22.7%) of total retail revenue. Aggregate retail sales revenue of “*Slumberland*” and “*Ulfenbo*” was HK\$36.7 million (2024: HK\$41.9 million), accounting for 25.3% (2024: 27.0%) of total retail revenue.

Due to the decrease in its total revenue and the aggregate impairment loss of property, plant and equipment and right-of-use assets of HK\$16.1 million (2024: HK\$5.2 million), the Group recorded a net loss of HK\$41.0 million (2024: HK\$25.0 million) during the Year. Basic loss per share was HK5.13 cents (2024: HK3.13 cents).

MARKET REVIEW

Geopolitical tensions and various economic uncertainties such as inflation and unemployment rates have dampened consumer sentiment. Despite an interest rate cut and removal of all property cooling measures during the Year, the downward trend in prices of local residential properties prices showed no sign of abating. There has been a deepening market competition among the product offerings and price ranges. In the face of the market challenges together with the gloomy property market, the operating environment for the furniture market remained relatively complex 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 2025, 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, sofa beds, sofas and other ancillary items, which are distributed through "*Ulfenbo*" specialty stores, department store counter 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.

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 11 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 2025, 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> ”	2
“ <i>at • home</i> ”	5
Mattresses and Bedding Products	
“ <i>Slumberland</i> ” store and department store counters	9
“ <i>Ulfenbo</i> ” stores and department store counter	7
	<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 “*Slumberland*” store was opened in Shatin and “*Slumberland*” department store counters were opened in Tsuen Wan, Kai Tak and Quarry Bay respectively.

- ***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 October to December 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.

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

Looking ahead, the macroeconomic landscape will remain fraught with uncertainties and the operating environment will continue to be challenging. It is expected that the local property market and retail sentiment will remain under pressure in the near term, hence consumers will be cautious regarding spending on furniture products. Leveraging its comprehensive product portfolio with well-defined market segmentation, the Group will strive to optimise product offerings and strengthen promotional efforts. As a full recovery of the furniture market is yet to come, the Group will continue adopting prudent cost management and maintain operational agility against the backdrop of this dynamic environment.

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\$27.3 million (2024: HK\$43.4 million) as at 31 March 2025, which were mainly denominated in Hong Kong dollars. As at 31 March 2025, bank borrowings of the Group was nil (2024: nil), hence its gearing ratio was zero (2024: zero). The cash position enables the Group to retain flexibility and endurance to cater for future development and market uncertainty.

As at 31 March 2025, the Group's current assets and current liabilities were approximately HK\$76.7 million (2024: HK\$105.7 million) and HK\$52.1 million (2024: HK\$65.0 million), respectively. Current ratio and quick ratio of the Group were 1.5 (2024: 1.6) and 0.9 (2024: 1.0), respectively.

In view of the Group's financial position as at 31 March 2025, 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 2025, the Group's number of employees was 113 (2024: 126). Total staff costs including Directors' remuneration and the other staff costs for the Year were HK\$41.5 million (2024: HK\$43.6 million). Each employee's remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay levels. 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 the Company's annual report for the Year.

FINAL DIVIDEND

The Board has resolved not to recommend any final dividend for the Year (2024: Nil).

ANNUAL GENERAL MEETING

In order to qualify for the right to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, 19 August 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration before 4:30 p.m. on Wednesday, 13 August 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE	4	153,021	171,638
Cost of sales		<u>(64,717)</u>	<u>(71,979)</u>
Gross profit		88,304	99,659
Other income and gains	4	4,321	4,271
Selling and distribution expenses		(88,762)	(96,945)
General and administrative expenses		(22,318)	(23,680)
Other expenses		(16,082)	(5,217)
Finance costs		<u>(1,645)</u>	<u>(2,717)</u>
LOSS BEFORE TAX	5	(36,182)	(24,629)
Income tax expense	6	<u>(4,836)</u>	<u>(377)</u>
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(41,018)</u>	<u>(25,006)</u>
Attributable to:			
Owners of the parent		<u>(41,018)</u>	<u>(25,006)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic and diluted (expressed in HK cents per share)		<u>(5.13)</u>	<u>(3.13)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		308	3,052
Right-of-use assets		–	27,460
Prepayments, deposits and other receivables		1,676	4,125
Deferred tax assets		–	4,836
		<hr/>	<hr/>
Total non-current assets		1,984	39,473
CURRENT ASSETS			
Inventories		30,230	41,127
Trade receivables	8	2,258	3,901
Prepayments, deposits and other receivables		16,980	17,324
Cash and cash equivalents		27,268	43,358
		<hr/>	<hr/>
Total current assets		76,736	105,710
CURRENT LIABILITIES			
Trade and bills payables	9	1,012	2,285
Other payables and accruals		25,463	27,650
Lease liabilities		16,595	28,300
Provisions		7,972	5,663
Tax payable		1,090	1,090
		<hr/>	<hr/>
Total current liabilities		52,132	64,988
NET CURRENT ASSETS			
		24,604	40,722
TOTAL ASSETS LESS CURRENT LIABILITIES			
		26,588	80,195

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 March 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	1,871	10,889
Provisions	<u>1,024</u>	<u>4,595</u>
Total non-current liabilities	<u>2,895</u>	<u>15,484</u>
Net assets	<u>23,693</u>	<u>64,711</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	110,337	110,337
Accumulated losses	<u>(86,644)</u>	<u>(45,626)</u>
Total equity	<u>23,693</u>	<u>64,711</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRSs”), 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 consolidated 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 2025 and 2024 included in this preliminary announcement of annual results 2025 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 2024 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 2025 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 revised HKFRS Accounting Standards for the first time for the current year’s consolidated financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the revised HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's 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 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 2025 and 2024 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 2025 and 2024 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Retail of furniture	145,075	155,146
Wholesale of furniture	6,428	10,179
Special projects – project sales	1,518	6,313
	<u>153,021</u>	<u>171,638</u>

4. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Types of goods		
Sale of furniture	<u>153,021</u>	<u>171,638</u>
Timing of revenue recognition		
At a point in time	<u>153,021</u>	<u>171,638</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other service income	2,083	1,561
Bank interest income	716	1,701
Others	<u>1,522</u>	<u>1,009</u>
	<u>4,321</u>	<u>4,271</u>

5. LOSS BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	67,198	71,232
Write-down/(reversal of write-down) of inventories to net realisable value	<u>(2,481)</u>	<u>747</u>
Total amount recognised as cost of sales	<u>64,717</u>	<u>71,979</u>
Depreciation of property, plant and equipment	1,867	2,435
Depreciation of right-of-use assets	24,783	31,500
Lease payments not included in the measurement of lease liabilities	10,027	3,771
Impairment/(reversal of impairment) of trade receivables, net	(170)	63
Impairment of property, plant and equipment [^]	1,715	442
Impairment of right-of-use assets [^]	<u>14,367</u>	<u>4,775</u>

[^] Included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 March 2025 (2024: Nil).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Hong Kong		
Underprovision in prior years	–	31
Deferred	<u>4,836</u>	<u>346</u>
Total tax charge for the year	<u>4,836</u>	<u>377</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 (2024: 800,000,000) in issue during the Year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic and diluted loss per share calculation	<u>(41,018)</u>	<u>(25,006)</u>
	Number of shares	
	2025	2024
Shares		
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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	2,425	4,238
Impairment	<u>(167)</u>	<u>(337)</u>
	<u>2,258</u>	<u>3,901</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	1,741	3,123
1 to 3 months	451	563
Over 3 months	66	215
	<u>2,258</u>	<u>3,901</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	955	1,863
1 to 3 months	31	247
Over 3 months	26	175
	<u>1,012</u>	<u>2,285</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 this announcement have been agreed by the Company's independent 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 25 June 2025. 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 this 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 2025 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 standard 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 in due course.

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

Hong Kong, 25 June 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. Chiu Kin Fai
Mr. Ng Hoi Yue