



ULFERTS INTERNATIONAL ANNOUNCES 2018/19 INTERIM RESULTS

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EXPANDS RETAIL LINES AND PRODUCT PORTFOLIOS TO EXTEND CUSTOMER REACH

Financial Summary

HK\$'000 (Unaudited)	For the six months ended 30 September	
	2018	2017
Revenue	107,995	116,486
Gross Profit	68,276	74,661
Net Loss	(7,215)	(1,778)

(Hong Kong, 22 November 2018) — **Ulferts International Limited** (“**Ulferts International**” or the “Group”, Stock Code: 1711.HK), a well-known furniture retailer in Hong Kong, announced its interim results for the six months ended 30 September 2018 (the “Period”).

Due to weakening consumption market sentiment, the Group’s total revenue decreased by 7.3% to HK\$108.0 million (2017: HK\$116.5 million) during the Period. Revenue of the retail segment amounted to HK\$101.1 million (2017: HK\$107.7 million) and remained a key revenue contributor, accounting for 93.6% (2017: 92.4%) of the Group’s revenue. Gross profit margin softened to 63.2% (2017: 64.1%) due to an increase in purchase price of the furniture products amid the appreciation of the Euro dollars.

The Group’s net loss was HK\$7.2 million (2017: HK\$1.8 million). The increase in net loss was primarily due to i) the decline in revenue; ii) the softened gross profit margin and iii) an increase in selling and distribution expenses resulted from the incurring of start-up costs, rental expenses and overheads for the new points-of-sale (“POS”), during the Period. The Board resolved not to declare any interim dividend for the Period.

Retail Business

As at 30 September 2018, the Group had 18 POS in Hong Kong, including 6 “**Ulferts**” showrooms, 1 “**at • home**” store, 10 “**Dormire**” specialty stores or department store counters, and 1 other furniture store.

“**Ulferts**” showrooms are strategically located in either upscale residential areas or major shopping areas, targeting middle to high income groups. In October 2018, the Group expanded its retail footprint by opening “**Ulferts Signature**” showroom, a premium line of “**Ulferts**” offering high-end branded furniture products and premium European tailor-made furniture.

With the widening growth prospects of compact furniture, the Group has launched a new retail line “**at • home**”, targeting the mid-range segment and offering quality small and compact furniture that perfectly blends design and function. The first store of “**at • home**” was strategically opened in Discovery Park, a landmark paternity mall in Tsuen Wan which is well-received by shoppers. The Group has also opened the second and third stores in Shatin and Causeway Bay respectively during November 2018.

In addition, two “**Dormire**” specialty stores, which offers the Group’s self-owned brand “**Ulfenbo**”, were opened during the Period, one in Wong Tai Sin and another in Ho Man Tin, further strengthening its market presence.

Wholesale Business

The Group operates wholesale business of mattresses, sofa beds and sofas under its self-owned label “**Ulfenbo**” through about 260 dealers in Hong Kong and Macau. Based on its long establishment and quality products, the “**Ulfenbo**” brand has been recognised by the “Hong Kong Top Brand Mark” for four consecutive years since 2014, under the Hong Kong Top Brand Mark Scheme organised by The Chinese Manufacturers’ Association of Hong Kong and Hong Kong Brand Development Council.

Mr. Ricky Ng, Executive Director & Chief Executive Officer of Ulferts International, said, “Looking to the second half of 2018/19 financial year, the uncertain macro economy, the volatile stock market, and the policies which suppress local home markets would affect the spending patterns of the consumers. The Group is expected to face a challenging operating environment.”

Mr. Ng continued, “In the face of an uncertain economic environment, we will adhere to our effective branding strategy, strive to diversify our customer base and secure new growth engines by expanding retail lines and product portfolios. As the developers continue to build small units, we shall continue to launch more compact furniture products with special features and functions. We are actively seeking potential locations to further increase the POS of ‘**at • home**’. The launch of ‘**Ulferts Signature**’ and ‘**at • home**’, which cover the high-end and mid-range segments respectively, would enable the Group to extend its customer reach and solidify its market presence as well as diversify its revenue streams and strengthen its business capabilities.”

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About Ulferts International Limited

Established for over 40 years, Ulferts International is a well-known furniture retailer in Hong Kong dedicated to supplying high quality, stylish and affordable furniture for transforming into ideal homes. Ulferts International currently operates a few retail lines in Hong Kong such as “**Ulferts Signature**”, “**Ulferts**”, “**at • home**”, “**Dormire**”, etc. Meanwhile, several online shopping platforms are available for maximizing market coverage. “**Ulferts**” and “**at • home**” offer around 50 furniture brands (some of which are international brands) imported from different suppliers in Europe and Asia, covering a wide variety of contemporary style furniture products targeting middle to high income group. Meanwhile, its self-owned brand, “**Ulfenbo**”, mainly offers mattresses and sofas through wholesaling to dealers and retailing under “**Dormire**” speciality stores. In recognition of its commitment to service excellence, Ulferts International was awarded the “Best Team Performance Award – Silver Award” in the “2017 Service & Courtesy Award” organised by Hong Kong Retail Management Association. For more information, please visit its website: www.ulfertsintl.com.

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