



ANNOUNCES 2020/21 INTERIM RESULTS

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COST CONTROL MEASURES EFFECTIVELY IMPROVE LOSS SITUATION

(Hong Kong, 18 November 2020) — **Uiferts International Limited** (“Uiferts International” or the “Group”, Stock Code: 1711.HK), a well-known furniture retailer in Hong Kong, today announced its interim results for the six months ended 30 September 2020 (the “Period”).

Results Summary

HK\$'000	For the six months ended 30 September	
	2020	2019
Revenue	97,833	113,796
<i>Retail</i>	92,774	105,247
<i>Wholesale & Special projects</i>	5,059	8,549
Gross profit	63,145	69,344
<i>Gross profit margin</i>	64.5%	60.9%
EBITDA / (LBITDA) *	7,302	(3,631)
Net loss	(1,045)	(10,324)

* EBITDA/(LBITDA) represents earnings/(loss) before interest, tax, depreciation and amortisation allowance, to reflect the Group's core operating performance. The Group has fully adopted HKFRS16, pursuant to which a depreciation of right-of-use assets associated with lease was recorded in the Period and the same period last year.

Financial Review

The COVID-19 pandemic (the “Pandemic”) continued to overshadow the economic outlook during the Period, and general consumption sentiment remained weak. Although the demand for home furniture for new flats has been impaired due to delay of purchase of properties, people spent more time at home during the Pandemic, and the demand for home furniture market therefore stayed resilient.

Against such backdrop, the Group's total revenue decreased to HK\$97.8 million (2019: HK\$113.8 million) during the Period. Gross profit decreased to HK\$63.1 million (2019: HK\$69.3 million) while gross profit margin increased to 64.5% (2019: 60.9%), attributable to a larger contribution from "**at · home**" which has a relatively higher gross profit margin. Due to a significant decrease in the Group's operating costs as a result of the Group's sound and effective cost control measures and channel rationalisation, coupled with a one-off other income recognised during the Period, the net loss of the Group during the Period narrowed to HK\$1.0 million (2019: HK\$10.3 million), with an EBITDA of HK\$7.3 million (2019: LBITDA of HK\$3.6 million).

Cash and cash equivalents of the Group increased to HK\$89.5 million (31 March 2020: HK\$63.7 million). As at 30 September 2020, the Group did not have any bank borrowings (31 March 2020: Nil).

Retail Business Review

Revenue of the retail segment amounted to HK\$92.8 million (2019: HK\$105.2 million), accounting for 94.8% (2019: 92.5%) of the Group's total revenue. Among the retail revenue, aggregate sales of "**Ulferts**" and "**Ulferts Signature**" amounted to HK\$64.1 million (2019: HK\$82.9 million), and remained the key revenue contributor, accounting for 69.1% (2019: 78.7%) of total retail revenue. Owing to the opening of an additional "**at · home**" store and the high comparable stores sales growth during the Period, the sales revenue of "**at · home**" increased significantly by 53.0% to HK\$16.5 million (2019: HK\$10.8 million), accounting for 17.8% (2019: 10.3%) of total retail revenue.

As at 30 September 2020, the Group had 22 points-of-sale ("POS") in Hong Kong, including 1 "**Ulferts Signature**" showroom, 5 "**Ulferts**" showrooms, 4 "**at · home**" stores, and a total of 12 POS covering "**Dormire**" specialty stores, "**Ulfenbo**" department store counters and pop-up stores. During the Period, 2 "**Ulfenbo**" pop-up stores were opened in Shatin and Sheung Shui respectively, while 1 "**at · home**" mega pop-up store was opened in Mongkok subsequent to the Period, to further expand the market coverage.

Wholesale Business Review

The Group operates wholesale business of mattresses, sofabeds and sofas under its self-owned label "**Ulfenbo**" through over 200 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 six 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 beyond the current uncertainties, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to excel in changing times. Riding on its comprehensive product portfolio with a well-defined market segmentation, the Group will strive to increase sales revenue by adjusting product coverage and strengthening promotional efforts. The Group will also continue to enhance its sales network and strengthen its market presence.”

Mr. Ng concluded, “As soon as the Pandemic situation is contained, it is believed that both property and retail markets will regain momentum. However, given the uncertain economic outlook, the Group will adopt a cautious approach, promptly react to market changes and take appropriate measures to improve its overall operating efficiency, to stay competitive in the marketplace and, ultimately, ensure it reaps the greatest potential once market momentum revives.”

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About Ulferts International Limited (1711.HK)

Established for over 45 years, Ulferts International is a well-known furniture retailer in Hong Kong dedicated to supplying high quality, stylish and affordable furniture for transforming living spaces into ideal homes. Ulferts International currently operates a few retail lines in Hong Kong including “**Ulferts Signature**”, “**Ulferts**”, “**at • home**”, “**Dormire**” and “**Ulfenbo**”. In addition, several online shopping platforms are available for maximizing market coverage. “**Ulferts Signature**”, “**Ulferts**” and “**at • home**” offer more than 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, pillows and sofas through wholesaling to dealers and retailing under “**Dormire**” speciality stores, “**Ulfenbo**” department store counters, pop-up stores, and roadshows. In recognition of its service excellence, the Group was awarded the “Quality Service Leader Seasonal Award – Furniture & Home Accessories Category” during April to June and July to September 2020, in the Quality Service Programme organised by the Hong Kong Retail Management Association. For more information, please visit its website: www.ulfertsintl.com.

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