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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)

## 2020/2021 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “Board” or “Directors”) of Ulferts International Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2020 (the “Period”).

### FINANCIAL SUMMARY

HK\$'000	For the six months ended 30 September	
	2020	2019
Revenue	97,833	113,796
Retail	92,774	105,247
Wholesale & Special projects	5,059	8,549
Gross profit	63,145	69,344
Gross profit margin	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, to reflect the Group's core operating performance. The Group has fully adopted HKFRS 16, pursuant to which a depreciation of right-of-use assets associated with lease was recorded in the Period and the same period last year.

## RESULTS

The COVID-19 pandemic (the “Pandemic”) continued to overshadow the economic outlook, and shrouded the market in uncertainties during the Period. Home buyers tended to delay the purchase of properties which impaired market demand for home furniture for new flats. On the other hand, people spent more time at home during the Pandemic due to public health concerns. The demand for home furniture market stayed resilient, despite the general weak consumption sentiment. The Group benefited from its abundant inventory which enabled it to fulfil the market demand notwithstanding the mandatory lockdowns of its suppliers during the first quarter of the Period.

During the Period, the Group’s total revenue inevitably decreased by 14.0% to HK\$97.8 million (2019: HK\$113.8 million), due to the unfavourable market situation. 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.

Revenue from 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 revenue 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.

Attributable 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).

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading retailer of high quality home furniture mainly imported from Europe. The Company’s shares have been first listed (the “IPO”) 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 2020, the Group operated 22 points-of-sale (“POS”) in Hong Kong, covering 5 retail lines – “*Ulferts Signature*”, “*Ulferts*”, “*at • home*”, “*Dormire*” and “*Ulfenbo*”. “*Ulferts*” and “*Ulferts Signature*” are dedicated to elevating customers’ home living standard with style and quality, and offers a wide variety of contemporary style furniture products targeting middle to high end groups. “*at • home*” offers quality compact furniture to suit small living spaces for modern families. “*Dormire*”, on the other hand, offers mattresses, pillows, sofas and other ancillary items under the Group’s self-owned brand “*Ulfenbo*”, targeting the mass market. “*Ulfenbo*” products are also distributed through its retail networks including department store counters, pop-up stores and roadshows, as well as wholesaling to over 200 dealers. Additionally, there are several online shopping platforms which maximise market coverage.

## BUSINESS REVIEW

### 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.

“***Ulfenbo***” products focus on mass market consumers who demand quality and affordable mattresses, pillows and other ancillary items to enhance their sleep experience. To facilitate the retailing of “***Ulfenbo***” products, the Group operates “***Dormire***” specialty 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 department store counters, pop-up stores and roadshows 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, Malerba, Gamma, Cornelio Cappellini, Kristalia, Tonelli and Domicil, 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 Scandinavian home accessories.

The Group also offers mattresses, pillows, sofas, sofa-beds, beds, as well as other ancillary items under its self-owned label “***Ulfenbo***”. The Group provides different models of mattresses and pillows, in various sizes with varying supports and features, to meet diverse customer needs.

- ***Comprehensive Retail Sales Channel***

As at 30 September 2020, the Group had 22 POS in Hong Kong, with the number of outlets in each retail line as follows:

<b>Retail Line</b>	<b>Number of POS</b>
<i>“Ulferts Signature”</i>	1
<i>“Ulferts”</i>	5
<i>“at • home”</i>	4
<i>“Dormire”</i> , and <i>“Ulfenbo”</i> department store counters and pop-up stores	12
<b>Total</b>	<b>22</b>

*“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 with a furniture theme, which help enhance its brand awareness. Meanwhile, *“Dormire”* specialty stores and *“Ulfenbo”* department store counters, pop-up stores and roadshows are situated in residential areas, to capitalise on the market potential.

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.

- ***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, the Group received the “Quality Service Leader Seasonal Award – Furniture & Home Accessories Category” (formerly known as “Quarterly Service Leader”) award for the periods April to June and July to September 2020 in the Quality Service Programme (formerly known as “Mystery Shoppers 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 conducted a range of marketing and promotional campaigns spanning social media engagements, print advertisements, TV coverage, outdoor billboards and advertising on regular basis 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 financial institutions.

### ***Wholesale Business***

The Group also operates a wholesale business spanning mattresses, sofas 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 Scheme organised by the Chinese Manufacturers Association of Hong Kong and Hong Kong Brand Development Council.

### ***Special Projects***

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

## **PROSPECTS**

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. Meanwhile, as some consumers are refraining from making physical store visits due to public health concerns, the Group will further develop online business by expanding social media engagements and enhancing the online sales platform.

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.

## FINANCIAL INFORMATION

### *Capital Structure, Liquidity and Financial Resources*

There was no change in the capital structure during the Period. Cash and cash equivalents of the Group increased to HK\$89.5 million (31 March 2020: HK\$63.7 million), which were mainly denominated in Hong Kong dollars. As at 30 September 2020, the Group did not have any bank borrowings (31 March 2020: nil), hence its gearing ratio was zero (31 March 2020: zero). The Group has available banking facilities of approximately HK\$82.4 million. The cash position and banking facilities available enable the Group to retain high flexibility and endurance to cater for future development and market uncertainty.

As at 30 September 2020, the Group's current assets and current liabilities were approximately HK\$141.4 million (31 March 2020: HK\$118.0 million) and HK\$83.8 million (31 March 2020: HK\$84.4 million), respectively. Current ratio and quick ratio of the Group were 1.7 (31 March 2020: 1.4) and 1.2 (31 March 2020: 1.0), respectively.

In view of the Group's financial position as at 30 September 2020, the Board considered that the Group had sufficient working capital for its operations and future development plans against market challenges.

### *Use of Proceeds*

During the IPO in January 2018, the net proceeds from the listing were approximately HK\$92.6 million. An analysis of the utilisation of the net proceeds up to 30 September 2020 is set out below:

	<b>Allocation of use of net proceeds (HK\$ million)</b>	<b>Actual use of net proceeds up to 30 September 2020 (HK\$ million)</b>
Capital expenditure, rental deposits and overhead expenses for opening of " <i>at • home</i> " retail stores	34.2	34.2
Strengthening the Group's product portfolio	24.2	24.2
Enhancing " <i>Ulfenbo</i> " sales channels and brand awareness	10.3	10.3
Capital expenditure and rental deposits for opening of " <i>Ulferts</i> " retail store	9.1	8.5
Upgrading information technology	5.7	0.3
General working capital	9.1	9.1
<b>Total</b>	<b>92.6</b>	<b>86.6</b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2020*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2020</b>	2019
	<i>Notes</i>	<b>(unaudited)</b>	(unaudited)
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	4	<b>97,833</b>	113,796
Cost of sales		<u>(34,688)</u>	<u>(44,452)</u>
Gross profit		<b>63,145</b>	69,344
Other income	4	<b>6,573</b>	1,872
Selling and distribution expenses		<b>(56,824)</b>	(66,743)
General and administrative expenses		<b>(13,109)</b>	(13,268)
Finance cost		<u>(830)</u>	<u>(1,529)</u>
<b>LOSS BEFORE TAX</b>	5	<b>(1,045)</b>	(10,324)
Income tax	6	<u>–</u>	<u>–</u>
<b>LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u><b>(1,045)</b></u>	<u>(10,324)</u>
Attributable to:			
Owners of the parent		<u><b>(1,045)</b></u>	<u>(10,324)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
Basic and diluted loss per share (expressed in HK cents)		<u><b>(0.13)</b></u>	<u>(1.29)</u>



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

	As at	
	30 September 2020 (unaudited) <i>HK\$'000</i>	31 March 2020 (audited) <i>HK\$'000</i>
	<i>Notes</i>	
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	12,471	18,343
Right-of-use assets	27,950	47,943
Prepayments, deposits and other receivables	11,557	10,387
Deferred tax assets	4,834	4,834
	<b>56,812</b>	81,507
<b>CURRENT ASSETS</b>		
Inventories	37,588	36,399
Trade receivables	9 4,375	3,440
Prepayments, deposits and other receivables	9,895	14,467
Cash and cash equivalents	89,504	63,670
	<b>141,362</b>	117,976
<b>CURRENT LIABILITIES</b>		
Trade and bills payables	10 1,297	4,455
Other payables and accruals	55,245	34,417
Lease liabilities	19,622	40,007
Tax payable	1,118	1,118
Provisions	6,471	4,422
	<b>83,753</b>	84,419
Total current liabilities	<b>83,753</b>	84,419
<b>NET CURRENT ASSETS</b>	<b>57,609</b>	33,557
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>114,421</b>	115,064
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	12,440	12,440
Provisions	4,220	3,818
	<b>16,660</b>	16,258
Total non-current liabilities	<b>16,660</b>	16,258
Net assets	<b>97,761</b>	98,806
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	110,337	110,337
Accumulated losses	(12,576)	(11,531)
	<b>97,761</b>	98,806
Total equity	<b>97,761</b>	98,806



## Notes:

### 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 2020.

The financial information relating to the year ended 31 March 2020 that is included in this preliminary announcement of interim results 2020 does not constitute the Company’s statutory annual consolidated financial statements for 2020 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 2020 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 2020. 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.

### 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 2020, 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 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adoption)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The application of the above revised 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 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 six months ended 30 September 2020 and 2019 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 and other income is as follows:

	Six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
<b>Revenue from contracts with customers</b>		
Retail of furniture	92,774	105,247
Wholesale of furniture	4,107	5,471
Special projects – project sales and consultancy services arrangements	952	3,078
	<u>97,833</u>	<u>113,796</u>
<b>Types of goods or services</b>		
Sale of goods	97,833	113,333
Consultancy service arrangements	–	463
	<u>97,833</u>	<u>113,796</u>
<b>Timing of revenue recognition</b>		
At a point in time	97,833	113,333
Services transferred over time	–	463
	<u>97,833</u>	<u>113,796</u>
<b>Other income</b>		
Government subsidies	5,674	–
Other service income	513	627
Bank interest income	312	342
Others	74	903
	<u>6,573</u>	<u>1,872</u>

## 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 September	
	2020 (unaudited) <i>HK\$'000</i>	2019 (unaudited) <i>HK\$'000</i>
Cost of inventories sold and services provided	34,688	42,804
Net write-down of inventories to net realisable value	–	1,648
	<hr/>	<hr/>
Total amount recognised as cost of sales	<b>34,688</b>	44,452
	<hr/>	<hr/>
Depreciation of property, plant and equipment	8,347	6,672
Depreciation of right-of-use assets	21,647	27,883
Loss on disposal of items of property, plant and equipment	11	281
	<hr/>	<hr/>

## 6. INCOME TAX

The Group did not generate any assessable profits arising in Hong Kong during the Period (2019: Nil).

## 7. DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2019: Nil).

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

The calculation of the basic loss per share is based on the loss for the Period attributable to ordinary equity holders of the parent of HK\$1,045,000 (2019: HK\$10,324,000) and the weighted average number of ordinary shares of 800,000,000 (2019: 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	
	2020 (unaudited) <i>HK\$'000</i>	2019 (unaudited) <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent used in the basic and diluted loss per share calculation	<b>1,045</b>	10,324
	<hr/>	<hr/>
	<b>Number of shares</b>	
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the Period used in the basic and diluted loss per share calculation	<b>800,000,000</b>	800,000,000
	<hr/>	<hr/>

## 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, project and consultancy services customers are mainly on credit, except for new customers, where payment in advance/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 and consultancy service 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, based on the invoice date, is as follows:

	As at	
	30 September	31 March
	2020	2020
	(unaudited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	3,710	2,808
1 to 3 months	527	449
Over 3 months	138	183
	<u>4,375</u>	<u>3,440</u>

## 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:

	As at	
	30 September	31 March
	2020	2020
	(unaudited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	856	3,613
1 to 3 months	1	34
Over 3 months	440	808
	<u>1,297</u>	<u>4,455</u>

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

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2020, the Group has 134 employees (2019: 140). Total staff costs (including Directors' remuneration and the other staff costs) were approximately HK\$22.7 million (2019: HK\$24.3 million) for the Period. 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, provident funds and other competitive fringe benefits. The Company has adopted a share option scheme to provide incentive or rewards to staff.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any dividend for the Period (2019: Nil).

## **REVIEW OF INTERIM RESULTS**

These condensed consolidated interim financial statements of the Group for the Period have not been reviewed nor audited by the Company's auditor, Ernst & Young, but have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

The Company had complied throughout the Period with all code provisions set out in the Corporate Governance Code under Appendix 14 of the Listing Rules.

### **Model Code for Securities Transactions**

The Board has adopted its own code of conduct regarding securities transactions by Directors ("Ulferts Securities Code") on no less exacting terms than the required standards of dealings as set out in Appendix 10 of the Listing Rules regarding 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 the Model Code and 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.

## **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.

## **PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT**

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

By order of the Board  
**Ulferts International Limited**  
**Wong Chi Fai**  
*Chairman*

Hong Kong, 18 November 2020

As at the date hereof, the Board comprises:

*Executive Directors:*

Mr. Wong Chi Fai  
Mr. Ng Koon Keung, Ricky  
Ms. Mok Fung Lin, Ivy  
Ms. Fan Man Seung, Vanessa

*Independent Non-Executive Directors:*

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