

Ulferts International Limited (“Company”) and its subsidiaries (collectively referred to as “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, sofas, and other ancillary items, which are distributed through “**Ulfenbo**” specialty stores and department store counters.

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.

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

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 ended 31 March 2025 (“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).

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 tailormade furniture. It targets up-market customers seeking a superior lifestyle. Another retail line, “**at • home**”, offers quality, stylish and compact furniture. It targets the midrange 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 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:

| Retail Line | Number of POS |
|--|---------------|
| Furniture Products | |
| “ Ulferts Signature ” | 1 |
| “ Ulferts ” | 2 |
| “ at • home ” | 5 |
| Mattresses and Bedding Products | |
| “ Slumberland ” store and department store counters | 9 |
| “ Ulfenbo ” stores and department store counters | 7 |
| Total | 24 |

“**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, homelike 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 spanning mattresses, sofabeds and sofas under its self-owned label “**Ulfenbo**” as well as the British brands “**Slumberland**” and “**Vono**” for mattresses and bedding products, 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.