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## **International Housewares Retail Company Limited**

**國際家居零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1373)**

### **VOLUNTARY ANNOUNCEMENT STRATEGIC BUSINESS COOPERATION**

This is a voluntary announcement made by International Housewares Retail Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board of the directors (the “**Directors**”) of the Company is pleased to announce that in May 2021, the Group had formed a strategic business cooperation with Yoho Hong Kong Limited (“**Yoho HK**”) by way of entering into a memorandum of understanding and a subscription agreement.

#### **STRATEGIC BUSINESS COOPERATION**

On 18 May 2021, Japan Home Centre (H.K.) Limited (“**JHC HK**”), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) in relation to the strategic online-merge-offline business cooperation with Yoho HK.

Pursuant to the MOU, JHC HK and Yoho HK will leverage their resources to collaborate across various aspects, including but not limited to marketing, warehousing services, distribution channels and information technology etc., with a view to delivering a superior online-merge-offline shopping experience to their customers. In particular, the parties to the MOU have agreed to cooperate with each other in the following respects (the “**Strategic Business Cooperation**”):

#### **1. Co-Marketing and Membership Program**

JHC HK and Yoho HK will jointly provide benefits to their members and implement co-marketing campaigns to expand their customer bases.

## 2. **Inventory Sharing and Logistics Pooling**

JHC HK and Yoho HK will co-source inventory and collaborate with each other on logistics arrangements in order to improve their warehousing efficiencies and to offer a broader range of products to their customers.

## 3. **Yoho Marketplace Collaboration**

JHC HK will become an anchor merchant in the houseware and lifestyle category on the upcoming online marketplace of Yoho HK which would provide foundation for the development of Yoho HK's market place and help JHC HK to further promote its e-commerce presence and expand its reach to online shoppers.

## 4. **Pickup Services Collaboration**

Leveraging on the Group's wide retail network in Hong Kong, JHC HK will provide pickup services to Yoho HK whereby online customers of Yoho HK may pick up their purchased goods at JHC HK's retail stores. Under this collaboration, JHC HK can generate regular income from the provision of pickup services and increase its customer flow at its retail stores while Yoho HK can expand its pick-up point network and provide convenience to its online customers.

The MOU provides a framework for the Strategic Business Cooperation between JHC HK and Yoho HK. Further details of Strategic Business Cooperation are subject to the terms of any definitive agreement(s) which JHC HK and Yoho HK may subsequently enter into from time to time. As at the date of this announcement, JHC HK and Yoho HK have not entered into any definitive agreement in relation to any specific business cooperation project pursuant to the MOU.

Further announcement(s) will be made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

## **SUBSCRIPTION OF SERIES A PREFERRED SHARES**

In order to promote the Strategic Business Cooperation and to create a closer business relationship between the Group and Yoho HK, on 20 May 2021, Japan Home Centre (Management) Limited (the "**JHC Management**"), a wholly-owned subsidiary of the Company, entered into a subscription agreement (the "**Subscription Agreement**") with, amongst other investors, Yoho Group Holdings Limited (the "**Yoho Group**"), an indirect holding company of Yoho HK. Pursuant to the Subscription Agreement, Yoho Group issued and allotted to JHC

Management (as one of the subscribers) 5,465,854 Series A Preferred Shares (the “**Subscription**”) on 21 May 2021, representing approximately 2.77% of the issued share capital of Yoho Group as enlarged by the issue of Series A Preferred Shares pursuant to the Subscription Agreement, at a total consideration of US\$3.0 million.

The Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor a connected transaction under Chapter 14A of the Listing Rules.

## **INFORMATION OF YOHO HK AND YOHO GROUP**

Yoho HK is a company incorporated in Hong Kong with limited liability and principally engages in the sale of consumer electronics and home appliances in Hong Kong. As one of the leading e-commerce retailers of consumer electronics and home appliances in Hong Kong, Yoho HK aspires to become a household name among consumers in Hong Kong and offer a wide range of quality products at affordable prices.

Yoho Group is an exempted company incorporated in the Cayman Islands with limited liability and principally engages in investment holding. Yoho Group indirectly owns the entire issued share capital of Yoho HK.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Yoho HK, Yoho Group and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules) as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE STRATEGIC BUSINESS COOPERATION**

The Group is one of the largest houseware retail chains in Hong Kong, Macau and Singapore offering houseware, trendy items, personal care, snack, household and fast-moving consumer goods to its customers. It is the Group’s intention to further expand its online business functions and to tap into the e-commerce market, and the Directors believe that the Strategic Business Cooperation contemplated under the MOU and the Subscription Agreement pave the way for the Group’s development in the e-commerce market.

Leveraging on the e-commerce experience and capability of Yoho HK, the Directors consider that the Strategic Business Cooperation will create synergies between the Group and Yoho HK, bring business growth opportunities to the Group by expanding its e-commerce functions and online customer base, and enhance its brand awareness.

The Directors further consider that the terms of the MOU and the Subscription Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By Order of the Board of  
**International Housewares Retail Company Limited**  
**NGAI Lai Ha**  
*Chairman and Executive Director*

Hong Kong, 26 May 2021

*As at the date of this announcement, the executive Directors are Ms. NGAI Lai Ha, Mr. LAU Pak Fai Peter and Mr. CHENG Sing Yuk, and the independent non-executive Directors are Mr. MANG Wing Ming Rene, Mr. YEE Boon Yip and Mr. YEUNG Yiu Keung.*