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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)

PROFIT WARNING

This announcement is made by International Housewares Retail Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Company for the six months ended 31 October 2023 (the “**Period**”) and the information currently available to the Board, the Group is expected to record a decrease in profit attributable to owners of the Company within a range of approximately 32% to 38% for the Period, as compared to the adjusted profit attributable to the owners of the Company of approximately HK\$78 million which is excluding subsidies in relation to the coronavirus disease **COVID-19**, for the six months ended 31 October 2022 (the “**Corresponding Period**”).

The Board considers that the decrease in the profit attributable to owners of the Company for the Period is mainly attributable to the following factors:

1. The absence of grants from the Government of the Hong Kong Special Administrative Region in the Period as compared to the receipts of grants under the “Employment Support Scheme” due to the outbreak of COVID-19 of approximately HK\$32 million, and

2. The increase in operating costs for the Period was mainly in relation to the increase of staff cost for the experienced employees, as well as one-off expenses for relocating and upgrading our warehouse in Hong Kong, which enabled us to secure a better location and enhance our logistic efficiency, and
3. The Group's revenue for the Period turned to an approximately 4.7% decline against the Corresponding Period, which had a high base due to the surging demand for anti-pandemic supplies during the COVID-19 epidemic in Hong Kong. The revenue for the Period also softened as more people travelled abroad after the travel restrictions were lifted in Hong Kong. In addition, the extreme conditions brought about by the black rainstorm associated with typhoon in Hong Kong in September and October, which damaged the facilities in our retail stores and disrupted our business operations, resulted in a loss of business days in this Period.

The Company has yet to finalise the interim results of the Group for the Period. The financial results of the Group for the Period will only be ascertained after all the relevant results and accounting treatments are finalised. The information in this announcement is only based on the Board's preliminary assessment of the information currently available to the Board and the unaudited consolidated management accounts of the Group for the Period, which has not been reviewed by the Company's Audit Committee and the Auditors. The information contained in this announcement may be different from the actual financial information to be published. Further details of the financial information of the Group will be disclosed in the interim results announcement and the interim report of the Company to be published in accordance with the Listing Rules.

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

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

Hong Kong, 11 December 2023

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. NG Sze Yuen Terry and Mr. YEUNG Yiu Keung.