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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 year ended 30 April 2024 (the “**Year**”) and the information currently available to the Board, the Group is expected to record a decrease in profit attributable to owners of the Company for the Year within a range of approximately 32% to 38%, as compared to the adjusted profit attributable to owners of the Company of HK\$149,634,000 for the year ended 30 April 2023 (the “**Last Year**”) of which is excluding grants under the Employment Support Scheme by the Government of the Hong Kong Special Administrative Region of HK\$31,937,000.

The Board considers that the decrease in the profit attributable to owners of the Company for the Year as mentioned above is mainly attributable to the following factors:

1. Firstly, the Group's revenue for the Year turned to an approximately 4.9% decline due to the high base set Last Year which caused by the surging demand for anti-pandemic supplies during the COVID-19 epidemic in Hong Kong; and

2. Secondly, an increase in operating costs for the Year was observed, due to the increase of cost of human resources in the first half of the Year, coupled with the expiration of the rent concession from the Hong Kong Housing Authority at the end of the last calendar year. In this regard, our stringent measures to tighten control on relevant costs as well as active negotiations with landlords have yielded results. In addition, the Group has made strategic investments in logistics which involved one-time additional expenses for relocation and upgrades of our main distribution hub in Hong Kong, which is essential for enhancing our central distribution base for globally sourced merchandise distribution efficiency and strengthening our position in the Hong Kong market.

The Company has yet to finalise the annual results of the Group for the Year. The financial results of the Group for the Year 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 Year, which has not been reviewed by the Company's Audit Committee and the Auditor. 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 annual results announcement and the annual report of the Company to be published in accordance with the Listing Rules. Shareholders and potential investors are advised to pay attention to the investment risks.

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

Hong Kong, 12 July 2024

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.