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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)

SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION RENEWAL OF THE MASTER AGREEMENT RENEWAL OF ANNUAL CAPS

Reference is made to the announcement of International Housewares Retail Company Limited (the “Company”) dated 19 February 2025 (the “Announcement”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement. This announcement is to provide additional information in relation to the renewal of the master agreement and annual caps set out as follows.

Pricing and basis of consideration

The pricing of Products under the renewed Master Agreement is guided by the principle of fairness and reasonableness. The Products procured are primarily third-party branded items, and their prices are determined based on the fair market rates for comparable products. To ensure competitive and equitable pricing, the Company conducts a thorough evaluation of procurement costs against quotations obtained from independent third-party suppliers. This comparative analysis is performed for products of similar type and quality, enabling the Company to make informed procurement decisions. Furthermore, certain brands maintain pricing transparency for their products in the market. The Company leverages these suggested retail prices or price ranges for their products in the market to assess profit margins based on procurement costs, ensuring that pricing decisions are both commercially viable and aligned with market standards.

Internal Control Procedures

The Company has established a comprehensive set of internal control measures to monitor the Product procurement process and manage the continuing connected transactions and annual caps under the renewed Master Agreement, amongst others: (i) the Company has a dedicated merchandise department responsible for evaluating selected Products. This department assesses factors such as product type, quality, and procurement costs. Procurement decisions are made after considering market trends, the Company’s overall business development strategy, and other relevant commercial factors. Importantly, the decision-making process is decentralized to prevent undue influence or concentration of authority in specific individuals; (ii) For each Product under consideration, the Company obtains and compares fee quotes from at least two independent third-party suppliers offering similar products. This comparative analysis ensures that the terms offered of the Product are no less favorable than those provided by independent third-party suppliers; (iii)

the internal audit department of the Company closely monitors in accordance with the aforesaid pricing policy and record the actual transaction amounts of the continuing connected transactions under the renewed Master Agreement, on a monthly basis, to ensure that the annual caps will not be exceeded; and (iv) the Company's auditor is engaged to report on the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to practice notice 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The Directors are of the view that the above-mentioned methods and procedures under the pricing policies, can ensure that these continuing connected transactions are conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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

Hong Kong, 27 February 2025

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.