CEC-COILS®

CEC INTERNATIONAL HOLDINGS LIMITED

CEC 國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 759)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2026

The board of directors (the "Board") of CEC International Holdings Limited (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 April 2026 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL 2026

	Note	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*2*	**1,405,504**	1,444,391
Cost of sales	*4*	**(851,130)**	(885,934)
Gross profit		**554,374**	558,457
Other gains, net	*3*	**1,708**	2,526
Selling and distribution expenses	*4*	**(453,572)**	(462,126)
General and administrative expenses	*4*	**(131,587)**	(128,323)
Operating loss		**(29,077)**	(29,466)
Finance income		**2,606**	2,549
Finance costs		**(11,791)**	(15,032)
Finance costs, net	*5*	**(9,185)**	(12,483)
Loss before income tax		**(38,262)**	(41,949)
Income tax expense	*6*	**(927)**	(1,882)
Loss attributable to equity holders of the Company		**(39,189)**	(43,831)
Loss per share, basic and diluted, attributable to equity holders of the Company	*7*	**(HK5.88 cents)**	(HK6.58 cents)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2026

	2026	2025
	HK$'000	*HK$'000*
Loss for the year	**(39,189)**	(43,831)
Other comprehensive income/(loss)		
Item that will not be reclassified subsequently to profit or loss		
Change in fair value of equity investments at fair value through other comprehensive income	**9**	(14)
Items that may be reclassified subsequently to profit or loss		
Release of exchange reserve upon disposal/ deregistration of a subsidiary	**(1,280)**	(3,862)
Currency translation differences	**9,852**	(3,035)
Total comprehensive loss for the year attributable to equity holders of the Company	**(30,608)**	(50,742)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2026

	Note	2026 HK$'000	2025 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**266,556**	282,078
Right-of-use assets		**137,658**	191,988
Investment properties		**15,605**	15,630
Financial assets at fair value through other comprehensive income		**57**	48
Rental deposits		**20,738**	29,659
Deferred tax assets		**4,666**	5,066
		445,280	524,469
Current assets			
Inventories		**170,416**	159,213
Accounts receivable	9	**10,115**	11,446
Deposits, prepayments and other receivables		**48,307**	40,240
Pledged bank balances		**21,440**	21,440
Cash and cash equivalents		**53,057**	56,734
		303,335	289,073
Total assets		**748,615**	813,542
EQUITY			
Share capital		**66,619**	66,619
Reserves		**343,022**	373,630
Total equity		**409,641**	440,249
LIABILITIES			
Non-current liabilities			
Lease liabilities		**27,052**	65,735
Deferred tax liabilities		**8,333**	7,902
Accruals and other payables		**9,226**	9,171
Borrowings		**–**	472
		44,611	83,280
Current liabilities			
Lease liabilities		**101,451**	117,103
Borrowings		**48,304**	30,384
Accounts payable	10	**97,287**	96,067
Accruals and other payables		**47,321**	46,459
		294,363	290,013
Total liabilities		**338,974**	373,293
Total equity and liabilities		**748,615**	813,542

Notes:

1. Basis of preparation and accounting policies

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Certain amendments to existing standards and interpretation adopted by the Group

The Group has applied the following amendments to existing standards and interpretation for the first time for its annual reporting period commencing 1 May 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability

The amendments to existing standards and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Certain new standards, amendments to existing standards and interpretation issued but not yet adopted

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on or after 1 May 2025 and have not been early adopted:

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments (1)
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11 (1)
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity (1)
HKFRS 18	Presentation and Disclosure in Financial Statements (2)
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (2)
Hong Kong Interpretation 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (2)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (3)

(1) Effective for the Group for annual period beginning on 1 May 2026

(2) Effective for the Group for annual period beginning on 1 May 2027

(3) Effective date to be determined

The Group will adopt the above New Standards and Amendments as and when they become effective. The directors of the Company have performed preliminary assessment and do not anticipate any significant impact on the Group's financial position and results of operations upon adopting these New Standards and Amendments, except for HKFRS 18, details of which are set out below.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, it impacts on presentation and disclosure, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net loss, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating loss is calculated and reported. From the high-level impact assessment that the Group has performed, foreign exchange differences currently aggregated in the line item 'Cost of sales' and 'General and administrative expenses' and in operating loss might need to be disaggregated, with some foreign exchange gains or losses presented below operating loss.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - management-defined performance measures;

    - a break-down of the nature of expenses for line items presented by function in the operating category of the income statement – this break-down is only required for certain nature expenses; and

    - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 May 2027. Retrospective application is required, and so the comparative information for the financial year ending 30 April 2027 will be restated in accordance with HKFRS 18.

2. **Segment information**

The Executive Directors of the Group ("Management") review the Group's internal reports periodically in order to assess performance and allocate resources. Management has determined the operating segments based on these reports and assessed the business principally based on natures of products sold.

During the year, the Group has three reportable segments, namely (i) retail business, (ii) electronic components manufacturing, and (iii) investment property holding. Segment information provided to Management for decision making is measured in a manner consistent with that in the financial statements.

The segment information provided to the Management for the reportable segments for the years ended 30 April 2026 and 2025 is as follows:

	Retail business		Electronic component manufacturing		Investment property holding		Eliminations		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
External sales	**1,366,053**	1,394,171	**38,596**	49,377	**855**	843	**–**	–	**1,405,504**	1,444,391
Intersegment sales	**–**	–	**–**	–	**1,585**	1,585	**(1,585)**	(1,585)	**–**	–
	1,366,053	1,394,171	**38,596**	49,377	**2,440**	2,428	**(1,585)**	(1,585)	**1,405,504**	1,444,391
Segment results										
Operating profit/(loss)	**7,753**	4,585	**(20,367)**	(16,112)	**(1,096)**	(2,116)			**(13,710)**	(13,643)
Corporate expenses									**(15,367)**	(15,823)
Finance costs, net									**(9,185)**	(12,483)
Loss before income tax									**(38,262)**	(41,949)
Income tax expense									**(927)**	(1,882)
Loss for the year									**(39,189)**	(43,831)
Total cost of sales	**(815,545)**	(837,025)	**(35,467)**	(48,791)	**(118)**	(118)			**(851,130)**	(885,934)
Depreciation and amortisation	**(167,527)**	(183,798)	**(2,574)**	(2,442)	**–**	–			**(170,101)**	(186,240)
Provision for impairment of property, plant and equipment	**(232)**	(167)	**–**	–	**–**	–			**(232)**	(167)
Provision for impairment for right-of-use assets	**(1,278)**	(1,086)	**–**	–	**–**	–			**(1,278)**	(1,086)
Total distribution cost and administrative expenses	**(544,866)**	(556,423)	**(23,496)**	(16,698)	**(1,430)**	(1,505)			**(569,792)**	(574,626)
Capital expenditures	**3,549**	6,791	**39**	42	**–**	–			**3,588**	6,833

	Retail business		Electronic component manufacturing		Investment property holding		Eliminations		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**624,960**	688,502	**103,020**	104,549	**17,957**	17,571	**(2,150)**	(2,337)	**743,787**	808,285
Unallocated assets										
– Deferred tax assets									**4,666**	5,066
– Corporate assets									**162**	191
Total assets									**748,615**	813,542
Segment liabilities	**274,753**	327,348	**7,116**	6,578	**360**	818	**(2,150)**	(2,337)	**280,079**	332,407
Unallocated liabilities										
– Borrowings									**48,304**	30,856
– Deferred tax liabilities									**8,333**	7,902
– Corporate liabilities									**2,258**	2,128
Total liabilities									**338,974**	373,293

Geographical information

	Revenue		Non-current assets	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC (including Hong Kong Special Administrative Region)	**1,391,157**	1,425,997	**445,280**	524,469
Other countries/regions	**14,347**	18,394	**–**	–
	1,405,504	1,444,391	**445,280**	524,469

Revenue by geographical location is determined on the basis of the destination of shipment or place of sales to the customers.

Non-current assets by geographical location are determined based on the location of the relevant assets.

The Group has a large number of customers. For the year ended 30 April 2026, no revenue was derived from transactions with a single external customer representing 10% or more of the Group's total revenue (2025: same).

3. Other gains, net

	2026	2025
	HK$'000	*HK$'000*
Net fair value loss on investment properties	**(403)**	(1,336)
Gain on disposal/deregistration of a subsidiary *(Note)*	**1,501**	3,862
Gain on disposal of property, plant and equipment	**5**	–
Government subsidies	**605**	–
	1,708	2,526

Note: It refers to the release of exchange reserve of approximately HK$1,280,000 and a gain on disposal of HK$221,000 in regards of the disposal of a dormant subsidiary of the Group during the year ended 30 April 2026 (2025: the release of exchange reserve of approximately HK$3,862,000 upon the deregistration of a dormant subsidiary of the Group.).

4. Expenses by nature

Expenses included in cost of sales, selling and distribution expenses, and general and administrative expenses are analysed as follows:

	2026	2025
	HK$'000	*HK$'000*
Auditor's remuneration		
– audit services	**2,180**	2,180
– non-audit services	**158**	98
Cost of inventories recognised as expenses included in cost of sales	**840,217**	869,071
Depreciation of property, plant and equipment	**21,950**	25,084
Direct operating expenses arising from investment properties that generate rental income	**118**	118
Employee benefit expenses (including directors' emoluments)	**249,939**	251,782
Net exchange (gains)/losses		
– recognised in cost of sales	**(31,598)**	(34,783)
– recognised in general and administrative expenses	**4,112**	(2,333)
Depreciation of right-of-use assets	**148,151**	161,156
Expenses relating to short-term leases and variable lease payments	**20,448**	15,085
Provision for impairment of right-of-use assets	**1,278**	1,086
(Reversal of)/provision impairment loss on financial assets	**(473)**	479
(Reversal of)/provision for impairment of inventories	**(1,362)**	4,392
Provision for impairment of properties, plant and equipment	**232**	167
Utility expenses	**69,370**	69,052
Freight and transportation	**51,050**	53,797
Other expenses	**60,519**	59,952
Total cost of sales, selling and distribution expenses and general and administrative expenses	**1,436,289**	1,476,383

5. Finance cost, net

	2026	2025
	HK$'000	*HK$'000*
Interest expense on bank borrowings	**1,396**	1,655
Interest expense on lease liabilities	**10,395**	13,377
Interest income from bank deposits	**(802)**	(997)
Others	**(1,804)**	(1,552)
	9,185	12,483

6. Income tax expense

The amount of income tax expense charged to the consolidated income statement represents:

	2026	2025
	HK$'000	*HK$'000*
Hong Kong profits tax		
– current tax	**–**	–
Overseas income tax including China Mainland		
– current tax	**96**	156
Deferred income tax	**831**	1,726
Income tax expense	**927**	1,882

The Company is incorporated in Bermuda and is exempted from income tax in Bermuda until 2035. For the years ended 30 April 2026 and 2025, no provision for Hong Kong profits tax was made as the Group had adjusted loss in Hong Kong. Subsidiaries of the Group in China Mainland are subject to China Mainland enterprise income tax at the rate of 25% (2025: 25%) on their taxable income determined according to China Mainland tax laws. Certain subsidiaries of the Group are subject to "small and thin-profit enterprises" under China Mainland tax laws, whereby annual taxable income up to RMB3 million is subject to an effective tax rate of 5%. Other overseas income tax has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

7. Loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to equity holder of approximately HK$39,189,000 (2025: HK$43,831,000) and the weighted average number of 666,190,798 (2025: 666,190,798) shares in issue during the year.

For the years ended 30 April 2026 and 2025, diluted loss per share equals basic loss per share as there was no dilutive potential share.

8. Dividend

The board of directors does not recommend the payment of any dividend in respect of the year ended 30 April 2026 (2025: Nil).

9. Accounts receivable

	2026	2025
	HK$'000	*HK$'000*
Accounts receivable	**12,578**	14,382
Less: loss allowance	**(2,463)**	(2,936)
Accounts receivable, net	**10,115**	11,446

The ageing analysis of accounts receivable, based on invoice date, is as follows:

	2026	2025
	HK$'000	*HK$'000*
0-30 days	**6,392**	6,743
31-60 days	**1,987**	2,674
61-90 days	**1,117**	1,036
91-120 days	**496**	403
Over 120 days	**2,586**	3,526
	12,578	14,382
Less: loss allowance	**(2,463)**	(2,936)
	10,115	11,446

As at 30 April 2026 and 2025, the carrying amount of accounts receivable approximated its fair value.

The Group's turnover comprises mainly cash sales and credit card sales for retail business customers. The Group primarily offers an average credit period ranging from 30 to 120 days to its non-retail business customers (2025: 30 to 120 days).

10. Accounts payable

The ageing analysis of accounts payable, based on invoice date, is as follows:

	2026	2025
	HK$'000	*HK$'000*
0-30 days	**73,904**	76,516
31-60 days	**16,418**	18,462
61-90 days	**5,817**	1,089
91-120 days	**1,126**	–
Over 120 days	**22**	–
	97,287	96,067

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the 2025/26 financial year, Hong Kong's business environment remained challenging due to complex domestic and global headwinds. Externally, geopolitical tensions and uncertainties in the Middle East directly impacted energy markets, leading to sharp increases in electricity tariffs and logistics costs, which placed additional burdens on the Group's operating expenses. Domestically, the retail sector continued to be affected by robust outbound travel demand. High outbound passenger traffic was consistently recorded at border control points during weekends and public holidays, as cross-border consumption in Mainland China has become a prevailing lifestyle trend among local residents. Consequently, stimulating local consumption remains a long-term structural challenge for domestic retailers.

Faced with this demanding business landscape, the Group recorded a consolidated revenue of HK$1,405,504,000 for the year (2025: HK$1,444,391,000), representing a decrease of 2.7% compared to the previous financial year. Both the retail business and the electronic components manufacturing business recorded declines during the year under review. In line with the decline in revenue, consolidated gross profit decreased by approximately HK$4,083,000 to HK$554,374,000 (2025: HK$558,457,000), representing a drop of approximately 0.7%. Recognizing the difficulty of adopting aggressive revenue-boosting strategies in the current climate, management proactively controlled costs and minimized unnecessary expenses. These efforts yielded positive results. Despite the contraction in revenue, the loss attributable to equity holders narrowed to HK$39,189,000 for the year (2025: HK$43,831,000), representing a reduction of 10.6% year-on-year.

Retail Business

During the period under review, the Group recorded revenue of HK$1,366,053,000 from its retail business segment (2025: HK$1,394,171,000), representing a decrease of approximately 2.0% year-on-year and accounting for approximately 97% (2025: 97%) of total revenue. Segment gross profit was HK$550,508,000 (2025: HK$557,146,000), representing a decline of 1.2% compared to the previous financial year. The local retail market has been impacted by multiple adverse factors in recent years, particularly the strong trend of outbound travel and cross-border consumption. For instance, during the five-day Easter public holiday in April 2026, foot traffic at the Group’s retail stores was sluggish, resulting in recent lows for sales. Furthermore, local nighttime consumption has shown no signs of recovery, with foot traffic and spending after 8:00 p.m. remaining substantially below pre-pandemic levels.

759 Store adheres to a direct import procurement model, sourcing products straight from their countries of origin. This strategy eliminates intermediary costs from agents and distributors while creating a highly differentiated product mix for the retail business. Over 90% of 759 Store's merchandise is directly imported by its in-house procurement team from approximately 60 countries and regions globally (2025: 60). To continuously enrich customer choices, the sourcing team explores quality products worldwide; the major countries of origin, ranked by procurement volume, are Japan and South Korea, Southeast Asia, Europe, Taiwan, Mainland China, the Americas, and other regions. During the year under review, the procurement team actively expanded the regular product portfolio to approximately 6,800 items (2025: 6,500 items). The product mix encompasses snacks, beverages, leisure foods, rice, groceries, frozen foods, personal care products, and household paper products. The segment gross profit margin for the retail business was 40.3% (2025: 40.0%), remaining relatively stable year-on-year.

The Group refrained from expanding its retail network during the period under review, maintaining a scale consistent with the previous year. As at 30 April 2026, 759 Store operated 167 branches (2025: 168), reflecting a net decrease of one store (four openings and five closures). The total gross floor area of operating stores was 312,000 sq. ft. (30 April 2025: 320,000 sq. ft.), with an average floor area of 1,868 sq. ft. per store (30 April 2025: 1,905 sq. ft.), similar to the previous year. Due to the decrease in retail segment revenue, the ratio of frontline staff wages to segment revenue marginally increased to 11.1% (2025: 10.8%). The average number of frontline staff per store remained stable at approximately four employees (2025: 4). Frontline staff remuneration comprises a base salary, bonuses, and other benefits, with bonuses directly linked to the revenue performance of the respective stores.

To navigate the challenging market environment, the Group rigorously controlled operating costs. Segment selling and distribution costs for the retail business decreased by approximately 1.8% to HK$452,478,000 (2025: HK$460,919,000). Management assesses that given the decline in foot traffic and elevated vacancy rates in shopping malls and high streets, there is potential for downward adjustment in rental levels. However, as the majority of the Group’s store leases were bound by existing contracts during the review period, management will negotiate rental adjustments with landlords upon lease expiries to optimize the retail business's cost structure. Segment general and administrative expenses were HK$92,388,000 (2025: HK$95,504,000), a decrease of 3.3% year-on-year, reflecting the effectiveness of management's cost-compression measures. Consequently, the segment operating profit of the retail business for the year surged by 69% to HK$7,753,000 (2025: HK$4,585,000).

Electronic Components Manufacturing Business

During the year under review, the Group's electronic components manufacturing business faced severe headwinds from geopolitical tensions, military conflicts in the Middle East, and shipping lane blockades, all of which triggered significant volatility in energy markets. The electronics industry was immediately impacted by surging fuel and logistics costs, leading to highly unstable market demand and order volumes. Consequently, segment revenue plummeted by 22% year-on-year to HK$38,596,000 (2025: HK$49,377,000). As at 30 April 2026, the strength of the Chinese Renminbi (RMB) resulted in an unrealized exchange loss of HK$4,956,000 for the year (2025: exchange gain of HK$2,169,000); however, this unrealized loss has no impact on cash flows. Including this non-cash exchange loss, the segment operating loss for the electronic components manufacturing business was HK$20,367,000 (2025: HK$16,112,000).

Investment Properties

For the year under review, the Group's rental income amounted to HK$855,000 (2025: HK$843,000). Affected by the downward trajectory of property markets in Mainland China and Hong Kong, a fair value loss on investment properties of approximately HK$403,000 (2025: HK$1,336,000) was recorded in the consolidated income statement.

FINANCIAL REVIEW

Fund Surplus and Liabilities

As at 30 April 2026, the Group's bank balances and cash (denominated primarily in Hong Kong dollars, United States dollars, and Renminbi amounted to HK$74,497,000 (2025: HK$78,174,000). The Group's total available banking facilities for term loans, import loans, and trust receipt loans were approximately HK$360,769,000 (2025: HK$381,858,000). Unutilized banking facilities stood at approximately HK$312,000,000 (2025: HK$350,537,000).

As at 30 April 2026, total bank borrowings (excluding bank guarantees) amounted to HK$48,304,000 (2025: HK$30,856,000), representing an increase of approximately HK$17,448,000 year-on-year. Management considers the Group's capital position to be highly sufficient. However, anticipating continued challenges in the business environment, the Group will maintain a highly prudent financial management strategy to safeguard its financial health. As at 30 April 2026, the Group's gearing ratio* was 0.12 (2025: 0.07). The Group had no material contingent liabilities (2025: Nil). The utilized banking facilities were secured by pledges over certain buildings, investment properties, inventories, and bank deposits. In addition, the Group is required to comply with certain restrictive financial covenants imposed by the major financing banks. As at 30 April 2026, the Group had complied with such financial covenants.

(The ratio of total borrowings to total equity)*

Assets

As at 30 April 2026, inventories amounted to HK$170,416,000 (2025: HK$159,213,000), an increase of 7.0% compared to the previous financial year-end. This increase was primarily driven by management's strategic directive to temporarily boost order volumes for European products, mitigating the heightened risk of international shipping disruptions stemming from the Middle East conflicts. Total prepayments, deposits, and other receivables (including retail store rental deposits) were HK$69,045,000 (2025: HK$69,899,000), a slight decrease of 1.2% year-on-year.

Interest Expenses

Finance costs for the year under review decreased by 21.6% to HK$11,791,000 (2025: HK$15,032,000). Excluding the interest on lease liabilities, actual interest on bank borrowings was HK$1,396,000 (2025: HK$1,655,000), representing a 15.6% decline year-on-year, primarily attributable to the lower interest rate environment during the period.

Financial Resources and Capital Structure

The Group recorded a net cash outflow of HK$4,000,000 (2025: HK$14,557,000) for the year. Net cash inflow from operating activities was HK$140,893,000 (2025: HK$166,568,000), a decrease of 15.4% year-on-year. Net cash outflow from investing activities dropped by 49.1% to HK$3,479,000 (2025: HK$6,833,000), which was primarily allocated to store renovations and logistics facility upgrades. Given the subdued retail market, management has suspended all non-essential capital expenditures and large-scale investment plans. Cash outflow from financing activities amounted to HK$141,414,000 (2025: HK$174,292,000).

Cash Flow Summary

	2026	2025
	HK$'000	*HK$'000*
Net cash inflow from operating activities	**140,893**	166,568
Net cash outflow from investing activities	**(3,479)**	(6,833)
Net cash outflow from financing activities#	**(141,414)**	(174,292)
Decrease in cash and cash equivalents	**(4,000)**	(14,557)

\# *This net amount includes rental expenditures of HK$158,352,000 for the year (2025: HK$178,181,000).*

As at 30 April 2026, the Group recorded net current assets of HK$8,972,000 (2025: net current liabilities of HK$940,000), with a current ratio of 1.03 times (2025: 1.00 time). Despite the deteriorating market environment impacting liquidity, management's proactive measures to expand revenue streams and control expenditures have successfully maintained and improved the Group's overall cash flow and liquidity position.

Charges on Assets

As at 30 April 2026, certain assets of the Group with an aggregate carrying value of approximately HK$275,826,000 (2025: HK$266,936,000) were pledged to secure banking facilities granted to the Group.

Exchange Risks

The Group's operations are principally concentrated in Hong Kong, Mainland China, and Southeast Asia. Revenue is primarily denominated in Hong Kong dollars, Renminbi, and United States dollars, while major cost currencies include the Japanese Yen, United States dollars, Euros, Hong Kong dollars, and Renminbi. The Group closely monitors foreign exchange market fluctuations and proactively adjusts the geographical mix of product origins to hedge against currency volatility. In the near term, substantial appreciation in the Japanese Yen and the Euro would impact procurement costs; accordingly, the Group will closely track the exchange rate trends of these currencies.

Employees

As at 30 April 2026, the Group employed approximately 1,300 staff members (2025: 1,300). Employee remuneration is determined by market standards, taking into account individual performance, academic qualifications, and work experience, and is reviewed regularly for promotion. Other contractual employee benefits include a pension scheme, on-the-job training, education subsidies, statutory social insurance, and paid leave in accordance with local employment laws and regulations.

FUTURE PLAN AND OUTLOOK

Looking ahead, the Board anticipates that the local retail market will struggle to return to pre-pandemic levels in the foreseeable future, as retailers continue to be challenged by evolving consumer behaviors, including robust outbound travel and online shopping. The Group will maintain a prudent operational strategy, strictly controlling operating expenses and eliminating unnecessary waste and inventory shrinkage. Currently, the Group's retail network, product portfolio, service standards, and financial resources are all at desirable levels. Despite market uncertainties, management is confident in leading its workforce to enhance operational efficiency and service excellence, thereby strengthening 759 Store's market competitiveness, delivering a superior shopping experience, and offering a broader selection of new products to customers.

The Group will abstain from large-scale investment plans until clear indicators of market recovery emerge. Nevertheless, 759 Store is conducting a comprehensive review of the profitability of all branches. We are actively negotiating with landlords to secure favorable rental adjustments upon lease renewals. Concurrently, the Group will close underperforming stores to reallocate resources toward more promising locations. As the recent closure of various retail chains has led to increased commercial vacancies and a softening of rental levels, 759 Store will cautiously identify high-potential sites to replace low-efficiency branches, aiming to systematically improve overall profit margins.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company had not redeemed any of its listed shares during the year ended 30 April 2026. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed shares during the year ended 30 April 2026.

CORPORATE GOVERNANCE CODE

The board of directors (the "Board") of the Company believes that good corporate governance plays an important role in maintaining and promoting investors' confidence. The Board is responsible for ensuring that the Company maintains a high quality of corporate governance. The Company has adopted the principles and complied with the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 30 April 2026, except for the following deviations:

1. Under code provision C.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

   Since 29 September 2009, the roles of the Chairman of the Board and the chief executive officer of the Company (the "CEO") were performed by the late Mr. Lam Wai Chun, the founding Chairman of the Company. After the pass away of the late Mr. Lam Wai Chun, Ms. Tang Fung Kwan has been appointed as the Chairman of the Board and the Managing Director of the Company with effect from 19 August 2018 and has carried out the responsibilities of the Chairman and CEO since then. This constitutes a deviation from the code provision C.2.1 of the Code which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Tang Fung Kwan has been the key management of the Group for over 25 years and has devoted herself and contributed greatly to the Group's development. She has been the executive director of the Company since its listing on the Stock Exchange in November 1999 and has engaged in directing the corporate strategies and operations of the Group. She possesses substantial and valuable experience in the industry and in the Group's operation. The Board believes that vesting the roles of the Chairman of the Board and the CEO in the same person will provide the Company with strong and consistent leadership and promote effective and efficient formulation and implementation of business decisions and strategies and considers that such structure is currently in the best interests of the Company and its shareholders at this stage.

AUDIT COMMITTEE

During the year ended 30 April 2026, the Audit Committee of the Company comprised three members, namely Mr. Chan Chiu Ying (chairman of the Audit Committee), Mr. Goh Gen Cheung, and Ms. Tsui Mei Ling, May. Following the pass away of Mr. Goh, the Audit Committee of the Company currently comprises two independent non-executive directors and thus the Company is temporarily unable to comply with, amongst others, the requirements under Rules 3.21 of the Listing Rules which requires the Audit Committee to have at least three members with a majority of members comprising independent non-executive directors. The Board is currently identifying suitable candidate to fill the vacancy as soon as practicable and within three months after 17 May 2026 to ensure compliance with the aforementioned requirements under the Listing Rules.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the risk management and internal control systems of the Group and the annual results of the Company for the year ended 30 April 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Following specific enquiry by the Company, all of the directors of the Company confirmed compliance with the required standard set out in the Model Code for the period from 1 May 2025 to 30 April 2026. The Model Code also applies to the relevant employees of the Group.

Further information on the corporate governance practices of the Company will be set out in 2025/2026 annual report of the Company, which will be sent to the shareholders of the Company in accordance with their election to receive the corporate communications of the Company by the end of August 2026.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 April 2026 as set out in the preliminary results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (http://www.0759. com) and the Stock Exchange (www.hkex.com.hk). The 2025/26 annual report of the Company containing all information required by the Listing Rules will be despatched to the shareholders of the Company in accordance with their election to receive the corporate communications of the Company and available on the same websites in due course.

By Order of the Board
Tang Fung Kwan
Chairman

Hong Kong, 28 July 2026

As at the date of this announcement, the Board of the Company comprises three Executive Directors, namely Ms. Tang Fung Kwan, Mr. Lam Kwok Chung and Mr. Ho Man Lee; and two independent non-executive directors, namely Mr. Chan Chiu Ying and Ms. Tsui Mei Ling, May.

Websites: http://www.0759.com
http://www.ceccoils.com
http://www.irasia.com/listco/hk/cecint