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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2026

The board of directors (the "Board" or "Director(s)") of International Housewares Retail Company Limited (the "Company") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively referred to as the "Group" or "we") for the financial year ended 30 April 2026 (the "Year") prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules" and the "Stock Exchange" respectively), together with comparative figures for the financial year ended 30 April 2025 ("2024/25" or the "Last Year").

HIGHLIGHTS

- Revenue for the Year amounted to HK$2,311,652,000 (2024/25: HK$2,536,822,000) [(1)], during the Group's ongoing efforts to optimize its store network and phase out underperforming stores.

- Profit attributable to owners of the Company for the Year was HK$45,185,000 (2024/25: HK$47,727,000).

- The Group maintained a strong financial position with cash and cash equivalents of HK$337,641,000 (30 April 2025: HK$284,560,000).

- The Board has resolved to recommend payment of a final dividend of HK2.3 cents per share (2024/25: HK1.5 cents per share). Together with an interim dividend of HK3.0 cents per share already paid, the total dividend for the Year would be HK5.3 cents per share (2024/25: HK5.5 cents per share).

Note:

1. *Comparative figures for the financial year ended 30 April 2025 are shown as 2024/25 or 2024 in brackets.*

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE PROFILE

Established in 1991, the Group offers housewares, trend-based items, health and wellness care, personal care, food and household FMCG through a comprehensive retail network comprising around 350 stores in Hong Kong, Singapore, Macau under retail brands including JHC (真好城), Japan Home (日本の家), 123 by ELLA, City Life (生活提案) and Day Day Store (日記士多), as well as via the online platforms JHC eshop (真好城網購) and EasyBuy (易購點). To align with long-term development and elevated market positioning, the Group is executing a decisive repositioning, evolving our established chain retail network into a comprehensive, community "One-stop daily life platform" across Hong Kong and Macau.

FINANCIAL PERFORMANCE

Profit attributable to owners of the Company for the Year was HK$45,185,000 (2024/25: HK$47,727,000).

Revenue for the Year amounted to HK$2,311,652,000 (2024/25: HK$2,536,822,000), during the Group's ongoing efforts to optimize its store network and phase out underperforming stores.

LIQUIDITY AND FINANCIAL RESOURCES

The Group reaffirms that its financial operations remain stable, with sound liquidity and prudent capital management. Despite the challenging market conditions, the Group continues to maintain profitability, supported by a stable historical earnings record. As at 30 April 2026, the Group maintained a strong financial position, with cash and cash equivalents of HK$337,641,000 (30 April 2025: HK$284,560,000), representing an increase of 18.7% and demonstrating further improvement in liquidity. The majority of the cash and bank deposits are denominated in Hong Kong dollars and are held with major banks in Hong Kong, with maturities of less than three months. This indicates that the Group prioritizes liquidity and cash flow, especially in uncertain economic times.

The Group followed a prudent treasury management policy and avoided highly leveraged or speculative derivative products by placing surplus cash mainly as Hong Kong dollar bank deposits with appropriate maturity periods to meet future funding requirements. As at 30 April 2026, the Group's current ratio was consistent at 2.1 (30 April 2025: 1.7). The total borrowings of the Group as at 30 April 2026, amount to HK$11,920,000 (30 April 2025: HK$15,114,000). The Group's gearing ratio, as determined by total borrowings and loans from a non-controlling shareholder of a subsidiary divided by total equity, was reported as 2.25% (30 April 2025: 2.61%). This contributed to the Group's net cash position.

DISTRIBUTION NETWORK

Established in 1991, the Group offers housewares, trend-based items, health and wellness care, personal care, food and household FMCG through a comprehensive retail network comprising around 350 stores in Hong Kong, Singapore, Macau under retail brands including JHC (真好城), Japan Home (日本の家), 123 by ELLA, City Life (生活提案) and Day Day Store (日記士多), as well as via the online platforms JHC eshop (真好城網購) and EasyBuy (易購點). To align with long-term development and elevated market positioning, the Group is executing a decisive repositioning, evolving our established chain retail network into a comprehensive, community "One-stop daily life platform" across Hong Kong and Macau.

Built on over three decades of resilience, it is evident that our Group’s strong brand recognition and extensive retail network have served as the foundation for our stable and sustainable business scale and market share. In response to the HKSAR government’s initiatives to attract talent and expand housing supply in Hong Kong, we must strategically plan the development of our store network to align with evolving demographic trends and housing availability. Concurrently, we are conducting a comprehensive review of our existing store network and phasing out underperforming locations to enhance operational efficiency.

The launch of our “Click & Collect” service on the “JHC eShop” and “Easy Buy” online platforms has transformed our retail stores into efficient fulfillment hubs for online orders. This initiative has expanded our product offerings, particularly for bulk items such as plastic storage solutions, furniture, and large electrical appliances. We believe these measures will further optimize retail space utilization, enabling greater flexibility in store location selection and improved control over rental expenses.

Looking ahead, the Group maintains a cautiously optimistic outlook for its medium-to long-term business prospects, with a continued focus on Hong Kong. The Group’s operating activities in Hong Kong represent the core of its entire business, contributing approximately 85.8% of the Group’s revenue for the financial year ended 30 April 2026. Below is a summary of the Group’s directly managed and licensed stores by location:

	As at 30 April 2026	.s at 30 April 2025	Net (decrease)
The Group’s directly managed stores			
Hong Kong	296	306	(10)
Singapore	39	47	(8)
Macau	9	9	-
The Group’s overseas licensed stores	5	5	-
Total	349	367	(18)

HUMAN RESOURCES

Despite the HKSAR government’s efforts to address labor shortages through initiatives such as the Enhanced Supplementary Labour Scheme, businesses continue to face challenges due to elevated staff costs. In response, the Group has implemented rigorous cost-control measures, including strict budgetary oversight and workforce optimization. Strategic adjustments in manpower allocation across various stores have been made to optimize total working hours and control staffing costs. Furthermore, the Group has adopted in-store automation technologies to reduce manual workloads, streamline operations, and enhance efficiency. To keep compensation closely tied to sales performance, the Group routinely reviews its remuneration packages, performance-based bonuses and incentives to eligible employees to motivate and retain talent, leading to an 11.4% reduction in total employee benefit expenses for the Year, decreasing to HK$360,037,000 (2024/25: HK$406,146,000).

OPERATIONAL REVIEW BY BUSINESS NATURE

The Group achieved the retail revenue of HK$2,295,547,000 for the Year (2024/25: HK$2,517,694,000), which included consignment sales commission income, accounted for 99.3% (2024/25: 99.2%) of its total revenue. The revenue from the wholesale business, licensing income and others as a whole amounted to HK$16,105,000 (2024/25: HK$18,128,000).

OPERATIONAL REVIEW BY GEOGRAPHICAL LOCATIONS

Operations Review – Hong Kong and Macau

During the Year, the Group's operations in Hong Kong and Macau demonstrated strategic resilience while navigating a challenging retail environment marked by structural shifts. In Hong Kong, the sector faced headwinds stemming from changes in consumer behavior, expanded e-commerce adoption, and an increase in outbound cross-border spending, particularly northbound travel into mainland China. Despite these pressures, Hong Kong remained the Group's primary market, recording a revenue of HK$1,982,942,000 for the Year, which turned to a decline against Last Year of HK$2,185,328,000. Nevertheless, Hong Kong remains the key market accounting for 85.8% of the Group's total revenue (2024/25: 86.1%).

In response to evolving market dynamics, the Group executed a comprehensive business elevation strategy to enhance operational efficiency and market competitiveness. Product assortments are continuously refined to appeal to diverse demographics and evolving consumer preferences, including the introduction of more of the Group's private label OEM products to further diversify its offerings. Furthermore, global sourcing capabilities have been strengthened to streamline supply chains, lower procurement costs, and deliver value-for-money products, which also allowed the Group to conduct more promotions and pass cost savings on to its customers. To mitigate high fixed costs across Hong Kong's retail sector, stringent cost control measures and operational automation drove progress in managing staff costs, while proactive landlord negotiations yielded favorable rental outcomes. Backed by a healthy balance sheet and strong cash generation, the Group remains well-positioned to fund strategic initiatives and adapt to dynamic market conditions. Guided by financial prudence and operational agility, the Group sustained profitability across Hong Kong and Macau, maintained steady dividend payouts, and continued evolving its retail network into a community-focused, One-stop daily life platform across both territories.

Operating within Hong Kong's challenging retail environment requires a continuous focus on efficiency and cost control. To protect margins and reinforce our competitive position, the Group actively implemented targeted measures across all major cost centers during the Year. Through the refinement of store performance metrics and more efficient workforce planning, we achieved higher labor productivity while effectively containing staff costs. Simultaneously, our strategic approach to lease renewals enabled us to secure more favorable terms from landlords, mitigating our rental commitments and costs.

As part of our broader business reform, the Group undertook a comprehensive review of its retail network. By phasing out inefficient stores, we successfully reduced structural operating costs and consolidated resources around our core revenue drivers. Looking forward, management will maintain strict expenditure oversight and explore further operational efficiencies to preserve a healthy financial position and support sustainable financial growth.

Looking ahead, the Group maintains a positive outlook on future growth opportunities driven by key developments in Hong Kong. The ongoing progression of the Northern Metropolis is expected to generate new consumer demand, while government policies facilitating population inflows will steadily expand the addressable customer base. Furthermore, Hong Kong's continues to deepen integration across the Greater Bay Area will foster stronger cross border interaction, injecting fresh vitality into local retail sentiment.

The Group’s Macau operations sustained profitability and delivered positive performance for the Year, generating revenue of HK$51,974,000 (2024/25: HK$50,222,000). Despite encountering market dynamics similar to Hong Kong, the Macau segment demonstrated operational resilience and strong cost control, achieving top line growth while reinforcing the long-term sustainability of its business model.

Operations Review – Singapore

During the Year, the Group recorded revenue of HK$276,736,000 in the Singapore market (2024/25: HK$301,272,000). In response to heightened operating cost pressures, management proactively executed strategic measures to enforce stringent cost control and elevate overall operational efficiency.

To strengthen its market position and improve gross profit margins, the Group is systematically phasing out underperforming products while closely monitoring consumer demand to dynamically adjust its product mix. Looking ahead, as part of its long-term strategic planning, the Group is actively exploring the feasibility of introducing a new franchise model in collaboration with local franchisees in Singapore. Under this prospective framework, the Group aims to roll out its private label OEM products to further diversify its portfolio and capture a broader market share. Partnering with established local franchisees offers a compelling opportunity to leverage regional retail expertise, expand the brand’s market footprint in an asset-light manner, and enhance long-term scalability across the region.

Alongside portfolio optimization and strategic partnerships planning, the Group has intensified its focus on disciplined cost control measures across all operational levels. Comprehensive expenditure reviews are ongoing to secure savings, including the elimination of non-essential discretionary spending, and the streamlining of core processes to lower overhead costs. Furthermore, underperforming stores are under rigorous review, driving swift consolidations such as operational adjustments, staff retraining, or strategic repositioning. Moreover, staff performance metrics have been closely aligned with core business objectives through targeted workforce optimizations to enhance overall workforce productivity.

The Group maintains a cautiously optimistic outlook on its Singapore operations, driven by an optimized product mix, strict cost discipline, and private label (OEM) synergies. Looking ahead, the potential adoption of strategic franchise partnerships further positions the Group to navigate the dynamic local retail landscape.

ANNUAL REVIEW AND PROSPECT

Strategic Elevation of Our 35-Year Flagship Retail Brand into a "One-stop Daily Life Platform"

The local retail market continues to navigate significant structural headwinds, including shifts in consumer behavior, the rapid expansion of e-commerce, and increasing outbound cross-border spending. We view these challenges as pivotal opportunities for strategic elevation. To capture new growth, the Group is executing a decisive repositioning, evolving our established chain retail network into a comprehensive, community "One-stop daily life platform" across Hong Kong and Macau. By integrating physical and digital touchpoints and forging strategic brand partnerships, we are fundamentally redefining the customer experience.

As we celebrate JHC's 35th anniversary, our Group is elevating to its next chapter with a strategic rebranding. For 35 years, JHC has grown alongside the Hong Kong community. To align with our long-term development and elevated market positioning, effective 15 July 2026, 'JHC 日本城' officially transitioned to 'JHC 真好城'. Underpinning this evolution is our steadfast commitment to delivering 'Truly Yours, Truly Best' products and services. This strategic brand evolution is driven by four key growth pillars:

1. Upgrading and Optimizing the Product Portfolio for Quality and Value

We continuously refine our product assortment to appeal to different demographics and evolving consumer preferences. Our global sourcing teams actively streamline supply chains to optimize cost structures while delivering value for money products. Furthermore, we enforce standard testing and compliance protocols across our private label OEM products. Over a thousand SKUs that satisfy safety and compliance standards carry the "Truly Quality" mark, giving customers complete confidence in every purchase.

2. Elevating the Customer Experience

We have raised service standards across all physical stores and digital channels, delivering a seamless, customer-centric, and stress-free buying experience. Frontline staff are being transitioned into "Product Ambassadors" through targeted training, enabling them to offer practical, customer-focused product recommendations. In select stores, upgraded layouts feature dedicated experiential zones for live product trials and food tastings. These interactions deepen customer engagement and bring our "Truly Yours" immersive retail experience to life.

3. Expanding Strategic Collaboration for a Community Daily Life Platform

Leveraging our extensive network of over 260 retail locations in Hong Kong, we are forging strategic partnerships that integrate daily essentials, shopping, and localized services. Building on our fulfillment collaboration with YOHO, we have expanded our partnership with HKTVmall to serve as neighborhood pickup locations, now upgraded with cold-chain storage capabilities for chilled and frozen items.

Since May 2026, we have secured distribution rights for JD.com's private-label brands, "J.ZAO" (京造) and "OCHAMA". This initiative introduces over a thousand online SKUs across four major categories, small home appliances, household products, home furniture, and travel gear to our JHC digital platform. Customers can conveniently place orders online and collect items at our local JHC store. Additionally, the JHC App now distributes cross-merchant promotional offers from various local partners, driving store foot traffic and stimulating the broader local economy.

4. Capitalizing on the Silver Economy and Embedding ESG Commitments

Our retail expansion is integrated with our Environmental, Social, and Governance (ESG) commitments. In partnership with the social enterprise “Elderly Alliance”, we launched a dedicated sales platform and engaged frontline staff aged 55 and above to lead in-store promotional roadshows. By directing 85% of project proceeds directly back to the social enterprise, we are delivering meaningful community value.

Outlook and Strategic Opportunities

Looking ahead, while the retail environment presents ongoing uncertainties, operational efficiency and disciplined cost control remain central to our strategy. Operating in Hong Kong’s high-expense retail sector requires proactive business model evolution to ensure sustainable, long-term growth.

Supported by a healthy balance sheet, strong cash flows, an experienced, swift-action operations team, and a loyal customer base built over 35 years, the Group is well-positioned to execute its strategic elevation plans. Moving forward, by integrating our online and offline retail networks with a steadfast commitment to quality products and service, we will reposition the Group as a community-focused, one-stop daily life platform, enabling us to remain resilient and capture new opportunities in an evolving market.

Concurrently, Hong Kong’s ongoing structural development presents compelling growth opportunities. The progressive development of the Northern Metropolis is expected to unlock new consumer demand, while ongoing talent and population inflow policies continue to expand our potential addressable market. Furthermore, Hong Kong's continues to deepen integration across the Greater Bay Area will foster stronger cross border interaction, injecting fresh vitality into local retail sentiment.

The Group is confident that by staying closely attuned to market dynamics and maintaining agile execution, headwinds can be converted into sustainable growth opportunities. We retain firm optimism regarding the long term vitality of Hong Kong’s consumer market and remain fully committed to driving the “JHC 真好城” brand toward its next chapter, creating sustainable, long-term value for our shareholders, customers, and community.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2026

		Year ended 30 April	
		2026	2025
	Note	HK$'000	HK$'000
Revenue	3	2,311,652	2,536,822
Cost of sales	4	(1,253,990)	(1,369,930)
Gross profit		1,057,662	1,166,892
Other income		13,988	14,094
Other losses, net		(2,317)	(2,070)
Distribution and advertising expenses	4	(54,745)	(52,516)
Administrative and other operating expenses	4	(948,046)	(1,052,471)
Operating profit		66,542	73,929
Finance income		3,031	4,920
Finance costs		(17,854)	(23,456)
Finance costs, net		(14,823)	(18,536)
Profit before income tax		51,719	55,393
Income tax expense	5	(10,394)	(13,155)
Profit for the year		41,325	42,238
Profit/(loss) attributable to:			
- Owners of the Company		45,185	47,727
- Non-controlling interests		(3,860)	(5,489)
		41,325	42,238
Earnings per share attributable to the owners of the Company for the year (expressed in HK cents per share)			
- Basic earnings per share	6	HK6.3 cents	HK6.6 cents
- Diluted earnings per share	6	HK6.3 cents	HK6.6 cents

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2026

	Year ended 30 April 2026 HK$'000	Year ended 30 April 2025 HK$'000
Profit for the year	41,325	42,238
Other comprehensive income/(loss)		
Item that may be reclassified to profit or loss		
Currency translation differences	2,239	124
Item that will not be reclassified to profit or loss		
Actuarial loss on long service payment scheme	(291)	(439)
Other comprehensive income/(loss) for the year	1,948	(315)
Total comprehensive income for the year	43,273	41,923
Total comprehensive income/(loss) attributable to:		
- Owners of the Company	47,092	47,284
- Non-controlling interests	(3,819)	(5,361)
	43,273	41,923

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2026

	Note	As at 30 April 2026 HK$'000	2025 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		186,565	195,825
Right-of-use assets		268,844	396,210
Investment properties		31,840	31,324
Intangible assets		29,911	30,135
Deferred income tax assets		4,535	4,665
Financial asset at fair value through profit or loss		8,633	7,770
Prepayments and deposits	8	36,311	53,695
		566,639	719,624
Current assets			
Inventories		331,628	374,675
Trade and other receivables, prepayments and deposits	8	113,975	115,459
Current income tax recoverable		670	2,912
Cash and cash equivalents		337,641	284,560
		783,914	777,606
Total assets		1,350,553	1,497,230
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital and share premium		580,413	587,590
Reserves		294,167	277,861
		874,580	865,451
Non-controlling interests		(4,828)	(1,009)
Total equity		869,752	864,442

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2026

	Note	As at 30 April 2026 HK$'000	2025 HK$'000
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		586	501
Provision for reinstatement cost	9	1,263	4,757
Borrowings		5,097	6,250
Lease liabilities		100,746	169,285
		107,692	180,793
Current liabilities			
Trade and other payables	9	173,968	186,065
Contract liabilities	9	4,510	5,620
Loans due to a non-controlling shareholder of a subsidiary		7,640	7,449
Borrowings		6,823	8,864
Lease liabilities		178,827	240,945
Current income tax liabilities		1,341	3,052
		373,109	451,995
Total liabilities		480,801	632,788
Total equity and liabilities		1,350,553	1,497,230

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

International Housewares Retail Company Limited (the "Company") is an investment holding company. The Company and its subsidiaries (together the "Group") are principally engaged in retail sales and trading of housewares products, trend-based items, personal care, food and household fast-moving consumer goods ("FMCG").

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY 1-1111, Cayman Islands.

The Group is controlled by Hiluleka Limited (incorporated in the British Virgin Islands). The ultimate controlling parties of the Group are Ms. Ngai Lai Ha and Mr. Lau Pak Fai, Peter.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in Hong Kong dollars ("HK$") and rounded to the nearest thousand HK$ ("HK$'000"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 July 2026.

2 Basis of preparation

2.1 Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance

The consolidated financial statements of the Company 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 the Hong Kong Companies Ordinance (Cap. 622).

HKFRS Accounting Standards comprise the following authoritative literature:
- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the HKICPA.

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

2.2 Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and financial asset at fair value through profit or loss, which were measured at fair value.

2.3 Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting period commencing 1 May 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability

The amended standards 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.

2 Basis of preparation (Continued)

2.4 New and amended standards and interpretations not yet adopted

Certain new and amended standards and interpretations have been published that are not mandatory for 30 April 2026 reporting periods and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 19 (Amendments)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

<u>HKFRS 18 Presentation and Disclosure in Financial Statements</u>

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, its impacts on presentation and disclosure are expected to be pervasive, 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 profit, the Group expects that grouping items of income and expenses in the consolidated statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following item might potentially impact operating profit:
    - Foreign exchange difference currently aggregated in the line item "Administrative and other operating expenses" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation (Continued)

2.4 New and amended standards and interpretations not yet adopted (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (Continued)

- 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. In addition, since goodwill will be required to be separately presented in the consolidated balance sheet, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated balance sheet.

- 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 consolidated statement of comprehensive income – 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 consolidated statement of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

- From a consolidated statement of cash flow 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 will continue to be presented 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.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other new accounting standards and amendments to accounting standards and interpretation on its current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new and amendments to standards and interpretation when they become effective.

3 Segment information

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

The executive directors considered the nature of the Group's business and determined that the Group has the following reportable operating segments:

(i) Retail - Hong Kong and Macau*

Retail - Singapore*

(ii) Wholesales, licencing and others

The executive directors assess the performance of the operating segments based on revenue and gross profit percentage of each segment.

* Including consignment sales commission income.

3 Segment information (Continued)

The segment information provided to the executive directors for the reportable segments for the year ended 30 April 2026 is as follows:

	Retail			
	Hong Kong and Macau HK$'000	Singapore HK$'000	Wholesales, licencing and others HK$'000	Total HK$'000
Segment revenue (all from external customers)	2,018,811	276,736	16,105	2,311,652
Cost of sales	(1,092,384)	(152,526)	(9,080)	(1,253,990)
Segment results	926,427	124,210	7,025	1,057,662
Gross profit%**	45.89%	44.88%	43.62%	45.75%
Other income				13,988
Other losses, net				(2,317)
Distribution and advertising expenses				(54,745)
Administrative and other operating expenses				(948,046)
Operating profit				66,542
Finance income				3,031
Finance costs				(17,854)
Finance costs, net				(14,823)
Profit before income tax				51,719
Income tax expense				(10,394)
Profit for the year				41,325

3 Segment information (Continued)

The segment information provided to the executive directors for the reportable segments for the year ended 30 April 2025 is as follows:

	Retail			
	Hong Kong and Macau HK$'000	Singapore HK$'000	Wholesales, licencing and others HK$'000	Total HK$'000
Segment revenue (all from external customers)	2,217,422	301,272	18,128	2,536,822
Cost of sales	(1,189,732)	(169,283)	(10,915)	(1,369,930)
Segment results	1,027,690	131,989	7,213	1,166,892
Gross profit%**	46.35%	43.81%	39.79%	46.00%
Other income				14,094
Other losses, net				(2,070)
Distribution and advertising expenses				(52,516)
Administrative and other operating expenses				(1,052,471)
Operating profit				73,929
Finance income				4,920
Finance costs				(23,456)
Finance costs, net				(18,536)
Profit before income tax				55,393
Income tax expense				(13,155)
Profit for the year				42,238

** Gross profit% is calculated by gross profit (segment results) divided by revenue (segment revenue).

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the years ended 30 April 2026 and 2025. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Revenues include sales of goods of HK$2,303,146,000 (2025: HK$2,529,699,000), revenue arising from customer loyalty programme of HK$7,737,000 (2025: HK$6,264,000) and consignment sales commission of HK$769,000 (2025: HK$859,000). The revenue from the Group's largest customer accounted for less than 10% of the Group's total revenue for each of the years ended 30 April 2026 and 2025.

All of the Group's revenues are recognised at a point in time for the years ended 30 April 2026 and 2025.

Contract liabilities represents advanced payments received from customers for goods that have not been transferred to the customers and cash coupons and provision for customer loyalty programs. During the years ended 30 April 2026 and 2025, all brought-forward contract liabilities at the beginning of the financial year were fully recognised as revenue.

3 Segment information (Continued)

The following tables present segment assets and liabilities as at 30 April 2026 and 2025 respectively.

	As at 30 April 2026			
	Retail			
	Hong Kong and Macau HK$'000	Singapore HK$'000	Wholesales, licencing and others HK$'000	Total HK$'000
Segment assets	845,717	117,148	4,369	967,234
Segment liabilities	405,127	59,519	6,588	471,234

	As at 30 April 2025			
	Retail			
	Hong Kong and Macau HK$'000	Singapore HK$'000	Wholesales, licencing and others HK$'000	Total HK$'000
Segment assets	988,525	171,052	6,422	1,165,999
Segment liabilities	505,937	109,529	6,320	621,786

Segment assets include intangible assets, property, plant and equipment, right-of-use assets, trade and other receivables, prepayments and deposits and inventories. Segment liabilities include provision for reinstatement cost, lease liabilities, borrowings, trade and other payables and contract liabilities.

The following tables present segment assets and liabilities as at 30 April 2026 and 2025 respectively.

A reconciliation of segment assets to total assets is provided as follows:

	As at 30 April	
	2026 HK$'000	2025 HK$'000
Segment assets	967,234	1,165,999
Investment properties	31,840	31,324
Deferred income tax assets	4,535	4,665
Financial asset at fair value through profit or loss	8,633	7,770
Current income tax recoverable	670	2,912
Cash and cash equivalents	337,641	284,560
Total assets	1,350,553	1,497,230

3 Segment information (Continued)

A reconciliation of segment liabilities to total liabilities is provided as follows:

	As at 30 April	
	2026	2025
	HK$'000	HK$'000
Segment liabilities	471,234	621,786
Deferred income tax liabilities	586	501
Loans due to a non-controlling shareholder of a subsidiary	7,640	7,449
Current income tax liabilities	1,341	3,052
Total liabilities	480,801	632,788

Revenue from external customers in Hong Kong, Singapore and Macau are as follows:

	Year ended 30 April	
	2026	2025
	HK$'000	HK$'000
Hong Kong	1,982,942	2,185,328
Singapore	276,736	301,272
Macau	51,974	50,222
	2,311,652	2,536,822

Non-current assets, other than intangible assets and deferred income tax assets, of the Group as at 30 April 2026 and 2025 are located as follows:

	Year ended 30 April	
	2026	2025
	HK$'000	HK$'000
Hong Kong	399,898	499,342
The Chinese Mainland	39,190	38,504
Singapore	45,190	94,009
Macau	47,915	52,969
	532,193	684,824

These assets are allocated based on the operations of the segment and the physical location of the assets.

4 Expenses by nature

	Year ended 30 April 2026 HK$'000	2025 HK$'000
Auditors' remuneration		
- Audit services	2,090	2,066
- Non-audit services	290	290
Air conditioning expenses	10,527	11,018
Advertising and promotion expenses	6,864	8,655
Amortisation of intangible assets	3,675	6,272
Building management fees	54,390	55,754
Cost of inventories sold (including: inventory loss in retail stores)	1,253,013	1,369,242
Provision for inventories	977	688
Delivery charges	38,093	36,790
Landing charges	9,574	6,588
Depreciation of property, plant and equipment	30,696	33,972
Depreciation of right-of-use assets	286,489	315,199
Employee benefit expenses (including directors' emoluments)	360,037	406,146
Government rates	15,873	16,912
Legal and professional fee	2,301	2,341
Short-term lease expense	100,123	104,628
Repair and maintenance	7,946	10,900
Utility expenses	26,565	27,639
Net exchange (gains)/losses	(2,810)	1,097
Others	50,068	58,720
Total cost of sales, distribution and advertising expenses, and administrative and other operating expenses	2,256,781	2,474,917
Represented by:		
Cost of sales	1,253,990	1,369,930
Distribution and advertising expenses	54,745	52,516
Administrative and other operating expenses	948,046	1,052,471
	2,256,781	2,474,917

5 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the year ended 30 April 2026. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

A subsidiary of the Group is subject to Taiwan dividend withholding tax at 21% (2025: Nil).

	Year ended 30 April	
	2026	2025
	HK$'000	HK$'000
Current income tax:		
Hong Kong profits tax		
- Current	9,795	11,629
- Under-provision in prior years	91	385
Overseas taxation		
- Current	36	339
- Over-provision in prior years	(28)	(100)
Withholding tax	285	-
	10,179	12,253
Deferred income tax:		
- Deferred income tax credit	215	902
Income tax expense	10,394	13,155

6 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 30 April	
	2026	2025
Profit attributable to owners of the Company (HK$'000)	45,185	47,727
Weighted average number of ordinary shares in issue (in thousands) (Note)	714,175	719,544
Basic earnings per share attributable to owners of the Company (HK cents per share)	6.3	6.6

6 Earnings per share (Continued)

(a) Basic (Continued)

Note:

Weighted average number of ordinary shares in issue are adjusted by the treasury shares held for share award scheme as such shares are not available in the market.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

	Year ended 30 April	
	2026	2025
Profit attributable to owners of the Company (HK$'000)	45,185	47,727
Weighted average number of ordinary shares in issue (in thousands)	714,175	719,544
Adjustment for:		
- Share options and share awards (in thousands)	1,062	1,263
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	715,237	720,807
Diluted earnings per share attributable to owners of the Company (HK cents per share)	6.3	6.6

7 Dividend

The dividends paid during the years ended 30 April 2026 and 2025 were HK$32,140,000 (HK5.0 cents per share) and HK$69,117,000 (HK9.6 cents per share) respectively. In respect of the year ended 30 April 2026, the final dividend of HK2.3 cents per share amounting to a total dividend of HK$ 16,320,000 is to be proposed at the annual general meeting on 24 September 2026. These consolidated financial statements do not reflect this dividend payable.

	Year ended 30 April	
	2026	2025
	HK$'000	HK$'000
Interim dividend paid of HK3.0 cents (2025: Interim dividend paid of HK4.0 cents) per ordinary share	21,404	28,812
Proposed final dividend of HK 2.3 cents (2025: Final dividend of HK1.5 cents) per ordinary share	16,320	10,736
	37,724	39,548

8 Trade and other receivables, prepayments and deposits

	As at 30 April 2026 HK$'000	As at 30 April 2025 HK$'000
Trade receivables, net	7,534	8,376
Prepayments	11,981	12,905
Deposits and other receivables	130,771	147,873
	150,286	169,154
Less non-current portion:		
Deposits	(35,720)	(52,869)
Prepayments	(591)	(826)
	(36,311)	(53,695)
Current portion	113,975	115,459

The Group normally makes sales to customers on a cash-on-delivery basis.

As at 30 April 2026 and 2025, the ageing analysis of trade receivables based on invoice dates is as follows:

	As at 30 April 2026 HK$'000	As at 30 April 2025 HK$'000
Up to 3 months	7,154	8,364
4 to 6 months	373	12
7 to 9 months	7	-
	7,534	8,376
Less: provision for impairment of trade receivables	-	-
	7,534	8,376

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

9 Trade and other payables, provision for reinstatement cost and contract liabilities

	As at 30 April 2026 HK$'000	2025 HK$'000
Current		
Trade payables (Note i)	122,976	135,345
Other payables and accruals	38,209	42,729
Provision for reinstatement cost (Note i)	3,694	-
Deposit received (Note i)	27	45
Provision for employee benefits (Note ii)	9,062	7,946
	173,968	186,065
Non-current		
Provision for reinstatement cost (Note i)	1,263	4,757
	175,231	190,822
Contract liabilities		
Receipts in advance and cash coupons	2,866	3,979
Deferred revenue arising from customer loyalty programs	1,644	1,641
	4,510	5,620

Note:

(i) As at 30 April 2026, trade and other payables, provision for reinstatement cost and contract liabilities include trade payables to a related company and deposit received from a related company of approximately HK$8,645,000 and approximately HK$27,000 respectively (2025: trade payables to a related company and deposit received from a related company of approximately HK$10,770,000 and approximately HK$26,000 respectively).

(ii) As at 30 April 2026, provision for employee benefits include provisions for long service payments of approximately HK$6,444,000 (2025: HK$5,414,000) and HK$291,000 actuarial loss on long service payment scheme (2025: actuarial loss on long service payment scheme of approximately HK$439,000).

The ageing analysis of trade payables based on invoice dates is follows:

	As at 30 April 2026 HK$'000	2025 HK$'000
0 - 30 days	74,403	74,984
31 - 60 days	38,679	36,501
61 - 90 days	8,707	22,506
91 - 120 days	1,187	1,354
	122,976	135,345

OTHER INFORMATION

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated income statement. An interim dividend of HK3.0 cents (2024/25: an interim dividend of HK4.0 cents) per share, representing a total payout of approximately HK$21,404,000 was paid by the Company on 4 February 2026. The Board has resolved to recommend payment of a final dividend of HK2.3 cents per share to shareholders whose names appear on the register of members of the Company on Wednesday, 7 October 2026 which will be paid on or around Friday, 23 October 2026, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on Thursday, 24 September 2026. Taking into account of the interim dividend payment, the total dividend for the Year would amount to HK5.3 cents (2024/25: HK5.5 cents) per ordinary share, totaling approximately HK$37,724,000 for the Year.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends. As at the date of this announcement, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") is scheduled to be held on Thursday, 24 September 2026. A notice convening the Annual General Meeting will be published and disseminated to the Shareholders in accordance with the requirements of the Listing Rules in due course

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company for the forthcoming annual general meeting of the Company to be held on Thursday, 24 September 2026 will be closed from Monday, 21 September 2026 to Thursday, 24 September 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 24 September 2026. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 18 September 2026.

Subject to the approval of the shareholders at the AGM, the proposed final dividend will be payable to the shareholders of the Company whose names appear on the register of members of the Company after the close of business on Wednesday, 7 October 2026 and the register of members of the Company will be closed from Friday, 2 October 2026 to Wednesday, 7 October 2026, (both days inclusive), during which no transfer of shares of the Company will be registered. The record date for determining the entitlement of the Shareholders of the Company to the proposed final dividend will be Wednesday, 7 October 2026. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by relevant share certificates lodged with Company's Hong Kong share registrar Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 30 September 2026. The record date for determining the entitlement to the proposed final dividend is Wednesday, 7 October 2026.

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

During the Year, the Company repurchased a total of 7,950,000 ordinary shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK$6,200,000. All the repurchased shares were cancelled by the date of this report. The share repurchases were undertaken because the Board considered that the value of the Company's shares was consistently undervalued. The current financial resources of the Company would enable it to conduct the Shares Repurchase while maintaining a solid financial position for the continuation of the Company's business in the current financial year.

Besides, under the share award scheme of the Company adopted by the Board on 24 July 2015 (the "Share Award Scheme"), the trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 300,000 shares of the Company at a total consideration of about HK$243,000. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) during the Year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Directors recognise the importance of good corporate governance in the management of the Group. The Board will review and monitor the corporate governance practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company. The Board is of the view that the Company has met the code provisions set out in the CG Code, except that there is no separation of the roles of Chairman and Chief Executive Officer as stipulated in the code provision C.2.1 of the CG Code. Currently, Ms. Ngai Lai Ha is both the Chairman and the Group Chief Executive Officer of the Company. As Ms. Ngai is one of the founders of the Group, the Board believes that it is in the best interest of the Group to have Ms. Ngai taking up both roles for continuous effective management of the Board and business development of the Group.

COMPLIANCE WITH THE 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") contained in Appendix C3 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all of the Directors, Directors confirmed that they have been in compliance with the required standard set out in the Model Code during the year ended 30 April 2026.

REVIEW OF FINANCIAL STATEMENTS AND SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The Audit Committee has reviewed the consolidated financial statements for the year ended 30 April 2026. The figures in respect of the Group's consolidated balance sheet, 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 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 announcement.

PUBLICATION

The annual results announcement of the Company for the year ended 30 April 2026 published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ihr.com.hk) respectively. The 2026 annual report will be dispatched to the shareholders of the Company (if requested) and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to extend our deepest appreciation to our valued shareholders, trusted partners, and dedicated employees. Your steadfast support and unwavering commitment have been instrumental in navigating the challenges of the current market environment. With continued determination and collective effort, we remain resolute in driving strategic elevations and achieving sustainable growth.

By order of the Board of
International Housewares Retail Company Limited
NGAI Lai Ha
Chairman and Group Chief Executive Officer

Hong Kong, 28 July 2026

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.