

# International Housewares Retail Company Limited

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 1373

日本城 JHC



# 2024/25

INTERIM REPORT

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# Corporate Information

## DIRECTORS

### Executive Directors:

Ms. Ngai Lai Ha (*Chairman and Chief executive officer*)  
Mr. Lau Pak Fai Peter (*Honorary Chairman*)  
Mr. Cheng Sing Yuk (*Chief financial officer*)

### Independent Non-executive Directors:

Mr. Mang Wing Ming Rene  
Mr. Ng Sze Yuen, Terry  
Mr. Yeung Yiu Keung

## AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*

## COMPANY SECRETARY

Mr. Lee Chung Shing  
*HKICPA*

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
PO Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

## HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

20th Floor, Tower B,  
Southmark, 11 Yip Hing Street,  
Wong Chuk Hang, Hong Kong  
Tel: (852) 3512-3100

## LEGAL ADVISER

Deacons

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited

## SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## STOCK CODE

1373

## COMPANY WEBSITE

[www.ihr.com.hk](http://www.ihr.com.hk)

# Financial Highlights

The board of directors (the “Board” or “Director(s)”) of International Housewares Retail Company Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group” or “We”) for the six months ended 31 October 2024 (the “Period”) 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 six months ended 31 October 2023 (“2023/24”).

- The Group's revenue for the Period was HK\$1,270,635,000 (2023/24<sup>(1)</sup>: HK\$1,322,485,000), representing a 3.9% decline.
- The profit attributable to owners of the Company for the Period was HK\$32,959,000 (2023/24: HK\$50,764,000), reflecting a decrease of 35.1%.
- The Board has resolved to declare an interim dividend of 4.0 HK cents per share.

Note:

1. Comparative figures for the six months ended 31 October 2023 are shown as (“2023/24”) in brackets.

# Management Discussion and Analysis

## Financial Performance

The Group's revenue for the Period was HK\$1,270,635,000 (2023/24: HK\$1,322,485,000), representing a 3.9% decline. This decrease indicated Hong Kong's retail market has entered a phase of transition, marked by normalizing of travel abroad and northward consumption. In addition, the strong US dollar and a weakened capital market have further reduced spending within Hong Kong's retail sector. The profit attributable to owners of the Company for the Period was HK\$32,959,000 (2023/24: HK\$50,764,000), reflecting a decrease of 35.1%.

By leveraging favorable procurement costs from our globally renowned suppliers, especially in regions where the exchange rate benefits us due to the strong Hong Kong dollar, we have been actively expanding our product portfolio as well as new categories to our product mix with high-quality at favorable prices to ensure close alignment with current trends that are popular among our customers to bolster our revenue. We have also developed our private label by improving quality, introducing new features, enhancing design and packaging, and marketing to build a strong brand image and customer loyalty focused on the uniqueness of the products. In addition to diversifying our private label, expanding and enriching the product range in the market is another area where we will increase our efforts to improve our gross profit margin and access additional market opportunities and customer segments. The Group's gross profit margin slightly increased to 47.0% of the Period (2023/24: 46.8%).

## Liquidity and Financial Resources

The Group has continued to maintain a strong liquidity and cash flow position, which is of paramount importance for its future development, particularly amid such uncertain economic times. As at 31 October 2024, the Group had cash and cash equivalents amounting to HK\$308,072,000 (31 October 2023: HK\$318,775,000). The majority of the Group's cash and bank deposits were denominated in Hong Kong dollars and were deposited with major banks in Hong Kong, with maturity dates falling within three months.

It is the Group's treasury management policy to not engage in any highly leveraged or speculative derivative products and it will continue to place the majority of its surplus cash in Hong Kong dollar bank deposits with appropriate maturity periods to meet funding requirements in the future. As at 31 October 2024, the current ratio for the Group was 1.6 (30 April 2024: 1.5). Borrowings amounted to HK\$20,348,000 (30 April 2024: HK\$22,820,000). The Group was in a net cash position as at 31 October 2024. Its gearing ratio as determined by total borrowings and loans due to a non-controlling shareholder divided by total equity was 3.13% (30 April 2024: 3.37%).

## Human Resources

Despite HKSAR government efforts to alleviate the labour shortage through measures like the Enhanced Supplementary Labour Scheme, businesses continue to struggle with high staff costs. In addition to following the local market salary requirements, accommodation, training fees, and recruitment fees for imported labor have all contributed to these increased expenses. In response, our Group has implemented stringent cost control measures, including strict budgeting and workforce optimization. These efforts have successfully mitigated financial pressures, resulting in an 8.1% reduction in total staff costs, from HK\$216,886,000 in 2023/24 to HK\$199,383,000. In addition, the Group has embraced in-store automation technologies to release manpower and workload to help streamline tasks and raise operational efficiencies. Moreover, the Group has made timely adjustments in manpower deployment across different stores to control our total man-hours and the staff cost. The Group regularly reviews its remuneration packages and rewards qualified employees with performance bonuses and share awards. The allocation of annual discretionary bonuses and share awards takes into consideration the individual's performance. As at 31 October 2024, the Group had approximately 2,070 employees (at 31 October 2023: 2,190 employees).

# Management Discussion and Analysis *(Continued)*

## Distribution Network

Established in 1991, the Group offers housewares, trend-based items, health and wellness care, personal care, food and household FMCG through an comprehensive retail network comprising of around 380 stores in Hong Kong, Singapore, Macau, East Malaysia, Cambodia and Australia under renowned brands including JHC (日本城), Japan Home (日本の家), 123 by ELLA, SMART (多來買), City Life (生活提案) and Day Day Store (日記士多), as well as via the online platforms JHC eshop (日本城網購) and EasyBuy (易購點). Leveraging its extensive sourcing channels and portfolio of private label products, the Group provides a comprehensive range of items at competitive prices. The Group reinforces its position as an omni-channel retail chain of general merchandise stores (“GMS”) while evolving towards a daily convenience store model for customers, with the aim to provide a “one-stop” omnichannel shopping experience for customers.

As we reflect on the past 33 years, it is evident that our Group’s brand awareness, as well as the comprehensive retail network and extensive global supplier network, have been a cornerstone of our steady and sustainable business scale and market share. In light of the HKSAR government’s initiative to attract talent and increase housing supply in Hong Kong, we must strategically prepare for the development of our store network to align with the demographic shifts and housing availability.

The introduction of our service of “Click & Collect” on the online platforms “JHC eshop” and “Easy Buy”, turning our retail stores into a quick service station for online orders, has broadened our product range offering in particular of those bulk items such as plastic boxes, furniture, and large electrical appliances. We believe that these initiatives will facilitate us optimize our retail space utilization, which in turn, allows for more flexibly selection of retail space and locations and better control over rental expenses.

Looking ahead, the Group remains cautiously optimistic about its business prospects in the medium- to long-term. The Group’s focus continues to be on Hong Kong, Singapore and Macau. The following table shows the number of stores that the Group directly manages and licenses worldwide:

	As at 31 October 2024	As at 30 April 2024	Net increase/ (decrease)
<b>The Group’s Directly Managed Stores</b>			
Hong Kong	314	315	(1)
Singapore	48	47	1
Macau	9	9	–
<b>The Group’s Licensed Stores</b>	5	5	–
<b>Total</b>	<b>376</b>	<b>376</b>	<b>–</b>

## Operational Review by Business Nature

The Group’s business segments by nature include retail, wholesale, licensing and others.

The retail segment continued to be the primary revenue driver of the Group during the Period. The Group has continued to increase the variety of product offerings to help capture additional market opportunities and expand its customer base. These endeavors contributed to retail revenue reaching HK\$1,257,698,000 (2023/24: HK\$1,318,523,000), which also included consignment sales commission income that accounted for 99.0% (2023/24: 99.7%) of the Group’s total revenue for the Period.

The income from the wholesale, licensing and others together increased to HK\$12,937,000 for the Period (2023/24: HK\$3,962,000).

# Management Discussion and Analysis *(Continued)*

## Operational Review by Geographical Locations

### Operational Review – Hong Kong

Hong Kong's retail market has undergone significant changes, with a noticeable shift in local consumer behavior. Residents have not returned to their pre-pandemic spending habits, particularly in the evenings. This shift is further intensified by normalizing travel abroad and northward consumption for leisure and shopping. In addition to the pandemic's impact, the strong US dollar and a weakened capital market have further reduced spending within Hong Kong's retail sector. Furthermore, intense competition in both online and offline sales channels has placed additional pressure on our business. Consequently, the Group recorded a revenue of HK\$1,099,958,000 from Hong Kong for the Period (2023/24: HK\$1,147,066,000), reflecting a 4.1% decline. Hong Kong remains the Group's key market, accounting for 86.6% (2023/24: 86.7%) of its total revenue.

The HKSAR government's efforts to alleviate the labour shortage through measures like the Enhanced Supplementary Labour Scheme have not fully mitigated the challenges businesses face with high staff costs. In addition to following the local market salary requirements, accommodation, training fees, and recruitment fees for imported labor have all contributed to these increased expenses. Our ongoing cost control measures, including strict budgeting and optimizing our workforce, have yielded positive outcomes in mitigating these financial pressures. Additionally, we are actively negotiating expiring leases with landlords to reduce rental costs. We anticipate that the benefits of these efforts will be reflected in our financial results over the next year or two, as most of our leases are for a period of three years. We are confident that these measures are essential for our long-term financial performance and stability.

Despite these challenges, we are encouraged by the Central Government's continuous rollout of new measures benefiting Hong Kong, including the resumption of the multiple-entry Individual Visit Scheme for Shenzhen residents, to further stimulate the local retail market, coupled with the HKSAR government's initiative to attract talent and increase housing supply in Hong Kong. In response to these positive developments, we are committed to swiftly adjusting our product assortment to align with these new measures, promising to create a convenient shopping experience for our customers as well as new revenue sources for the Group.

### Operational Review – Singapore

Singapore's revenue experienced a 3.7% decline for the Period, amounting to HK\$147,986,000 (2023/24: HK\$153,598,000).

We are steadfast in our commitment to position Singapore as a strategic market within our Group, with a focus on maintaining our market presence and brand recognition. Our strategic initiatives will aim at capturing new opportunities while placing significant emphasis on cost control and operational efficiency. By optimizing our operations and boosting productivity, we aim to enhance overall efficiency and profitability.

Understanding and meeting customer needs is fundamental to our business. We will continuously adjust our assortment plan to align with the evolving preferences and demands of our customers. This approach aims to maintain customer satisfaction and loyalty, thereby driving sales and profitability. By incorporating the Group's OEM products, we can enrich our product assortment, providing a wider range of options to cater to diverse preferences and needs. This strategy will also help differentiate us from competitors in the market.

Adhering to the group sourcing plan is important for obtaining competitive purchase prices by utilizing the group's collective buying power, allowing us to negotiate more favourable terms with suppliers. These savings can be passed on to our customers, enhancing our value proposition. Additionally, leveraging the Group's sourcing and supply chain facilities will streamline our operations, ensuring a more efficient and reliable supply chain, reducing lead times, and improving inventory management. This will enable us to better serve our customers and respond swiftly to market changes.

### Operational Review – Macau

The Group's operations in Macau continued to be profitable, demonstrating satisfactory sales performance during the Period. Revenue reached HK\$22,691,000 (2023/24: HK\$21,821,000), representing an increase of approximately 4%.



# Management Discussion and Analysis *(Continued)*

## Prospects

### **Toward the convenience business model and explore potential business opportunities**

Hong Kong's retail market has entered a phase of transition, marked by a noticeable shift in local consumer behavior, particularly in the evenings. This change is intensified by normalizing travel abroad and northward consumption for leisure and shopping. Besides the pandemic's impact, the strong US dollar and a weakened capital market have further reduced spending within Hong Kong's retail sector, and we have not been exempted from these challenges.

We remain dedicated to staying updated with current market trends and aligning ourselves with new preferential measures that benefit the market. Encouraged by the Central Government's continuous to roll out series of new measures benefitting Hong Kong, including the resumption of the multiple-entry Individual Visit Scheme for Shenzhen residents, to further stimulate the local retail market, coupled with the HKSAR government's initiative attract talent and increase housing supply in Hong Kong, we have been brought many potential business opportunities. Our focus is on enhancing procurement across diverse product categories to seize potential business opportunities for both local and cross-border consumption. In response, we are committed to swiftly adjusting our product assortment to align with these new measures, promising to provide customers with convenience in their daily lives, thereby injecting new momentum into our revenue in future.

### **Upgrade J-Fun gold membership plan to enhance customer loyalty**

We are dedicated to improving our service quality and ensuring every customer feels welcome. Our adaptable and flexible frontline sales staff are crucial in enhancing service value. Additionally, we aim to upgrade our existing 1 million J-Fun registered members to gold status by 2025. Of these, 300,000 members will enjoy exclusive discounts and benefits. This initiative will not only boost customer loyalty and engagement but also drive increased earnings from retail sales.

In an ever-changing online sales landscape, we aim to provide convenience to our customers to set ourselves apart in the competitive online and offline environment. Our self-operated online shopping platform "JHC eshop" has introduced a one-hour "click & collect" service. This enables customers to collect their orders at nearby stores as early as one hour after placing an order on the e-commerce platform. This service leverages Hong Kong's retail network to enhance customer convenience and flexibility, creating a one-stop omnichannel shopping experience. Moreover, we intend to broaden our collaboration with third-party e-commerce platforms to generate new value in our e-commerce sector. Moving forward, we will continue to refine our product offerings across multiple online sales channels to address diverse consumer needs.

### **Provide high-quality products at favorable prices**

In the current market landscape, we are dedicated to providing high-quality products at competitive prices as a strategic response to market trends. We focus on value for money, ensuring that our offerings are affordable and meet customer needs. We aim to expand our product assortment and ensure appropriate stock levels. Continuous improvement and adaptability are central to our business model to meet the evolving demands of the market. In alignment with the latest market development trends, we will respond promptly to customer needs and continuously adjust its procurement strategies. This focus has been a core priority in recent years and is an essential component of our strategic growth plan. By leveraging favorable procurement costs from our globally renowned suppliers, especially in regions where the exchange rate benefits us due to the strong Hong Kong dollar, we have been actively expanding our product portfolio as well as new categories to our product mix with high-quality at favorable prices to ensure close alignment with current trends that are popular among our customers. The restructuring of our logistics and distribution center aims to serve as a central hub for global sourcing. This initiative leverages our sourcing strengths, improves product distribution efficiency, and drives future growth.

Additionally, we acknowledge the significance of brand loyalty and differentiation in the current competitive retail environment. Therefore, we will continue to develop our private label by improving quality, introducing new features, enhancing design and packaging, and marketing to build a strong brand image and customer loyalty focused on the uniqueness of the products. In addition to diversifying our private label, expanding and enriching the product range in the market is another area where we will increase our efforts to improve our gross profit margin and access additional market opportunities and customer segments.



# Management Discussion and Analysis *(Continued)*

## **Fortify our core business and strict budgeting**

In response to various external complex and unstable factors, we are implementing measures to mitigate the impact on our operations and maintain a flexible business strategy. In our pursuit of excellence, we will focus on fortifying our core business operations by conducting a thorough review of each store's performance, aiming to improve the productivity of individual locations while continuing to refine our assortment plan, a tool designed to aid in swiftly formulating the product mix at each of our stores. It will enable us to respond rapidly to market trends and customer preferences, which often vary across different small regions and districts. By tailoring our product assortment to each of our store to ensure that we stock the right products at the right place and improve store shelf productivity. These initiatives underscore our commitment to innovation and customer-centricity, and we believe it will play a pivotal role in our future growth and success.

Despite HKSAR government efforts to alleviate the labour shortage through measures like the Enhanced Supplementary Labour Scheme, businesses continue to struggle with high staff costs. In addition to following the local market salary requirements, accommodation, training fees, and recruitment fees for imported labor have all contributed to these increased expenses. It is important to note the results of our ongoing cost control measures in mitigating these financial pressures, which include efforts in strict budgeting, as well as optimizing and streamlining our workforce. These measures have yielded positive outcomes. In terms of rental costs, we have also in the progress of our efforts to negotiate expiring leases with landlords, which we anticipate that the benefits of these efforts during the renewal will unfold in the financial results over the next year or two, as most of our leases are for a period of three years. In this regard, we are confident that these efforts are essential for our long-term financial performance and stability.

Looking ahead, 2025 presents numerous challenges and uncertainties, Hong Kong city is navigating a period of restructuring, marked by both opportunities and obstacles. We must enhance our operational efficiency and enforce stringent cost-control measures to stay competitive in this tough market environment while adapting to new market trends. This approach will position us better to remain competitive and seize new market opportunities aligned with our business development plans, aiming for sustainable growth in the future. Going forward, we are aware of the potential difficulties that lie ahead, but with our experienced management team, quick market response, and sustained commitment to future development, we are well-positioned to overcome obstacles and prepare for the next phase of development.

# Report on Review of Interim Financial Information



羅兵咸永道

TO THE BOARD OF DIRECTORS OF INTERNATIONAL HOUSEWARES RETAIL COMPANY LIMITED  
(incorporated in the Cayman Islands with limited liability)

## Introduction

We have reviewed the interim financial information set out on pages 10 to 29, which comprises the condensed consolidated interim balance sheet of International Housewares Retail Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 31 October 2024 and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers  
Certified Public Accountants

Hong Kong, 20 December 2024

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# Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 31 October 2024

		Unaudited six months ended 31 October 2024 HK\$'000	2023 HK\$'000
	Note		
Revenue	6	1,270,635	1,322,485
Cost of sales		(673,954)	(703,666)
<b>Gross profit</b>		<b>596,681</b>	<b>618,819</b>
Other income	7	7,429	9,324
Other losses, net		(966)	(1,357)
Distribution and advertising expenses		(27,492)	(27,874)
Administrative and other operating expenses		(528,794)	(531,766)
<b>Operating profit</b>	8	<b>46,858</b>	<b>67,146</b>
Finance income		3,097	4,457
Finance expenses		(12,591)	(11,791)
Finance expenses, net		(9,494)	(7,334)
<b>Profit before income tax</b>		<b>37,364</b>	<b>59,812</b>
Income tax expense	9	(7,348)	(10,892)
<b>Profit for the period</b>		<b>30,016</b>	<b>48,920</b>
<b>Other comprehensive income/(loss)</b>			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences		853	(2,667)
<b>Total comprehensive income for the period</b>		<b>30,869</b>	<b>46,253</b>
<b>Profit/(loss) for the period attributable to:</b>			
– Owners of the Company		32,959	50,764
– Non-controlling interests		(2,943)	(1,844)
		<b>30,016</b>	<b>48,920</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
– Owners of the Company		33,672	48,282
– Non-controlling interests		(2,803)	(2,029)
		<b>30,869</b>	<b>46,253</b>
<b>Earnings per share attributable to owners of the Company</b> <b>(expressed in HK cents per share)</b>	10		
– Basic earnings per share		4.58	7.06
– Diluted earnings per share		4.57	7.01

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

# Condensed Consolidated Interim Balance Sheet

As at 31 October 2024

	Note	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	208,266	210,895
Right-of-use assets	13(a)(i)	481,320	537,890
Investment properties	12	32,552	32,191
Intangible assets	12	30,976	26,960
Deferred income tax assets		5,541	5,564
Financial assets at fair value through profit or loss	5.2	7,400	8,139
Prepayments and deposits	14	55,594	61,624
		821,649	883,263
<b>Current assets</b>			
Inventories		417,031	402,599
Trade and other receivables, prepayments and deposits	14	122,737	117,819
Cash and cash equivalents		308,072	338,501
		847,840	858,919
<b>Total assets</b>		1,669,489	1,742,182
<b>Equity</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital and share premium	15	589,517	589,517
Reserves		294,295	299,839
		883,812	889,356
<b>Non-controlling interests</b>		1,549	4,352
<b>Total equity</b>		885,361	893,708
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		498	498
Provision for reinstatement costs	17	4,643	4,444
Lease liabilities	13(a)(ii)	243,240	266,038
Borrowings	18	6,787	7,304
		255,168	278,284
<b>Current liabilities</b>			
Trade and other payables	17	232,130	244,867
Contract liabilities	17	7,062	8,443
Loans due to a non-controlling shareholder of a subsidiary		7,352	7,257
Borrowings	18	13,561	15,516
Lease liabilities	13(a)(ii)	253,088	285,575
Current income tax liabilities		15,767	8,532
		528,960	570,190
<b>Total liabilities</b>		784,128	848,474
<b>Total equity and liabilities</b>		1,669,489	1,742,182

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

# Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 31 October 2024

		Unaudited			
		Attributable to owners of the Company			Total equity HK\$'000
Note		Share capital and share premium HK\$'000	Reserves HK\$'000	Total HK\$'000	
	At 1 May 2024 (audited)	589,517	299,839	889,356	893,708
	Comprehensive income/(loss):				
	Profit/(loss) for the period	–	32,959	32,959	30,016
	Other comprehensive income:				
	Currency translation differences	–	713	713	853
	Total comprehensive income/(loss) for the period	–	33,672	33,672	30,869
	Transactions with owners:				
	Employee share award scheme:				
	– value of employee services	16	–	1,089	1,089
	Dividends	11	–	(40,305)	(40,305)
	Total transactions with owners		–	(39,216)	(39,216)
	At 31 October 2024 (unaudited)	589,517	294,295	883,812	885,361
	At 1 May 2023 (audited)	589,517	307,446	896,963	904,403
	Comprehensive income:				
	Profit/(loss) for the period	–	50,764	50,764	48,920
	Other comprehensive loss:				
	Currency translation differences	–	(2,482)	(2,482)	(2,667)
	Total comprehensive income/(loss) for the period	–	48,282	48,282	46,253
	Transactions with owners:				
	Change in equity interests in a subsidiary without change of control		–	114	(865)
	Employee share award scheme:				
	– value of employee services	16	–	2,000	2,000
	Dividend paid to a non-controlling interest		–	–	(800)
	Dividends		–	(71,925)	(71,925)
	Total transactions with owners		–	(69,811)	(71,476)
	At 31 October 2023 (unaudited)	589,517	285,917	875,434	879,180

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

# Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 31 October 2024

	Unaudited six months ended 31 October 2024 HK\$'000	2023 HK\$'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	204,232	259,338
Income tax paid, net	(90)	(53,207)
Net cash generated from operating activities	204,142	206,131
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(13,482)	(46,858)
Purchase of intangible assets	(5,888)	–
Prepayment for purchase of intangible assets	(135)	–
Down payment of motor vehicle	–	(287)
Proceeds from disposal of property, plant and equipment	21	365
Dividend received from financial assets at fair value through profit or loss	370	297
Interest received	3,548	4,863
Net cash used in investing activities	(15,566)	(41,620)
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(175,733)	(182,393)
(Repayment of)/proceeds from bank borrowings, net	(2,472)	8,815
Interest paid	(478)	(434)
Dividends paid	(40,305)	(71,925)
Dividend paid to a non-controlling interest	–	(800)
Consideration paid for increase in equity interest in a subsidiary without change of control	–	(751)
Net cash used in financing activities	(218,988)	(247,488)
Net decrease in cash and cash equivalents	(30,412)	(82,977)
Cash and cash equivalents at beginning of the period	338,501	402,310
Currency translation differences	(17)	(558)
Cash and cash equivalents at end of the period	308,072	318,775
Analysis of balances of cash and cash equivalents:		
– Cash at banks and on hand	195,812	185,189
– Short-term bank deposits with original maturity within three months	112,260	133,586
	308,072	318,775

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Condensed Consolidated Interim Financial Information

## 1 General information

International Housewares Retail Company Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in retail sales and trading of housewares, trend-based items, personal care, food and household 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, KY1-1111, 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.

This condensed consolidated interim financial information is presented in HK dollars (“HK\$”) and rounded to the nearest thousand HK\$ (“HK\$’000”), unless otherwise stated. This interim financial information has been approved for issue by the Board of Directors on 20 December 2024.

This condensed consolidated interim financial information has been reviewed, but not audited.

## 2 Basis of presentation

This condensed consolidated interim financial information for the six months ended 31 October 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This condensed consolidated interim financial information does not include all the notes of the type of normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 30 April 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

## 3 Accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 30 April 2024, as described in those annual consolidated financial statements, except for estimation of income tax and the adoption of the new and amended standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### (a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards and revised interpretation for the first time for the financial year beginning on 1 May 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of these new and amended standards did not have significant impact on the amounts recognised in prior or current periods.



# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 3 Accounting policies *(Continued)*

### (b) New and amended standards not yet adopted by the Group

The following new and amended standards and revised interpretation which have been issued but are not effective for the Group's financial year beginning on 1 May 2024 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 May 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 May 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 May 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 May 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayments on Demand Clause	1 May 2027
HKFRS10 and HKAS28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The Group is in process of making an assessment of the impact of the above new and amended standards upon initial application, and has concluded on a preliminary basis that these are not expected to have a significant impact on the Group's results of operations or financial position.

## 4 Estimates

The preparation of this condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 April 2024.

## 5 Financial risk management

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and price risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 April 2024. There have been no significant changes in the risk management policies since 30 April 2024.

### 5.2 Fair value estimation

The carrying amounts of the financial asset including financial asset at fair value through profit or loss, trade and other receivables, deposits, cash and cash equivalents; financial liabilities including loans due to a non-controlling shareholder of a subsidiary, trade and other payables, borrowings and lease liabilities approximate their fair value. The fair values of investment properties that are not traded in an active market are determined by using valuation techniques.

The disclosure of the investment properties that are measured at fair value is set out in Note 12.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 5 Financial risk management *(Continued)*

### 5.2 Fair value estimation *(Continued)*

Financial instruments carried at fair value are analysed by valuation method. The different levels have been defined as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets that are measured at fair value at 31 October 2024 and 30 April 2024.

	Unaudited			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 31 October 2024</b>				
Financial asset at fair value through profit or loss				
– Hong Kong listed equity securities	7,400	–	–	7,400
<b>At 30 April 2024</b>				
Financial asset at fair value through profit or loss				
– Hong Kong listed equity securities	8,139	–	–	8,139

The financial asset was denominated in HK\$.

During the six months ended 31 October 2024, there were no transfers between levels 1, 2 and 3, and no change in recurring fair value measurements (during the six months ended 31 October 2023: same).

## 6 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.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 6 Segment information *(Continued)*

The segment information provided to the executive directors for the reportable segments for the six months ended 31 October 2024 is as follows:

	(Unaudited)			
	Retail		Wholesales, licencing and others	Total
	Hong Kong and Macau HK\$'000	Singapore HK\$'000	HK\$'000	HK\$'000
Segment revenue (all from external customers)	1,109,712	147,986	12,937	1,270,635
Cost of sales	(581,867)	(83,720)	(8,367)	(673,954)
Segment results	527,845	64,266	4,570	596,681
Gross profit%**	47.57%	43.43%	35.33%	46.96%
Other income				7,429
Other losses, net				(966)
Distribution and advertising expenses				(27,492)
Administrative and other operating expenses				(528,794)
<b>Operating profit</b>				<b>46,858</b>
Finance income				3,097
Finance costs				(12,591)
<b>Profit before income tax</b>				<b>37,364</b>
Income tax expense				(7,348)
<b>Profit for the period</b>				<b>30,016</b>

The segment information provided to the executive directors for the reportable segments for the six months ended 31 October 2023 is as follows:

	(Unaudited)			
	Retail		Wholesales, licencing and others	Total
	Hong Kong and Macau HK\$'000	Singapore HK\$'000	HK\$'000	HK\$'000
Segment revenue (all from external customers)	1,164,925	153,598	3,962	1,322,485
Cost of sales	(613,202)	(87,669)	(2,795)	(703,666)
Segment results	551,723	65,929	1,167	618,819
Gross profit%**	47.36%	42.92%	29.45%	46.79%
Other income				9,324
Other losses, net				(1,357)
Distribution and advertising expenses				(27,874)
Administrative and other operating expenses				(531,766)
<b>Operating profit</b>				<b>67,146</b>
Finance income				4,457
Finance costs				(11,791)
<b>Profit before income tax</b>				<b>59,812</b>
Income tax expense				(10,892)
<b>Profit for the period</b>				<b>48,920</b>

\*\* 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 six months ended 31 October 2024 and 2023. The accounting policies of the reportable segments are the same as the Group's accounting policies.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 6 Segment information *(Continued)*

During the six months ended 31 October 2024, revenues include sales of goods of HK\$1,269,460,000 (during the six months ended 31 October 2023: HK\$1,321,365,000), revenue arising from customer loyalty programme of HK\$593,000 (during the six months ended 31 October 2023: HK\$569,000) and consignment sales commission of HK\$582,000 (during the six months ended 31 October 2023: HK\$551,000).

The revenue from the Group's largest customer accounted for less than 10% of the Group's total revenue for the six months ended 31 October 2024 and 2023.

All of the Group's revenues are recognised at a point in time for the six months ended 31 October 2024 and 2023.

The following tables present segment assets and liabilities as at 31 October 2024 and 30 April 2024 respectively:

	Unaudited As at 31 October 2024			Total HK\$'000
	Retail Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	
Segment assets	1,120,462	186,984	8,478	1,315,924
Segment liabilities	633,094	120,869	6,548	760,511

	Audited As at 30 April 2024			Total HK\$'000
	Retail Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	
Segment assets	1,178,804	171,719	7,264	1,357,787
Segment liabilities	701,077	124,455	6,655	832,187

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 costs, lease liabilities, borrowings, trade and other payables and contract liabilities.

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

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Segment assets	1,315,924	1,357,787
Investment properties	32,552	32,191
Financial assets at fair value through profit or loss	7,400	8,139
Deferred income tax assets	5,541	5,564
Cash and cash equivalents	308,072	338,501
Total assets	1,669,489	1,742,182

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 6 Segment information *(Continued)*

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

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Segment liabilities	760,511	832,187
Deferred income tax liabilities	498	498
Loans due to non-controlling shareholders of a subsidiary	7,352	7,257
Current income tax liabilities	15,767	8,532
Total liabilities	784,128	848,474

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

	Unaudited Six months ended 31 October	
	2024 HK\$'000	2023 HK\$'000
Hong Kong	1,099,958	1,147,066
Singapore	147,986	153,598
Macau	22,691	21,821
	1,270,635	1,322,485

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

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Hong Kong	579,732	639,502
Mainland China	40,115	39,898
Singapore	108,674	118,609
Macau	56,611	52,730
	785,132	850,739

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 7 Other income

	Unaudited	
	Six months ended 31 October 2024	2023
	HK\$'000	HK\$'000
Advertising and promotion income	4,803	4,535
Sub-leasing rental income	187	156
Rental income	304	442
Dividend income	370	297
Government grant (Note)	1,627	1,880
Sundry income	138	2,014
	7,429	9,324

Note:

These primarily represented government subsidies in relation to subsidies of approximately HK\$1,438,000 received under the Progressive Wage Credit Scheme of the Government of Singapore during the six months ended 31 October 2024 (during the six months ended 31 October 2023: HK\$1,767,000).

## 8 Operating profit

The following items have been charged to the operating profit during the six months ended 31 October 2024 and 2023:

	Unaudited	
	Six months ended 31 October 2024	2023
	HK\$'000	HK\$'000
Employee benefit expenses (including directors' emoluments)	199,383	216,886
Short-term lease expenses (Notes 13(b))	48,315	30,649
Depreciation of property, plant and equipment (Note 12)	16,742	16,424
Depreciation of right-of-use assets (Note 13(b))	164,962	170,553
Amortisation of intangible assets (Note 12)	2,258	1,998
Provision for slow moving and near-expiry inventories	900	901
Loss on disposal of property, plant and equipment	226	369
Fair value loss on financial asset at fair value through profit or loss	739	1,110
Net exchange losses/(gains)	1,068	(149)

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 9 Income tax expense

During the six-months ended 31 October 2024 and 2023, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit. Overseas profits tax has been provided at the standard tax rate of the respective entities according to local tax laws.

	(Unaudited)	
	Six months ended 31 October	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong profits tax		
– Current year	7,330	10,598
Overseas taxation		
– Current year	7	107
– Over-provision in prior years	(12)	–
	7,325	10,705
Deferred income tax	23	187
Income tax expense	7,348	10,892

## 10 Earnings per share

### (a) Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to owners of the Company and on the weighted average number of shares in issue during the period.

	(Unaudited)	
	Six months ended 31 October	
	2024	2023
Profit attributable to owners of the Company (HK\$'000)	32,959	50,764
Weighted average number of ordinary shares in issue (in thousands) (Note)	719,718	719,292
Basic earnings per share attributable to owners of the Company (HK cents per share)	4.58	7.06

Note:

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



# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 10 Earnings per share *(Continued)*

### (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 Company has two categories of dilutive potential ordinary share: share options and share awards. The number of shares that would have been issued assuming the vesting of share awards and 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.

	(Unaudited)	
	Six months ended 31 October	
	2024	2023
Profit attributable to owners of the Company (HK\$'000)	32,959	50,764
Weighted average number of shares for diluted earnings per share (in thousands)	720,668	724,002
Diluted earnings per share attributable to owners of the Company (HK cents per share)	4.57	7.01

## 11 Dividends

During the six months ended 31 October 2024, a final dividend totaling HK\$40,305,000 in relation to the year ended 30 April 2024 was declared and paid.

On 20 December 2024, the Board resolved to declare an interim dividend of 4.0 HK cents (2023/24: interim dividend paid of HK5.6 cents) per share, totaling HK\$28,800,000 (2023/24: HK\$40,315,000). The proposed dividend has not been recognised as a liability in this interim financial information but will be reflected as an appropriation of retained profits for the year ending 30 April 2025.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 12 Property, plant and equipment, investment properties and intangible assets

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Intangible assets			Sub Total HK\$'000	Total HK\$'000
			Trademark HK\$'000	Goodwill HK\$'000	Computer software HK\$'000		
Six months ended 31 October 2024							
Net book value							
As at 1 May 2024 (audited)	210,895	32,191	17,402	5,931	3,627	26,960	270,046
Additions	13,916	—	—	—	5,888	5,888	19,804
Disposals	(247)	—	—	—	—	—	(247)
Depreciation and amortization (Note 8)	(16,742)	—	(320)	—	(1,938)	(2,258)	(19,000)
Exchange difference	444	361	386	—	—	386	1,191
As at 31 October 2024 (unaudited)	208,266	32,552	17,468	5,931	7,577	30,976	271,794
Six months ended 31 October 2023							
Net book value							
As at 1 May 2023 (audited)	182,340	37,245	18,437	5,931	4,937	29,305	248,890
Additions	51,004	—	—	—	—	—	51,004
Disposals	(733)	—	—	—	—	—	(733)
Depreciation and amortization (Note 8)	(16,424)	—	(317)	—	(1,681)	(1,998)	(18,422)
Exchange difference	(777)	(2,036)	(472)	—	—	(472)	(3,285)
As at 31 October 2023 (unaudited)	215,410	35,209	17,648	5,931	3,256	26,835	277,454

The Group's investment properties were revaluated at 30 April 2024. No valuation was performed during the six months ended 31 October 2024 as there was no indication of significant changes in the values since previous annual reporting date.

## 13 Leases

### (a) Amounts recognised in the condensed consolidated interim balance sheet

The condensed consolidated interim balance sheet shows the following amounts relating to right-of-use assets:

#### (i) Right-of-use assets

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Properties	477,744	534,207
Land use rights	2,721	2,739
Others	855	944
	481,320	537,890

Additions to the right-of-use assets during the six months ended 31 October 2024 were approximately HK\$106,897,000 (for the year ended 30 April 2024: HK\$326,999,000).

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 13 Leases *(Continued)*

### (a) Amounts recognised in the condensed consolidated interim balance sheet *(Continued)*

#### (ii) Lease liabilities

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Non-current	243,240	266,038
Current	253,088	285,575
	496,328	551,613

During the six months ended 31 October 2024 and 2023, the Group received other rent concession from landlords for certain leased properties which has been accounted for as lease modifications.

### (b) Amounts recognised in the condensed consolidated interim statement of comprehensive income

The condensed consolidated interim statement of comprehensive income shows the following amounts relating to leases:

	Unaudited Six months ended 31 October 2024 HK\$'000	2023 HK\$'000
Depreciation of right-of-use assets (Note 8)		
– Properties	164,803	170,467
– Land use rights	48	48
– Others	111	38
Interest on lease liabilities	12,018	11,261
Expense relating to short-term leases (Note 8)	48,315	30,649
Gain on lease modification	–	122

The total cash outflow for leases for the six months ended 31 October 2024 was HK\$224,048,000 (six months ended 31 October 2023: HK\$213,042,000).

### (c) The Group's leasing activities and how these are accounted for

#### *As a lessee*

The Group leases various land, offices, warehouses, retail stores, apartments, office equipment and vehicle. Rental contracts are typically made for fixed periods of 1 to 5 years (2023: 1 to 5 years), but may have extension and termination options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

### (d) Extension and termination options

Extension and termination options are included in a number of land leases and property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 14 Trade and other receivables, prepayments and deposits

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Trade receivables, net	8,983	8,264
Prepayments	21,156	21,673
Deposits and other receivables	148,192	149,506
	178,331	179,443
Less: non-current portion		
Deposits	(55,459)	(61,624)
Prepayments	(135)	–
	(55,594)	(61,624)
Current portion	122,737	117,819

The Group conducts sales to customers on a cash-on-delivery basis for retail sales. At 31 October 2024 and 30 April 2024, the ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
Up to 3 months	8,912	8,255
3 to 6 months	71	9
	8,983	8,264
Less: provision for impairment of trade receivables	–	–
	8,983	8,264

## 15 Share capital and share premium

	Number of shares (thousands)	Share capital HK\$'000	Share premium HK\$'000	Total HK\$'000
As at 1 May 2023 (audited), 31 October 2023 (unaudited), 1 May 2024 (audited) and 31 October 2024 (unaudited)	724,023	72,402	517,115	589,517

## 16 Share award scheme

On 24 July 2015, a new share award scheme (“the Share Award Scheme”) was approved and adopted by the Board of directors of the Company. Unless otherwise cancelled or amended, the Share Award Scheme will remain valid and effective for 10 years from the date of adoption.

The number of shares to be awarded under the Share Award Scheme throughout its duration is limited to 5% of the issued share capital of the Company from time to time. The maximum number of shares which may be granted to a selected employee under the scheme shall not exceed 1% of the issued share capital from time to time.

During the six months ended 31 October 2024, no shares granted to selected participants pursuant to the Share Award Scheme (during the year ended 30 April 2024: 784,000).

As at 31 October 2024, 4,287,000 shares were outstanding (30 April 2024: 4,573,000, which include 3,623,000 shares require the holders to pay HK\$1.68).

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 16 Share award scheme *(Continued)*

During the six months ended 31 October 2024, no treasury shares were distributed to the participants whose share awards have been vested (during the year ended 30 April 2024: 689,000).

During the six months ended 31 October 2024, the trustee of the Share Award Scheme has not purchased any shares of the Company on the Stock Exchange (during the year ended 30 April 2024: the trustee of the Share Award Scheme has purchased 200,000 shares of the Company on the Stock Exchange with the total amount paid to acquire the shares was HK\$431,000 and has been deducted from shareholders' equity).

Treasury shares held uncanceled are accounted for as a deduction of shareholders' equity. As at 31 October 2024, 4,287,000 treasury shares were held by the Group (30 April 2024: 4,287,000).

For the six months ended 31 October 2024, total expenses recognised in the condensed consolidated interim statement of comprehensive income for share award granted is approximately HK\$1,089,000 (for the six months ended 31 October 2023: HK\$2,000,000).

The weighted average fair value of shares granted on 20 October 2021, 20 August 2022 and 24 October 2022 determined using the Binomial Option Pricing Model was HK\$0.66, HK\$0.91 and HK\$0.69 per share respectively. The significant inputs into the model were as following:

	20 October 2021	20 August 2022	24 October 2022
Risk-free rate	0.48%	2.88%	4.88%
Volatility (Note a)	25.74%	23.52%	22.4%
Dividend yield	7.35%	8.73%	9.77%
Forfeit ratio	0%	0%	0%
Close prices of the underlying shares at respective grant dates	HK\$2.72	HK\$2.97	HK\$2.66

Note:

- (a) The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices of the Company's comparable companies over the last 2-3 years.

## 17 Trade and other payables, provision for reinstatement costs and contract liabilities

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
<b>Current</b>		
Trade payables	180,791	192,185
Other payables and accruals	44,246	45,478
Deposits received	45	41
Provision for employee benefits	7,048	7,163
	232,130	244,867
<b>Non-current</b>		
Provision for reinstatement cost	4,643	4,444
	236,773	249,311
<b>Contract liabilities</b>		
Receipts in advance and cash coupons	4,421	5,555
Deferred revenue arising from customer loyalty programs	2,641	2,888
	7,062	8,443

The carrying values of trade and other payables approximate their fair values as at 31 October 2024 and 30 April 2024.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 17 Trade and other payables, provision for reinstatement costs and contract liabilities *(Continued)*

The ageing analysis of trade payables based on invoice date are as follows:

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
0-30 days	114,713	135,198
31-60 days	38,642	33,753
61-90 days	23,235	22,745
91-120 days	4,201	489
	180,791	192,185

## 18 Borrowings

	Unaudited As at 31 October 2024 HK\$'000	Audited As at 30 April 2024 HK\$'000
<b>Non-current</b>		
Mortgage loan, secured	6,787	7,304
<b>Current</b>		
Trust receipt loans, secured and contain a repayment on demand clause	12,568	14,566
Mortgage loan, secured	993	950
	13,561	15,516
	20,348	22,820

Interest expenses on the above borrowings for the six months ended 31 October 2024 are approximately HK\$475,000 (during the six months ended 31 October 2023: HK\$434,000).

As at 31 October 2024 and 30 April 2024, trust receipt loans are secured by corporate guarantees by the Company and its subsidiaries.

As at 31 October 2024 and 30 April 2024, mortgage loan is secured by properties in Hong Kong held by a subsidiary of the Company and also secured by corporate guarantees by the Company and one of its subsidiaries.

The Group has the following undrawn banking facilities:

	As at 31 October 2024 HK\$'000	30 April 2024 HK\$'000
Floating rates		
– expiring within one year	226,302	284,274

The facilities expiring within one year are annual facilities subject to review at various dates.

## 19 Contingent liabilities

The Group's banks have given guarantees in lieu of deposits of approximately HK\$27,132,000 as at 31 October 2024 (30 April 2024: HK\$20,696,000) to the Group's landlords and utility providers. These guarantees are counter indemnified by corporate guarantees and pledged deposits provided by certain subsidiaries.

# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 20 Significant related party transactions

Other than those transactions or balances disclosed elsewhere in this condensed consolidated interim financial information, the following transactions were carried out with related parties in the normal course of the Group's business during the six months ended 31 October 2024 and 2023.

Ms. Ngai Lai Ha is a director of the related companies of the Group mentioned in (a)(i) and (b)(i) below during the six months ended 31 October 2024 and 2023.

### (a) Sales of goods and services

		Unaudited Six months ended 31 October	
		2024	2023
	Note	HK\$'000	HK\$'000
(i) Management fee income:			
– JHC Investment Limited	(i)	13	13
– Mulan's Garden (HK) Limited	(i)	25	25
– Hong Sing Investment Limited	(i)	13	13
(ii) Sub-leasing rental income:			
– Radha Exports Pte. Ltd.	(ii)	78	64

### (b) Purchase of goods and services

		Unaudited Six months ended 31 October	
		2024	2023
	Note	HK\$'000	HK\$'000
(i) Short-term lease expenses in respect of certain premises to related companies:			
– Mulan's Garden (HK) Limited	(iii)	2,754	2,754
– JHC Investment Limited	(iii)	1,266	1,402
– Hong Sing Investment Limited	(iii)	10,578	10,503
– Charm Rainbow Limited	(iii)	1,008	1,008
– Beauty Delight Limited	(iii)	786	768
– Hugo Grand Limited	(iii)	3,229	3,235
– Beauty Wellness Limited	(iii)	636	–
(ii) Purchase of goods from a related company			
– Radha Exports Pte. Ltd.	(i)	33,624	40,536
(iii) Interest expense to a non-controlling interest of a subsidiary			
– Union Way Trading Limited	(i)	95	96

Notes:

- (i) Management fee income, purchase of goods and interest expense were charged based on terms mutually agreed between the relevant parties.
- (ii) Sub-leasing rental income was charged based on terms mutually agreed between the relevant parties.
- (iii) Short-term lease expenses were charged based on terms mutually agreed between the relevant parties.



# Notes to the Condensed Consolidated Interim Financial Information *(Continued)*

## 20 Significant related party transactions *(Continued)*

### (c) Acquisition in equity interest in a subsidiary

For the period from 1 May 2023 to 5 October 2023, the Group's shareholding in JHC Property Management Limited (formerly known as JHC (Plastics) Limited) ("JPM"), one of the subsidiaries of the Group, was 60%. On 6 October 2023, the Group acquired additional 40% equity interest in this subsidiary at the consideration of approximately HK\$751,000.

After completion of the acquisition, JPM becomes a wholly-owned subsidiary of the Group.

### (d) Key management compensation

Key management includes directors and senior managements. The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	Six months ended 31 October 2024	2023
	HK\$'000	HK\$'000
Short-term employee benefits	4,759	6,806
Post-employment benefits – defined contribution plans	30	51
Other long-term benefits	129	800
	4,918	7,657

## Other Information

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 October 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name and Category	Capacity/ Nature of Interest	Number of shares of the Company	Number of underlying shares of the Company – Share Option (Note 3)	Number of underlying shares of the Company – Share Award (Note 5)	Total interest (Note 1)	Approximate percentage of shareholding as at 31 October 2024*
<b>Directors</b>						
Ms. Ngai Lai Ha	Interest in a controlled corporation	324,000,000 (Note 2)	–	–	361,902,000	49.98%
	Personal interest	37,902,000	–	–		
Mr. Lau Pak Fai Peter	Interest in a controlled corporation	324,000,000 (Note 4)	–	–	357,980,000	49.44%
	Personal interest	33,980,000	–	–		
Mr. Cheng Sing Yuk	Personal interest	1,551,000	–	127,000	1,678,000	0.23%
Mr. Mang Wing Ming Rene	Personal interest	424,000	–	–	424,000	0.06%

\* The percentage was calculated based on 724,023,000 shares in issue as at 31 October 2024.

Notes:

- All the above shares and underlying shares are long position.
- Ms. Ngai Lai Ha is deemed to have interests in 324,000,000 shares beneficially owned by Hiluleka Limited, by virtue of her controlling shareholding (i.e. 50%) in Hiluleka Limited.
- The Company adopted a share option scheme for a period of 10 years commencing on 4 September 2013 (the "Share Option Scheme"). It has been expired and no further options can be granted. At the date of this report, there were no shares of the Company available for issue under the Share Option Scheme. There were no outstanding options granted pursuant to the Share Option Scheme to subscribe for shares of the Company.
- Mr. Lau Pak Fai Peter is deemed to have interests in 324,000,000 shares beneficially owned by Hiluleka Limited, by virtue of his controlling shareholding (i.e. 50%) in Hiluleka Limited.
- These represent the shares granted by the Company under the Share Award Scheme (as defined in the section headed "Share Award Scheme" of this report).

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 October 2024, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information *(Continued)*

### Substantial Shareholders' Interests in Shares and Underlying Shares

As at 31 October 2024, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/Nature of Interest	Number of shares of the Company (Note 1)	Approximate percentage of shareholding as at 31 October 2024*
Hiluleka Limited	Beneficial owner	324,000,000 (Note 2)	44.75%
Webb David Michael	Beneficial owner/Interest of corporation controlled by the substantial shareholder	57,984,000	8.01%
Preferable Situation Assets Limited	Beneficial owner	36,223,700 (Note 3)	5.00%

\* The percentage was calculated based on 724,023,000 shares in issue as at 31 October 2024.

Notes:

- All the above shares are long position.
- The shares are taken to have a duty of disclosure as described in Notes (2) and (4) under the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures".
- Mr. Webb David Michael is deemed to have interests in 36,223,700 shares beneficially owned by Preferable Situation Assets Limited, which is wholly owned by him.

Save as disclosed above, as at 31 October 2024, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Other Information *(Continued)*

### Share Award Scheme

The Share Award Scheme was adopted by the Board on 24 July 2015 (the “Adoption Date” and the “Share Award Scheme” respectively) to recognise the contributions by the Group’s employees (including without limitation any Director) and to provide them with incentives in order to retain them for their continual operation and development of the Group; and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board pursuant to the rules and trust deed of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date. The nominal value of the shares of the Company to be awarded under the Share Award Scheme throughout its duration is limited to 5% of the issued share capital of the Company from time to time. The maximum number of shares of the Company which may be granted to selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. Details of which have been set out in the Company’s announcement dated 24 July 2015.

The following table discloses movements of the awarded shares of the Company held by the Company’s Director or employees during the Period:

Name and Category of participants	Date of grant	Closing price	Vesting prices of awarded shares HK\$ per share	Vesting period	Number of awarded shares				
					Unvested as at 1 May 2024	Granted during the Period	Forfeited during the Period	Vested during the Period	Unvested as at 31 October 2024
<b>Directors</b>									
Ms. NGAI Lai Ha	20/08/2022	2.97	1.68	16/10/2024 to 31/10/2024	800,000	–	(800,000)	–	–
Sub-total					800,000	–	(800,000)	–	–
Mr. CHENG Sing Yuk	20/08/2022	2.97	1.68	16/10/2024 to 31/10/2024	500,000	–	(500,000)	–	–
	14/11/2022	2.63	–	24/10/2023 to 07/11/2024	42,000	–	–	–	42,000
	10/10/2023	2.18	–	10/10/2023 to 10/10/2025	85,000	–	–	–	85,000
Sub-total					627,000	–	(500,000)	–	127,000
<b>Employees – In aggregate</b>									
	20/10/2021	2.69	1.68	16/10/2024 to 31/10/2024	6,626,000	–	(6,626,000)	–	–
	24/10/2022	2.69	–	24/10/2023 to 07/11/2024	293,000	–	–	–	293,000
	24/10/2022	2.69	1.68	16/10/2024 to 31/10/2024	235,000	–	(235,000)	–	–
	10/10/2023	2.18	–	10/10/2023 to 10/10/2025	699,000	–	–	–	699,000
Sub-total					7,853,000	–	(6,861,000)	–	992,000
<b>Total</b>					9,280,000	–	(8,161,000)	–	1,119,000

## Other Information *(Continued)*

Notes:

- The number of shares available to be awarded under the Share Award Scheme as at the beginning of the Period, the end of the Period and the date of this report were 10,437,150 shares, 18,598,150 shares and 18,598,150 shares respectively, representing approximately 1.4%, 2.6% and 2.6% of the issued shares of the Company respectively as at the dates thereof. No awarded shares were granted during the Period.
- Details of their fair value at the time of grant and the accounting policy adopted are set out in note 16 to the consolidated financial statement.
- The vesting of the awarded shares shall be conditional upon the achievement of certain performance targets in respect of the financial results of the Group and the performance ratings of the grantees.
- Bank of Communications Trustee Limited has been appointed as the trustee of the Share Award Scheme ("Trustee"). Pursuant to the scheme rules and the trust deed entered into with the Trustee, the Trustee shall purchase from the market or subscribe for the relevant number of awarded shares out of the Company's resources. The Trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme, had not repurchased any shares of the Company on the Stock Exchange during the Period.

### Compliance with Corporate Governance Code

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (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.

The Board is of the view that the Company has met the code provisions set out in the CG Code, except for the 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 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 the business development of the Group.

### Review of Financial Statements

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed and discussed with the management the unaudited interim results of the Group for the Period. In addition, PricewaterhouseCoopers as the Company's auditor has reviewed the unaudited interim results of the Group for the Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### Compliance with the Model Code for Securities Transactions

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 a specific enquiry with all of the Directors, the Directors confirmed that they had been in compliance with the required standard set out in the Model Code throughout the Period.

### Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities (including sale of treasury shares of the Company) during the Period. As of 31 October 2024, the Company did not hold any treasury shares of the Company.

## Other Information *(Continued)*

### **Interim Dividend**

The Board has resolved to declare an interim dividend of 4.0 HK cents (2023/24: an interim dividend of 5.6 HK cents) per share, representing a total payout of approximately HK\$28,800,000 (2023/24: approximately HK\$40,315,000). Shareholders whose names appear on the register of members of the Company on Friday, 10 January 2025 will be entitled to the interim dividend which will be paid on or around Wednesday, 5 February 2025.

### **Closure of Register of Members**

The register of members of the Company will be closed from Wednesday, 8 January 2025 to Friday, 10 January 2025, (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for an interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 7 January 2025.

### **Appreciation**

On behalf of the Board, I would like to thank all of our management team members and staff for their commitment and contributions. I also greatly appreciate the constant support of our customers, business partners and shareholders. We shall be grateful for your continuing trust and support in the years to come.

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

Hong Kong, 20 December 2024