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CEC-COILS®
CEC INTERNATIONAL HOLDINGS LIMITED
CEC 國際控股有限公司*
(Incorporated in Bermuda with limited liability)
 (Stock Code: 759)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2025

The board of directors (the “Board”) of CEC International Holdings Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 April 2025 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Revenue	2	1,444,391	1,469,606
Cost of sales	4	(885,934)	(890,218)
Gross profit		558,457	579,388
Other gains/(losses), net	3	2,526	(2,315)
Selling and distribution expenses	4	(462,126)	(466,956)
General and administrative expenses	4	(128,323)	(129,934)
Operating loss		(29,466)	(19,817)
Finance income		2,549	4,553
Finance costs		(15,032)	(14,988)
Finance costs, net	5	(12,483)	(10,435)
Loss before income tax		(41,949)	(30,252)
Income tax (expense)/credit	6	(1,882)	440
Loss attributable to equity holders of the Company		(43,831)	(29,812)
Loss per share, basic and diluted, attributable to equity holders of the Company	7	HK6.58 cents	HK4.47 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(43,831)	(29,812)
Other comprehensive loss		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Change in fair value of equity investments at fair value through other comprehensive income	(14)	(44)
<i>Items that have been or may be reclassified subsequently to profit or loss</i>		
Release of exchange reserve upon deregistration of a subsidiary	(3,862)	–
Currency translation differences	(3,035)	(6,034)
Total comprehensive loss for the year attributable to equity holders of the Company	(50,742)	(35,890)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		282,078	301,686
Right-of-use assets		191,988	231,912
Investment properties		15,630	17,115
Financial assets at fair value through other comprehensive income		48	62
Rental deposits		29,659	32,309
Deferred tax assets		5,066	6,792
		524,469	589,876
Current assets			
Inventories		159,213	151,303
Accounts receivable	9	11,446	11,176
Deposits, prepayments and other receivables		40,240	41,088
Pledged bank balances		21,440	21,440
Cash and cash equivalents		56,734	71,422
		289,073	296,429
Total assets		813,542	886,305
EQUITY			
Share capital		66,619	66,619
Reserves		373,630	424,372
Total equity		440,249	490,991
LIABILITIES			
Non-current liabilities			
Lease liabilities		65,735	89,562
Deferred tax liabilities		7,902	7,902
Accruals and other payables		9,171	9,151
Borrowings		472	1,558
		83,280	108,173
Current liabilities			
Lease liabilities		117,103	136,708
Borrowings		30,384	24,655
Accounts payable	10	96,067	77,936
Accruals and other payables		46,459	47,842
		290,013	287,141
Total liabilities		373,293	395,314
Total equity and liabilities		813,542	886,305

Notes:

1. Basis of preparation and accounting policies

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

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

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

The Group has applied the following amendments to existing standards and interpretation for the first time for its annual reporting period commencing 1 May 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liabilities in a Sale and Leaseback
HK-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 amendments to existing standards and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on or after 1 May 2024 and have not been early adopted:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability ⁽¹⁾
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments ⁽²⁾
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11 ⁽²⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
Hong Kong Interpretation 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁽³⁾
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for the Group for annual period beginning on 1 May 2025

⁽²⁾ Effective for the Group for annual period beginning on 1 May 2026

⁽³⁾ Effective for the Group for annual period beginning on 1 May 2027

⁽⁴⁾ Effective date to be determined

The Group will adopt the above new standards, amendments to existing standards and interpretation when they become effective. The Group is in the process of assessing the related impact of adopting the above new standards, amendments to existing standards and interpretation.

2. Segment information

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

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

The segment information provided to the Management for the reportable segments for the years ended 30 April 2025 and 2024 is as follows:

	Retail business		Electronic component manufacturing		Investment property holding		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue										
External sales	1,394,171	1,422,887	49,377	45,685	843	1,034	-	-	1,444,391	1,469,606
Intersegment sales	-	-	-	-	1,585	1,585	(1,585)	(1,585)	-	-
	<u>1,394,171</u>	<u>1,422,887</u>	<u>49,377</u>	<u>45,685</u>	<u>2,428</u>	<u>2,619</u>	<u>(1,585)</u>	<u>(1,585)</u>	<u>1,444,391</u>	<u>1,469,606</u>
Segment results										
Operating profit/(loss)	<u>4,585</u>	<u>15,981</u>	<u>(16,112)</u>	<u>(17,461)</u>	<u>(2,116)</u>	<u>(3,093)</u>			<u>(13,643)</u>	<u>(4,573)</u>
Corporate expenses									<u>(15,823)</u>	<u>(15,244)</u>
Finance costs, net									<u>(12,483)</u>	<u>(10,435)</u>
Loss before income tax									<u>(41,949)</u>	<u>(30,252)</u>
Income tax (expense)/credit									<u>(1,882)</u>	<u>440</u>
Loss for the year									<u><u>(43,831)</u></u>	<u><u>(29,812)</u></u>
Total cost of sales	(837,025)	(849,052)	(48,791)	(41,048)	(118)	(118)			<u>(885,934)</u>	<u>(890,218)</u>
Depreciation and amortisation	(183,798)	(191,098)	(2,442)	(2,592)	-	-			<u>(186,240)</u>	<u>(193,690)</u>
Provision for impairment of property, plant and equipment	(167)	(413)	-	-	-	-			<u>(167)</u>	<u>(413)</u>
Provision for impairment of right-of-use assets	(1,086)	(2,509)	-	-	-	-			<u>(1,086)</u>	<u>(2,509)</u>
Total distribution cost and administrative expenses	(556,423)	(558,076)	(16,698)	(22,099)	(1,505)	(1,471)			<u>(574,626)</u>	<u>(581,646)</u>
Capital expenditures	<u>6,791</u>	<u>12,172</u>	<u>42</u>	<u>40</u>	<u>-</u>	<u>-</u>			<u><u>6,833</u></u>	<u><u>12,212</u></u>

	Retail business		Electronic component manufacturing		Investment property holding		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	688,502	747,774	104,549	115,220	17,571	18,748	(2,337)	(2,470)	808,285	879,272
Unallocated assets										
– Deferred tax assets									5,066	6,792
– Corporate assets									191	241
Total assets									813,542	886,305
Segment liabilities	327,348	353,043	6,578	7,629	818	1,323	(2,337)	(2,470)	332,407	359,325
Unallocated liabilities										
– Borrowings									30,856	26,213
– Deferred tax liabilities									7,902	7,902
– Corporate liabilities									2,128	1,674
Total liabilities									373,293	395,314

Geographical information

	Revenue		Non-current assets	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC (including Hong Kong Special Administrative Region)	1,425,997	1,452,766	524,469	589,876
Other countries/regions	18,394	16,840	–	–
	1,444,391	1,469,606	524,469	589,876

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

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

The Group has a large number of customers. For the year ended 30 April 2025, no revenue was derived from transactions with a single external customer representing 10% or more of the Group's total revenue (2024: same).

3. Other gains/(losses), net

	2025 HK\$'000	2024 HK\$'000
Net fair value loss on investment properties	(1,336)	(2,538)
Gain on deregistration of a subsidiary (<i>Note</i>)	3,862	–
Gain on lease modification	–	223
	<u>2,526</u>	<u>(2,315)</u>

Note: It represents the release of exchange reserve of approximately HK\$3,862,000 upon the deregistration of a dormant subsidiary of the Group during the year ended 30 April 2025.

4. Expenses by nature

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

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration		
– audit services	2,180	2,200
– non-audit services	98	166
Cost of inventories recognised as expenses included in cost of sales	869,071	879,777
Depreciation of property, plant and equipment	25,084	24,905
Direct operating expenses arising from investment properties that generate rental income	118	118
Employee benefit expenses (including directors' emoluments)	251,782	257,347
Net exchange gains		
– recognised in cost of sales	(34,783)	(39,857)
– recognised in general and administrative expenses	(2,333)	(3,404)
Depreciation of right-of-use assets	161,156	168,785
Expenses relating to short-term leases and variable lease payments	15,085	10,958
Provision for impairment of right-of-use assets	1,086	2,509
Provision for/(reversal of) impairment loss on financial assets	479	(663)
Provision for impairment of inventories	4,392	85
Provision for impairment of properties, plant and equipment	167	413
Utility expenses	69,052	71,253
Freight and transportation	53,797	50,771
Other expenses	59,952	61,745
	<hr/>	<hr/>
Total cost of sales, selling and distribution expenses and general and administrative expenses	1,476,383	1,487,108
	<hr/>	<hr/>

5. Finance cost, net

	2025 HK\$'000	2024 HK\$'000
Interest expense on bank borrowings	1,655	773
Interest expense on lease liabilities	13,377	14,215
Interest income from bank deposits	(997)	(1,485)
Others	(1,552)	(3,068)
	<hr/>	<hr/>
	12,483	10,435
	<hr/>	<hr/>

6. Income tax expense/(credit)

The amount of income tax expense/(credit) charged to the consolidated income statement represents:

	2025 HK\$'000	2024 HK\$'000
Hong Kong profits tax		
– current tax	–	–
– under provision in prior years	–	19
Overseas income tax including Mainland China		
– current tax	156	188
Deferred income tax	1,726	(647)
Income tax expense/(credit)	1,882	(440)

The Company is incorporated in Bermuda and is exempted from income tax in Bermuda until 2035. For the years ended 30 April 2025 and 2024, no provision for Hong Kong profits tax was made as the Group had an adjusted loss in Hong Kong. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax at the rate of 25% (2024: 25%) on their taxable income determined according to Mainland China tax laws. Certain subsidiaries of the Group are subject to “small and thin-profit enterprises” under Mainland China tax laws, whereby annual taxable income up to RMB3 million is subject to an effective tax rate of 5%. Other overseas income tax has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

7. Loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to equity holder of approximately HK\$43,831,000 (2024: HK\$29,812,000) and the weighted average number of 666,190,798 (2024: 666,190,798) shares in issue during the year.

For the years ended 30 April 2025 and 2024, diluted loss per share equals basic loss per share as there was no dilutive potential share.

8. Dividend

The board of directors does not recommend the payment of any dividend in respect of the year ended 30 April 2025 (2024: Nil).

9. Accounts receivable

	2025 HK\$'000	2024 HK\$'000
Accounts receivable	14,382	13,633
Less: loss allowance	(2,936)	(2,457)
Accounts receivable, net	11,446	11,176

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

	2025	2024
	HK\$'000	HK\$'000
0-30 days	6,743	7,075
31-60 days	2,674	2,198
61-90 days	1,036	1,047
91-120 days	403	468
Over 120 days	3,526	2,845
	14,382	13,633
Less: loss allowance	(2,936)	(2,457)
	11,446	11,176

As at 30 April 2025 and 2024, the carrying amount of accounts receivable approximated its fair value.

The Group primarily offers an average credit period ranging from 30 to 120 days to its non-retail business customers (2024: 30 to 120 days).

10. Accounts payable

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

	2025	2024
	HK\$'000	HK\$'000
0-30 days	76,516	68,983
31-60 days	18,462	7,727
61-90 days	1,089	1,197
91-120 days	–	–
Over 120 days	–	29
	96,067	77,936

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24 September 2025 to Tuesday, 30 September 2025 (both dates inclusive), during which period no transfer of shares of the Company will be effected. Shareholders whose names appear on the register of members of the Company on Tuesday, 30 September 2025 are entitled to attend and vote at the annual general meeting of the Company to be held on Tuesday, 30 September 2025 (the “2025 Annual General Meeting”). In order to qualify to attend and vote at the 2025 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 23 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

During the fiscal year 2024/25, Hong Kong’s business environment continued to be under “dual pressure” from both internal and external factors. The complexity of the international landscape intensified, with escalating geopolitical risks, ongoing regional conflicts, trade wars, and tariff disputes creating significant volatility in energy prices, shipping costs, exchange rates, and interest levels. On the domestic front, factors such as property market adjustments, declining asset prices, and persistently high interest rates have led consumers to adopt a more cautious spending attitude. Sensitivity to the prices of discounted goods has also increased. Additionally, in the “post-pandemic era”, citizens’ lifestyles have not significantly changed, with nighttime consumption activities remaining weak, leaving streets and shopping malls quiet in the evenings. Meanwhile, the outbound travel trend has shown no signs of abating, with high outbound departure numbers at various boundary control points that every weekend and public holiday has become a peak period for outbound travel by Hong Kong residents, and this trend has gradually normalized, with no signs of reversal at present.

According to figures from the Census and Statistics Department of Hong Kong, as of the Group's fiscal year-end date (30 April 2025), the total value of retail sales in Hong Kong recorded consecutive year-on-year declines for 14 months. In other words, every month during the reviewed fiscal year experienced a decline, reflecting a worsening operating environment for the local retail market. In response to these challenging conditions, the Group has implemented measures including optimizing sourcing strategies, improving store displays, and enhancing staff service quality to manage and mitigate the decline in revenue as much as possible. For the fiscal year ending 30 April 2025, the Group recorded consolidated revenue of HK\$1,444,391,000 (2024: HK\$1,469,606,000), representing a slight year-on-year decrease of 1.7%. Consolidated gross profit declined by approximately HK\$20,931,000, following revenue trends and certain promotional discounting strategies, to HK\$558,457,000 (2024: HK\$579,388,000), marking a decrease of approximately 3.6%. The loss attributable to equity holders for the year was HK\$43,831,000 (2024: HK\$29,812,000), representing an increase of 47.0% compared to the previous year. Despite the increase in annual losses, a closer look at the consolidated performance on six-month basis reveals that both the revenue decline and loss magnitude have shown gradual improvement. This indicates that the Group's cost-saving and revenue-generating measures during the economic downturn are beginning to yield positive results. The following table shows the comparative figures of the consolidated revenue and profit/(loss) attributable to equity holders for the first and second halves of the financial years 2023/24 and 2024/25:

	2023/24 1 st Half	2023/24 2 nd Half	2024/25 1 st Half	2024/25 2 nd Half
Revenue (HK\$'000)	750,947	718,659	702,392	741,999
Profit/(loss) attributable to equity holders (HK\$'000)	330	(30,142)	(28,648)	(15,183)

Retail Business

During the period under review, the Group's retail business recorded a segment revenue of HK\$1,394,171,000 (2024: HK\$1,422,887,000), representing a year-on-year decline of approximately 2.0%, and accounting for approximately 97% (2024: 97%) of total revenue. Segment gross profit was HK\$557,146,000 (2024: HK\$573,835,000), decreased by 2.9% as compared to that of the previous financial year. In recent years, the local retail market has been battered by multiple adverse factors. The management has summarized three major challenges currently facing the Group's retail business: 1) High demand for outbound travel: Residents' enthusiasm for traveling abroad has surged, with crowds frequently seen at border control points during weekends, and the situation becoming even more pronounced during holidays such as the Easter long holiday; 2) Weak nighttime activity: Throughout the review period, foot traffic after 8 p.m. remained stagnant, indicating that nighttime consumption activity among Hong Kong residents has not returned to pre-pandemic levels; 3) Cautious consumer spending due to high interest rates and property market volatility: These factors have led to a more conservative approach to spending by customers. Hong Kong's retail sales value has recorded consecutive declines for 14 months (March 2024 to April 2025), which accurately reflects the retail market's conditions during the fiscal year. Given the current market environment, the management believes that pursuing expansion plans aimed at revenue growth entails extremely high risks and low feasibility. Thus, under these challenging operating conditions, it is more practical and reasonable to set the revenue target at maintaining the existing level.

759 STORE adheres to a "directly from origin" procurement model, with over 90% of products directly imported from their countries of origin by the purchasing team. The team kept searching for high-quality products around the world for customers to select. Our sourcing network covers approximately 60 countries and regions worldwide (2024: 60). The primary sourcing regions are Japan and South Korea, Southeast Asia and other areas. During the review period, 759 STORE continued to develop its product portfolio, introducing new items. The purchasing team actively increased the number of new products, expanding the range of regular products to approximately 6,500 items (2024: 6,000 items). These products include snacks, beverages, leisure foods, rice, food grocery, frozen foods, personal care items, and tissue products. With the expansion of the product range, the inventory value of the retail business increased to HK\$147,105,000 (30 April 2024: HK\$133,190,000), up 10% compared to the same period last year. The retail segment's gross profit margin for the year was 40.0% (2024: 40.3%), representing a slight decrease of approximately 0.3 percentage point, mainly due to increased promotional discount activities during the period.

During the review period, 759 STORE did not expand its shop network and maintained a similar scale compared to the previous year. As at 30 April 2025, the total number of shops of 759 STORE was 168 (2024: 165), with net increase of 3 shops, including 9 openings and 6 closures. As at the same date, the total gross floor area of shops in operation was 320,000 square feet (30 April 2024: 334,000 square feet), with an average store size of 1,905 square feet (30 April 2024: 2,024 square feet), similar to the previous year's average. Due to the decline in segment revenue, the proportion of frontline staff wages to revenue increased to 10.8% (2024: 10.6%). The average number of frontline staff per shop remained stable at approximately 4 persons (2024: 4.1 persons). The remuneration package of the Group's frontline staff includes basic salaries, commissions, and other benefits, with commissions tied to the performance of individual stores.

In response to the challenging market environment, the Group actively implemented rigorous cost control measures for its retail business during the year. The selling and distribution expenses of the retail business decreased by approximately 1.1% to HK\$460,919,000 (2024: HK\$465,834,000). The management anticipates that store rental levels have stabilized and may even decline. However, most of the Group's store rents remained bound by existing leasing agreements during the review period. Upon lease expiration for certain stores, the management will negotiate with landlords based on prevailing market conditions to adjust rental terms, aiming to improve the cost structure of the retail business. The general and administrative expenses of the retail business increased by 3.5% to HK\$95,504,000 (2024: HK\$92,242,000), primarily due to rising fuel prices, logistics costs, and service provider fees. As a result of these factors, the retail business segment's operating profit for the year was HK\$4,585,000 (2024: HK\$15,981,000), representing a year-on-year decline of 71%.

Electronic Components Manufacturing Business

The Group's electronic components manufacturing business has long been constrained by the global economic downturn and turbulent international conditions, resulting in persistently weak segment revenue. However, signs of bottom-out in the industrial production market seem to have emerged this year. The segment revenue of the Group's electronic components manufacturing business recorded HK\$49,377,000 (2024: HK\$45,685,000), representing a year-on-year increase of 8.1%. During the review period, certain projects from individual customers ceased production, resulting in the termination of procurement for related models of coil products. Consequently, the Group made a one-off provision of HK\$3,640,000 for the remaining raw materials of these coil products. After accounting for this provision, the segment's operating loss for the year was HK\$16,112,000 (2024: HK\$17,461,000), reflecting a year-on-year reduction of 7.7% in the loss.

Investment Properties

Rental income of the Group for the year amounted to HK\$843,000 (2024: HK\$1,034,000). During the year, affected by the downward adjustment trend in the property markets of Hong Kong and Mainland China, a fair value loss of approximately HK\$1,336,000 (2024: HK\$2,538,000) was recorded for investment properties in the consolidated income statement.

FINANCIAL REVIEW

Fund Surplus and Liabilities

As at 30 April 2025, the Group's bank balances and cash (denominated mainly in Hong Kong dollar, United States dollar and Renminbi) was HK\$78,174,000 (2024: HK\$92,862,000). As at the same date, the Group had aggregate banking facilities of approximately HK\$381,858,000 (2024: HK\$382,875,000) which included term loans, import and trust receipt loans, etc. Unused facilities as at the same date amounted to approximately HK\$350,537,000 (2024: HK\$356,662,000).

The Group's bank loans (excluding bank guarantees) as at 30 April 2025 amounted to HK\$30,856,000 (2024: HK\$26,213,000), representing an increase of approximately HK\$4,643,000 as compared to that of the previous financial year. The management considers that the financial position remains sufficiently robust. However, with the business environment expected to remain challenging, the Group will continue to adopt a highly prudent financial management strategy to maintain a sound financial position. As at 30 April 2025, the Group's debt to equity ratio* was 0.07 (2024: 0.05). Moreover, as at the same date, the Group did not have any contingent liabilities (2024: Nil).

At 30 April 2025, the abovementioned utilized banking facilities were secured by charges on the Group's certain buildings, investment properties, inventories and bank deposits. In addition, the Group is required to comply with certain restrictive financial covenants imposed by the major financing banks. As at 30 April 2025, the Group had complied with such financial covenants

Assets

As at 30 April 2025, the Group's inventories amounted to HK\$159,213,000 (2024: HK\$151,303,000), representing an increase of 5.2% as compared to the last financial year end, mainly attributable to the expansion of product varieties in procurement by 759 STORE. Meanwhile, the total prepayments, deposits and other receivables (including rental deposits for retail stores) as at the same date were HK\$69,899,000 (2024: HK\$73,397,000), a decrease of 4.8% as compared with last financial year end.

(* The ratio of total borrowings over total equity)

Interest Expenses

The finance cost for the Group in the year was HK\$15,032,000 (2024: HK\$14,988,000), which is comparable to that of the previous financial year. However, after deducting the interest of lease obligation, the actual bank loan interest was HK\$1,655,000 (2024: HK\$773,000), representing an increase of 114% as compared to that of the previous financial year, mainly attributable to the higher utilization of banking facilities in the period.

Financial Resources and Capital Structure

Net cash outflow of the Group was HK\$14,557,000 (2024: HK\$14,295,000) for the year. Net cash inflow from operating activities was HK\$166,568,000 (2024: HK\$160,930,000), representing an increase of 3.5% as compared to that of the previous year. Net cash outflow for investing activities in the period was HK\$6,833,000 (2024: HK\$12,212,000), representing a decrease of 44%, which was mainly attributable to the capital expenditure for shop renovations and purchase of logistic facilities. The management suspended all non-essential capital expenditures and large-scale investment plans in light of the current unfavourable retail market conditions. Cash outflow for financing activities was HK\$174,292,000 (2024: HK\$163,013,000).

Cash Flow Summary

	2025	2024
	HK\$'000	HK\$'000
Net cash inflow from operating activities	166,568	160,930
Net cash outflow from investing activities	(6,833)	(12,212)
Net cash outflow from financing activities [#]	(174,292)	(163,013)
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(14,557)	(14,295)
	<hr/> <hr/>	<hr/> <hr/>

[#] This net amount included lease payment of HK\$178,181,000 (2024: HK\$179,927,000).

As at 30 April 2025, net current liabilities of HK\$940,000 (2024: net current assets of HK\$9,288,000) and current ratio of 1.00 (2024: 1.03) were recorded. This reflects that while the Group's liquidity has been affected by the deteriorating market conditions, the management has made every effort to implement strategies to increase income and reduce expenses, continuing to sustain and improve the Group's cash flow and liquidity.

Charges on Assets

As at 30 April 2025, certain assets of the Group with an aggregate carrying value of approximately HK\$266,936,000 (2024: HK\$271,565,000) were pledged to secure banking facilities of the Group.

Exchange Risks

The Group's business is mainly conducted in Hong Kong, Mainland China and South-east Asia. The major revenue currencies are denominated in Hong Kong dollar, Renminbi and United States dollars; whilst the major currencies for costs are denominated in Japanese Yen, United States dollars, Euro, Hong Kong dollar and Renminbi. The Group will do its best to closely monitor fluctuations in the foreign exchange market, actively adjusting the combination of the places of origins for our import products to offset the impact that currency fluctuation brought. At the moment, procurement cost of the Group will be affected when exchange rate of Japanese Yen and Euro rebound sharply. In the light of this, the Group will pay close attention to the fluctuation trends of Japanese Yen and Euro.

Employees

As at 30 April 2025, the Group employed approximately 1,300 staff (2024: 1,350) in total. The remuneration of employees was set with reference to market standard, individual performance, academic qualification and work experience, and reviewed regularly. Other agreed employee benefits included pension scheme, medical insurance, on-job training, education subsidy and other social insurances and paid leaves as required under the laws and regulation at the place of employment.

FUTURE PLAN AND OUTLOOK

The Hong Kong retail industry remains trapped in a prolonged downturn characterized by “structural adjustments”, with no clear signs of recovery in the market. The Board believes that this downturn is not a short-term fluctuation but rather a normalized challenge for the industry. Based on this assessment of a persistently subdued market, the management has adopted a core strategy of “surviving in stability”. Until the market shows significant recovery, the Group will avoid aggressive investments and prioritize maintaining stability in its existing operations. At the same time, the Group is intensifying cost-saving efforts by reducing non-essential expenses, aiming to manage this prolonged challenge through cost control and resource preservation for future opportunities.

In recent years, local consumption has been steadily contracting. The Group candidly acknowledges that it is difficult to achieve breakeven if rental costs remain at levels reflective of the market's peak during the boom years. The management will review stores with leases nearing expiration and negotiate renewal arrangements with landlords, targeting rental adjustments that align with current market conditions to ease cost pressures. While the Group has not set a specific target for the number of shops of 759 STORE, it will seize opportunities arising from the increased availability of vacant retail spaces across Hong Kong. The focus will be on gradually expanding the network by selecting new store locations that meet the criteria of “reasonable rent and suitable location”.

Under the current environment, the management sees attracting customers to “stay and spend in Hong Kong” as a critical mission for local retailers. 759 STORE is committed to offering customers more freshness and an enhanced shopping experience. The Group will continue to strengthen its core competitive advantages by leveraging its global procurement network, which spans 60 countries and regions. It will maintain over 90% of the products being directly imported from the country of origin and a high proportion being sold exclusively, enabling 759 STORE to establish a differentiated brand advantage and avoid vicious competition from peers. The procurement team plans to increase engagement with food and daily necessity manufacturers and exporters worldwide, participate in more trade exhibitions, and expand sourcing channels. The goal is to introduce several new product lines each quarter, continuously refreshing the product offerings at stores and attracting customers to shop at 759 STORE.

In summary, in response to the structural adjustments in the industry, the Group has chosen a development path centered on “surviving in stability”. By optimizing and cautiously expanding its shop network layout, reducing rental costs to alleviate burdens, and focusing on enhancing its unique global procurement strengths and upgrading the shopping experience, the Group is committed to reinforcing its differentiated brand competitiveness. This strategy not only pragmatically addresses current pressures but also lays the groundwork for growth opportunities when the market recovers, ensuring long-term momentum for sustainable operations.

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

The Company had not redeemed any of its listed shares during the year ended 30 April 2025. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s listed shares during the year ended 30 April 2025.

CORPORATE GOVERNANCE CODE

The board of directors (the “Board”) of the Company believes that good corporate governance plays an important role in maintaining and promoting investors’ confidence. The Board is responsible for ensuring that the Company maintains a high quality of corporate governance. The Company has adopted the principles and complied with the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the year ended 30 April 2025, except for the following deviations:

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

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

AUDIT COMMITTEE

The Audit Committee of the Company, currently comprising three independent non-executive directors, has reviewed the accounting principles and practices adopted by the Group, the risk management and internal control systems of the Group and the annual results of the Company for the year ended 30 April 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Following specific enquiry by the Company, all of the directors of the Company confirmed compliance with the required standard set out in the Model Code for the period from 1 May 2024 to 30 April 2025. The Model Code also applies to the relevant employees of the Group.

Further information on the corporate governance practices of the Company will be set out in 2024/2025 annual report of the Company, which will be sent to the shareholders of the Company in accordance with their election to receive the corporate communications of the Company by the end of August 2025.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 April 2025 as set out in the preliminary results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting of the Company will be held on Tuesday, 30 September 2025 and the Notice of Annual General Meeting will be published and despatched in accordance with the Listing Rules in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (<http://www.0759.com>) and the Stock Exchange (www.hkex.com.hk). The 2024/25 annual report of the Company containing all information required by the Listing Rules will be despatched to the shareholders of the Company in accordance with their election to receive the corporate communications of the Company and available on the same websites in due course.

By Order of the Board
Tang Fung Kwan
Chairman

Hong Kong, 30 July 2025

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

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

* For identification purpose only