

CEC-COILS® 759 阿信屋®



CEC 國際控股有限公司
CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 759)

INTERIM REPORT 中期報告

2025/2026

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Corporate Information

DIRECTORS

Executive Directors

Ms. Tang Fung Kwan
(Chairman and Managing Director)
 Mr. Lam Kwok Chung
(Deputy Managing Director)
 Mr. Ho Man Lee

Independent Non-executive Directors

Mr. Goh Gen Cheung
 Mr. Chan Chiu Ying
 Ms. Tsui Mei Ling, May

AUDIT COMMITTEE

Mr. Chan Chiu Ying *(Chairman)*
 Mr. Goh Gen Cheung
 Ms. Tsui Mei Ling, May

REMUNERATION COMMITTEE

Mr. Goh Gen Cheung *(Chairman)*
 Ms. Tang Fung Kwan
 Mr. Chan Chiu Ying
 Ms. Tsui Mei Ling, May

NOMINATION COMMITTEE

Ms. Tang Fung Kwan *(Chairman)*
 Mr. Goh Gen Cheung
 Mr. Chan Chiu Ying
 Ms. Tsui Mei Ling, May

COMPANY SECRETARY

Ms. Ho Wing Yi

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Victoria Place, 5th Floor
 31 Victoria Street
 Hamilton HM 10
 Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

2nd Floor, Hing Win Factory Building
 110 How Ming Street
 Kwun Tong, Kowloon
 Hong Kong

HEADQUARTERS IN MAINLAND CHINA

Li Xin Jie, Yong An Lu
 Dong Feng Zhen
 Zhongshan
 Guangdong
 China

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Auditor

LEGAL ADVISERS

Grandall Zimmern Law Firm
 Appleby

SHARE REGISTRARS AND TRANSFER OFFICES

Bermuda Principal Share Registrar
 Appleby Global Corporate Services
 (Bermuda) Limited
 Canon's Court, 22 Victoria Street
 PO Box HM 1179
 Hamilton HM EX
 Bermuda

Hong Kong Branch Share Registrar
 Computershare Hong Kong Investor
 Services Limited
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Listed on The Stock Exchange
 of Hong Kong Limited
 Stock Code: 759

2025/2026 Interim Results

The Board of Directors (the “Board”) of CEC International Holdings Limited (the “Company”) would like to present the unaudited condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 October 2025 and the unaudited condensed consolidated statement of financial position of the Group as at 31 October 2025.

Condensed Consolidated Income Statement

		Six months ended 31 October	
	Note	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	3	710,391	702,392
Cost of sales		(429,648)	(426,783)
Gross profit		280,743	275,609
Other income		605	–
Selling and distribution expenses		(232,412)	(237,248)
General and administrative expenses		(62,037)	(63,745)
Operating loss	4	(13,101)	(25,384)
Finance income		887	1,011
Finance costs		(6,390)	(7,609)
Finance costs, net	5	(5,503)	(6,598)
Loss before income tax		(18,604)	(31,982)
Income tax (expense)/credit	6	(564)	3,334
Loss attributable to equity holders of the Company for the period		(19,168)	(28,648)
Loss per share, basic and diluted, attributable to equity holders of the Company	7	(HK2.88 cents)	(HK4.30 cents)

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 31 October	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss for the period	(19,168)	(28,648)
Other comprehensive income/(loss)		
– items that may be reclassified subsequently to profit or loss		
Currency translation differences	1,703	(699)
– item that will not be reclassified subsequently to profit or loss		
Change in fair value of equity investments at fair value through other comprehensive income	14	3
Total comprehensive loss for the period attributable to equity holders of the Company	(17,451)	(29,344)

Condensed Consolidated Statement of Financial Position

	Note	As at 31 October 2025 HK\$'000 (Unaudited)	As at 30 April 2025 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	272,732	282,078
Right-of-use assets		181,417	191,988
Investment properties		15,741	15,630
Financial assets at fair value through other comprehensive income		62	48
Rental deposits		28,380	29,659
Deferred tax assets		4,756	5,066
		503,088	524,469
Current assets			
Inventories		161,640	159,213
Accounts receivable	10	11,612	11,446
Deposits, prepayments and other receivables		44,333	40,240
Pledged bank balances		21,440	21,440
Cash and cash equivalents		52,595	56,734
		291,620	289,073
Total assets		794,708	813,542
EQUITY			
Share capital	11	66,619	66,619
Reserves		356,179	373,630
Total equity		422,798	440,249
LIABILITIES			
Non-current liabilities			
Lease liabilities		54,790	65,735
Deferred tax liabilities		8,102	7,902
Accruals and other payables		9,451	9,171
Borrowings		–	472
		72,343	83,280
Current liabilities			
Lease liabilities		116,990	117,103
Borrowings		37,449	30,384
Accounts payables	12	95,031	96,067
Accruals and other payables		50,097	46,459
		299,567	290,013
Total liabilities		371,910	373,293
Total equity and liabilities		794,708	813,542

Condensed Consolidated Statement of Changes In Equity (Unaudited)

	Share Capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Investment revaluation HK\$'000	Property revaluation HK\$'000	Statutory reserves HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 May 2025	66,619	25,075	13,934	5,042	(90)	7,450	19,632	65,402	237,185	440,249
Loss for the period	-	-	-	-	-	-	-	-	(19,168)	(19,168)
Other comprehensive income:										
Currency translation differences	-	-	-	-	-	-	-	-	1,703	-
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	14	-	-	-	-	14
Total comprehensive loss	-	-	-	-	14	-	-	1,703	(19,168)	(17,451)
Balance at 31 October 2025	<u>66,619</u>	<u>25,075</u>	<u>13,934</u>	<u>5,042</u>	<u>(76)</u>	<u>7,450</u>	<u>19,632</u>	<u>67,105</u>	<u>218,017</u>	<u>422,798</u>
Balance at 1 May 2024	66,619	25,075	13,934	5,042	(76)	7,450	19,632	72,299	281,016	490,991
Loss for the period	-	-	-	-	-	-	-	-	(28,648)	(28,648)
Other comprehensive (loss)/income:										
Currency translation differences	-	-	-	-	-	-	-	-	(699)	-
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	3	-	-	-	-	3
Total comprehensive loss	-	-	-	-	3	-	-	(699)	(28,648)	(29,344)
Balance at 31 October 2024	<u>66,619</u>	<u>25,075</u>	<u>13,934</u>	<u>5,042</u>	<u>(73)</u>	<u>7,450</u>	<u>19,632</u>	<u>71,600</u>	<u>252,368</u>	<u>461,647</u>

Condensed Consolidated Statement of Cash Flows

	Six months ended 31 October	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	76,407	76,536
Overseas tax paid	(51)	(102)
Net cash generated from operating activities	76,356	76,434
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,684)	(3,905)
Net cash used in investing activities	(1,684)	(3,905)
Cash flows from financing activities		
Proceeds from borrowings	51,518	22,765
Repayments of borrowings	(44,925)	(15,115)
Interest received	3	10
Interest paid	(606)	(678)
Payment of lease liabilities	(84,851)	(96,289)
Net cash used in financing activities	(78,861)	(89,307)
Decrease in cash and cash equivalents	(4,189)	(16,778)
Exchange difference	50	(101)
Cash and cash equivalents at the beginning of the period	56,734	71,422
Cash and cash equivalents at the end of the period	52,595	54,543

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

The Group is principally engaged in (i) retail of food and beverage, household and personal care products (“retail business”), (ii) design, development, manufacture and sale of a wide range of coils, ferrite powder and other electronic components (“electronic components manufacturing”), and (iii) investment property holdings.

The Company is incorporated as an exempted company in Bermuda with limited liability. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 1999. Its immediate holding company and ultimate holding company are Ka Yan China Development (Holding) Company Limited and Ka Yan China Investments Limited, respectively, both incorporated in the British Virgin Islands. The Company is ultimately controlled by Mr. Lam Kwok Chung, an executive director of the Company.

This condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 19 December 2025.

This unaudited condensed consolidated interim financial information has not been audited.

2. Basis of preparation and accounting policies

These unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have 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”). The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 30 April 2025, which have been prepared in accordance with HKFRS Accounting Standards.

The preparation of the Interim Financial Statements 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 these Interim Financial Statements, the significant judgements made by management in applying the group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 April 2025.

Notes to the Condensed Consolidated Interim Financial Statements

2. Basis of preparation and accounting policies *(continued)*

The Group's management regularly monitors current and expected liquidity requirements to ensure that sufficient operating cashflow and adequate amount of reserves of cash and banking facilities are available to meet the Group's liquidity requirements in the short and long term.

As at 31 October 2025, the Group's current liabilities exceeded its current assets by HK\$7,947,000. The Group was in a net current assets position of HK\$110,726,000 if taking out lease liabilities of HK\$116,990,000 (which are payable on a monthly basis) and contract liabilities of HK\$1,683,000 included in the current liabilities. As at 31 October 2025, the Group had aggregated bank facilities totalling HK\$381,319,000 of which unutilized trade financing facilities amounted to HK\$343,405,000.

After reviewing the Group's cash flow projections (with basis and assumptions stated therein) covering a period of not less than twelve months from the date of this report, the directors believe that there would be sufficient cashflow from operations, available bank facilities and cash and cash equivalents held to meet the Group's financial obligations in the forthcoming twelve months. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2025, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

I) Amendments to existing standards adopted by the Group

The following amendments to existing standards are mandatory for the financial year beginning on 1 May 2025.

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
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The adoption of above amendments did not have any significant impact on the preparation of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Statements

2. Basis of preparation and accounting policies *(continued)*

II) New standards, amendments to existing standards and interpretation that have been issued but not yet adopted

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

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

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

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

⁽³⁾ Effective date to be determined.

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

The Group has commenced an assessment of the impact of these new standards, amendments to existing standards and interpretation, but is yet in a position to state whether they would have significant impacts on its results of operations and financial position.

Notes to the Condensed Consolidated Interim Financial Statements

3. 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.

The Group has three reportable segments, namely (i) retail business, (ii) electronic components manufacturing, and (iii) investment property holdings. Segment information provided to Management for decision-making is measured in a manner consistent with that in the Interim Financial Statements.

	Retail business		Electronic components manufacturing		Investment property holdings		Eliminations		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	31 October		31 October		31 October		31 October		31 October	
	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	688,076	675,013	21,892	26,956	423	423	-	-	710,391	702,392
Intersegment sales	-	-	-	-	792	792	(792)	(792)	-	-
	688,076	675,013	21,892	26,956	1,215	1,215	(792)	(792)	710,391	702,392
Segment results										
Operating profit/(loss)	4,302	(10,719)	(9,406)	(6,234)	(318)	(294)			(5,422)	(17,247)
Corporate expenses									(7,679)	(8,137)
Finance costs, net									(5,503)	(6,598)
Loss before income tax									(18,604)	(31,982)
Income tax (expense)/ credit									(564)	3,334
Loss for the period									(19,168)	(28,648)
Depreciation and amortisation	90,291	97,762	939	1,035	-	-			91,230	98,797
Total distribution costs and administrative expenses	274,997	283,144	11,032	9,036	741	676			286,770	292,856

Notes to the Condensed Consolidated Interim Financial Statements

3. Segment information (continued)

	Retail business		Electronic component manufacturing		Investment property holdings		Eliminations		Total	
	As at 31/10/2025	As at 30/4/2025	As at 31/10/2025	As at 30/4/2025	As at 31/10/2025	As at 30/4/2025	As at 31/10/2025	As at 30/4/2025	As at 31/10/2025	As at 30/4/2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	673,723	688,502	100,458	104,549	17,863	17,571	(2,218)	(2,337)	789,826	808,285
Unallocated assets									4,756	5,066
- Deferred tax assets									126	191
- Corporate assets										
Total assets									794,708	813,542
Segment liabilities	317,601	327,348	7,292	6,578	702	818	(2,218)	(2,337)	323,377	332,407
Unallocated liabilities									37,449	30,856
- Borrowings									8,102	7,902
- Deferred tax liabilities										
- Corporate liabilities									2,982	2,128
Total liabilities									371,910	373,293

Geographical information

	Revenue		Non-current assets	
	Six months ended 31 October		As at	As at
	2025 HK\$'000	2024 HK\$'000	31/10/2025 HK\$'000	30/4/2025 HK\$'000
The PRC (including the Hong Kong Special Administrative Region)				
Other countries/regions	703,851 6,540	694,315 8,077	503,088 -	524,469 -
	710,391	702,392	503,088	524,469

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

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

Notes to the Condensed Consolidated Interim Financial Statements

4. Operating loss

Operating loss is stated after charging/(crediting) the following:

	Six months ended 31 October	2025 HK\$'000	2024 HK\$'000
Cost of inventories recognised as expenses included in cost of sales	402,530	399,606	
Depreciation of property, plant and equipment	11,291	12,684	
Depreciation of right-of-use assets	79,939	86,113	
Employee benefit expenses (including directors' emoluments)	124,900	125,394	
(Reversal of)/provision for impairment loss on financial assets	(365)	216	

5. Finance costs, net

	Six months ended 31 October	2025 HK\$'000	2024 HK\$'000
<i>Finance income: –</i>			
Interest income from bank deposits	(3)	(10)	
Others	(884)	(1,001)	
	(887)	(1,011)	
<i>Finance cost: –</i>			
Interest expense on bank borrowings	606	678	
Interest expense on lease liabilities	5,784	6,931	
	6,390	7,609	
	5,503	6,598	

Notes to the Condensed Consolidated Interim Financial Statements

6. Income tax expense/(credit)

Income tax expense is recognised based on the Management's estimate of the annual income tax rate expected for the full financial year. The Company is incorporated in Bermuda and is exempted from taxation in Bermuda until 2035. For the six months ended 31 October 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 rate 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 period at the rates prevailing in the respective jurisdictions.

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

	Six months ended 31 October	
	2025 HK\$'000	2024 HK\$'000
Hong Kong profits tax – current tax	–	–
Overseas income tax including Mainland China – current tax	54	96
Deferred income tax	510	(3,430)
 Income tax expense/(credit)	 564	 (3,334)

7. Loss per share

The calculation of basic loss per share for the six months ended 31 October 2025 is based on the consolidated loss attributable to equity holder of approximately HK\$19,168,000 (2024: HK\$28,648,000) and the weighted average number of 666,190,798 (2024: 666,190,798) shares in issue during the period.

For the six months ended 31 October 2025 and 31 October 2024, diluted loss per share equals basic loss per share as there was no dilutive potential share.

8. Dividend

The Board resolved not to declare any interim dividend in respect of the six months ended 31 October 2025 (2024: Nil).

Notes to the Condensed Consolidated Interim Financial Statements

9. Movements in property, plant and equipment

	HK\$'000
At 1 May 2025	282,078
Exchange differences	261
Additions	1,684
Depreciation	<u>(11,291)</u>
At 31 October 2025	<u>272,732</u>

10. Accounts receivable

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

	As at 31 October 2025 HK\$'000	As at 30 April 2025 HK\$'000
0-30 days	6,676	6,743
31-60 days	2,209	2,674
61-90 days	1,246	1,036
91-120 days	910	403
Over 120 days	<u>3,142</u>	<u>3,526</u>
Less: loss allowance	<u>14,183</u> <u>(2,571)</u>	<u>14,382</u> <u>(2,936)</u>
	<u>11,612</u>	<u>11,446</u>

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

Notes to the Condensed Consolidated Interim Financial Statements

11. Share capital

	As at 31 October 2025 HK\$'000	As at 30 April 2025 HK\$'000
Authorised: 1,000,000,000 (As at 30 April 2025: 1,000,000,000) shares of HK\$0.10 each	100,000	100,000
Issued and fully paid: 666,190,798 (As at 30 April 2025: 666,190,798) shares of HK\$0.10 each	66,619	66,619

12. Accounts payable

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

	As at 31 October 2025 HK\$'000	As at 30 April 2025 HK\$'000
0-30 days	74,172	76,516
31-60 days	19,189	18,462
61-90 days	1,670	1,089
	95,031	96,067

Notes to the Condensed Consolidated Interim Financial Statements

13. Related party transactions

	Six months ended	
	31 October	
	2025	2024
	HK\$'000	HK\$'000
(a) Rental expenses paid to a related company which is owned by directors of the Company	331	331
Rental expenses paid to a director of the Company	147	147
(b) Key management compensation		
Salaries, allowances and other benefits in kind	5,978	5,978
Pension costs – defined contribution plans	245	245
	6,223	6,223

Management Discussion and Analysis

In the first half of this financial year, the global economy remained unstable, with geopolitical uncertainties continuing to influence global market trends and international trade flows. These macroeconomic concerns further dampened regional economic activities, leading to more prudent financial budgeting and persistently weak consumer sentiment. Hong Kong was under structural transformation, with continuous decline in revenue of local retail industry for past few years, due to the increased northbound consumption and sluggish night-time consumption activities. However, preliminary signs of “bottoming out” had recently emerged.

For the six months ended 31 October 2025, the Group recorded consolidated revenue of HK\$710,391,000 (2024: HK\$702,392,000), representing a modest year-on-year increase of 1.1%, reflecting that mild improvement in business performance could still be achieved even under the challenging business environment. However, the management remains cautious about the local retail market conditions, anticipating a lack of significant favorable factors to drive a substantial market rebound in the near term, and it is difficult to confirm that current market conditions have conclusively “bottomed out”. Consolidated gross profit improved to HK\$280,743,000 (2024: HK\$275,609,000) during the period under review, attributable to the stabilized revenue. During the period, the Group implemented various cost control measures which yielded positive results. Although a turnaround to profit has not yet been achieved, the overall loss has narrowed significantly. The Group recorded a loss attributable to equity holders of HK\$19,168,000 (2024: HK\$28,648,000) for the period under review, representing a decrease of 33.1% compared to the same period last year.

BUSINESS REVIEW

Retail Business

For the six months ended 31 October 2025, the Group's retail business recorded a segment revenue of HK\$688,076,000 (2024: HK\$675,013,000), representing an increase of 1.9% as compared to the same period last year, and accounted for approximately 97% of the total revenue (2024: 96%). Although revenue from the retail segment appears to show signs of stabilizing, the management notes that recent market conditions have yet to demonstrate significant rebound momentum, with sales trends remaining flat to slightly weak. Based on the sales distribution of 759 STORE, the management observes that outbound travel by residents during festivals and holidays remains robust. Coupled with ongoing shifts in local consumption patterns, overall domestic spending has not seen a significant repatriation. Analyzing sales by time slot, performance after 8:00 p.m. has shown no improvement. Hong Kong's nightlife remains far from recovering to pre-pandemic levels, with late-night consumer activity remaining subdued. Given the persistence of the aforementioned headwinds, the management maintains a cautious outlook regarding the retail business. As a strong rebound is not expected in the near term, the management will continue to plan the pace of business development prudently.

Management Discussion and Analysis

BUSINESS REVIEW *(continued)*

Retail Business *(continued)*

During the period, the segment gross profit of the retail business increased to HK\$278,694,000 (2024: HK\$272,424,000) in line with the increase in revenue, representing a year-on-year increase of approximately 2.3%. The segment gross profit margin was 40.5% (2024: 40.4%), a slight increase of 0.1 percentage point as compared to that of the same period last year, remaining at a comparable level. During the period, 759 STORE continued to adopt its “direct import” and “direct-from-origin” procurement models. The value of directly imported merchandise accounted for over 90% of the total, with a sourcing network covering approximately 60 countries and regions globally. The import categories were extensive, encompassing snacks and leisure foods, beverages, rice and grains, noodles, dairy products, frozen foods, edible oils, alcoholic beverages, tissue paper products, and detergents. During the review period, 759 STORE’s procurement team continuously sourced a greater variety of new products globally, aiming to provide customers from all walks of life with novel shopping choices and further enhance their shopping experience. Driven by an increase in product varieties on display during the period, the total value of inventory for the retail business segment as at 31 October 2025 amounted to HK\$150,915,000 (30 April 2025: HK\$147,105,000), representing an increase of 2.6% compared to the previous financial year-end.

During the period under review, the Group did not expand the scale of its store network. The management made lease renewal decisions based on the operational performance of individual stores and prevailing market rental levels. During the period, the Group closed 2 stores and opened 2 new stores at alternative locations. As at 31 October 2025, the Group operated 168 stores (30 April 2025: 168), with the total number of stores remaining unchanged. On the same date, the total gross floor area of the operating stores was 322,000 square feet (30 April 2025: 320,000 square feet), with an average area per store of 1,917 square feet (30 April 2025: 1,905 square feet). The store network of 759 STORE is primarily distributed across residential districts, including shopping malls and street-level shops within public and private housing estates. Regarding frontline personnel, 759 STORE has consistently provided employees with competitive remuneration packages. Our staff have demonstrated high operational efficiency, enabling the average headcount per store to be maintained at a low level of approximately 4 employees over the long term.

Management Discussion and Analysis

BUSINESS REVIEW *(continued)*

Retail Business *(continued)*

During the review period, the Group implemented stringent measures to control operating costs and comprehensively reduced all non-essential expenditure in response to the challenging market environment. The management assessed that shop rental levels would continue to decline in line with the downturn in Hong Kong's retail market. However, the rentals for some of the Group's outlets were bound by existing lease agreements during the period under review, and could not be immediately adjusted in line with the broader rental market. The management had to wait for the expiry of certain outlet leases to negotiate rental adjustments with landlords based on the prevailing market conditions. For stores with leases expiring during the review period, the majority received support from landlords, allowing new leases to be concluded at more favorable rental levels. During the review period, selling and distribution expenses and segment administrative expenses for the retail business both decreased, amounting to HK\$232,139,000 (2024: HK\$236,928,000) and HK\$42,858,000 (2024: HK\$46,216,000) respectively. This represents a year-on-year reduction of 2.0% and 7.3% respectively, demonstrating that the cost-saving measures instituted by the management are beginning to yield results. These measures facilitated a turnaround in the retail business's segment results from loss to profit during the review period, recording a segment profit of approximately HK\$4,302,000 (2024: segment loss of HK\$10,719,000).

Electronic Component Manufacturing Business

The Group's electronic components manufacturing business faced the constraints of global economic uncertainties and turbulent international geopolitical conditions. The escalation of a new round of tariff wars has plunged the manufacturing sectors in Mainland China and Hong Kong into a trough, with export orders falling to unprecedented lows. During the period under review, the Group's electronic components manufacturing business recorded segment revenue of HK\$21,892,000 (2024: HK\$26,956,000), representing a significant decrease of 18.8% compared to the same period last year. Segment gross profit declined to HK\$1,626,000 (2024: HK\$2,802,000), a decrease of 42% compared to the same period last year. During the same period, the segment operating loss of the Group's electronic components manufacturing business increased to HK\$9,406,000 (2024: HK\$6,234,000).

Investment Properties

Rental income of the Group for the year amounted to HK\$423,000 (2024: HK\$423,000). In the period under review, no fair value loss at investment properties was recorded for the Group (2024: Nil).

Management Discussion and Analysis

FINANCIAL REVIEW

Fund Surplus and Liabilities

As at 31 October 2025, the Group's bank balances and cash (denominated mainly in Hong Kong dollar, United States dollar and Renminbi) was HK\$74,035,000 (30 April 2025: HK\$78,174,000). As at the same date, the Group's aggregate banking facilities amounted to HK\$381,319,000 (30 April 2025: HK\$381,858,000), which included loans, trade financing, etc. Unused facilities amounted to approximately HK\$343,405,000 (30 April 2025: HK\$350,537,000). As at 31 October 2025, utilised banking facilities (excluding bank guarantees) amounted to HK\$37,449,000 (30 April 2025: HK\$30,856,000), representing an increase of HK\$6,593,000 as compared to that at the last financial year end. The above banking facilities were secured by charges on the Group's certain buildings, investment properties, bank deposits and inventories held under trade financing. In addition, the Group is also required to comply with certain restrictive financial covenants with major financing banks, and the Group could comply with such financial covenants as at 31 October 2025. As at 31 October 2025, its debt to equity ratio* was 0.09 (30 April 2025: 0.07). Besides, the Group did not have material contingent liabilities as at the same date (30 April 2025: Nil).

Assets

As at 31 October 2025, the Group's inventories amounted to HK\$161,640,000 (30 April 2025: HK\$159,213,000), representing an increase of 1.5% in inventories as compared with the last financial year end, mainly due to the introduction of a greater variety of new merchandise by the management during the period, offering customers a wider selection of product choices. The Group's total prepayments, deposits and other receivables (including rental deposits for retail shops) as at 31 October 2025 amounted to HK\$72,713,000 (30 April 2025: HK\$69,899,000).

Interest Expenses

The Group's finance cost for the period was HK\$6,390,000 (2024: HK\$7,609,000), representing a decrease of 16% as compared to the same period last year. After deducting the interest expenses of lease liabilities, the actual bank interest expense for the period was HK\$606,000 (2024: HK\$678,000).

(* The ratio of total borrowings over total equity)

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Financial Resources and Capital Structure

Net cash outflow of the Group was HK\$4,189,000 (2024: HK\$16,778,000) for the six months ended 31 October 2025. Net cash inflow from operating activities was HK\$76,356,000 (2024: HK\$76,434,000), similar with that of the same period last year. The management was of the opinion that the cash inflow from operating activities in the period under review was still highly satisfactory. Net cash outflow for investing activities in the period was HK\$1,684,000 (2024: HK\$3,905,000), which was mainly attributable to renovation for new shops and revamp of existing shops during the period. Other than this, the Group suspended all non-essential capital expenditures during the period. The Group did not purchase or sell investment properties during the period under review. During the period, the Group continued to record net cash outflow from financing activities of HK\$78,861,000 (2024: HK\$89,307,000).

Cash Flow Summary

	For the six months ended 31 October	
	2025 HK\$'000	2024 HK\$'000
Net cash inflow from operating activities	76,356	76,434
Net cash outflow from investing activities	(1,684)	(3,905)
Net cash outflow from financing activities [#]	(78,861)	(89,307)
Decrease in cash and cash equivalents	(4,189)	(16,778)

[#] This net amount included lease payment of HK\$84,851,000 (2024: HK\$96,289,000).

As at 31 October 2025, the net current liabilities of the Group were HK\$7,947,000 (30 April 2025: HK\$940,000) and the current ratio was 0.97 (30 April 2025: 1.00). The decrease of current ratio reflected that the Group had suffered losses due to the impact of adverse economic environment. However, the Board considered that the Group's current financial resources remained strong and was confident that it would be able to improve its future operating performance in spite of the adversity.

Charges on Assets

As at 31 October 2025, certain assets of the Group with an aggregate carrying value of approximately HK\$269,365,000 (as at 30 April 2025: HK\$266,936,000) were pledged to secure banking facilities of the Group.

Management Discussion and Analysis

FINANCIAL REVIEW *(continued)*

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 dollar; whilst the major currencies for costs are denominated in Japanese Yen, United States dollar, Euro, Hong Kong dollar and Renminbi. The Group will do its best to monitor price fluctuations in the exchange market, actively adjusting the combination of origins of our import products to offset the impact of currency fluctuations. At the moment, our business model, which relies heavily on direct import, will be significantly affected, if the United States dollar greatly depreciates while the Japanese Yen and Euro greatly appreciate. In light of this, the Group will pay close attention to the fluctuations of Japanese Yen and Euro.

Employees

As at 31 October 2025, the Group employed approximately 1,300 staff (30 April 2025: 1,300) in total. The remuneration of employees was primarily determined in accordance with market standards, with reference to individual performance, academic qualification and work experience taken into account for promotion when required. Other contractual employee benefits included pension scheme, on-job training, education subsidies and other social insurances and paid leaves as required under the laws and regulation at the place of employment.

Social Responsibilities

The Group actively fulfills its corporate social responsibility through diverse channels. Not only encouraging its staff to care for the community, improving their mental and physical health as well as their balanced development, the Group is also committed to actively reaching out to all walks of life, including non-profit organizations of various disadvantaged communities, religious groups and educational institutions.

Management Discussion and Analysis

FUTURE PLAN AND OUTLOOK

While the downward trend in the local retail market appears to have stabilized, the management candidly acknowledges that no distinct signs of recovery are currently observable and anticipates that the prevailing market conditions may persist for a considerable period. Looking ahead, the management will continue to adhere to a prudent and pragmatic approach, consistently implementing measures to increase revenue and reduce expenditure. Given that the retail sector remains at a low ebb, with frequent reports of shop and restaurant closures leading to rising vacancy rates in shopping malls and street-level shops, there is now greater room for negotiation regarding rental levels. The management is actively engaging with landlords on lease renewal arrangements, seeking to adjust renewal rents to reflect actual market realities, thereby further reducing the operating costs of the retail business. Concurrently, seizing the increased availability of vacant premises, the management is actively identifying suitable locations with relatively lower rentals to expand the retail network of 759 STORE. In late November 2025, 759 STORE had opened two new branches consecutively.

In the current environment, attracting customers to “stay for local consumption” is the primary objective for local retailers. 759 STORE will strive to deliver a sense of novelty and an enhanced shopping experience to customers. We will continue to strengthen our core competencies by fully leveraging our global sourcing network across 60 countries and regions to maintain direct imports from the place of origin at over 90% of our merchandise mix. We will also preserve a robust portfolio of exclusive products to establish brand differentiation and avoid engaging in vicious price wars with competitors. To further enrich our product portfolio, 759 STORE’s procurement team will strengthen ties with food and daily necessities manufacturers and exporters worldwide, while actively participating in more international trade fairs to explore new sources of supply. The Group aims to introduce several brand-new product series each quarter, continuously injecting fresh elements into our shops to improve the segment revenue of the retail business.

Other Information

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 31 October 2025, the interests of the directors and chief executive 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")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Shares of the Company

Name of director	Number of shares of HK\$0.10 each held				Percentage of issued share capital
	Personal interests (Note 2)	Trusts interests	Total interests		
Ms. Tang Fung Kwan	4,194,611	–	4,194,611		0.63%
Mr. Ho Man Lee	30,000	–	30,000		0.0045%
Mr. Lam Kwok Chung	29,955,188	442,295,660	472,250,848	(Note 3)	70.89%

Notes:

1. All the above interests in the shares of the Company were long positions.
2. Personal interests were interests held by the relevant directors as beneficial owners.
3. The 442,295,660 shares were held by Ka Yan China Development (Holding) Company Limited, a wholly-owned subsidiary of Ka Yan China Investments Limited. The entire issued share capital of Ka Yan China Development (Holding) Company Limited was ultimately held by HSBC International Trustee Limited as trustee of a discretionary trust (the "Trust") founded by the late Mr. Lam Wai Chun, the founding chairman of the Company and a former director of the Company. In the capacity as a discretionary beneficiary of the Trust, Mr. Lam Kwok Chung was deemed to be interested in all the shares held by Ka Yan China Development (Holding) Company Limited for the purpose of the SFO.

Other Information

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES (continued)

(b) Shares of associated corporation(s) of the Company

Coils Electronic Co., Limited

Name of director	Number of non-voting deferred shares of HK\$1.00 each held	Trusts interests	Percentage of issued non-voting deferred shares
Mr. Lam Kwok Chung (Notes 4 and 5)	6,000,000		42.86%

Notes:

4. 6,000,000 non-voting deferred shares were held by Ka Yan China Development (Holding) Company Limited, representing approximately 42.86% of the 14,000,000 non-voting deferred shares in the share capital of Coils Electronic Co., Limited, in which Coils International Holdings Limited, a direct wholly-owned subsidiary of the Company, held the entire issued ordinary share capital. Mr. Lam Kwok Chung was deemed to be interested in all these shares under the SFO by virtue of the reason set out in Note 3 to sub-paragraph (a) above.
5. All the above interests in the non-voting deferred shares of Coils Electronic Co., Limited held or deemed to be held by Mr. Lam Kwok Chung were long positions.

Save as disclosed above, as at 31 October 2025, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered into the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

Save as disclosed above, as at 31 October 2025, neither the directors or chief executive of the Company nor their spouses or children under the age of 18 had been granted any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), or had exercised such rights.

Other Information

INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 October 2025, according to the register kept by the Company under section 336 of the SFO, the following persons, other than the directors or chief executive of the Company, had an interest or short position 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:

Shares of the Company

Substantial shareholders (as defined in the Listing Rules)

Name	Beneficial owner	Number of shares of HK\$0.10 each held			Percentage of issued share capital
		Corporate interests	Trusts interests	Total interests	
Ms. Law Ching Yee	-	-	442,295,660 (Notes 2)	442,295,660 (Notes 2)	66.39%
Ka Yan China Development (Holding) Company Limited	442,295,660 (Notes 2 and 3)	-	-	442,295,660 (Notes 2 and 3)	66.39%
Ka Yan China Investments Limited	-	442,295,660 (Notes 2 and 3)	-	442,295,660 (Notes 2 and 3)	66.39%
HSBC International Trustee Limited	-	-	442,295,660 (Notes 2 and 3)	442,295,660 (Notes 2 and 3)	66.39%

Notes:

1. All the above interests in the shares of the Company were long positions.
2. The 442,295,660 shares were held by Ka Yan China Development (Holding) Company Limited, a wholly-owned subsidiary of Ka Yan China Investments Limited. The entire issued share capital of Ka Yan China Development (Holding) Company Limited was ultimately held by the Trust. In the capacity as a discretionary beneficiary of the Trust, Ms. Law Ching Yee was deemed to be interested in all the shares held by Ka Yan China Development (Holding) Company Limited for the purpose of the SFO.
3. The interests in 442,295,660 shares held by Ka Yan China Investments Limited, the ultimate holding company of the Company, and HSBC International Trustee Limited refer to the same shares and duplicated with each other. Such shares formed the shares in which Ka Yan China Development (Holding) Company Limited was interested. As at 31 October 2025, the actual number of shares held by Ka Yan China Investments Limited, Ka Yan China Development (Holding) Company Limited and HSBC International Trustee Limited in the Company which duplicated with one another was 442,295,660 shares.

Other Information

INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO (continued)

Save as disclosed above, the Company had not been notified of any other person (other than a director or a chief executive of the Company) who had an interest (whether direct or indirect) in 5% or more of the shares comprised in the relevant share capital or a short position which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO as at 31 October 2025.

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

The Company had not redeemed any of its listed shares during the six months ended 31 October 2025. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed shares during the six months ended 31 October 2025.

CORPORATE GOVERNANCE CODE

The Company has adopted the principles and complied with the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules for the six months ended 31 October 2025, except for the following deviation:

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 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.

Other Information

DISCLOSURE OF INFORMATION OF DIRECTORS

Pursuant to the disclosure requirements under rule 13.51B(1) of the Listing Rules, the change of information on directors is as follows:

On 29 August 2025, Mr. Goh Gen Cheung, an independent non-executive director of the Company, ceased as an independent non-executive director of Beijing Properties (Holdings) Limited when that company withdrew the listing of its shares on the Stock Exchange.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises three independent non-executive directors, namely Mr. Chan Chiu Ying (chairman of the Audit Committee), Mr. Goh Gen Cheung and Ms. Tsui Mei Ling, May.

Regular meetings have been held by the Audit Committee since its establishment and it meets at least twice each financial year. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the internal control and risk management of the Group and the Interim Report of the Company for the six months ended 31 October 2025.

REMUNERATION COMMITTEE

The Company established the remuneration committee (the “Remuneration Committee”) for the purpose of making recommendations to the Board on the Company’s policy and structure for all directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee also has the delegated responsibility to make recommendations to the Board on (i) the remuneration packages of individual executive directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and (ii) the remuneration of non-executive directors.

The Remuneration Committee currently comprises four members including one executive director, namely Ms. Tang Fung Kwan, and three independent non-executive directors, namely Mr. Goh Gen Cheung (chairman of the Remuneration Committee), Mr. Chan Chiu Ying and Ms. Tsui Mei Ling, May.

Other Information

NOMINATION COMMITTEE

The Company established the nomination committee (the "Nomination Committee") to review the structure, size, composition and diversity (including the gender, skills, knowledge and experience) of the Board, to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and to assess the independence of independent non-executive directors of the Company. The Nomination Committee currently comprises four members including one executive director, namely Ms. Tang Fung Kwan (chairman of the Nomination Committee), and three independent non-executive directors, namely Mr. Goh Gen Cheung, Mr. Chan Chiu Ying and Ms. Tsui Mei Ling, May.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions for the six months ended 31 October 2025. 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 throughout the six months ended 31 October 2025. The Model Code also applies to the relevant employees of the Group.

By Order of the Board

Tang Fung Kwan

Chairman

Hong Kong, 19 December 2025



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