

# International Housewares Retail Company Limited

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

Stock code: 1373

# 日本城 JHC

**FREE  
SHOPPING**

**FAST  
RETAIL**

**CONVENIENCE**

**GREAT DEAL**

**VALUE**

**CONSUMPTION**

**RETAIL**

**020 24HR  
SHOPPING**



## Annual Report 2025

## Mission Statement

To offer value for money, good quality, and diversified products with convenient omnichannel retailing for a better living



CONVENIENT

VALUE FOR  
MONEY

GOOD QUALITY

DIVERSIFIED  
PRODUCTS

# Contents

	Page
Highlights	2
Five-Year Financial Summary	2
Awards and Recognition	3
Corporate Social Responsibility	4
The Group's History	6
Chairman's Statement	8
Management Discussion and Analysis	10
Report of the Directors	14
Corporate Governance Report	25
Environmental, Social and Governance Report	34
Independent Auditor's Report	40
Consolidated Income Statement	45
Consolidated Statement of Comprehensive Income	46
Consolidated Balance Sheet	47
Consolidated Statement of Changes in Equity	48
Consolidated Statement of Cash Flows	49
Notes to the Consolidated Financial Statements	50
Corporate Information	108

# Highlights

The board of directors (the “Board” or “Director(s)”) of International Housewares Retail Company Limited (the “Company”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group” or “we”) for the year ended 30 April 2025 (the “Year”) prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules” and the “Stock Exchange” respectively), together with comparative figures for the financial year ended 30 April 2024 (“2023/24” or the “Last Year”).

- Revenue for the Year amounted to HK\$2,536,822,000 (2023/24: HK\$2,687,036,000)<sup>(1)</sup>, representing a decrease of 5.6%.
- Profit attributable to owners of the Company for the Year was HK\$47,727,000 (2023/24: HK\$101,070,000). After excluding from which government grants of HK\$1,447,000 (2023/24: HK\$5,923,000), this represents a decrease of 51.4%.
- The Group maintained a strong financial position with cash and cash equivalents of HK\$284,560,000 (31 October 2024: HK\$308,072,000).
- The Board has resolved to recommend payment of a final dividend of HK1.5 cents per share. Together with an interim dividend of HK4.0 cents per share already paid, the total dividend for the Year would be HK5.5 cents per share (2023/24: HK11.2 cents per share).

## FIVE-YEAR FINANCIAL SUMMARY

The results, assets, liabilities and key ratios of the Group for each of the last five financial years ended 30 April are as follows:

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Financial performance</b>					
Revenue	2,536,822	2,687,036	2,825,994	2,920,775	2,692,460
Operating profit	73,929	137,422	225,454	278,115	305,003
Profit before income tax	55,393	119,769	213,977	262,013	287,698
Profit for the year	42,238	99,797	181,875	220,318	257,842
<b>Financial position</b>					
Cash and cash equivalents	284,560	338,501	402,310	416,923	428,459
Total assets	1,497,230	1,742,182	1,777,438	1,738,760	1,737,618
Total liabilities	(632,788)	(848,474)	(873,035)	(843,905)	(844,322)
Net assets	864,442	893,708	904,403	894,855	893,296
<b>Key ratios</b>					
Revenue (decline)/growth%	(5.6%)	(4.9%)	(3.2%)	8.5%	5.9%
Gross profit margin	46.0%	46.9%	46.4%	45.7%	45.2%
Total dividend (expressed in HK cents per share)	5.5	11.2	22.0	26.7	24.2

*Note:*

1. Comparative figures for the financial year ended 30 April 2024 are shown as 2023/24 or 2024 in brackets.

## Awards and Recognition

Company has endorsed list of awards (excerpt below) in the fields of enterprise achievement, services excellence and caring for society, which demonstrate our good reputations in the industry and our contributions to the society.



Retail Innovation Award	Technology Innovation Excellence Award Adversity Award - Good Use of Technology Award	2024 2020
Sing Tao Service Awards		2022
ListCo Excellence Awards		2022
True Living Supreme Brand Awards 2022, Supreme O2O Convenience GMS		2022
Top 10 Quality E-shop		2020 - 2022 2018
Healthy HK Living Awards The Best Household and Health Care Chain Store Brand		2020
Oustanding QTS Merchant - Bronze Awards		2019 2017
World's Most Popular and Excellent Brand Awards		2018
Most Favourable Brand by Chinese Customer - Golden Brand		2017 - 2018 2008
Hong Kong Top Service Brand Awards		2007 - 2025
Q-Mark		2006 - 2025
No Fakes Pledge		2006 - 2025
Caring Company 20 Years +		2004 - 2025
Quality Tourism Services Association Member		2004 - 2025
Quality Tourism Services		2004 - 2025
WWF (HK) - Silver Member		2006 - 2017
Octopus Usage Growth Award - Other Retail Octopus Usage Awards for New Retail Merchant		2015 2014
Hong Kong Jun-zi Corporation Awards (retail)	Exemplary Award Corporate Award Golden Award Bronze Award 	2022 2015 2013 2012





## Corporate Social Responsibility



Donation boxes of various non – profit organizations including Hong Kong Seeing Eye Dog Services, Christian Action, Orbis and Heifer International (Hong Kong) are placed at specific retail stores.



The Group donated \$300,000 to the Community Chest of Hong Kong.



The Group sponsored "Dogathon 2025" organized by SPCA to support its work of dealing with all aspects of animal welfare.



The Group has been granted the "Caring Company" for consecutive 20 Years or more by The Hong Kong Council of Social Service.



Our Group participated in Standard Chartered Hong Kong Marathon.



The Group has joined "Fluorescent Lamp Recycling Programme" which is organized by Environmental Protection Department. Collection boxes are placed at specific retail stores.



The Group supported the sight-saving work around the world of Orbis.



During the COVID-19 period, 5,000 RAT sets were donated to Community Chest to the people in need by the Group.



# The Group's History



Major strategic change of business model from a "HK \$10 store" to a "housewares product specialist store"



Acquisition of a leading housewares retail chain business in Singapore and formation of our joint venture arrangement in Singapore



JHC eshop was launched

Successfully acquired and integrated the brand "ELLA"



The first store in North Point, Hong Kong, was opened by founders, Mr. Lau Pak Fai and Ms. Ngai Lai Ha

In 1993, the first "HK \$10 store" was opened in Hong Kong



Exploration of overseas market through export sales and operating arrangements with local entities

Launched own brand products



Acquisition of 100% interest in JHC (Macau) Single - Member Company Limited in Macau

International Housewares Retail Company Limited (Stock code:1373) was successfully listed on the mainboard of the Hong Kong Stock Exchange





The Group became a strategic business shareholder of YOHO Group

JHC joined foodpanda mall, in collaboration to operate a one-stop living grocery platform

Exceeded 1,000,000 members of J Fun



One of the Group's logistic centre, which takes up approximately 84,000 sq. ft, is stationed at the ATL

The Group celebrated its 10-year listing anniversary on the HKEx

Opened a new JHC concept store in The Wai, Tai Wai



Repositioning: the Group has implemented the concept of "Free Shopping-Fast Retail" as the new development strategy

CONVENIENCE

FAST  
RETAIL

RETAIL

CONSUMPTION

2020

2021

2022

2023

2024

2025



JHC Clean Health Production Limited was set up to produce own brand Smile 365 face Masks

The first "DAY DAY STORE" was open

The Group's revenue and profit recorded new high

JHC developed towards convenience GMS. Both online and offline platforms and our relationships with customer through digital channels and social media are strengthened so as to provide better shopping experience to customers.



日本城 JHC

The Group was in celebration of 30th anniversary

Won "Junzi Corporation Exemplary Award"

Won "ListCo Excellence Awards"



"Click & Collect" same day pick-up service has been newly introduced by JHCeshop.com

Awarded Caring Company 20+ years

Granted QTSA recognised merchant for consecutive 20 years

Introduced J Fun Gold membership

# Chairman's Statement

To Our Shareholders,

On behalf of International Housewares Retail Company Limited and its subsidiaries (collectively referred to as the "Group"), I am pleased to present the Group's annual results for the financial year ended 30 April 2025.

## ANNUAL REVIEW AND PROSPECT

### Steadfast Operations with Swift Adaptation

Hong Kong's retail sector continues to face challenges surpassing even those experienced during the pandemic, due to macroeconomic uncertainties, shifting consumer behavior, and intensifying e-commerce competition. Upholding our core strategy of "financial prudence and swift adaptation," the Group continues to maintain enduring profitability, stable dividend payouts, and steady progress in transitioning toward a daily convenience store model. Built on over three decades of resilience, this sustained performance further solidifies the market position of the "JHC" brand in Hong Kong, reinforcing our legacy of stability and adaptability in a dynamic retail landscape.

### Restructuring Product Mix for Value for Money Offerings

To compete in this dynamic landscape, the Group is continuously adjusting its business strategies. Aligning with consumers' growing preference for "light spending" shopping habits, the Group is actively driving transformation under the strategic focus of "light consumption, speed retailing" by introducing "New Low Prices" to make daily necessities more affordable. Simultaneously, we are speeding up the process of putting such products on shelves by optimizing supply chain efficiency to ensure a seamless and enjoyable shopping experience for every customer.

To support this shift, the Group has restructured its procurement strategy and optimized its product mix to prioritize value for money offerings. By streamlining supply chains and simplifying product designs to reduce costs, we are expanding our range of entry priced products, delivering more affordable, value driven options to customers. Promotional campaigns for select existing inventory will further accelerate this shift, enabling rapid expansion of our new entry priced product lineup.

We remain focused on refining pricing strategies, sourcing affordable, attractive, and quality products to sustain competitiveness. Stringent procurement cost controls ensure reasonable profit margins, enabling the implementation of our low price strategy while delivering greater value to customers.

### Enhancing In Store Shopping Experience and Reassessing our Store Network

The Group has optimized product assortments and store layouts to elevate the shopping experience. Eye-catching promotions and staff-recommended "must-buy" selections emphasize our affordable pricing, enabling customers to fulfill their daily needs. This fosters a stress free shopping environment that encourages happy spending. In addition, new low price, fast moving products and limited time discounts further stimulate interest and competitiveness.

To adapt to market conditions, we are reassessing our store network, negotiating rent reductions, and closing underperforming locations. Store performance management is being intensified, with human resources reallocated to maximize productivity. Frontline staff are pivotal in delivering warm and personalized service, while product assortments are tailored to local demographics, expanding souvenirs in tourist areas and household essentials in residential neighborhoods. Targeted clearance promotions reduce excess inventory, and J-Fun gold membership program enhances loyalty through exclusive discounts.

### Enhancing Operational Efficiency with Cost Control

In today's highly competitive retail landscape, improving operational efficiency and cost management is critical to sustaining profitability. Faced with high expenses, the Group continues to streamline processes and rigorously review all expenditures to maximize resource utilization and preserve competitive advantage.

During the Year, we have made progress in managing staff costs through strengthened store performance oversight and strategic workforce allocation, enabling efficient operations within a controlled cost framework. Rent expenses have also been addressed through proactive lease negotiations, with positive outcomes expected to reflect in financial performance over the next one to two years. These efforts are crucial to maintaining long-term financial health and stability.

Supply chain and inventory management improvements are also underway. By reviewing planning, procurement, logistics, and distribution, we aim to shorten lead times, align stock with demand, and prevent over aging inventory. Flexible clearance strategies, such as redistributing unsold goods to high demand stores to improve the stock turnover.

# Chairman's Statement *(Continued)*

## **Omnichannel Strategy and E-Commerce Integration**

The Group leverages an integrated online-to-offline "O2O" model to provide a daily convenient shopping experience. Partnerships with third party e-commerce platforms have driven instant sales and strengthened our digital presence. We will continue to refine product assortments across various online channels to meet diverse customer needs.

## **Outlook and Opportunities**

Looking ahead, the market remains uncertain. To navigate this challenging environment, we must further enhance operational efficiency and rigorously control costs. With high operating expenses in Hong Kong's retail sector, transformation is essential for survival. The Group maintains a healthy cash flow, positioning us well for future initiatives. We aim to build a new "light consumption, speed retailing" daily convenience store model that aligns with market trends.

Hong Kong's ongoing evolution presents both challenges and opportunities. The development of the northern metropolis is expected to stimulate new consumer demand, while population inflow policies can expand our customer base. Additionally, Hong Kong's positioning as a "city of events" will foster greater interaction within the Greater Bay Area, stimulating local retail sentiment. The Group is confident that by staying attuned to market trends and adapting swiftly, challenges can be turned into opportunities. We remain optimistic about the potential of Hong Kong's consumer market and are committed to evolving the "JHC" brand toward new milestones.

## **APPRECIATION**

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

By order of the Board

**NGAI Lai Ha**

*Chairman and Group Chief Executive Officer*

Hong Kong, 25 July 2025

# Management Discussion and Analysis

## CORPORATE PROFILE

Established in 1991, the Group offers housewares, trend-based items, health and wellness care, personal care, food and household FMCG through a comprehensive retail network comprising around 367 stores in Hong Kong, Singapore, Macau, East Malaysia, Cambodia and Australia under renowned brands including JHC (日本城), Japan Home (日本の家), 123 by ELLA, \$SMART (多來買), City Life (生活提案) and Day Day Store (日記士多), as well as via the online platforms JHC eshop (日本城網購) and EasyBuy (易購點). Leveraging its extensive sourcing channels and portfolio of private label products, the Group provides a comprehensive range of items at competitive prices. The Group reinforces its position as an omni-channel retail chain of general merchandise stores (“GMS”) while evolving towards a daily convenience store model for customers, with the aim to provide a “one-stop” omnichannel shopping experience for customers.

## FINANCIAL PERFORMANCE

Profit attributable to owners of the Company for the Year was HK\$47,727,000 (2023/24: HK\$101,070,000). After excluding from which government grants of HK\$1,447,000 (2023/24: HK\$5,923,000), this represents a decrease of 51.4%.

The Board attributes this decrease primarily to weaker consumer sentiment and shifting consumer preferences, compounded by the intense competition from mainland e-commerce platforms. These factors turned to a 5.6% reduction in the Group's revenue for the Year, which totaled HK\$2,536,822,000 (2023/24: HK\$2,687,036,000).

## LIQUIDITY AND FINANCIAL RESOURCES

The Group reaffirms that its financial operations remain stable, with sound liquidity and prudent capital management. Despite the challenging market conditions, the Group continues to maintain profitability, supported by a stable historical earnings record. As at 30 April 2025, the Group maintained a strong financial position with cash and cash equivalents of HK\$284,560,000 (31 October 2024: HK\$308,072,000). The majority of the cash and bank deposits are denominated in Hong Kong dollars and are held with major banks in Hong Kong, with maturities of less than three months. This indicates that the Group prioritizes liquidity and cash flow, especially in uncertain economic times.

The Group followed a prudent treasury management policy and avoided highly leveraged or speculative derivative products by placing surplus cash mainly as Hong Kong dollar bank deposits with appropriate maturity periods to meet future funding requirements. As at 30 April 2025, the Group's current ratio was consistent at 1.7 (30 April 2024: 1.5). The total borrowings of the Group as at 30 April 2025, amount to HK\$15,114,000 (30 April 2024: HK\$22,820,000). The Group's gearing ratio, as determined by total borrowings and loans from non-controlling shareholder of a subsidiary divided by total equity, was reported as 2.61% (30 April 2024: 3.37%). This contributed to the Group's net cash position.

## DISTRIBUTION NETWORK

Established in 1991, the Group offers housewares, trend-based items, health and wellness care, personal care, food and household FMCG through a comprehensive retail network comprising of around 367 stores in Hong Kong, Singapore, Macau, East Malaysia, Cambodia and Australia under renowned brands including JHC (日本城), Japan Home (日本の家), 123 by ELLA, \$SMART (多來買), City Life (生活提案) and Day Day Store (日記士多), as well as via the online platforms JHC eshop (日本城網購) and EasyBuy (易購點). Leveraging its extensive sourcing channels and portfolio of private label products, the Group provides a comprehensive range of items at competitive prices. The Group reinforces its position as an omni-channel retail chain of general merchandise stores (“GMS”) while evolving towards a daily convenience store model for customers, with the aim to provide a “one-stop” omnichannel shopping experience for customers.

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



# Management Discussion and Analysis *(Continued)*

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

Looking ahead, the Group maintains a cautiously optimistic outlook for its medium-to long-term business prospects, with a continued focus on Hong Kong, Singapore, and Macau. Below is a summary of the Group's directly managed and licensed stores worldwide:

	As at 30 April 2025	As at 30 April 2024	Net (decrease)
<b>The Group's directly managed stores</b>			
Hong Kong	306	315	(9)
Singapore	47	47	–
Macau	9	9	–
<b>The Group's overseas licensed stores</b>	5	5	–
<b>Total</b>	<b>367</b>	<b>376</b>	<b>(9)</b>

## HUMAN RESOURCES

Despite the HKSAR government's efforts to address labor shortages through initiatives such as the Enhanced Supplementary Labour Scheme, businesses continue to face challenges due to elevated staff costs. In response, the Group has implemented rigorous cost-control measures, including strict budgetary oversight and workforce optimization. Strategic adjustments in manpower allocation across various stores have been made to optimize total working hours and control staffing costs. Furthermore, the Group has adopted in-store automation technologies to reduce manual workloads, streamline operations, and enhance efficiency. These initiatives have effectively alleviated financial pressures, leading to a 7% reduction in total employee benefit expenses for the Year, decreasing to HK\$406,146,000 (2023/24: HK\$436,746,000).

The Group regularly reviews its remuneration packages and rewards qualified employees with performance bonuses and share awards, taking into consideration the individual's performance. As of 30 April 2025, the Group employed approximately 2,007 employees (30 April 2024: 2,127).

## OPERATIONAL REVIEW BY BUSINESS NATURE

Established in 1991, the Group offers housewares, trend-based items, health and wellness care, personal care, food and household FMCG through a comprehensive retail network comprising around 367 stores in Hong Kong, Singapore, Macau, East Malaysia, Cambodia and Australia under renowned brands including JHC (日本城), Japan Home (日本の家), 123 by ELLA, \$MART (多來買), City Life (生活提案) and Day Day Store (日記士多), as well as via the online platforms JHC eshop (日本城網購) and EasyBuy (易購點). Leveraging its extensive sourcing channels and portfolio of private label products, the Group provides a comprehensive range of items at competitive prices. The Group reinforces its position as an omni-channel retail chain of general merchandise stores (“GMS”) while evolving towards a daily convenience store model for customers, with the aim to provide a “one-stop” omnichannel shopping experience for customers.

The Group achieved the retail revenue of HK\$2,517,694,000 for the Year (2023/24: HK\$2,679,417,000), which included consignment sales commission income, accounted for 99.2% (2023/24: 99.7%) of its total revenue. The revenue from the wholesale business, licensing income and others as a whole amounted to HK\$18,128,000 (2023/24: HK\$7,619,000).

# Management Discussion and Analysis *(Continued)*

## OPERATIONAL REVIEW BY GEOGRAPHICAL LOCATIONS

### Operations Review – Hong Kong and Macau

Hong Kong's retail sector continues to face challenges surpassing even those experienced during the pandemic, due to macroeconomic uncertainties, shifting consumer behavior, and intensifying e-commerce competition. Upholding our core strategy of "financial prudence and swift adaptation," the Group is leading to enduring profitability in the Hong Kong market, ensuring stable dividend payouts, and making steady progress in transitioning toward a daily convenience store model.

The Group recorded a revenue of HK\$2,185,328,000 from Hong Kong for the Year, which turned to a decline against Last Year of HK\$2,330,164,000. This decrease is attributed to macroeconomic uncertainties, shifting consumer behavior, and intensifying e-commerce competition. Nevertheless, Hong Kong remains the key market accounting for 86.1% of the group's total revenue (2023/24: 86.7%).

In response to evolving market dynamics, the Group has implemented a comprehensive business reform strategy to enhance operational efficiency and market competitiveness. In response to shifting consumer preferences toward a "light consumption" shopping model, the Group has swiftly implemented a series of strategic initiatives centered on the core strategy of "light consumption, speed retailing." To align with this new direction, we have restructured our merchandise procurement strategy and introduced a "new low price" sales program, accelerating the time for a product being available on shelf, improving stock turnover rate, enhancing supply chain efficiency, and ensuring more precise and timely fulfillment of customer demand.

The Group has optimized product assortments and store layouts to elevate the shopping experience. Eye-catching promotions and staff recommended "must buy" selections highlight our affordable pricing, enabling customers to fulfill their daily needs. This fosters a stress free shopping environment that encourages happy spending. In addition, new low price, fast moving products and limited time discounts further stimulate interest and competitiveness.

This Year, we have made preliminary progress in managing employee-related expenses. Additionally, constructive negotiations with landlords have yielded positive outcomes, with the full benefits anticipated to materialize over the next one to two years. Moving forward, we will enforce stringent control measures, conducting rigorous reviews of all expenditures to maximize resource utilization and operational productivity.

Looking ahead, we are optimistic about the growth potential driven by the development of Hong Kong's northern metropolis, which is expected to stimulate new consumer demand. Supportive population inflow policies will further expand our customer base, while Hong Kong's role as an "events capital" will strengthen connectivity within the Greater Bay Area, fostering greater engagement and elevating the overall retail landscape. The Group is confident that by staying attuned to market trends and adapting swiftly, challenges can be turned into opportunities.

On the other hand, the operations in Macau remained profitable and delivered satisfactory results for the Year, generating revenue of HK\$50,222,000 (2023/24: HK\$44,976,000). Although encountering challenges similar to those in the Hong Kong market, the Macau business exhibited strong resilience and operational efficiency, sustaining profitability while achieving revenue growth compared to the Last Year. This represents effective operational management and underscores the business's positive outlook for long-term sustainability in this market.

### Operations Review – Singapore

The Group's revenue in the Singapore market for the Year was HK\$301,272,000 (2023/24: HK\$311,896,000). While this represents a slight decline compared to the Last Year. In response to shifts in the local market environment and heightened operating cost pressures, the Group has implemented strategic measures to enhance revenue growth, enforce stringent cost control measures, and improve operational efficiency.

To strengthen our market position, the Group is actively refining its product mix to prioritize high-demand offerings while phasing out underperforming products. This adjustment is expected to drive sales performance. Additionally, the launch of a new Warehouse Management System "WMS" will enhance logistics efficiency, reduce delivery lead times, and optimize inventory management, ensuring better product availability and customer satisfaction. Additionally, close monitoring of market demand will ensure that product mix adjustments align with consumer preferences, minimizing excess inventory or stockouts.

## Management Discussion and Analysis *(Continued)*

Moreover, the Group has intensified its focus on cost control. All expenditures are undergoing rigorous review to identify savings opportunities, including renegotiating supplier contracts and eliminating non-essential spending. Operational processes are being streamlined to reduce complexity and lower overhead costs. Furthermore, embracing technology is an integral part of our vision to improve operational efficiency and enhance the overall customer experience. As part of this belief, we are planning to adopt various in-store automation technologies including self-checkout kiosks and digital price tags. Not only do these innovative solutions help to significantly improve our operational efficiency, but they also enhance the overall shopping experience of our esteemed customers. By streamlining operations, our team members can concentrate on providing better customer service and engaging in promotion activities that add significant value to our customers.

A robust store performance evaluation framework has been implemented to systematically assess the productivity and profitability of each retail location. Underperforming stores undergo detailed performance reviews, followed by swift corrective actions including operational adjustments, staff retraining, or strategic repositioning where required. Regular performance benchmarking ensures all locations maintain strict adherence to operational and financial KPIs. At the individual level, we have enhanced our employee performance with clear productivity metrics aligned to business objectives. Targeted programs and role optimizations are being deployed to elevate workforce capabilities, ensuring our human capital remains a key competitive advantage.

The Group maintains a cautiously optimistic outlook on its growth, supported by a more optimized product mix and strict cost controls. By swiftly adjusting its business strategies and refining execution, the Group is well-positioned to navigate Singapore's dynamic retail landscape.

# Report of the Directors

The directors of the Company (together the “Directors” and each a “Director”) present their report and the audited consolidated financial statements for the year ended 30 April 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the retail sales of housewares products. There was no significant change in the nature of the Group’s principal activities during the Year.

## BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion of its prospects are provided in the “Chairman’s Statement” and the “Management Discussion and Analysis” of the annual report. A description of financial risk factors that the Group is facing is provided in note 3 to the consolidated financial statements. An analysis of the Group’s performance during the Year in terms of financial key performance indicators is provided in the “Five-Year Financial Summary” of the annual report. Discussions on the environmental policies and performance, disclosure of regulatory compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with its stakeholders are contained in the “Environmental, Social and Governance Report” of the annual report. The above sections form parts of the report of the directors.

## RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated income statement. An interim dividend of HK4.0 cents (2023/24: an interim dividend of HK5.6 cents) per share, representing a total payout of approximately HK\$28,812,000 was paid by the Company on 5 February 2025. The Board has resolved to recommend payment of a final dividend of HK1.5 cents per share to shareholders whose names appear on the register of members of the Company on Wednesday, 8 October 2025 which will be paid on or around Friday, 24 October 2025, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on Thursday, 25 September 2025. Taking into account of the interim dividend payment, the total dividend for the Year would amount to HK5.5 cents (2023/24: HK11.2 cents) per ordinary share, totaling approximately HK\$39,570,000 for the Year.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company for the forthcoming annual general meeting (the “AGM”) of the Company to be held on Thursday, 25 September 2025 will be closed from Monday, 22 September 2025 to Thursday, 25 September 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 25 September 2025. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 19 September 2025.

Subject to the approval of the shareholders at the AGM, the proposed final dividend will be payable to the shareholders of the Company whose names appear on the register of members of the Company after the close of business on Wednesday, 8 October 2025 and the register of members of the Company will be closed from Friday, 3 October 2025 to Wednesday, 8 October 2025, (both days inclusive), during which no transfer of shares of the Company will be registered. The record date for determining the entitlement of the Shareholders of the Company to the proposed final dividend will be Wednesday, 8 October 2025. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by relevant share certificates lodged with Company’s Hong Kong share registrar Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 2 October 2025.

## SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the five years ended 30 April 2021, 2022, 2023, 2024 and 2025 is set out in the five – year financial summary. This summary does not form part of the audited financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.



# Report of the Directors *(Continued)*

## INVESTMENT PROPERTIES AND OWNER-OCCUPIED PROPERTIES

Details of the Group's investment properties and owner-occupied properties as of the date of this report are set out below:

- Shop No.12 & 12B, G/F, Yip Cheong Building, No. 426-428B, Des Voeux Road West, Hong Kong
- Ground Floor and Basement of Avon Court, No.23 Caine Road, Hong Kong
- Shop No. 35, G/F., Yuccie Square, No. 38 Yuen Long On Ning Road, Yuen Long, New Territories
- Avenida do Ouvidor Arriaga, No. 72-C to 74-B, Edf. Kam Ma, Macau
- Rooms 1606-1610, Building 8-1, Suning Huigu Center, No. 301, Hanzhongmen Street, Gulou District, Nanjing City, Jiangsu Province, China
- Rooms 1601-1622 and Parking spaces 054 to 059 on the negative 2nd floor, Lufu Lianhe Guangchang (Lufu Union Square), No. 233, Hanxi Avenue West, Panyu District, Guangzhou, China

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and Share options during the Year are set out in note 23 to the consolidated financial statements.

## RESERVES

Movements in reserves during the Year are set out in note 25 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 30 April 2025 were HK\$745,430,000, which comprised retained earnings of HK\$230,062,000 and share premium of HK\$515,368,000.

Under the Companies Act of the Cayman Islands, the share premium of the Company may be distributed subject to the provisions of the Company's Memorandum or Articles of Association and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

## DIRECTORS

The Directors during the Year were:

### Executive Directors:

Ms. Ngai Lai Ha (*Chairman and Group Chief Executive Officer*)

Mr. Lau Pak Fai Peter (*Honorary chairman*)

Mr. Cheng Sing Yuk (*Chief financial officer*)

### Independent Non-executive Directors:

Mr. Mang Wing Ming, Rene

Mr. Ng Sze Yuen, Terry

Mr. Yeung Yiu Keung

Pursuant to article 84(1) & (2) of the Articles of Association of the Company, Mr. Lau Pak Fai Peter, Mr. Cheng Sing Yuk, Mr. Mang Wing Ming, Rene and Mr. Ng Sze Yuen, Terry shall retire from office by rotation at the Annual General Meeting and shall be eligible for re-election.

## DIRECTORS' SERVICE CONTRACTS

None of the Directors has service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' REMUNERATION

The emoluments payable to the Directors will be decided by the board of directors on the recommendation of the Remuneration Committee, having regard to the Directors' duties, responsibilities and performance and the results of the Group. Particulars of the Directors' emoluments are set out in note 36(a) to the consolidated financial statements.

# Report of the Directors *(Continued)*

## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Ms. NGAI Lai Ha**, aged 53

Ms. Ngai is the co-founder of the Group and has been playing a key role in the continuing growth of the Group on different aspects since opening the first store in Hong Kong back to year 1991. Ms. Ngai is currently the Chairman and Group Chief Executive Officer of the Company. She is also an executive Director, the Chairman of nomination committee, and a member of the remuneration committee of the Company. Ms. Ngai has dedicated most of her time and efforts to developing the business, and has contributed significantly to the success of the Group throughout the years.

Taking the helm of the business, Ms. Ngai has spearheaded the Group's strategic plan development and execution, exploring new business opportunities in the ever-changing environment, enhancing the Group's all-round efficiency and effectiveness, improving the financial performance, consolidating the market and leading "JHC" become a major player in the Hong Kong housewares retail market. Leveraging on the network and relationships that she has personally established since the founding of the Group, Ms. Ngai has helped set a solid foundation for the Group to further expand the business and to penetrate into new markets.

Ms. Ngai is currently a Chairman of Yau Tsim Mong District, Youth Development and Civic Education Committee, a Vice Chairman of Yau Tsim Mong East Area Committee, a member of the Nanjing Committee of the Chinese People's Political Consultative Conference, a Vice Chairman of the Quality Tourism Services Association, a member of Retail Industry Training Advisory Committee of the Hong Kong Special Administrative Region, an executive deputy director of the Women Affairs Committee of HKCPPCCMA, an Honorary President of the Hong Kong Federation of Women, an Honorary President of the Federation of HK Jiangsu Women Organisations, an Honorary President of the Kowloon Women's Organisations Federation, an Honorary President of the Yau Tsim Mong Women Association, the district president of Yau Tsim District, Scout Association of Hong Kong, a Vice Chairman of Yau Tsim Mong District, Celebrations Association, an Honorary Director of the University of Hong Kong Foundation and the management committee of Yaumati Kaifong Association School. Ms. Ngai graduated from the Hong Kong Metropolitan University with a Bachelor of Business Administration degree in 2002. Ms. Ngai was also awarded the Honorary Fellow of the Professional Validation Centre of Hong Kong Business Sector in 2015. Ms. Ngai was honored the "Excellent Business women of the Year" by the Hong Kong Commercial Daily in 2017, "GBA Outstanding Women Entrepreneur Award" co-hosted by Hong Kong Small and Medium Enterprises Association and Metro Broadcast Corporation Limited in 2019 and "CEO Marketer of the Year" by Hong Kong Institute of Marketing (HKIM) in 2023.

**Mr. LAU Pak Fai Peter**, aged 67

Mr. Lau has been executive Director and Chairman of the Company since 18 April 2013, the date of incorporation of the Company until resigned as Chairman of the Board on 1 March 2017. On the same day, Mr. Lau was appointed as Honorary Chairman and re-designated as a member (previously Chairman) of the nomination committee. Mr. Lau resigned as a member of the nomination committee of the Company with effect from 11 August 2017 but has remained as an executive Director. Mr. Lau is the co-founder of the Group, and has been the managing director of the Group since 1991. Mr. Lau became the chief executive officer in 2010, after the Group entered into a strategic partnership with EQT Greater China II. Mr. Lau resigned from the position of the chief executive officer of the Company on 7 January 2016.

Mr. Lau was raised in Hong Kong and studied in Canada, where he earned his bachelor's degree in science from the Department of Applied Science of Queen's University at Kingston, Canada in May 1979. In 1981, Mr. Lau established a trading company in Hong Kong and was engaged in the housewares import and export business prior to opening the first Japan Home Centre store in 1991. Mr. Lau is primarily responsible for the Group's overall corporate strategies, management and business development.

Mr. Lau was among the first to introduce the "one price" store concept to Hong Kong, which established Japan Home Centre in a strong position in the Hong Kong housewares retail market. The Group continues to benefit from his years of experience and expertise in the housewares retail market. In 1998, the City Junior Chamber honoured Mr. Lau's leadership and vision by presenting him with the "Innovative Entrepreneur of the Year" award. He has also been a guest speaker at various business functions held by media groups and government organisations, including the Hong Kong Trade Development Council and Trade and Industry Department.

# Report of the Directors *(Continued)*

**Mr. CHENG Sing Yuk, aged 66**

Mr. Cheng was appointed as an executive Director with effect from 18 April 2013, the date of incorporation of the Company. Mr. Cheng is the chief financial officer of the Group and is responsible for the accounting and finance matters of the Group. Prior to rejoining the Group in December 2009, he worked in various industries which included retail, wholesale and telecommunication. Mr. Cheng has 30 years of accounting and finance experience.

Mr. Cheng has been a member of the Association of Chartered Certified Accountants since November 1998 and a member of the Hong Kong Institute of Certified Public Accountants since March 1999. He obtained a Master Degree in Accounting from Curtin University of Technology in September 2004.

## **Independent non-executive Directors**

**Mr. MANG Wing Ming, Rene, aged 73**

Mr. Mang was appointed as an independent non-executive Director, Chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company with effect from 1 November 2014. He has subsequently been appointed as Chairman of the remuneration committee of the Company with effect from 25 September 2015. Mr. Mang is currently the Managing Partner of Silversteps Limited, providing executive training and business consulting services to retailers in Asia.

Mr. Mang possesses over 40 years of business experience in wholesale and retail sector in Hong Kong, Mainland China, Canada and Asian countries. Mr. Mang served as the chief executive in various reputable retailers over 15 years, including Country President of Wal-Mart Korea Company Limited in Korea and Chief Operating Officer of Trust-Mart China Company Limited in China, both of which are wholly owned subsidiaries of Wal-Mart Stores Inc, the largest retailer in the world in terms of revenue in 2013. Besides, he was the Chief Executive Officer of Hong Kong Seibu Enterprises Company Limited in Hong Kong and the Group Chief Executive Officer of G2000 Apparels Group covering Hong Kong, Mainland China and Asia. From March 2010 until his resignation on 3 December 2014, Mr. Mang was the Commissioner (equivalent to non-executive director in common law countries) of PT Matahari Department Store Tbk in Indonesia (Stock code LPPF.JK on Indonesia Stock Exchange), which operated over 100 department stores in Indonesia in October 2014.

Mr. Mang is a member of American Institute of Certified Public Accountants since 1996 and is a fellow member of The Hong Kong Institute of Directors since 1 October 2014. Mr. Mang graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration degree in 1974.

**Mr. NG Sze Yuen, Terry, aged 65**

Mr. Ng was appointed as an independent non-executive Director and a member of the audit committee, nomination committee and remuneration committee of the Company with effect from 23 September 2021. Mr. Ng has over 35 years of experience in operations and management and is now the Chief Executive Officer and an executive director of L'AVENUE International Holdings Limited, a private company in Hong Kong. He was an independent non-executive director of Sun Hing Printing Holdings Limited (stock code: 1975) a company listed on the Main Board of the Stock Exchange, until his resignation on 1 June 2024.

Mr. Ng served as an executive director of Hang Lung Group Limited (stock code: 010), Hang Lung Properties Limited (stock code: 101) and Giordano International Limited (stock code: 709) and an independent non-executive director of China New City Commercial Development Limited (stock code: 1321), companies of which shares are listed on the Main Board of the Stock Exchange. He also worked at the Stock Exchange and held various positions.

Mr. Ng is a fellow member of CPA Australia.

# Report of the Directors *(Continued)*

**Mr. YEUNG Yiu Keung**, aged 62

Mr. Yeung was appointed as an independent non-executive director and a member of the audit committee, nomination committee and remuneration committee of the Company with effect from 21 December 2018. Mr. Yeung previously was appointed as a non-executive director of the Company with effect from 18 April 2013, the date of incorporation of the Company and he was a member of the audit committee of the Company until his resignation on 26 September 2016.

Mr. Yeung has over 30 years of experience in the consumer, retail, food and beverage industries. Prior to joining our Group, he served in PT Sarimelati Kencana, Birdland Taiwan KFC, Birdland (Hong Kong) Limited, Little Sheep Group Limited, Shanghai Shihao Foods Co., Ltd. and CFB Group, a company principally engaged in operating the Dairy Queen and Papa John's brands franchises and other local brands in the Mainland China where he was primarily responsible for providing strategic advice and recommendations on the operations and management of the respective groups. From March 2011 to December 2019, he served as an industrial adviser at EQT Funds Management Limited, a company principally engaged in global investment, where he was primarily responsible for providing advice on portfolio companies relating to food and consumer products.

Mr. Yeung has been serving as an independent non-executive director of Tam Jai International Co. Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2217), with effect from 14 September 2021 and currently is the Chairman and principal operator of Jumbo Five (Shanghai) Holdings Limited – a franchisee of Five Guys Burgers and Fries in China.

Mr. Yeung holds a Bachelor of Science degree from the University of Oregon in the U.S. and an executive Master of Business Administration (Master of Management) degree jointly from J.L. Kellogg Graduate School of Management of Northwestern University in the United States and the School of Business and Management at Hong Kong University of Science and Technology in Hong Kong.

## **Senior Management**

**Mr. Michael Au-Yeung Wang Sek**, aged 60

*Chief Executive Officer – Hong Kong and Macau*

Mr. Au-Yeung serves as the Chief Executive Officer – Hong Kong and Macau of the Company, where he is responsible for executing and overseeing strategic plans and processes that drive business growth in Hong Kong and Macau. He joined the Group in July 2023, bringing with him 30 years of global business experience from working for world class retailers across fifteen countries in North America, Europe, Asia, and Latin America. He has expertise across various sectors, including merchandising, brand building, marketing, operations, finance, product development, sourcing and supply chain, pricing, store format development, and human resources.

Mr. Au-Yeung has previously served as Vice President of Merchandising at Dollar General Corp., the largest American value general merchandise store chain, as well as Senior Director of Merchandising & Product Development at Walmart Stores Inc., and Vice President at Michaels Stores Inc, the largest arts and crafts chain in US and Canada.

Mr. Au-Yeung graduated from the University of Toronto, Ontario, Canada, with a Bachelor of Commerce degree majoring in Marketing.

**Mr. WONG Kin Man**, aged 52

*Chief information officer*

Mr. Wong is chief information officer of the Group and oversees the information technology system of the Group. Mr. Wong joined the Group in June 2005. In the recent years, he has been spearheading the development of the Group's E-platform in Hong Kong, China and Singapore. Mr. Wong has over 20 years of experience in information technology management and system development and support, covering information technology infrastructure library (ITIL), project management office (PMO), IT service management, software project management and IT strategy. Prior to joining the Group in June 2005, Mr. Wong worked in various segments including hospitality, food and beverage, fashion, beauty, household and retail. Mr. Wong obtained an executive master degree of advanced management from HEC Liege Management School, the University of Liege in 2019. Mr. Wong has been a Fellow of The professional Validation Centre of Hong Kong Business Sector since 2015.



# Report of the Directors *(Continued)*

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 April 2025, the interests and short positions 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 (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors	Capacity/Nature of Interest	Number of shares of the Company	Number of underlying shares of the Company – Share Option <i>(Note 3)</i>	Number of underlying shares of the Company – Share Award <i>(Note 5)</i>	Total interest <i>(Note 1)</i>	Approximate percentage of shareholding as at 30 April 2025*
Ms. NGAI Lai Ha	Interest in a controlled corporation	324,000,000 <i>(Note 2)</i>	–	–	361,902,000	50.11%
Mr. LAU Pak Fai Peter	Personal interest	37,902,000	–	–		
	Interest in a controlled corporation	324,000,000 <i>(Note 4)</i>	–	–	357,980,000	49.57%
	Personal interest	33,980,000	–	–		
Mr. CHENG Sing Yuk	Personal interest	1,636,000	–	152,000	1,788,000	0.25%
Mr. Mang Wing Ming, Rene	Personal interest	424,000	–	–	424,000	0.06%

\* The percentage was calculated based on 722,223,000 shares in issue as at 30 April 2025.

### Notes:

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

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 30 April 2025, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

# Report of the Directors *(Continued)*

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 April 2025, the persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/Nature of Interest	Number of shares of the Company (Note 1)	Approximate percentage of shareholding as at 30 April 2025*
Hiluleka Limited	Beneficial owner	324,000,000 (Note 2)	44.86%
Webb David Michael	Beneficial owner/Interest of corporation controlled by the substantial shareholder	62,813,000	8.70%
Preferable Situation Assets Limited	Beneficial owner	36,790,100 (Note 3)	5.09%

\* The percentage was calculated based on 722,223,000 shares in issue as at 30 April 2025.

### Notes:

1. All the above shares are long position.
2. The shares are taken to have a duty of disclosure as described in Notes (2) and (4) under the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures".
3. Mr. Webb David Michael is deemed to have interests in 36,790,100 shares beneficially owned by Preferable Situation Assets Limited, which is wholly owned by him.

Save as disclosed above, as at 30 April 2025, the Company has not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Year was the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Board on 24 July 2015 (the "Adoption Date" and the "Share Award Scheme" respectively) to recognise the contributions by the Group's employees (including without limitation any Director) and to provide them with incentives in order to retain them for their continual operation and development of the Group; and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board pursuant to the rules and trust deed of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date. Pursuant to the scheme rules, the Board has the authority to renew the Share Award Scheme. As disclosed in the announcement of the Company dated 24 July 2025, the Board has approved the renewal of the Share Award Scheme for a further term of ten years, effective from 24 July 2025 until 23 July 2035.

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

# Report of the Directors *(Continued)*

Bank of Communications Trustee Limited has been appointed as the trustee of the Share Award Scheme (“Trustee”). Pursuant to the scheme rules and the trust deed entered into with the Trustee, the Trustee shall purchase from the market for the relevant number of existing shares of the Company out of cash contributed by the Company and held on trust for the selected participants until such shares are vested with the relevant selected participants. No new Shares will be granted, allotted and issued under the Share Award Scheme. It does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules.

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

					Number of awarded shares				
Name and Category of participants	Date of grant	Closing price	Vesting prices of awarded shares HK\$ per share	Vesting period	Unvested as at 1 May 2024	Granted during the Year	Forfeited during the Year	Vested during the Year	Unvested as at 30 April 2025
Directors									
Ms. NGAI Lai Ha	20/08/2022	2.97	1.68	16/10/2024 to 31/10/2024	800,000	–	(800,000)	–	–
Sub-total					800,000	–	(800,000)	–	–
Mr. CHENG Sing Yuk	20/08/2022	2.97	1.68	16/10/2024 to 31/10/2024	500,000	–	(500,000)	–	–
	14/11/2022	2.63	–	24/10/2023 to 07/11/2024	42,000	–	–	(42,000)	–
	10/10/2023	2.18	–	10/10/2023 to 10/10/2025	85,000	–	–	(43,000)	42,000
	08/11/2024	1.06	–	08/11/2025 to 16/11/2026	–	110,000	–	–	110,000
Sub-total					627,000	110,000	(500,000)	(85,000)	152,000
Employees-									
In aggregate	20/10/2021	2.69	1.68	16/10/2024 to 31/10/2024	6,626,000	–	(6,626,000)	–	–
	24/10/2022	2.69	–	24/10/2023 to 07/11/2024	293,000	–	(65,000)	(228,000)	–
	24/10/2022	2.69	1.68	16/10/2024 to 31/10/2024	235,000	–	(235,000)	–	–
	10/10/2023	2.18	–	10/10/2023 to 10/10/2025	699,000	–	(104,000)	(259,000)	336,000
	08/11/2024	1.06	–	08/11/2025 to 16/11/2026	–	792,000	–	–	792,000
Sub-total					7,853,000	792,000	(7,030,000)	(487,000)	1,128,000
Total					9,280,000	902,000	(8,330,000)	(572,000)	1,280,000

- The number of shares available to be awarded under the Share Award Scheme as at the beginning of the Year, the end of the Year and the date of the Annual Report were 10,437,150 shares, 17,865,150 shares and 17,865,150 shares respectively, representing approximately 1.4%, 2.5% and 2.5% of the issued shares of the Company respectively as at the dates of this report. The number of awarded shares granted divided by the weighted average number of issued shares during the Year was approximately 0.1%.
- The weighted average closing price of the shares of the Company immediately before the dates on which the awarded shares were vested was HK\$1.03 per share.
- Details of their fair value at the time of grant and the accounting policy adopted are set out in note 24 to the consolidated financial statement.
- The vesting of the awarded shares shall be conditional upon the achievement of certain performance targets in respect of the financial results of the Group and the performance ratings of the grantees.
- Bank of Communications Trustee Limited has been appointed as the trustee of the Share Award Scheme (“Trustee”). Pursuant to the scheme rules and the trust deed entered into with the Trustee, the Trustee shall purchase from the market or subscribe for the relevant number of awarded shares out of the Company’s resources. The Trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme, repurchased on the Stock Exchange a total of 300,000 shares of the Company at a total consideration of about HK\$283,200 during the Year.

# Report of the Directors *(Continued)*

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance were in relation to the Group's business to which any of the Company's subsidiaries, fellow subsidiaries or parent companies was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

## CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted non-exempt continuing connected transactions ("Continuing Connected Transactions") for the Company during the financial year ended 30 April 2025 under the Listing Rules. Save as disclosed below, the related party transactions are set out in note 34 to the consolidated financial statements. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of these connected transactions. Details of these transactions are as follows:

### 1. Tenancy Framework Agreement

The Group has entered into tenancy agreements with certain companies wholly-owned by Ms. Ngai Lai Ha ("Ms. Ngai") to lease the premises in accordance with the respective terms of the relevant tenancy agreements (the "Tenancy Agreements"). In order to ensure that all tenancy transactions between (A) Ms. Ngai and/or her associates (as defined in the Listing Rules, which include companies directly or indirectly wholly-owned by Ms. Ngai) (collectively, the "Ms. Ngai Group") and (B) members of the Group, comply with the Listing Rules, the Company entered into a tenancy framework agreement with Ms. Ngai (the "Tenancy Framework Agreement") on 27 August 2013. Pursuant to the Tenancy Framework Agreement, the Group has entered into various tenancy arrangements with Ms. Ngai Group to lease certain premises for the retail shops, warehouse and office premises.

Since Ms. Ngai is a Director and controlling shareholder of the Company, and that each member of the Ms. Ngai Group is an entity wholly-owned by Ms. Ngai, each member of the Ms. Ngai Group became a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Tenancy Framework Agreement (including the Tenancy Agreements) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As disclosed in the announcement of the Company dated 19 February 2025, the Tenancy Framework Agreement expired on 30 April 2025 and was automatically renewable for successive periods of three years thereafter. The Company has set annual caps for the maximum aggregate rental amount payable under the tenancy transactions entered into between members of the Ms. Ngai Group and members of the Group pursuant to the Tenancy Framework Agreement. These annual caps are set at HK\$39,300,000 each for the financial years ending 2026, 2027, and 2028, respectively.

The annual caps stated above have been estimated with reference to the historical figures, potential adjustment in rentals at the time of renewing existing leases, and the estimated rentals of new leases in future. For the year ended 30 April 2025, a total of approximately HK\$39,987,000 was received/receivable by Ms. Ngai Group pursuant to the Tenancy Framework Agreement. The Company has set the annual cap for the maximum aggregate rental amount payable under the tenancy transactions entered into between members of the Ms. Ngai Group and members of the Group pursuant to the Tenancy Framework Agreement for the year ended 2025 of HK\$48,000,000.



# Report of the Directors *(Continued)*

## 2. Master Agreement with Radha Exports Pte. Ltd.'s group.

As disclosed in the announcement of the Company dated 25 March 2020, on 14 October 2019, Radha Japan Pte. Ltd. (a company wholly-owned by the Gangaram Family) acquired 25% equity interest in Japan Home (Retail) Pte. Limited (a non-wholly owned subsidiary of the Company) from Japan Home Pte. Limited (a former shareholder of Japan Home (Retail) Pte. Limited). On 3 November 2022, Radha Japan Pte. Ltd. acquired additional 5% equity interest from Japan Home Centre (Management) Limited (a wholly-owned subsidiary of the Company), as a result of which, the Gangaram Family, by virtue of their interests in Radha Japan Pte. Ltd., became a substantial shareholder of Japan Home (Retail) Pte. Limited and thus a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As Radha Exports Pte. Ltd. is wholly-owned by the Gangaram Family, Radha Exports Pte. Ltd. is an associate of the Gangaram Family and thus also a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

On 14 October 2019, the Company entered into the master agreement with Radha Exports Pte. Ltd. in relation to the purchase of Products by members of the Group from members of Radha Exports Pte. Ltd.'s group (the "Master Agreement"). By virtue of Radha Exports Pte. Ltd.'s connected relationship with the Company, the transactions contemplated under the Master Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As disclosed in the announcement of the Company dated 19 February 2025, The Master Agreement expired on 30 April 2025 and has been renewed for another three years up to 30 April 2028. The annual caps in respect of estimated aggregate amount purchased from members of Radha Exports Pte. Ltd.'s group under the Master Agreement are set at HK\$100,000,000 each for the financial years ending 2026, 2027, and 2028 respectively.

It is expected that the Master Agreement and the transactions contemplated thereunder will enable the Group to obtain more favorable pricing compared with that generally offered by other suppliers. For the year ended 30 April 2025, a total of approximately HK\$61,869,000 purchased from members of Radha Exports Pte. Ltd.'s group under the Master Agreement. The annual cap in respect of estimated aggregate amount purchased from members of Radha Exports Pte. Ltd.'s group under the Master Agreement for the financial year ended 2025 was HK\$140,000,000.

All the Continuing Connected Transactions above have been reviewed by the independent non-executive directors of the Company who have confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The independent non-executive Directors also consider that the relevant annual caps in respect of the Continuing Connected Transactions set out above are and will be fair and reasonable and in the interests of the Company and the shareholders as a whole.

The Company's auditor was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to practice notice 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group in this annual report in accordance with the Listing Rules.

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

During the Year, the Company repurchased a total of 2,820,000 ordinary shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK\$2,904,000. All the repurchased shares were subsequently cancelled by the date of this report. The share repurchases were undertaken because the Board considered that the value of the Company's shares was consistently undervalued. The current financial resources of the Company would enable it to conduct the Shares Repurchase while maintaining a solid financial position for the continuation of the Company's business in the current financial year. Details of such Share repurchases are set out below:

	Number of shares repurchased	Highest repurchase price per share HK\$	Lowest repurchase price per share HK\$
2025			
January	600,000	1.11	0.95
February	1,200,000	1.10	1.06
April	1,020,000	0.97	0.89

# Report of the Directors *(Continued)*

Besides, under the share award scheme of the Company adopted by the Board on 24 July 2015 (the “Share Award Scheme”), the trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 300,000 shares of the Company at a total consideration of about HK\$282,000. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the Year.

## **PERMITTED INDEMNITY PROVISION**

The Articles of Association of the Company provides that the Directors for the time being of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Company.

## **CAPITAL COMMITMENTS**

Details of capital commitments as at 30 April 2025 are set out in note 31 to the consolidated financial statements.

## **EQUITY-LINKED AGREEMENTS**

Details of the share option schemes and share award scheme are set out in notes 23 and 24 to the consolidated financial statements respectively. Save as disclosed above, no equity-linked agreements were entered into during the Year or subsisted at the end of the year.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as of the date of this report.

## **MANAGEMENT CONTRACT**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## **MAJOR CUSTOMERS AND SUPPLIERS**

The Group is principally involved in retail business. The five largest customers and the five largest suppliers of the Group accounted for less than 30% of the Group's turnover and purchases respectively during the Year.

## **AUDITOR**

The consolidated financial statements for the Year have been audited by PricewaterhouseCoopers Certified Public Accountants, who will retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

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

Hong Kong, 25 July 2025

# Corporate Governance Report

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all of the Directors, Directors confirmed that they have been in compliance with the required standard set out in the Model Code during the year ended 30 April 2025.

## BOARD OF DIRECTORS

### Board Composition

Our Board of Directors currently consists of six Directors, comprising three executive Directors and three independent non-executive Directors. More than one-third of the Board is represented by independent non-executive Directors with at least one of whom possessing appropriate professional qualifications, or accounting or related financial management expertise. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the Company and its shareholders as a whole. The composition of the Board is set out as follows:

#### Executive Directors:

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

#### Independent Non-executive Directors:

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

The independence of the independent non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. The Company has received written confirmation of independence from each of the independent non-executive Directors and the Company is of the view that all independent non-executive Directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules and are therefore independent.

The Board’s role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board controls the business but delegates day-to-day responsibility to the senior management. The Board sets the Company’s strategic aims, values and standards and ensures that its obligations to its shareholders and others are understood and met. Certain matters are the subject of recommendations by the Audit Committee, Nomination Committee or Remuneration Committee. The senior management is responsible for the daily operations and administration functions of the Group.

Our Board is composed of members from diverse backgrounds. Gender, age, cultural, educational background and professional experience of our Board Members are set out in the “Profile of Directors and senior management” to this annual report. The Board members do not have any family, financial or business relationship with each other.

# Corporate Governance Report *(Continued)*

## BOARD MEETINGS AND DIRECTORS' ATTENDANCE

The Board held 4 meetings during the year ended 30 April 2025. The table below shows each Director's attendance at meetings of the Board held while he or she was a Director during the Year.

Directors	Meetings attended	Meetings eligible to attend
Ms. Ngai Lai Ha ( <i>Chairman</i> )	4	4
Mr. Lau Pak Fai Peter ( <i>Honorary Chairman</i> )	4	4
Mr. Cheng Sing Yuk	4	4
Mr. Mang Wing Ming, Rene	4	4
Mr. Ng Sze Yuen, Terry	4	4
Mr. Yeung Yiu Keung	4	4

The Board is responsible for performing the corporate governance duties set out in paragraph A.2.1 of the Corporate Governance Code, and in this regard the duties of the Board shall include:

- (1) to develop and review the Company's policies and practices on corporate governance;
- (2) to review and monitor the training and continuous professional development of directors and the senior management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (5) to review the Company's compliance with the code and disclosures in the Corporate Governance Report.

## DELEGATION BY THE BOARD

Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise. For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the Listing Rules or other applicable rules or regulations, appropriate disclosure will be made and where necessary, circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations.

The Board, led by the Chairman, is responsible for the Group's future development directions; overall strategies and policies; evaluation of the performance of the Group and the senior management; and approval of matters that are of a material or substantial nature. Senior management is responsible for the day-to-day operations of the Group.

Formal letters of appointment have been issued to all Directors setting out the key terms and conditions of their respective appointment. Each newly appointed Director will also be issued with a letter of appointment.

## CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

To ensure compliance by Directors and to enhance their awareness of good corporate governance practices, induction package covering the statutory and regulatory obligations of a director of a listed company will be provided to each newly appointed Director. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and to update all Directors on any regulatory requirements as necessary. All Directors have received professional training during the Year including the attending briefings, seminars, conferences or forums and reading updates on relevant topics.

## CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Currently, Ms. Ngai Lai Ha is both the Chairman and the Group Chief Executive Officer of the Company. As Ms. Ngai is one of the founders of the Group, the Board believes that it is in the best interest of the Group to have Ms. Ngai taking up both roles for continuous effective management of the Board and business development of the Group.

# Corporate Governance Report *(Continued)*

## APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a term of three years and all of the independent non-executive Directors are appointed for a term of one year. The appointments are renewable from time to time. All newly appointed Directors shall hold office until the next annual general meetings and shall then be eligible for re-election. At each annual general meeting, at least one-third of the Directors for the time being, shall retire from office by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

## BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference to assist the Board in discharging its responsibilities.

The terms of reference of the committees are available for inspection on the Company's website and the Stock Exchange's website.

### (1) Audit Committee

The Company has established an Audit Committee with the following of its primary duties:

- (1) to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (3) to review the Company's financial controls, internal control and risk management systems;
- (4) to review the Group's financial and accounting policies and practices; and
- (5) to discuss the risk management and internal control systems with management of the Company to ensure that management has performed its duty to have an effective systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

For the year ended 30 April 2025, the Audit Committee held two meetings. The work performed by the Audit Committee included, but was not limited to, review of the Group's interim and annual financial statements and the interim and annual reports, with a recommendation to the Board for approval; and recommending to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, PricewaterhouseCoopers be re-appointed as the Company's external auditor and also review the Group's risk management, internal controls and whistleblowing system. The Audit Committee has reviewed and satisfied with the effectiveness of the risk management and internal control systems.

The table below shows each Director's attendance at meetings held while he was a member during the Year.

Members	Meetings attended	Meetings eligible to attend
Mr. Mang Wing Ming, Rene ( <i>Chairman</i> )	2	2
Mr. Ng Sze Yuen, Terry	2	2
Mr. Yeung Yiu Keung	2	2



# Corporate Governance Report *(Continued)*

## (2) Remuneration Committee

The Company has established a Remuneration Committee with the following of its primary duties:

- (1) to make 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;
- (2) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (3) either: (i) determining, with delegated responsibility, the remuneration packages of individual executive directors and senior management, or (ii) making recommendations to the Board on the remuneration packages of individual executive directors and senior management (This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment);
- (4) to make recommendations to the Board regarding the remuneration of non-executive directors;
- (5) to advise the Company's shareholders on how to vote with respect to any service contracts of directors, which is for a duration that may exceed 3 years or which, in order to entitle the Company to terminate the contract, expressly requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments that require shareholders' approval under the Listing Rules;
- (6) to consider the granting of share options to directors pursuant to any share option scheme adopted by the Company;
- (7) to ensure due compliance with any relevant disclosure requirements in respect of the remuneration of directors as well as other remuneration related matters under the Listing Rules, the Companies Ordinance and any other statutory requirements; and
- (8) to review and make recommendations to the Board regarding the pension arrangements for directors and senior management.

For the year ended 30 April 2025, the Remuneration Committee held two meetings. The work performed by the Remuneration Committee included, but not limited to, consideration of Directors' emoluments for the next year, with a recommendation to the Board for approval. The table below shows each Director's attendance at meetings held while he or she was a member during the Year.

Members	Meetings attended	Meetings eligible to attend
Mr. Mang Wing Ming, Rene ( <i>Chairman</i> )	2	2
Ms. Ngai Lai Ha	2	2
Mr. Ng Sze Yuen, Terry	2	2
Mr. Yeung Yiu Keung	2	2

Particulars of the Director's emoluments are set out in note 36 to the consolidated financial statement. The remuneration of the members of the senior management by band are set out in note 9(b) to the consolidated financial statement.

# Corporate Governance Report *(Continued)*

## **(3) Nomination Committee**

The Company has established a Nomination Committee with the following of its primary duties:

- (1) to formulate nomination policy for consideration by the Board and implement the nomination policy approved by the Board;
- (2) without prejudice to the generality of the foregoing:
  - i. to consider the selection criteria of directors and to develop procedures for the sourcing and selection of candidates to stand for election by shareholders of the Company;
  - ii. to identify suitably qualified candidates to become Board members, select or make recommendations to the Board on the selection of individuals nominated for directorships or to fill casual vacancies of directors for the Board's approval;
  - iii. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
  - iv. to assess the independence of independent non-executive directors;
  - v. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive;
  - vi. to review the Board Diversity Policy, as appropriate; and review the measureable objectives for implementing diversity on the Board and recommend them to the Board for adoption; and report on the Board's composition under diversified perspectives in the corporate governance report of the Company annually;
  - vii. to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board; and
  - viii. to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the articles of association of the Company (as amended from time to time) or imposed by law or in accordance with the Listing Rules.

The Company recognises and embraces the benefits of having diversity in the composition of the Board. A diverse Board will bring different ideas and perspectives to its decision-making and formulation of policies for the Company. All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board.

# Corporate Governance Report *(Continued)*

## Nomination Procedures

- i. The Committee shall call a meeting of the Committee, and invite nominations of candidates from Board members if any, for consideration by the Committee prior to its meeting. The Committee may also put forward candidates who are not nominated by Board members.
- ii. For filling a casual vacancy or appointing an additional director to the Board, the Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election or re-election at a general meeting, the Committee shall make nominations to the Board for its consideration and recommendation.
- iii. Until the issue of the shareholder circular, the nominated persons shall not be assumed that they have been proposed by the Board to stand for election or re-election at the general meeting.
- iv. In order to provide information of the candidates appointed by the Board or nominated by the Board to stand for election or re-election at a general meeting, an announcement will be published or a circular will be sent to shareholders. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the announcement or circular to shareholders.
- v. A shareholder of the Company can propose a resolution to elect a person as a Director. Detailed procedures are set out in the section headed "Procedures for Shareholders to Propose a Person for Election as a Director" of this annual report.
- vi. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting.

Selection of candidates to the Board will be based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service. The ultimate decision will be based on merits and the contribution that the selected candidates will bring to the Board, taking into account the business model and specific needs of the Group. The committee has, from time to time, reviewed and monitored the implementation of the policy to ensure its effectiveness. It will at appropriate time set measurable objectives for achieving diversity on the Board.

For the year ended 30 April 2025, the Nomination Committee held one meeting. The work performed by the Nomination Committee included but not limited to make recommendations to the Board on the re-appointment of directors and review of the existing structure, size and composition of the Board.

The table below shows each Director's attendance at meetings held while he or she was a member during the Year.

Members	Meetings attended	Meetings eligible to attend
Ms. Ngai Lai Ha ( <i>Chairman</i> )	1	1
Mr. Mang Wing Ming, Rene	1	1
Mr. Ng Sze Yuen, Terry	1	1
Mr. Yeung Yiu Keung	1	1

## DIVIDEND POLICY

Under the Companies Law of Cayman Islands and the memorandum and articles of association of the Company, dividends may be paid out of the profits of the Company, or subject to solvency of the Company, out of sums standing to the credit of the share premium account of the Company. However, no dividend shall exceed the amount recommended by Directors.

Declaration and recommendation of payment of dividends of the Company is subject to the approval of the Directors, depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Directors may consider relevant from time to time. Any future declarations, recommendations and payments of dividends of the Company may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors. The Company does not have any predetermined dividend payout ratio.

# Corporate Governance Report *(Continued)*

## **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The directors acknowledged their responsibility for preparing the financial statements of each financial period, which give a true and fair view of the state of affairs of the Group as at the end of the financial period and of the result and cash flows of the Group for the Year. In the Company's interim and annual reports which are issued within the time limits stipulated by the Listing Rules, the Board presents a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The published financial statements adopt, and consistently apply, suitable accounting policies complying with Hong Kong Financial Reporting Standards.

The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the external auditors of the Company acknowledging their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" contained in this annual report.

The report from the auditor of the Company regarding their responsibilities and opinion on the financial statements of the Group for the year ended 30 April 2025 is set out in the "Independent Auditor's Report" to this annual report. The Board has taken steps to ensure the continued objectivity and independence of the external auditor. For the year ended 30 April 2025, the remunerations to external auditors of the Company were approximately HK\$2,066,000 and HK\$290,000 in respect of audit and non-audit services provided to the Group respectively. Non-audit services primarily comprise review service provided to the Group.

## **DEED OF NON-COMPETITION**

Each of Ms. Ngai Lai Ha, Mr. Lau Pak Fai Peter and Hiluleka Limited, the controlling shareholder, has entered into a deed of non-competition dated 10 September 2013 in favour of the Company pursuant to which each of them severally, irrevocably and unconditionally has agreed and undertaken to the Company that each of them shall not and shall procure that none of his/her/its associates (other than the members of the Group), except through his/her/its/their interests in the Company, shall directly or indirectly, carry on, participate in, engage, acquire or hold any right or interest in or otherwise be interested, involved or engaged in or concerned with, any business which is in any respect in competition with or similar to or likely to be in competition, directly or indirectly, with the existing business activity of any member of the Group and any business activities undertaken by the Group from time to time within Hong Kong, Mainland China, Macau, Taiwan, Singapore, Malaysia and such other parts of the world where any member of the Group carries on business from time to time. Details of the noncompetition undertakings have been set out in the section headed "Relationship with our Controlling Shareholders" in the Company's prospectus dated 12 September 2013. The Company has received the confirmation from the controlling shareholders of the Company in respect of their compliance with the terms of the non-competition undertakings for the year ended 30 April 2025. The independent non-executive Directors had reviewed the compliance with and enforcement of the terms of the non-competition undertakings by the controlling shareholders for the year ended 30 April 2025.

## **RISK MANAGEMENT AND INTERNAL CONTROLS**

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight roles over the Group's financial, operational, compliance, risk management and internal controls activities, while senior management designs, implements and monitors the risk management and internal control systems, and reports to the Board and the Audit Committee on the effectiveness of these systems. Systems and internal controls can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve the Group's business objectives.

### **Risk Management**

The Company has established a formal risk assessment system, including risk assessment criteria for the Group. Senior management identifies the risks that potentially impact the key business processes of their operations on an annual basis. Risks are scored according to their likelihood of occurrence and the degree of impact on business. Senior management assesses the effectiveness of existing controls and develops risk-mitigating activities accordingly. Results of the annual risk assessment are reported to the Audit Committee, including the significant risks of the Group and the control activities to mitigate or transfer the identified risks.

# Corporate Governance Report *(Continued)*

## Internal Control

The Company has established defined levels of responsibilities and reporting procedures. Controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, that financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and that key risks that may have impact on the Group's performance are identified and assessed.

The internal audit department is led by the senior internal audit manager, who reports directly to the Audit Committee. The Internal Audit Department is primarily responsible for performing independent reviews of key business operations of the Group and assisting in the continual development of internal control policies and procedures. During the year, the Company has conducted a review of the Group's risk management and internal control systems. Results of the review were communicated to the Audit Committee. Issues identified are followed up for proper implementation and the progress will be reported to the Audit Committee periodically.

## Review of Risk Management and Internal Control Systems

The Board, through the Audit Committee, has conducted a review of the effectiveness of the internal control system of the Group covering all material controls, including financial, operational and compliance as well as risk management. The Board expects that a review of the risk management and internal control systems will be performed annually. For the year ended 30 April 2025, the Board considers that the Group's risk management and internal control are adequate and effective. The Audit Committee has also reviewed and is satisfied with the adequacy of resources, qualifications and experience, training programmes and budget of the Group's internal audit, accounting and financial reporting functions.

## Procedures and controls over handling and dissemination of inside information

The Company has developed a monitoring system for inside information to ensure prompt identification, evaluation and submission of material information to the Board to determine whether such information constitutes inside information and requires disclosure. The Company strictly complies with the Inside Information Provisions and disclosure requirements set out in the relevant sections of the Securities and Futures Ordinance and Listing Rules.

## COMPANY SECRETARY

The Company has engaged an external service provider to provide secretarial services and has appointed Mr. Lee Chung Shing as the Company Secretary. Mr. Lee is not an employee of the Group and Mr. Cheng Sing Yuk, the executive Director, is the person whom Mr. Lee can contact for the purpose of code provision C.6.1 of the CG Code. Mr. Lee undertook over 15 hours of professional training during the Year.

## SHAREHOLDERS' RIGHTS

### Procedures for Shareholders to Convene an Extraordinary General Meeting

In accordance with article 58 of the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.



# Corporate Governance Report *(Continued)*

## **Procedures for Shareholders to Propose a Person for Election as a Director**

Article 85 of the articles of association of the Company provides that no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such notices are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notices shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

Accordingly, if a shareholder of the Company wishes to propose a person other than a Director for election as a Director at the general meeting (the “**Proposal**”), he/she should lodge at the head office of the Company at 20th Floor, Tower B, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong (i) a written notice setting out the Proposal; and (ii) a written notice signed by the person to be proposed of his willingness to be elected.

## **Shareholders’ Enquiries**

Enquiries by shareholders to be put to the Board can be sent in writing to the Company’s principal place of business in Hong Kong at 20th Floor, Tower B, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong. For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the Company’s registered shareholders can contact the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the securities of the Company, they are advised to consult an expert.

## **Constitutional Document**

An up-to date version of the memorandum and articles of association of the Company is available on the websites of the Company and the Stock Exchange published on 29 September 2022. Shareholders may refer to the memorandum and articles of association of the Company for further details of the rights of shareholders.

## **INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS**

The Company recognises the importance of maintaining on-going communications with its shareholders and Investor. The Company has engaged a professional public relations consultancy company to organise various investor relations programs aiming at increasing the transparency of the Company, enhancing communication with shareholders and investors, increasing their understanding of and confidence in the Group’s businesses and promoting market recognition of and support to the Company.

In addition, the Company also maintains a corporate website on which comprehensive information about the Group is made available. Regular meetings are also held with institutional investors and research analysts to provide them with timely updates on the Group’s latest business developments which are not inside information in nature. These activities keep the public informed of the Group’s activities and foster effective communications.

## **ANNUAL GENERAL MEETING**

The Chairman of the Board, the Chairman of the Audit Committee and Chairman of the Remuneration Committee attended the annual general meeting of the Company on 26 September 2024 and were available to answer questions. All Directors of the Company at that time attended the annual general meeting, with the exception of Mr. Lau Pak Fai Peter. The Company’s external auditor attended the annual general meeting and was available to answer questions.

# Environmental, Social and Governance Report

The Group believes upholding ESG principles and practices with high governance standards will boost corporate investment value and provide long-term returns to stakeholders. The Group has established an ESG governance structure with clearly defined responsibilities in place. The formulation of our ESG strategy and the day-to-day management and reporting of ESG matters resides with the ESG Committee, which is headed by our Executive Director and comprises of members from all major departments. The responsibilities of the ESG Committee includes the formation of ESG strategies, reporting on sustainability, communication with stakeholders, materiality assessment, and regular monitoring of the performance of outlined ESG initiatives. The Group's progress on ESG performance, along with its visions and strategies, will be disclosed annually in the Annual Report and reviewed during the Board meeting. The Board will oversee the execution of ESG related initiatives against the approved plans and objectives, ensuring alignment with the Group's sustainability goals. Based on these evaluations, the Board will formulate future ESG development plans to drive continuous improvement.

To standardize environmental key performance indicators (the "KPIs") for this report, the Group conducts emissions assessments for the financial years beginning after 1 May 2017. This report complies with the "comply or explain" provisions set out in the "Environmental, Social and Governance Reporting Guide" under Appendix C2 of the Listing Rules. Unless otherwise specified, this report focuses on the environmental and social impacts of the Group's operating activities in Hong Kong (the "Reporting Market"), which represent the core of our entire business, contributing approximately 86.1% of the Group's revenue for the year ended 30 April 2025 (the "Year"). The Group will extend the scope of disclosures and will ultimately cover all its affairs when the data collection system becomes more mature.

## Stakeholder Engagement & Materiality Assessment

To achieve sustainable business development, the Group maintains effective and open communication with its key stakeholders, namely our employees, customers, shareholders, suppliers and the community. Various communication channels have been demonstrated, including shareholders' meetings, investor & analyst meetings, results presentations, training & workshops, interviews & conferences, project collaborations, public events, social media platforms and industry events where the stakeholders can share their opinions. Meanwhile, benchmarking against business counterparts was incorporated into the materiality assessment process in order to ascertain significant ESG issues of the Group. The major ESG issues identified include: employee development and training, employment, customer privacy protection and supply chain management.

## Subject Areas A. Environmental

### Aspect A1: Emissions

With the environment in mind, the Group does not emit a large amount of air pollutants and strives to keep the level of greenhouse gas emissions as low as possible. To this end, several correspondence measures have been performed. For details of which these efforts please refer to "Use of Resources" below. The Group's greenhouse gas emissions can be classified into three scopes, and relevant activities and environmental KPIs are presented in the next three paragraphs.

"Scope 1" covers direct emissions from operations of the Reporting Market. The main source of direct emission is from gasoline and diesel consumed by the external vehicle fleets for delivering goods, which are not owned or controlled by the Group. As a result, retrieval of the relevant data is not feasible and currently does not meaningfully capture the information in this report. Nevertheless, the Group undertakes regular reviews of fleet operations to optimise the efficiency of its logistics network, for example, reducing mileage and hours spent in order to retain economic competitiveness and environmental sustainability;

"Scope 2" covers indirect energy emissions resulting from the electricity purchased and consumed within the Reporting Market (excluding electricity consumed by some retail stores in shopping malls, where discharge is controlled by the Building Management Office, so the retrieval of the relevant data is not viable). Based on our business nature, the emissions of the Reporting Market are dominated by greenhouse gases, arising mainly from the use of electricity and fuels derived from fossil fuels. During the Year, our greenhouse gas emissions intensity generated from our daily operations in the Reporting Market was 2.8 tonnes of carbon dioxide equivalent per 1 million sales in Hong Kong dollars (2023/24: 3 tonnes). The Group's emissions target set and steps taken to achieve it is described in Aspect A2: Use of Resources of this report. Greenhouse gas emissions data are presented in carbon dioxide equivalents (in tonnes) and are computed with reference to the data published in 2024 sustainability reports of the Hong Kong Electric Company Ltd and the China Light and Power Company Ltd; and

"Scope 3" covers business air travel by employees of the Reporting Market. For the sake of minimizing exhaust emissions, employees are encouraged to prolong their stay on overseas business trips in the hope of reducing the number of travelling or, if possible, to replace overseas business trips with video and teleconferencing. These measures reduce exhaust gas and greenhouse gas emissions released by aircraft. At the same time, emissions produced during physical business trips are negligible, accordingly, such relevant data is not shown in this report.

# Environmental, Social and Governance Report *(Continued)*

## **Aspect A2: Use of Resources**

The Group has launched the service of “Click & Collect” on the online platforms “JHC eshop” and “Easy Buy”, turning the stores into a quick service station for online orders. The advent of the function not only enhances customers’ consumption experience and sense of security, but also saves logistics and distribution costs and energy consumption. In addition, we signed the “Charter on External Lighting” issued by the Environmental Bureau of Hong Kong, committing to switch off lighting installations for decorative, promotional or advertising purposes after 11 p.m. to avoid causing light pollution to the surrounding environment.

In addition to the above-mentioned efforts, the Group has proactively adopted measures to minimise the environmental impacts of its business operation. For example:

- Air-conditioning systems are cleaned and air filters are replaced regularly in order to improve operational efficiency; and room temperature is maintained at energy-efficient level;
- Use of energy-saving lamps and LED lamps for office and store lighting (when feasible);
- Comply with the “Product Eco-responsibility Ordinance” for the levy on plastic shopping bags;
- Billboards and outdoor lighting devices at street level stores are controlled by timers;
- Collection of waste paper for recycling; and
- Each department is required to record the amount of paper used for printing in order to monitor the use of paper.

Total electricity consumption in the Reporting Market for the Year was approximately 14,650 MWh (2023/24: 15,600 MWh), while the plastic shopping bags consumed in the retail stores was approximately 34 tonnes (2023/24: 35 tonnes). The Group has set a target to reduce carbon dioxide equivalent per 1 million sales in Hong Kong dollars from our daily operations in the Reporting Market by 10% by 2027, using the year ended 30 April 2022 as a base year. The operation of the Reporting Market has not resulted in high water consumption, and water usage of the Group mainly arises from drinking and personal hygiene purposes. In the meantime, the Group actively encourages the saving of printing paper, communicating electronically instead of paper and documents. The usages of water and paper are determined to be immaterial, so the relevant data is not displayed in this report.

## **Aspect A3: The Environment and Natural Resources**

The Group has issued an internal environmental pledge for environmental sustainability in fulfilling its role as a responsible corporate citizen. For example, shark fins and other endangered species are banned from its corporate annual dinner menu. In addition, certain of the Group’s stores serve as collection points of the “Fluorescent Lamp Recycling Programme” where customers can drop off used fluorescent lamps for safe and environmentally friendly disposal.

All construction waste generated from demolition and closure of retail stores were disposed in accordance with the Waste Disposal Ordinance (Chapter 354, Laws of Hong Kong) and relevant regulations, which minimises the impact of such waste on the environment. The Group also participates in the “Office Paper Recycling Campaign” programme organised by the Eco Association. Paper recycling boxes are available in the office to facilitate the reuse and recycling of wastepaper, reducing the amount of waste paper we generate and discard in landfills.

In view of our business nature, the Group is not aware of any significant generation of hazardous waste, and so currently does not capture this in our report. The Group has no direct and significant impact on the environment and natural resources beyond the use of resources and emissions issues discussed above. Besides, the Group did not identify any material non-compliance with relevant environmental laws and regulations during the Year.

# Environmental, Social and Governance Report *(Continued)*

## **Aspect A4: Climate Change**

To advance the transparency and consistency of our climate-related disclosures, the Group is dedicated to aligning with the International Financial Reporting Standard S2 – Climate-Related Disclosures (IFRS S2). We are continuously strengthening our climate risk management and disclosure processes, while actively seeking opportunities for improvement within our current systems.

The Board holds overall responsibility for overseeing climate-related risks and opportunities and has assigned daily implementation to a dedicated team to ensure coordinated and effective climate action. The Group acknowledges the significant potential impacts of climate change on its operations and has embedded these considerations into its strategic planning and decision making. A process is in place to identify, assess, manage, and monitor climate-related risks, which includes regularly updating risk registers and conducting assessments to ensure all potential areas are covered.

For instance, to mitigate the effects of extreme weather on our supply chain, the Group has built a broad network of partnerships with suppliers and manufacturers across 12 global regions and is continually enhancing this network's resilience. We have also implemented specific emergency protocols for extreme weather conditions to safeguard the health and safety of our retail staff. Such prolonged extreme weather events could lead to higher operating and maintenance costs, including increased transportation and insurance expenses, as well as indirect impacts on retail sales due to shortened business hours. The Group is proactively managing these challenges through strategic planning and has secured comprehensive insurance coverage for assets exposed to extreme weather, helping to minimize potential repair and maintenance costs.

Although the Group's operations do not directly generate carbon dioxide emissions, we have account for indirect emissions from purchased electricity. We have introduced a range of policies and initiatives (as detailed in the previous section) to enhance electrical efficiency and reduce carbon dioxide equivalent emissions. Our business activities currently do not include operations with significant climate impact. Nevertheless, we are monitoring the evolving regulatory landscape regarding product emissions and are actively preparing to meet new requirements and obligations, with a target of achieving carbon neutrality across our supply chain by 2035.

## **Subject Areas B. Social Employment and Labour Practices**

### **Aspect B1: Employment**

As key enablers in helping the Group achieve its economic, environmental and social objectives, our employees are among our most valuable assets. The Group respects every employee and strives to establish an inclusive workplace. The Group is committed to providing equal opportunities in recruitment and promotion regardless of age, gender, race, skin color, religion, nationality, marital status, disability or sexual orientation. The Group believes that hiring and retaining qualified employees is a crucial part of its success. Hence, it regularly reviews its remuneration policy to ensure it is in line with market standards. The Group also conducts staff evaluations to assess performance of all employees on a yearly basis. Employees are recognised and rewarded according to their individual performance, work experience, respective responsibilities, merits, qualifications, competence and time commitment. The Group clearly understands relevant ordinances and statutory requirements, such as the Employment Ordinance, Employees' Compensation Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong. The Group did not identify any material non-compliance with relevant employment laws and regulations during the Year.

As at 30 April 2025, the Group has employed a total of 2,007 employees, of which 1,967 employees were based in Hong Kong, Singapore and Macau. The total number/turnover rate of employees by gender, employment type, age group and geographical region are as follows:

# Environmental, Social and Governance Report *(Continued)*

*Note:*

Turnover rate of employees was excluding employees who left during probation period

	Total Workforce	Employee Turnover Rate (Note)
Total workforce by gender		
Male	372	38%
Female	1,595	34%
Total workforce by age group		
Below 40 years old	669	42%
40 years old or above	1,298	29%
Total workforce by employment type		
Full-time	1,354	n/a
Part-time	613	n/a
Total workforce by geographical region		
Hong Kong	1,574	38%
Singapore	357	33%
Macau	36	19%

## **Aspect B2: Health and Safety**

The Group believes that the operational efficiency of an enterprise and the maintenance of a healthy and safe working environment for all employees are closely related. The Group is committed to providing a healthy and safe working environment for its employees and complying with all relevant requirements in the Occupational Safety and Health Ordinance.

No high-risk or safety-sensitive type of work has been identified in the Group's workplaces. There were zero work-related fatalities in the last three years and 887 lost workdays due to work-related injuries in the Reporting Market during the Year (2023/24: 1,173). All workplace accidents are handled in accordance with the Employees' Compensation Ordinance and are immediately reported internally to the human resources department of the Group. Follow-up work has been carried out immediately after the incidents to reduce the likelihood of similar events in the future. Moreover, the Group values employees' health highly and has included such as complementary health check-ups and other medical subsidies as parts of the employee benefits scheme. The Group did not identify any material non-compliance with laws and regulations on occupational health and safety during the Year.

## **Aspect B3: Development and Training**

Staff development is an important aspect of the Group's human resources strategy. We endeavour to motivate our employees with a clear career path, giving ample opportunities to improve their skills. We provide training to employees upon hiring and tailored subsequent training programmes for them on an on-going basis as appropriate for their assigned duties. This training includes sales and customer service skills for retail operations employees. During the Year, the percentage of employees trained by gender and employment type and the average number of training hours completed per employee are as follows:

	Percentage of employees trained	Average training hours completed per employee
Total workforce	90%	3 hours
Total workforce by gender		
Male	90%	3 hours
Female	90%	3 hours
Total workforce by employment type		
Full-time	90%	3 hours
Part-time	90%	3 hours



# Environmental, Social and Governance Report *(Continued)*

## **Aspect B4: Labour Standards**

The Group is fully aware that child labour and forced labour violate fundamental human rights and international labour conventions and recommendations, and pose a threat to sustainable social and economic development. Therefore, the Group strictly complies with relevant laws and regulations. The Group prohibits the use of any child labour by reviewing the actual age of interviewees during recruitment process, including examination of their identification documents and detailed records. The Group only enforces the requirements of standard labour contracts and does not use any means to unfairly restrict the employment relationship between employees and the enterprise by, for example, withholding a deposit or identification documents. The Group did not identify any material non-compliance with child labour and forced labour laws and regulations during the Year.

## **Operating Practices**

### **Aspect B5: Supply Chain Management**

The Group has procurement and supply chain management policies to foster long-term commercial interests with our suppliers. All suppliers are selected through a selection process in which we not only consider their product quality, price, previous business relations and their legal, ethical and social commitments, but also takes into consideration that suppliers are working towards responsible and sustainable cooperation. Appointing new suppliers and purchasing new products are subject to the review and validation by our purchasing department and the approval by our management. The Group has built up a large global network in the Reporting Market of over 760 suppliers and manufacturers in 12 regions, including Hong Kong (260 suppliers), Japan (20 suppliers), Korea (18 suppliers), Thailand (15 suppliers), Vietnam (10 suppliers), Indonesia (5 suppliers), Malaysia (10 suppliers), Singapore (6 suppliers), Taiwan (15 suppliers), the PRC (370 suppliers), Europe (30 suppliers) and the Americas (5 suppliers). Although the Group explores procurement from extensive sourcing channels worldwide, it is committed to sourcing locally, in-country to minimise the carbon footprint generated from the transportation of products.

### **Aspect B6: Product Responsibility**

In today's highly competitive market environment, the Group takes appropriate actions to protect the intellectual property rights that give the business a competitive edge. There is a dedicated department responsible for registration of the Company's self-created trademarks and patents, enabling the Group to sustain a strong brand and image and continue to offer high-quality products in the future.

The policies and procedures adopted by the Group require that the selected products must meet all regulatory requirements and must strictly comply with relevant regulations to ensure product quality, including the Toys and Children's Products Safety Ordinance & Regulation; Consumer Goods Safety Ordinance & Regulations; the Trade Mark Ordinance; the Copyright Ordinance; the Trade Descriptions Ordinance; and the Prevention of Copyright Piracy Ordinance.

The Group is committed to providing the highest standard products and services to its customers. The Group has made customer satisfaction its highest priority and developed a loyalty programme that offers a wide range of membership privileges and special offers. We have a telephone hotline where customers may call to lodge complaints or concerns. We believe that our return policy, which generally allows customers to return defective products within seven days of purchase with the receipt for a product exchange or cash refund, also helps attract customers to patronize. During the Year, the Group's customer service department received 1,344 product- and service-related complaints in the Reporting Market and all complaints have been resolved properly through product exchange or communication. The Group did not recall any products sold subject to recalls for safety and health reasons.

Keeping the confidentiality of customer information is essential for maintaining good corporate governance and building long-term trust with the Group's customers. Thus, the Group adheres to the Personal Data (Privacy) Ordinance of Hong Kong Ordinance, ensuring that customer information we receive is only used for specific purposes. We require strict adherence to the Group's Data Privacy and Confidentiality Policy in our terms of employment. The Group did not identify any material non-compliance with laws and regulations on product responsibility and data privacy during the Year.

# Environmental, Social and Governance Report *(Continued)*

## **Aspect B7: Anti-corruption**

The Group values integrity and believes that it is crucial for the success and sustainability of its business. The Group provides training packages consists of corruption issues, fraud and conflict of interest etc for directors and employees regularly to ensure that they are trained on expected conduct and are responsible for reporting any potential incidences of corruption or bribery in the workplace. Directors are required to complete and submit a “Declaration of Interests” at least once a year. Additionally, employees are required to report receipt and subsequent handling of gifts from any person that does business with the Group.

The Group has implemented a zero-tolerance policy towards corruption and has established a whistle-blowing policy and reporting procedures for reporting misconduct or malpractice directly to independent non-executive Directors. The Group did not identify any material non-compliance with laws and regulations on the prevention of bribery, extortion, fraud and money laundering during the Year.

## **Community**

### **Aspect B8: Community Investment**

The Group works hard for the sustainable development of the community by assessing and managing the social impacts of its operations on the marketplace and supporting initiatives that create effective and lasting benefits to communities where it operates. The Group responds positively to the cause with charitable programmes and volunteering services. For example, the Group has sponsored activities organised by the Care for the Elderly Association, as well as other community groups that focus on assisting the elderly or impoverished. The Group also sponsored “Dogathon 2025” organized by SPCA to support its work of dealing with all aspects of animal welfare. The Group has also partnered with Oxfam, an international association combating poverty and injustice, ORBIS, a non-profit organisation dedicated to fighting preventable blindness, and Heifer International, an organisation to stop world hunger, to set up donation boxes at certain of the Group's stores. Over the years, the Group has contributed to caring for the community, employees and the environment. In honour of its contribution, the Hong Kong Council of Social Service awarded the Group with the “20 Years Plus Caring Company” logo. In the future, we will engage in more meaningful and charitable campaigns in areas covering social welfare services and assistance to the needy in Hong Kong. The Group has also participated in Charter on External Lighting scheme to minify light nuisance and energy wastage.

# Independent Auditor's Report



To the Shareholders of International Housewares Retail Company Limited  
(incorporated in the Cayman Islands with limited liability)

## Opinion

What we have audited

The consolidated financial statements of International Housewares Retail Company Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 45 to 107, comprise:

- the consolidated balance sheet as at 30 April 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

## Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 April 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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# Independent Auditor's Report *(Continued)*



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to carrying value of inventories.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Carrying value of inventories</b></p> <p>Refer to Note 4(b) and Note 21 to the consolidated financial statements.</p> <p>The Group held net inventories of HK\$375 million as at 30 April 2025, which represented approximately 25.1% of the Group's total assets.</p> <p>Inventories are carried at the lower of cost and net realisable value. Management's judgement is required for assessing the appropriate level of inventory provision.</p> <p>The Group estimates the provision for inventories based on inventory turnover by category and makes specific write down for near-expiry and slow moving inventories.</p> <p>We focused on this area because of the magnitude of the inventories and the estimation of the inventory provision involved a high level of management's judgement.</p>	<p>We obtained an understanding of the management's internal control and assessment process of estimating the provision for inventories.</p> <p>We examined the basis of the methodology with respect to inventory provision and evaluated, amongst others, the outcome of management's estimations in prior year, analysis and assessment made by management with respect to near-expiry and slow moving inventories.</p> <p>We evaluated the assumptions and estimates applied by management to determine the provision and write-off by testing the accuracy of historical information involved, comparing with current year and historical sales trends of similar products.</p> <p>We performed an assessment of the inventory provision and the net realisable value using the subsequent sales of the inventories after year end and the provision and write-off determined by management.</p> <p>Based on the procedures described, we considered management's judgement and estimates, which formed the basis of the carrying value of inventories, were reasonable and acceptable.</p>

# Independent Auditor's Report *(Continued)*



## **Other Information**

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



# Independent Auditor's Report *(Continued)*



## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** *(Continued)*

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Independent Auditor's Report *(Continued)*



## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** *(Continued)*

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu (practising certificate number: P06356).

PricewaterhouseCoopers  
*Certified Public Accountants*

Hong Kong, 25 July 2025

# Consolidated Income Statement

FOR THE YEAR ENDED 30 APRIL 2025

		Year ended 30 April	
	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	2,536,822	2,687,036
Cost of sales	8	(1,369,930)	(1,425,687)
Gross profit		1,166,892	1,261,349
Other income	6	14,094	20,079
Other losses, net	7	(2,070)	(5,783)
Distribution and advertising expenses	8	(52,516)	(60,830)
Administrative and other operating expenses	8	(1,052,471)	(1,077,393)
Operating profit		73,929	137,422
Finance income	10	4,920	7,887
Finance expenses	10	(23,456)	(25,540)
Finance expenses, net	10	(18,536)	(17,653)
Profit before income tax		55,393	119,769
Income tax expense	11	(13,155)	(19,972)
Profit for the year		42,238	99,797
Profit/(loss) attributable to:			
– Owners of the Company		47,727	101,070
– Non-controlling interests		(5,489)	(1,273)
		42,238	99,797
Earnings per share attributable to the owners of the Company for the year (expressed in HK cents per share)			
– Basic earnings per share	12(a)	HK6.6 cents	HK14.0 cents
– Diluted earnings per share	12(b)	HK6.6 cents	HK14.0 cents

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

# Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 APRIL 2025

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Profit for the year	42,238	99,797
<b>Other comprehensive income/(loss)</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	124	(2,399)
<i>Item that will not be reclassified to profit or loss</i>		
Actuarial (loss)/gain on long service payment scheme	(439)	5,345
<b>Other comprehensive (loss)/income for the year</b>	<b>(315)</b>	<b>2,946</b>
<b>Total comprehensive income for the year</b>	<b>41,923</b>	<b>102,743</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
– Owners of the Company	47,284	104,166
– Non-controlling interests	(5,361)	(1,423)
	<b>41,923</b>	<b>102,743</b>

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

# Consolidated Balance Sheet

AS AT 30 APRIL 2025

		As at 30 April 2025	2024
	Note	HK\$'000	HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	195,825	210,895
Right-of-use assets	15(a)(i)	396,210	537,890
Investment properties	16	31,324	32,191
Intangible assets	17	30,135	26,960
Deferred income tax assets	26	4,665	5,564
Financial asset at fair value through profit or loss	18	7,770	8,139
Prepayments and deposits	20	53,695	61,624
		719,624	883,263
<b>Current assets</b>			
Inventories	21	374,675	402,599
Trade and other receivables, prepayments and deposits	20	115,459	117,819
Current income tax recoverable		2,912	–
Cash and cash equivalents	22	284,560	338,501
		777,606	858,919
<b>Total assets</b>		<b>1,497,230</b>	<b>1,742,182</b>
<b>Equity</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital and share premium	23	587,590	589,517
Reserves	25	277,861	299,839
		865,451	889,356
<b>Non-controlling interests</b>		<b>(1,009)</b>	<b>4,352</b>
<b>Total equity</b>		<b>864,442</b>	<b>893,708</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	26	501	498
Provision for reinstatement cost	27	4,757	4,444
Borrowings	28	6,250	7,304
Lease liabilities	15(a)(ii)	169,285	266,038
		180,793	278,284
<b>Current liabilities</b>			
Trade and other payables	27	186,065	244,867
Contract liabilities	5,27	5,620	8,443
Loans due to a non-controlling shareholder of a subsidiary	34(f)	7,449	7,257
Borrowings	28	8,864	15,516
Lease liabilities	15(a)(ii)	240,945	285,575
Current income tax liabilities		3,052	8,532
		451,995	570,190
<b>Total liabilities</b>		<b>632,788</b>	<b>848,474</b>
<b>Total equity and liabilities</b>		<b>1,497,230</b>	<b>1,742,182</b>

The consolidated financial statements on pages 45 to 107 were approved by the Board of Directors on 25 July 2025 and were signed on its behalf:

NGAI Lai Ha  
Director

LAU Pak Fai, Peter  
Director

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

# Consolidated Statement of Changes In Equity

FOR THE YEAR ENDED 30 APRIL 2025

	Note	Attributable to owners of the Company			Non-controlling interests	Total equity
		Share capital and share premium (Note 23) HK\$'000	Reserves (Note 25) HK\$'000	Total HK\$'000		
Balance at 1 May 2024		589,517	299,839	889,356	4,352	893,708
Comprehensive income:						
Profit/(loss) for the year		–	47,727	47,727	(5,489)	42,238
Other comprehensive income/(loss):						
Currency translation differences		–	(6)	(6)	130	124
Actuarial loss on long service payment scheme		–	(437)	(437)	(2)	(439)
<b>Total comprehensive income/(loss)</b>		<b>–</b>	<b>47,284</b>	<b>47,284</b>	<b>(5,361)</b>	<b>41,923</b>
<b>Total contributions by and distributions to owners of the Company recognised directly in equity:</b>						
Employee share award scheme:						
– value of employee services	9	–	1,114	1,114	–	1,114
Purchase of treasury shares	24	–	(282)	(282)	–	(282)
Dividend paid relating to 2024	33	–	(40,305)	(40,305)	–	(40,305)
Dividend paid relating to 2025	33	–	(28,812)	(28,812)	–	(28,812)
Repurchase and cancellation of shares	23,25	(1,927)	(977)	(2,904)	–	(2,904)
<b>Total transactions with owners, recognised directly in equity</b>		<b>(1,927)</b>	<b>(69,262)</b>	<b>(71,189)</b>	<b>–</b>	<b>(71,189)</b>
<b>Balance at 30 April 2025</b>		<b>587,590</b>	<b>277,861</b>	<b>865,451</b>	<b>(1,009)</b>	<b>864,442</b>

	Note	Attributable to owners of the Company			Non-controlling interests	Total equity
		Share capital and share premium (Note 23) HK\$'000	Reserves (Note 25) HK\$'000	Total HK\$'000		
Balance at 1 May 2023		589,517	307,446	896,963	7,440	904,403
Comprehensive income:						
Profit/(loss) for the year		–	101,070	101,070	(1,273)	99,797
Other comprehensive income/(loss):						
Currency translation differences		–	(2,235)	(2,235)	(164)	(2,399)
Actuarial gain on long service payment scheme		–	5,331	5,331	14	5,345
<b>Total comprehensive income/(loss)</b>		<b>–</b>	<b>104,166</b>	<b>104,166</b>	<b>(1,423)</b>	<b>102,743</b>
<b>Total contributions by and distributions to owners of the Company recognised directly in equity:</b>						
Transaction with a non-controlling interest	32(a)	–	114	114	(865)	(751)
Employee share award scheme:						
– value of employee services	9	–	771	771	–	771
Purchase of treasury shares	24	–	(430)	(430)	–	(430)
Dividend paid relating to 2023		–	(71,923)	(71,923)	–	(71,923)
Dividend paid relating to 2024	33	–	(40,305)	(40,305)	–	(40,305)
Dividend paid to a non-controlling interest		–	–	–	(800)	(800)
<b>Total transactions with owners, recognised directly in equity</b>		<b>–</b>	<b>(111,773)</b>	<b>(111,773)</b>	<b>(1,665)</b>	<b>(113,438)</b>
<b>Balance at 30 April 2024</b>		<b>589,517</b>	<b>299,839</b>	<b>889,356</b>	<b>4,352</b>	<b>893,708</b>

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



# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 APRIL 2025

		Year ended 30 April	
	Note	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	29(a)	406,385	524,146
Income tax paid		(20,647)	(57,454)
Net cash inflow from operating activities		385,738	466,694
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(18,887)	(61,657)
Down payment of motor vehicle		–	(348)
Purchase of intangible assets	17	(8,898)	(2,565)
Prepayment for purchase of intangible assets		(821)	–
Proceeds from disposal of property, plant and equipment	29(b)	20	527
Dividend received from financial asset at fair value through profit or loss		555	296
Interest received		5,494	7,714
Net cash outflow from investing activities		(22,537)	(56,033)
<b>Cash flows from financing activities</b>			
Repayments of lease liabilities	29(c)	(337,350)	(368,584)
Payment for shares repurchase		(2,904)	–
Purchase of treasury shares		(282)	(430)
Proceeds from bank borrowings	29(c)	98,174	144,032
Repayment of bank borrowings	29(c)	(105,880)	(134,574)
Interest paid		(964)	(1,098)
Consideration paid for increase in equity interest in a subsidiary without change of control	32(a)	–	(751)
Dividend paid		(69,117)	(112,228)
Dividend paid to a non-controlling interest		–	(800)
Net cash outflow from financing activities		(418,323)	(474,433)
<b>Net decrease in cash and cash equivalents</b>		(55,122)	(63,774)
Cash and cash equivalents at beginning of the year		338,501	402,310
Exchange differences on cash and cash equivalents		1,181	(35)
<b>Cash and cash equivalents at end of the year</b>	22	284,560	338,501

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

# Notes to the Consolidated Financial Statements

## 1 General information

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

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

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

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and rounded to the nearest thousand HK\$ (“HK\$’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 July 2025.

## 2 Basis of preparation and changes in accounting policies

### 2.1 Basis of preparation

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 the Hong Kong Companies Ordinance (Cap. 622 of the Law of Hong Kong).

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants

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

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

#### (i) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting period commencing 1 May 2024:

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

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

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.1 Basis of preparation *(Continued)*

(ii) *New and amended standards and revised interpretation issued but not yet adopted by the Group*

The following new and amended standards and revised interpretation issued are not yet effective for accounting period beginning on 1 May 2024, and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 (New Standard)	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 (New Standard)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

#### Impact on application of HKFRS 18 – Presentation and Disclosure in Financial Statements

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 consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other New and amended standards and revised interpretation on its current or future reporting periods and on foreseeable future transactions.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies

#### 2.2.1 Subsidiaries

##### (a) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Except for the Reorganisation, subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

##### (i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, noncontrolling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.1 Subsidiaries *(Continued)*

##### (a) Consolidation *(Continued)*

##### (ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recognised in profit or loss.

##### (b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

#### 2.2.3 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional and the Group's presentational currency.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.3 Foreign currency translation *(Continued)*

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities are recognised in profit or loss as part of the fair value gain or loss.

##### *(c) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

#### 2.2.4 Property, plant and equipment

Land and buildings comprise of properties for the Group's own use. Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced part is derecognised. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

Depreciation of leasehold improvements is calculated to write off their cost less accumulated impairment losses over the unexpired periods of the leases or their expected useful lives of 5 years to the Group, whichever is shorter.



# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.4 Property, plant and equipment *(Continued)*

Depreciation of land and buildings is calculated using the straight-line method to allocate its costs to their residual values over their estimated useful lives, as follows:

– Land portion	Remaining lease term of the land
– Building portion	25 years – 50 years

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Furniture, fixtures and equipment	5 years
Computer equipment	5 years
Motor vehicles	3 $\frac{1}{3}$ years
Moulds	5 years
Machinery and equipment	5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2.5).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated income statement.

#### 2.2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are at least tested annually for impairment or more frequently if events or changes in circumstances that indicate that might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (i.e. cash-generating units or CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, comprising purchases and other incidental costs, are determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.2.7 Investments and other financial assets

##### (a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and liabilities and the contractual terms of the cash flows.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.7 Investments and other financial assets *(Continued)*

##### (a) Classification *(Continued)*

For assets measured at fair value, gains and losses will either be recorded in consolidated income statement or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### (b) Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement and presented in "other losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated income statement and recognised in "other losses, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in the consolidated income statement and impairment expenses are presented as separate line item in the consolidated income statement.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in consolidated income statement.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.7 Investments and other financial assets *(Continued)*

##### (b) Recognition and measurement *(Continued)*

###### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to consolidated income statement following the derecognition of the investment. Gains or losses arising from changes in the fair value of the "financial asset at fair value through profit or loss" category are presented in the consolidated income statement within "other losses, net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised within "other income" when the Group's right to receive payments is established.

##### (c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and reward of ownership.

#### 2.2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### 2.2.9 Revenue recognition

##### (a) Sale of goods – wholesale

Wholesales sales of goods are recognised when control of the products has transferred, being when the Group has delivered products to the wholesaler, collectability of the related receivables is reasonably assured, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped.

##### (b) Sale of goods – retail

Retail sales of goods are recognised when the Group sells a product to the customer. Retail sales are usually in cash or by credit card.

##### (c) Sale of goods – customer loyalty programme

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. Revenue from the award points is recognised when the points are redeemed or when they expire.

Contract liabilities are recognised until the points are redeemed or expire.

##### (d) Licencing fees

Licencing fees are recognised when the performance obligations under the relevant agreements have been accomplished.

##### (e) Consignment sales commission

Consignment sales commission is recognised in the accounting period in which the relevant services are rendered.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.10 Employee benefits

##### (a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

##### (b) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### (c) Pension obligations

The Group has established a mandatory provident fund scheme ("MPF Scheme") in Hong Kong. The assets of the MPF Scheme are held in separate trustee-administered funds. Both the Group and the employees are required to contribute based on a fixed percentage of the employee's relevant income up to a maximum of HK\$1,500 per employee per month.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring plan that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.11 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.2 Summary of material accounting policies *(Continued)*

#### 2.2.11 Leases *(Continued)*

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised within "other income" on a straight-line basis over the lease term (Note 6). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature.

### 2.3 Summary of other accounting policies

#### 2.3.1 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of "other losses, net".



# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.3 Summary of other accounting policies *(Continued)*

#### 2.3.2 Intangible assets

##### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries/businesses represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

##### (b) Trademark

Separately acquired trademark is shown at historical cost. Trademark acquired in a business combination is recognised at fair value at the acquisition date. Trademark has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademark over their estimated useful life of 40 years.

##### (c) Computer software

Costs associated with maintaining computer software are recognised as an expense as incurred. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Amortisation is calculated using the straight-line method to allocate the cost of computer software over their estimated useful life of 3 years.

#### 2.3.3 Trade and other receivables

Trade receivables are amounts due from franchisees and customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 20 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

#### 2.3.4 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### 2.3.5 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.3 Summary of other accounting policies *(Continued)*

#### 2.3.6 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.3.7 Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

Borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

#### 2.3.8 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attribute to temporary differences and to unused tax losses.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

##### (b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.3 Summary of other accounting policies *(Continued)*

#### 2.3.8 Current and deferred income tax *(Continued)*

##### (b) Deferred income tax *(Continued)*

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

#### 2.3.9 Share-based payments

##### (a) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price), if any;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.3 Summary of other accounting policies *(Continued)*

#### 2.3.9 Share-based payments *(Continued)*

##### (b) Share-based payment transactions among Group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

#### 2.3.10 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to passage of time is recognised as interest expense.

#### 2.3.11 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

#### 2.3.12 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements, if any. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

# Notes to the Consolidated Financial Statements *(Continued)*

## 2 Basis of preparation and changes in accounting policies *(Continued)*

### 2.3 Summary of other accounting policies *(Continued)*

#### 2.3.13 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. Such financial guarantees are given by certain subsidiaries to banks on behalf of fellow subsidiaries to secure loans, overdrafts and other banking facilities. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 'Financial Instruments' and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 'Revenue from Contracts with Customers'.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to banking facilities among subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment of the Group, unless the amount is immaterial.

#### 2.3.14 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### 2.3.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

# Notes to the Consolidated Financial Statements *(Continued)*

## 3 Financial risk management

### 3.1 Financial risk factors

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

(a) *Market risk*

(i) *Foreign currency risk*

The Group mainly operates in Hong Kong and Singapore and is exposed to foreign currency exchange fluctuations from exposures arising in the normal course of its business, primarily with respect to United States dollars, Renminbi and Japanese Yen. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has a policy to require Group companies to manage their foreign exchange risks against their respective functional currencies. It mainly includes managing the exposures arisen from sales and purchases made by relevant Group companies in currencies other than their own functional currencies. The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign risk exposure.

Since Hong Kong dollar is pegged to United States dollars, management considers that there is no significant foreign currency risk between these two currencies to the Group.

At 30 April 2025, if Hong Kong dollar had weakened/strengthened by 5% against Renminbi and Japanese Yen with all other variables held constant, post-tax profit for the year would have been HK\$303,000 lower/higher (2024: HK\$9,000 higher/lower) and HK\$432,000 lower/higher (2024: HK\$144,000 lower/higher) respectively, mainly as a result of foreign exchange losses/gains on translation of Renminbi-denominated and Japanese Yen-denominated cash and cash equivalents, trade and other receivables, trade and other payables and trust receipt loans.

The remaining assets and liabilities of each company within the Group are mainly denominated in the respective functional currencies. The directors are of the opinion that the volatility of the Group's profits against changes in exchange rates of foreign currencies would not be significant. Accordingly, no sensitivity analysis is performed.

(ii) *Cash flow and fair value interest rate risk*

Other than the bank balances and borrowings which carry interest at prevailing market interest rates, the Group has no other significant interest-bearing assets or liabilities. Therefore, the interest rate risk mainly arises from interest-bearing bank deposits and borrowings.

However, the interest income and expenses derived therefrom are relatively insignificant to the Group's operations. Therefore, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Accordingly, the directors are of the opinion that the Group does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.



# Notes to the Consolidated Financial Statements *(Continued)*

## 3 Financial risk management *(Continued)*

### 3.1 Financial risk factors *(Continued)*

#### *(b) Credit risk*

Credit risk includes risks resulting from counter party default and risks of concentration. The Group has no significant credit risk as the retail sales are made in cash or by credit cards. In respect of trade receivables, the credit risk is considered to be low as most trade receivables are from electronic payment service providers for retail sales and several customers with long business relationships and with no history of default. In the opinion of the directors, the default risk is considered to be low.

The Group has concentration of credit risk as receivables from several wholesales customers represented all of the Group's trade receivables at the end of the reporting period. However, the Group has policies in place for the control and monitoring of relevant credit risks. These credit evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The directors are of the opinion that the Group does not have significant credit risks because the Group mainly trades with customers who have established trading history with the Group. The exposure to credit risk is closely monitored on an ongoing basis.

The credit risks on rental deposits are considered to be low as they can be recovered by offsetting against the rental payments.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet.

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables, and
- other financial assets at amortised costs.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the impact of impairment loss was immaterial.

#### *Trade receivables*

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

The Group maintains frequent communications with the counterparties and monitors closely the credit qualities and the collectability of these receivables. The Group reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment loss is made for irrecoverable amounts.

Based on assessment by the management, majority of the trade receivables were settled shortly when they are due, hence, the Group considers the expected credit loss is immaterial.

For trade receivables relating to accounts in which there are objective evidence that the debtor faces significant financial difficulties or enter liquidation, they are assessed individually for impairment allowance. As at 30 April 2025, no specific loss allowance was made by the Group (2024: Nil).

# Notes to the Consolidated Financial Statements *(Continued)*

## 3 Financial risk management *(Continued)*

### 3.1 Financial risk factors *(Continued)*

#### *(b) Credit risk (Continued)*

##### *Other financial assets at amortised costs*

For other financial assets at amortised costs, the Group considers the probability of default, loss given default and exposure at default since initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis.

Management makes periodic collective assessments as well as individual assessment on the recoverability of the balances based on historical settlement records, past experience and forward-looking information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations;
- actual or expected significant changes in the operating results of debtors;
- significant increases in credit risk on other financial instruments of the same debtor; and
- significant changes in the expected performance and behaviour of debtors, including changes in the payment status of the debtor in the Group and changes in the operating results of the debtor.

During the year ended 30 April 2025, no impairment loss on other financial assets at amortised costs was recognised in profit or loss (2024: Nil).

#### *(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and bank balances. The Group's liquidity risk is further mitigated through the availability of financing through its own cash resources and the availability of banking facilities to meet its financial commitments. In the opinion of the directors, the Group does not have any significant liquidity risk.

# Notes to the Consolidated Financial Statements *(Continued)*

## 3 Financial risk management *(Continued)*

### 3.1 Financial risk factors *(Continued)*

#### (c) Liquidity risk *(Continued)*

The table below analyses the Group's non-derivative financial liabilities into relevant maturity Groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand HK\$'000	Less than 1 year HK\$'000	Over 1 year HK\$'000	Total HK\$'000
<b>At 30 April 2025</b>				
Borrowings and interest payables	7,828	1,373	7,094	16,295
Trade and other payables	–	178,074	–	178,074
Lease liabilities and interest payables	–	253,040	187,237	440,277
Loans due to a non-controlling shareholder of a subsidiary and interest payables	–	7,575	–	7,575
	7,828	440,062	194,331	642,221
<b>At 30 April 2024</b>				
Borrowings and interest payables	14,566	1,420	8,758	24,744
Trade and other payables	–	237,663	–	237,663
Lease liabilities and interest payables	–	298,868	276,174	575,042
Loans due to a non-controlling shareholder of a subsidiary and interest payables	–	7,384	–	7,384
	14,566	545,335	284,932	844,833

#### (d) Price risk

The Group's exposure to price risk arises from investment held by the Group and classified in the consolidated balance sheet at financial asset at fair value through profit or loss.

At 30 April 2025, if the fair value of the investment classified as financial asset at fair value through profit or loss had been 10% higher/lower, with all other variables held constant, the Group's profit before income tax would have been HK\$777,000 higher/lower (2024: HK\$814,000 higher/lower).

### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings and loans from a non-controlling shareholder of a subsidiary divided by total equity.

The gearing ratios at 30 April 2025 and 2024 were as follows:

	As at 30 April 2025 HK\$'000	2024 HK\$'000
Total borrowings and loans from a non-controlling shareholder of a subsidiary	22,562	30,077
Total equity	864,442	893,708
Gearing ratio	2.61%	3.37%

# Notes to the Consolidated Financial Statements *(Continued)*

## 3 Financial risk management *(Continued)*

### 3.3 Fair value estimation

#### (a) Financial assets

##### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Note	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 30 April 2025</b>					
<b>Asset</b>					
Financial asset at fair value through profit or loss					
– Hong Kong listed equity securities	18	7,770	–	–	7,770
<b>At 30 April 2024</b>					
<b>Asset</b>					
Financial asset at fair value through profit or loss					
– Hong Kong listed equity securities	18	8,139	–	–	8,139

The financial asset was denominated in HK\$.

During the year ended 30 April 2025, there were no transfers between levels 1, 2 and 3 (2024: same), and no change in recurring fair value measurements (2024: same).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

# Notes to the Consolidated Financial Statements *(Continued)*

## 3 Financial risk management *(Continued)*

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

#### (b) Non-financial assets

##### *Fair value hierarchy*

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards. An explanation of each level is provided in Note 3.3(a)(i).

	Note	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 30 April 2025</b>					
<b>Investment properties</b>					
– Land and building – The PRC	16	–	–	31,324	31,324
<b>At 30 April 2024</b>					
<b>Investment properties</b>					
– Land and building – The PRC	16	–	–	32,191	32,191

For details of the valuation techniques used to determine the fair values, fair value measurements using significant unobservable inputs and value inputs and relationships to fair value, please refer to Note 16.

#### (c) *Valuation techniques used to determine fair values*

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. External valuers will be engaged, if necessary. The valuation is reviewed and approved by the chief financial officer.

# Notes to the Consolidated Financial Statements *(Continued)*

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Estimated impairment of goodwill, property, plant and equipment and trademarks

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.2.5. The recoverable amounts of cash-generating units are determined based on value-in-use calculations or fair value less costs to sell calculations. These calculations require the use of estimates.

The Group tests where the property, plant and equipment and trademarks have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in Note 2.3.2. The recoverable amount of property, plant and equipment and trademarks has been determined as the higher of its value in use and its fair value less costs to sell.

The recoverable amount of the trademark is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management. Key assumptions used in the financial budgets include gross profit margin, net profit margin, sales growth rate and discount rate. As a result of the impairment assessment, no impairment charge was necessary in respect of the trademark as the recoverable amount calculated based on value-in-use exceeds its carrying value.

If the sales growth rate is reduced by 0.5%, the recoverable amount of the trademark based on the value-in-use calculation will remain higher than the carrying amount of the trademark.

### (b) Write-downs of inventories

Inventories are written down to net realisable value based on an assessment of their realisability. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the period in which such estimate is changed.



# Notes to the Consolidated Financial Statements *(Continued)*

## 5 Segment information

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

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

- (i) Retail – Hong Kong and Macau\*  
Retail – Singapore\*
- (ii) Wholesales, licencing and others

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

\* Including consignment sales commission income.

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

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

# Notes to the Consolidated Financial Statements *(Continued)*

## 5 Segment information *(Continued)*

The segment information provided to the executive directors for the reportable segments for the year ended 30 April 2024 is as follows:

	Retail Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	Total HK\$'000
Segment revenue (all from external customers)	2,367,521	311,896	7,619	2,687,036
Cost of sales	(1,247,911)	(172,655)	(5,121)	(1,425,687)
Segment results	1,119,610	139,241	2,498	1,261,349
Gross profit%**	47.29%	44.64%	32.79%	46.94%
Other income				20,079
Other losses, net				(5,783)
Distribution and advertising expenses				(60,830)
Administrative and other operating expenses				(1,077,393)
<b>Operating profit</b>				137,422
Finance income				7,887
Finance expenses				(25,540)
<b>Profit before income tax</b>				119,769
Income tax expense				(19,972)
<b>Profit for the year</b>				99,797

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

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the years ended 30 April 2025 and 2024. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Revenues include sales of goods of HK\$2,529,699,000 (2024: HK\$2,680,668,000), revenue arising from customer loyalty programme of HK\$6,264,000 (2024: HK\$5,571,000) and consignment sales commission of HK\$859,000 (2024: HK\$797,000).

The revenue from the Group's largest customer accounted for less than 10% of the Group's total revenue for each of the years ended 30 April 2025 and 2024.

All of the Group's revenues are recognised at a point in time for the years ended 30 April 2025 and 2024.

Contract liabilities represents advanced payments received from customers for goods that have not been transferred to the customers and cash coupons and provision for customer loyalty programs. During the years ended 30 April 2025 and 2024, all brought-forward contract liabilities at the beginning of the financial year were fully recognised as revenue.

# Notes to the Consolidated Financial Statements *(Continued)*

## 5 Segment information *(Continued)*

The following tables present segment assets and liabilities as at 30 April 2025 and 30 April 2024 respectively.

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

	As at 30 April 2024			Total HK\$'000
	Retail Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	
Segment assets	1,163,104	184,419	7,264	1,357,787
Segment liabilities	701,077	124,455	6,655	832,187

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

The following tables present segment assets and liabilities as at 30 April 2025 and 30 April 2024 respectively.

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

	As at 30 April	
	2025 HK\$'000	2024 HK\$'000
Segment assets	1,165,999	1,357,787
Investment properties	31,324	32,191
Financial asset at fair value through profit or loss	7,770	8,139
Deferred income tax assets	4,665	5,564
Current income tax recoverable	2,912	–
Cash and cash equivalents	284,560	338,501
Total assets	1,497,230	1,742,182

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

	As at 30 April	
	2025 HK\$'000	2024 HK\$'000
Segment liabilities	621,786	832,187
Deferred income tax liabilities	501	498
Loans due to a non-controlling shareholder of a subsidiary	7,449	7,257
Current income tax liabilities	3,052	8,532
Total liabilities	632,788	848,474

# Notes to the Consolidated Financial Statements *(Continued)*

## 5 Segment information *(Continued)*

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

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	2,185,328	2,330,164
Singapore	301,272	311,896
Macau	50,222	44,976
	2,536,822	2,687,036

Non-current assets, other than intangible assets and deferred income tax assets, of the Group as at 30 April 2025 and 2024 are located as follows:

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	499,342	639,502
Mainland China	38,504	39,898
Singapore	94,009	118,609
Macau	52,969	52,730
	684,824	850,739

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

## 6 Other income

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Advertising and promotion income	10,966	10,823
Dividend income from financial asset at fair value through profit or loss (Note 18)	555	296
Sub-leasing rental income	375	314
Rental income	518	648
Government grants (Note)	1,447	5,923
Sundry income	233	2,075
	14,094	20,079

Note:

These primarily represented government subsidies in relation to the subsidiaries of approximately HK\$1,103,000 received under the Progressive Wage Credit Scheme of the Government of Singapore during the year ended 30 April 2025 (2024: HK\$4,344,000).

## 7 Other losses, net

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Fair value loss on investment properties (Note 16)	(465)	(3,259)
Fair value loss on financial asset at fair value through profit or loss (Note 18)	(369)	(1,234)
Loss on disposal of property, plant and equipment (Note 29(b))	(1,236)	(1,442)
Gain on lease modification (Note 15)	—	152
	(2,070)	(5,783)

# Notes to the Consolidated Financial Statements *(Continued)*

## 8 Expenses by nature

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Auditors' remuneration		
– Audit services	2,066	2,233
– Non-audit services	290	349
Air conditioning expenses	11,018	10,422
Advertising and promotion expenses	8,655	10,824
Amortisation of intangible assets (Note 17)	6,272	4,510
Building management fees	55,754	53,630
Cost of inventories sold (including: inventory loss in retail stores) (Note 21)	1,369,242	1,424,651
Provision for slow moving and near-expiry inventories (Note 21)	688	1,036
Delivery charges	36,790	41,220
Landing charges	6,588	8,359
Depreciation of owned property, plant and equipment (Note 14)	33,972	35,130
Depreciation of right-of-use assets (Note 15)	315,199	344,960
Employee benefit expenses (including directors' emoluments) (Note 9)	406,146	436,746
Government rates	16,912	15,747
Legal and professional fee	2,341	3,599
Short-term lease expense (Note 15)	104,628	69,645
Repair and maintenance	10,900	13,015
Utility expenses	27,639	30,033
Net exchange losses	1,097	698
Others	58,720	57,103
Total cost of sales, distribution and advertising expenses, and administrative and other operating expenses	2,474,917	2,563,910
Represented by:		
Cost of sales	1,369,930	1,425,687
Distribution and advertising expenses	52,516	60,830
Administrative and other operating expenses	1,052,471	1,077,393
	2,474,917	2,563,910

## 9 Employee benefit expenses

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Salaries and bonuses	381,532	411,555
Pension costs – defined contribution plans	22,014	23,540
Other employee benefits	1,486	880
Share-based compensation	1,114	771
	406,146	436,746

### (a) Pension costs – defined contribution plans

Contributions to the provident fund by the Group for its employees are fully and immediately vested in the employees once the contributions are made. There are no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution. Hence, there is no forfeited contributions which may be used by the Group to reduce the existing level of contributions.

# Notes to the Consolidated Financial Statements *(Continued)*

## 9 Employee benefit expenses *(Continued)*

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2024: two) directors whose emoluments are reflected in the analysis presented in Note 36. The emoluments payable to the remaining three (2024: three) individuals during the year ended 30 April 2025 and 2024 are as follows:

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Salaries, bonuses and other benefits	5,087	4,610
Pension costs – defined contribution plans	48	50
	5,135	4,660

The emoluments fell within the following bands:

	Number of individuals	
	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Emolument bands		
Nil to HK\$1,500,000	1	1
HK\$1,500,001 – HK\$2,000,000	1	2
HK\$2,000,001 – HK\$2,500,000	1	–
	3	3

- (c) During the year ended 30 April 2025, no emoluments were paid by the Company to any of directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

## 10 Finance income and expenses

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Finance income:</b>		
Interest income on short-term bank deposits	4,920	7,887
<b>Finance expenses:</b>		
Interest on bank borrowings and bank overdrafts	(964)	(1,098)
Interest on loans due to a non-controlling shareholder of a subsidiary	(192)	(192)
Interest on lease liabilities (Note 15)	(22,300)	(24,250)
	(23,456)	(25,540)
<b>Finance expenses, net</b>	<b>(18,536)</b>	<b>(17,653)</b>

# Notes to the Consolidated Financial Statements *(Continued)*

## 11 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year ended 30 April 2025. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Current income tax:</b>		
Hong Kong profits tax		
– Current	11,629	19,511
– Under-provision in prior years	385	14
<b>Overseas taxation</b>		
– Current	339	313
– Over-provision in prior years	(100)	–
	12,253	19,838
<b>Deferred income tax:</b>		
– Decrease in deferred income tax assets, net (Note 26)	902	134
<b>Income tax expense</b>	<b>13,155</b>	<b>19,972</b>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Profit before income tax	55,393	119,769
Tax calculated at domestic tax rates applicable to profits in the respective countries	8,956	19,382
Tax effects of:		
– Income not subject to tax	(995)	(2,078)
– Expenses not deductible for tax purposes	1,599	2,273
– Tax losses for which no deferred income tax asset was recognised	3,546	700
– Utilisation of tax losses previously not recognised	(71)	(154)
Under-provisions in prior years	285	14
Tax concession (Note)	(165)	(165)
<b>Income tax expense</b>	<b>13,155</b>	<b>19,972</b>

The weighted average applicable tax rate was 16.2% (2024: 16.2%).

Note:

Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department of Hong Kong ("IRD") from the year of assessment 2018/19 onwards, a qualifying group entity's first HK\$2 million of assessable profits under Hong Kong profits tax is subject to tax rate of 8.25%. The qualifying group entity's remaining assessable profits above HK\$2 million will continue to be subject to a tax rate of 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.



# Notes to the Consolidated Financial Statements *(Continued)*

## 12 Earnings per share

### (a) Basic

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

	Year ended 30 April	
	2025	2024
Profit attributable to owners of the Company (HK\$'000)	47,727	101,070
Weighted average number of ordinary shares in issue (in thousands) (Note)	719,544	719,511
Basic earnings per share attributable to owners of the Company (HK cents per share)	6.6	14.0

Note:

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

### (b) Diluted

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

	Year ended 30 April	
	2025	2024
Profit attributable to owners of the Company (HK\$'000)	47,727	101,070
Weighted average number of ordinary shares in issue (in thousands)	719,544	719,511
Adjustment for:		
– Share options and share awards (in thousands)	1,263	1,614
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	720,807	721,125
Diluted earnings per share attributable to owners of the Company (HK cents per share)	6.6	14.0

# Notes to the Consolidated Financial Statements *(Continued)*

## 13 Subsidiaries

The following is a list of the principal subsidiaries at 30 April 2025 and 2024:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/registered share capital	As at 30 April 2025 Interest held	2024 Interest held
Matusadona Investments Limited*	British Virgin Islands, limited company	Investment holding in Hong Kong	United States dollars 100	100%	100%
Japan Home Centre (H.K.) Limited#	Hong Kong, limited company	Retail sales of housewares products in Hong Kong	HK\$1,000,000	100%	100%
JHC (International) Limited#	Hong Kong, limited company	Export of housewares products and provision of management services in Hong Kong	HK\$10,000	100%	100%
Japan Home Centre (Management) Limited#	Hong Kong, limited company	Trading of houseware products, licencing of franchise rights and provision of management services in Hong Kong	HK\$10,000	100%	100%
JHC Property Management Limited (formerly known as JHC (Plastics) Limited)#	Hong Kong, limited company	Sub-lease properties to a fellow subsidiary in Hong Kong	HK\$1,375,000	100%	100%
JHC Clean Health Production Ltd#	Hong Kong, limited company	Manufacturing of face mask in Hong Kong	HK\$866,666	100%	100%
JHC (Taiwan) Limited#	Taiwan, limited liability company	Trading of housewares products in Taiwan	New Taiwan dollars 1,000,000	100%	100%
Japan Home (Retail) Pte. Ltd.#	Singapore, limited liability company	Retail sales of housewares products in Singapore	Singapore dollars 7,708,333	70%	70%
Familij (China) Limited#	Hong Kong limited liability company	Investment holding in Hong Kong	HK\$3,185,427	100%	100%
JHC Advertising (H.K.) Limited#	Hong Kong limited liability company	Inactive	HK\$100	100%	100%
泛美家貿易(深圳)有限公司#	Mainland China, limited liability company	Inactive	HK\$1,000,000	100%	100%
易生活(南京)百貨有限公司#	Mainland China, limited liability company	Investment of properties in Nanjing, Mainland China	Renminbi ("RMB") 27,443,321	100%	100%
Japan Home Centre (Macau) Single-Member Company Limited#	Macau, limited company	Retail sales of housewares products in Macau	Macau Patacas 100,000	100%	100%
JHC Ella Limited#	Hong Kong, limited company	Retail sales of gifts and accessories products in Hong Kong	HK\$14,753,333	77.5%	77.5%
Conpark International Investment Limited#	Hong Kong, limited company	Investment of properties in Hong Kong	HK\$100	100%	100%
Delight Fame Investment Limited#	Hong Kong, limited company	Investment of properties in Hong Kong	HK\$1	100%	100%
Pako Investment Development Limited#	Hong Kong, limited company	Investment holding in Hong Kong	HK\$10,000	100%	100%
廣州市栢資投資諮詢有限公司#	Mainland China, limited liability company	Investment of properties in Guangzhou, Mainland China	RMB21,350,000	100%	100%
泛美家貿易(廣州)有限公司#	Mainland China, limited liability company	Trading of housewares products in Mainland China	RMB6,965,880	100%	100%
Matsusho Appliances Tokyo Company Limited#	Hong Kong, limited company	Inactive	HK\$10,000	100%	100%
World Wonderful Limited#	Hong Kong, limited company	Investment of properties in Hong Kong	HK\$1	100%	100%
Familij (International) Limited#	Hong Kong, limited company	Inactive	HK\$10,000	100%	–

\* Equity interest directly held by the Company.

# Equity interest indirectly held by the Company.

# Notes to the Consolidated Financial Statements *(Continued)*

## 13 Subsidiaries *(Continued)*

### (a) Material non-controlling interests

The total non-controlling interests as at 30 April 2025 is HK\$1,009,000 attributable from Japan Home (Retail) Pte. Ltd. and JHC Ella Limited.

The total non-controlling interests as at 30 April 2024 is HK\$4,352,000 attributable to Japan Home (Retail) Pte. Ltd. and JHC Ella Limited.

The non-controlling interests in respect of these companies are not material.

## 14 Property, plant and equipment

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Computer equipment HK\$'000	Motor vehicles HK\$'000	Moulds HK\$'000	Machinery and equipment HK\$'000	Total HK\$'000
<b>At 1 May 2023</b>								
Cost	130,855	229,953	172,139	32,600	7,010	4,125	7,091	583,773
Accumulated depreciation	(12,334)	(192,924)	(153,156)	(29,244)	(4,316)	(4,125)	(5,334)	(401,433)
Net book amount	118,521	37,029	18,983	3,356	2,694	–	1,757	182,340
<b>Year ended 30 April 2024</b>								
Opening net book amount	118,521	37,029	18,983	3,356	2,694	–	1,757	182,340
Additions	25,060	19,925	16,978	4,364	–	–	–	66,327
Disposals (Note 29(b))	–	(1,962)	–	(4)	–	–	(3)	(1,969)
Depreciation (Note 8)	(2,887)	(17,419)	(10,601)	(2,478)	(1,036)	–	(709)	(35,130)
Currency translation differences	(269)	(272)	(80)	(18)	(34)	–	–	(673)
Closing net book amount	140,425	37,301	25,280	5,220	1,624	–	1,045	210,895
<b>At 30 April 2024</b>								
Cost	155,576	244,700	187,714	36,813	6,342	4,125	4,982	640,252
Accumulated depreciation	(15,151)	(207,399)	(162,434)	(31,593)	(4,718)	(4,125)	(3,937)	(429,357)
Net book amount	140,425	37,301	25,280	5,220	1,624	–	1,045	210,895
<b>Year ended 30 April 2025</b>								
Opening net book amount	140,425	37,301	25,280	5,220	1,624	–	1,045	210,895
Additions	–	14,772	4,418	521	–	–	–	19,711
Disposals (Note 29(b))	–	(1,205)	(51)	–	–	–	–	(1,256)
Depreciation (Note 8)	(2,954)	(17,549)	(9,987)	(1,944)	(830)	–	(708)	(33,972)
Currency translation differences	(60)	347	108	24	28	–	–	447
Closing net book amount	137,411	33,666	19,768	3,821	822	–	337	195,825
<b>At 30 April 2025</b>								
Cost	155,493	255,542	193,126	37,541	9,161	4,125	4,982	659,970
Accumulated depreciation	(18,082)	(221,876)	(173,358)	(33,720)	(8,339)	(4,125)	(4,645)	(464,145)
Net book amount	137,411	33,666	19,768	3,821	822	–	337	195,825

Depreciation expense of HK\$33,972,000 (2024: HK\$35,130,000) has been charged in administrative and other operating expenses (Note 8).

# Notes to the Consolidated Financial Statements *(Continued)*

## 15 Leases

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

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

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

	At 30 April	
	2025	2024
	HK\$'000	HK\$'000
Properties	392,848	534,207
Land use rights	2,610	2,739
Others	752	944
	396,210	537,890

Additions to the right-of-use assets during the year ended 30 April 2025 were HK\$171,433,000 (2024: HK\$326,999,000).

#### (ii) *Lease liabilities*

	At 30 April	
	2025	2024
	HK\$'000	HK\$'000
Non-current	169,285	266,038
Current	240,945	285,575
	410,230	551,613

# Notes to the Consolidated Financial Statements *(Continued)*

## 15 Leases *(Continued)*

### (b) Amounts recognised in the consolidated income statement

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Depreciation of right-of-use assets (Note 8)		
– Properties	314,883	344,717
– Land use rights	95	96
– Others	221	147
Interest on lease liabilities (Note 10)	22,300	24,250
Expense relating to short-term leases (Note 8)	104,628	69,645
Gain on lease modification (Note 7)	–	152

The total cash outflow for leases for the year ended 30 April 2025 was HK\$441,978,000 (2024: HK\$438,229,000).

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

#### *As a lessee*

The Group leases various land, offices, warehouses, retail stores, office equipment and vehicles. Rental contracts are typically made for fixed periods of 1 to 4 years (2024: 1 to 5 years), but may have extension and termination options as described in (d) below.

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

### (d) Extension and termination options

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

# Notes to the Consolidated Financial Statements *(Continued)*

## 16 Investment properties

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
At fair value		
Opening balance at 1 May	32,191	37,245
Net fair value loss (Note 7)	(465)	(3,259)
Currency translation differences	(402)	(1,795)
Closing balance at 30 April	31,324	32,191

As at 30 April 2025, the Group had no unprovided contractual obligations for future repairs and maintenance (2024: Nil).

The investment properties are situated in Mainland China and held on lease of between 10 to 50 years.

The investment properties were revalued as at 30 April 2025 by RHL Appraisal Limited (2024: RHL Appraisal Limited), member of the Hong Kong Institute of Surveyors. The valuation was derived using the direct comparison approach, assuming sale of the property interest in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

The fair value measurement of the Group's investment properties is categorised into level 3 in the fair value hierarchy based on the inputs to valuation techniques used.

The loss for the year included in the consolidated income statement for investment properties categorised into level 3 held at the end of the year under "other losses, net" is approximately HK\$465,000 (2024: approximately HK\$3,259,000).

The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers among levels 1, 2 and 3 during the years ended 30 April 2024 and 2025.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Significant unobservable inputs	Price	Relationship of unobservable inputs to fair value
<b>At 30 April 2025</b>			
Land and buildings in Nanjing, Mainland China	Market unit sale price (per square meter)	RMB19,264	The higher the market unit sales price, the higher the fair value
Land and buildings in Guangzhou, Mainland China	Market unit sale price (per square meter)	RMB24,365	The higher the market unit sales price, the higher the fair value
<b>At 30 April 2024</b>			
Land and buildings in Nanjing, Mainland China	Market unit sale price (per square meter)	RMB19,488	The higher the market unit sales price, the higher the fair value
Land and buildings in Guangzhou, Mainland China	Market unit sale price (per square meter)	RMB24,200	The higher the market unit sales price, the higher the fair value

# Notes to the Consolidated Financial Statements *(Continued)*

## 17 Intangible assets

	Goodwill HK\$'000	Trademark HK\$'000	Computer software HK\$'000	Total HK\$'000
<b>At 1 May 2023</b>				
Cost	6,658	26,608	16,810	50,076
Accumulated amortisation	–	(7,157)	(11,873)	(19,030)
Accumulated impairment	(727)	–	–	(727)
Currency translation differences	–	(1,014)	–	(1,014)
Net book amount	5,931	18,437	4,937	29,305
<b>Year ended 30 April 2024</b>				
Opening net book amount	5,931	18,437	4,937	29,305
Addition	–	–	2,565	2,565
Amortisation charge (Note 8)	–	(635)	(3,875)	(4,510)
Currency translation differences	–	(400)	–	(400)
Closing net book amount	5,931	17,402	3,627	26,960
<b>At 30 April 2024</b>				
Cost	6,658	26,608	19,376	52,642
Accumulated amortisation	–	(7,792)	(15,749)	(23,541)
Accumulated impairment	(727)	–	–	(727)
Currency translation differences	–	(1,414)	–	(1,414)
Net book amount	5,931	17,402	3,627	26,960
<b>Year ended 30 April 2025</b>				
Opening net book amount	5,931	17,402	3,627	26,960
Addition	–	–	8,898	8,898
Amortisation charge (Note 8)	–	(636)	(5,636)	(6,272)
Currency translation differences	–	549	–	549
Closing net book amount	5,931	17,315	6,889	30,135
<b>At 30 April 2025</b>				
Cost	6,658	26,608	28,274	61,540
Accumulated amortisation	–	(8,428)	(21,385)	(29,813)
Accumulated impairment	(727)	–	–	(727)
Currency translation differences	–	(865)	–	(865)
Net book amount	5,931	17,315	6,889	30,135

Amortisation expense of HK\$6,272,000 (2024: HK\$4,510,000) is included in administrative and other operating expenses (Note 8).

Goodwill was allocated to the Group's retail businesses in Macau, which was considered as a separate cash generating unit.

For the purpose of impairment test on goodwill, the recoverable amounts of the retail business units in Macau are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and a pre-tax discount rate of 13.96%, which reflects the specific risks relating to the housewares retail businesses in Macau. The cash flows beyond the five year period are extrapolated using a 1% growth rate. This growth rate does not exceed the average growth rate for retail industry in which the Group operates.

The Group has also performed a sensitivity analysis for the recoverable amount of the retail business units in Macau as at 30 April 2025, by assessing a decrease in annual revenue growth rate by 1% throughout all years and terminal growth rate by 1%. The estimated changes in recoverable amount are considered to be immaterial and would not result in impairment.



# Notes to the Consolidated Financial Statements *(Continued)*

## 17 Intangible assets *(Continued)*

For the purpose of impairment test on trademark in Singapore which amounted to HK\$15,670,000, the recoverable amounts of the retail business units in Singapore are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and a pre-tax discount rate of 10.25%, which reflects the specific risks relating to the housewares retail businesses in Singapore.

The Group has performed a sensitivity analysis for the recoverable amount of the Singapore operation as at 30 April 2025 by assessing a decrease in annual revenue growth rate by 0.5%, a decrease in gross profit margin by 0.5% throughout all years or an increase in discount rate by 1%, with all the variables taken in isolation. The estimated changes in recoverable amount are considered to be immaterial and would not result in impairment.

Management does not foresee any significant change in the key assumptions used in the value-in-use calculations that will cause the recoverable amount of goodwill and trademark to be less than their carrying amounts.

## 18 Financial asset at fair value through profit or loss

The Group classifies equity investments that are held for trading at financial assets at fair value through profit or loss.

Financial assets mandatorily measured at fair value through profit or loss include the following:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong listed equity securities	7,770	8,139

### Amounts recognised in profit or loss

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Fair value loss on equity investments at fair value through profit or loss recognised in other losses, net (Note 7)	(369)	(1,234)
Dividend income from equity investments at fair value through profit or loss recognised in other income (Note 6)	555	296

### Risk exposure and fair value measurement

Information about the Group's exposure to price risk is provided in Note 3.1(d). For information about fair value estimation, see Note 3.3(a).

The financial asset was denominated in HK\$ (2024: HK\$).

# Notes to the Consolidated Financial Statements *(Continued)*

## 19 Financial instruments by category

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Financial asset at fair value</b>		
Financial asset at fair value through profit or loss	7,770	8,139
<b>Financial assets at amortised cost</b>		
Trade and other receivables and deposits	156,249	157,770
Cash and cash equivalents	284,560	338,501
	440,809	496,271
	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	178,074	237,663
Loans due to a non-controlling shareholder of a subsidiary	7,449	7,257
Bank borrowings	15,114	22,820
Lease liabilities	410,230	551,613
	610,867	819,353

## 20 Trade and other receivables, prepayments and deposits

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables, net	8,376	8,264
Prepayments	12,905	21,673
Deposits and other receivables	147,873	149,506
	169,154	179,443
Less non-current portion:		
Deposits	(52,869)	(61,624)
Prepayments	(826)	—
	(53,695)	(61,624)
Current portion	115,459	117,819

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

As at 30 April 2025 and 2024, the ageing analysis of trade receivables based on invoice dates is as follows:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Up to 3 months	8,364	8,255
4 to 6 months	12	9
	8,376	8,264
Less: provision for impairment of trade receivables	—	—
	8,376	8,264

# Notes to the Consolidated Financial Statements *(Continued)*

## 20 Trade and other receivables, prepayments and deposits *(Continued)*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Note 3.1(b) provides for details of the allowance.

The Group does not hold any collateral as security for its receivables.

The carrying amounts of trade and other receivables approximated their fair values.

The carrying amounts of the Group's trade and other receivables, prepayments and deposits are denominated in the following currencies:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
United States dollars	5,010	508
Hong Kong dollars	141,320	158,335
Singapore dollars	18,373	18,334
Renminbi	1,767	1,369
New Taiwan dollars	191	395
Macau Patacas	1,511	492
Korean Won	—	10
Euro	982	—
	169,154	179,443

## 21 Inventories

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Merchandise	374,675	402,599

The cost of inventories sold (including: inventory loss in retail stores) and provision for inventories of slow moving and near-expiry inventories recognised as expenses and included in cost of sales amounted to HK\$1,369,242,000 and HK\$688,000 respectively (2024: HK\$1,424,651,000 and HK\$1,036,000) (Note 8).

## 22 Cash and cash equivalents

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Cash at banks and on hand	172,772	183,275
Short-term bank deposits	111,788	155,226
	284,560	338,501
Maximum exposure to credit risk	281,012	335,102

# Notes to the Consolidated Financial Statements *(Continued)*

## 22 Cash and bank balances *(Continued)*

The carrying values of bank deposits with initial terms of over three months and cash and cash equivalents are denominated in the following currencies:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
United States dollars	6,773	7,482
Hong Kong dollars	230,511	285,079
Macau Patacas	5,163	4,617
Renminbi	6,192	7,562
Singapore dollars	32,796	32,750
New Taiwan dollars	3,125	1,011
	284,560	338,501

## 23 Share capital and share premium

	Number of shares (thousands)	Share capital HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1 May 2023	724,023	72,402	517,115	589,517
Issue of shares (Note (a))	–	–	–	–
At 30 April 2024	724,023	72,402	517,115	589,517
Issue of shares (Note (a))	–	–	–	–
Cancellation of shares (Note (b))	(1,800)	(180)	(1,747)	(1,927)
At 30 April 2025	722,223	72,222	515,368	587,590

### Notes

- (a) During the year ended 30 April 2025, no share was issued and allotted upon the exercise of options by the options holders (2024: nil).
- (b) During the year ended 30 April 2025, the Company acquired in total 1,800,000 of its own shares through purchases from the Hong Kong Stock Exchange for cancellation (2024: nil). The total amount paid to acquire the shares was approximately HK\$1,927,000 (2024: nil). The shares were repurchased at price ranging from HK\$0.97 to HK\$1.12 per share, with an average price of HK\$1.07 per share. As at 30 April 2025, these shares were cancelled and deducted from share capital and share premium (2024: nil).

### Share options

The Company operates two share option schemes as described below:

#### (i) *Pre-IPO Share Option Scheme*

A share option scheme was adopted in 2010 by Matusadona Investments Limited (the “2010 Scheme”) with the aim to incentivise the Group’s employees. Immediately prior to the completion of listing, Matusadona Investments Limited terminated the 2010 Scheme and all participants were transferred to the Pre-IPO share options scheme which has substantially the same terms as the 2010 Scheme. Upon listing, the Company granted 8,424,000 options under the Pre-IPO share option scheme to replace all the share options granted under the 2010 Scheme.

These options will expire from 11 October 2018 to 15 October 2020 and has subscription prices range from HK\$1.04 to HK\$1.86 per share, which are terms that continue from the options of the 2010 Scheme. The Group has no legal or constructive obligation to repurchase or settle these options in cash. No additional options can be granted under the Pre-IPO share option scheme. The 2010 Scheme is deemed to have been replaced by the PreIPO share option scheme since 1 May 2012.

# Notes to the Consolidated Financial Statements *(Continued)*

## 23 Share capital and share premium *(Continued)*

### Share options *(Continued)*

#### (ii) *Share Option Scheme*

The Company has adopted a share option scheme, which will remain in force for 10 years up to 2023. Share options may be granted to any directors, any senior managers or any employees (whether full-time or part-time) of each member of our Group. The subscription price is determined by the Board and shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer, which must be a business day and (ii) the average closing price of the shares as stated in the daily quotation sheets for the 5 business days immediately preceding the date of offer. The Group has no legal or constructive obligation to repurchase or settle these options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price in HK\$ per share	Options (thousands)
At 1 May 2023	1.08	280
Lapsed	(1.08)	(280)
At 30 April 2024, 1 May 2024 and 30 April 2025	—	—

As at 30 April 2025, there was no outstanding share option (2024: nil). No option was exercised during the year ended 30 April 2025 (2024: nil).

# Notes to the Consolidated Financial Statements *(Continued)*

## 24 Share award scheme

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

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

During the year ended 30 April 2025, 902,000 shares were granted to selected participants pursuant to the Share Award Scheme (2024: 784,000).

As at 30 April 2025, 1,279,000 shares were outstanding (2024: 4,573,000 shares were outstanding, which include 3,623,000 shares require the holders to pay HK\$1.68).

During the year ended 30 April 2025, 572,000 treasury shares were distributed to the participants whose share awards have been vested (2024: 689,000).

During the year ended 30 April 2025, the trustee of the Share Award Scheme has purchased 300,000 shares of the Company on the Stock Exchange (2024: 200,000). The total amount paid to acquire the shares was HK\$282,000 (2024: HK\$430,000) and has been deducted from shareholders' equity.

Treasury shares held uncanceled are accounted for as a deduction of shareholders' equity. As at 30 April 2025, 3,715,000 treasury shares were held by the Group (2024: 4,287,000).

For the year ended 30 April 2025, total expense recognised in the consolidated income statement for share award granted is approximately HK\$1,114,000 (2024: HK\$771,000).

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

	20 October 2021	20 August 2022	24 October 2022
Risk-free rate	0.48%	2.88%	4.48%
Volatility (Note a)	25.74%	23.52%	22.4%
Dividend yield	7.35%	8.73%	9.77%
Forfeit ratio	0%	0%	0%
Close prices of the underlying shares at respective grant dates	HK\$2.72	HK\$2.97	HK\$2.66

Note:

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

# Notes to the Consolidated Financial Statements *(Continued)*

## 25 Reserves

	Merger reserve HK\$'000	Share-based compensation reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Shares held for share award scheme HK\$'000	Total HK\$'000
Balance at 1 May 2023	(106,347)	3,200	(13,513)	(4,224)	(4,569)	440,424	(7,525)	307,446
Profit for the year	-	-	-	-	-	101,070	-	101,070
Currency translation differences	-	-	-	-	(2,235)	-	-	(2,235)
Actuarial gain on long service payment scheme	-	-	-	5,331	-	-	-	5,331
Transaction with a non-controlling interest (Note 32(a))	-	-	114	-	-	-	-	114
Employee share award scheme:								
– value of employee services (Note 9)	-	771	-	-	-	-	-	771
– vesting of share awards	-	(1,100)	-	-	-	-	1,100	-
Purchase of treasury shares (Note 24)	-	-	-	-	-	-	(430)	(430)
Dividend related to 2023 (Note 33)	-	-	-	-	-	(71,923)	-	(71,923)
Dividend related to 2024 (Note 33)	-	-	-	-	-	(40,305)	-	(40,305)
Balance at 30 April 2024	(106,347)	2,871	(13,399)	1,107	(6,804)	429,266	(6,855)	299,839

	Merger reserve HK\$'000	Share-based compensation reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Shares held for share award scheme HK\$'000	Shares held for cancellation HK\$'000	Total HK\$'000
Balance at 1 May 2024	(106,347)	2,871	(13,399)	1,107	(6,804)	429,266	(6,855)	-	299,839
Profit for the year	-	-	-	-	-	47,727	-	-	47,727
Currency translation differences	-	-	-	-	(6)	-	-	-	(6)
Actuarial gain on long service payment scheme	-	-	-	(437)	-	-	-	-	(437)
Employee share award scheme:									
– value of employee services (Note 9)	-	1,114	-	-	-	-	-	-	1,114
– vesting of share awards	-	(915)	-	-	-	-	915	-	-
Purchase of treasury shares (Note 24)	-	-	-	-	-	-	(282)	-	(282)
Dividend related to 2024 (Note 33)	-	-	-	-	-	(40,305)	-	-	(40,305)
Dividend related to 2025 (Note 33)	-	-	-	-	-	(28,812)	-	-	(28,812)
Repurchase and cancellation of own shares (Note (a))	-	-	-	-	-	-	-	(977)	(977)
Balance at 30 April 2025	(106,347)	3,070	(13,399)	670	(6,810)	407,876	(6,222)	(977)	277,861

Note

- (a) During the year ended 30 April 2025, the Company acquired in total 1,020,000 of its own shares through purchases from the Hong Kong Stock Exchange for cancellation (2024: nil). The total amount paid to acquire the shares was approximately HK\$977,000 (2024: nil). The shares were repurchased at price ranging from HK\$0.92 to HK\$0.97 per share, with an average price of HK\$0.96 per shares. These shares are not cancelled as at 30 April 2025 (2024: nil).



# Notes to the Consolidated Financial Statements *(Continued)*

## 26 Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Deferred income tax assets:		
– To be recovered after more than 12 months	4,338	5,111
– To be recovered within 12 months	327	453
	4,665	5,564
Deferred income tax liabilities:		
– To be settled after more than 12 months	(501)	(498)
	(501)	(498)
Deferred income tax assets, net	4,164	5,066

The gross movement on the deferred income tax account is as follows:

	HK\$'000
At 1 May 2023	5,174
Charged to consolidated income statement (Note 11)	(134)
Currency translation differences	26
At 30 April 2024 and 1 May 2024	5,066
Charged to consolidated income statement (Note 11)	(902)
At 30 April 2025	4,164

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Decelerated tax depreciation HK\$'000	Unrealised profit HK\$'000	Total HK\$'000
<b>Deferred income tax assets</b>			
At 1 May 2023	5,609	768	6,377
Charged to the consolidated income statement	(498)	(315)	(813)
At 30 April 2024 and 1 May 2024	5,111	453	5,564
Credited/(charged) to the consolidated income statement	(773)	(126)	(899)
At 30 April 2025	4,338	327	4,665

	Accelerated tax depreciation HK\$'000	Fair value gain HK\$'000	Total HK\$'000
<b>Deferred income tax liabilities</b>			
At 1 May 2023	540	663	1,203
Credited to the consolidated income statement	(42)	(637)	(679)
Currency translation differences	–	(26)	(26)
At 30 April 2024 and 1 May 2024	498	–	498
Charged to the consolidated income statement	3	–	3
At 30 April 2025	501	–	501

# Notes to the Consolidated Financial Statements *(Continued)*

## 26 Deferred income tax *(Continued)*

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. The Group did not recognise deferred income tax assets of approximately HK\$12,769,000 (2024: HK\$9,727,000) in respect of losses amounting to approximately HK\$72,460,000 (2024: HK\$54,478,000) that can be carried forward against future taxable income. These tax losses will expire as follows:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
With no expiry date	64,648	46,237
Expiry in 2024	–	1,392
Expiry in 2025	1,223	1,223
Expiry in 2026	3,835	4,119
Expiry in 2027	1,466	1,466
Expiry in 2028	41	41
Expiry in 2029	1,247	–
	<b>72,460</b>	<b>54,478</b>

## 27 Trade and other payables, provision for reinstatement cost and contract liabilities

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Current</b>		
Trade payables (Note i)	135,345	192,185
Other payables and accruals	42,729	45,478
Deposit received (Note i)	45	41
Provision for employee benefits (Note ii)	7,946	7,163
	<b>186,065</b>	<b>244,867</b>
<b>Non-current</b>		
Provision for reinstatement cost	4,757	4,444
	<b>190,822</b>	<b>249,311</b>
<b>Contract liabilities</b>		
Receipts in advance and cash coupons	3,979	5,555
Deferred revenue arising from customer loyalty programs	1,641	2,888
	<b>5,620</b>	<b>8,443</b>

Note:

- (i) As at 30 April 2025, trade and other payables, provision for reinstatement cost and contract liabilities include trade payables to a related company and deposit received from a related company of approximately HK\$10,770,000 and approximately HK\$26,000 respectively (2024: trade payables to a related company and deposit received from a related company of approximately HK\$7,937,000 and approximately HK\$25,000 respectively) (Note 34(f)).
- (ii) As at 30 April 2025, provision for employee benefits include provisions for long service payments of approximately HK\$5,414,000 (2024: HK\$4,326,000) and HK\$439,000 actuarial loss on long service payment scheme. (2024: actuarial gain on long service payment scheme of approximately HK\$5,345,000)

# Notes to the Consolidated Financial Statements *(Continued)*

## 27 Trade and other payables, provision for reinstatement cost and contract liabilities *(Continued)*

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

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	74,984	135,198
31 – 60 days	36,501	33,753
61 – 90 days	22,506	22,745
91 – 120 days	1,354	489
	135,345	192,185

The carrying amounts of trade and other payables, provision for reinstatement cost and contract liabilities are denominated in the following currencies:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
United States dollars	3,749	481
Hong Kong dollars	137,287	219,645
Singapore dollars	28,704	25,280
Renminbi	15,226	8,727
New Taiwan dollars	865	1,231
Macau Patacas	725	884
Japanese Yen	9,219	1,129
Malaysian Ringgit	667	377
	196,442	257,754

## 28 Borrowings

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Non-current</b>		
Mortgage loan, secured	6,250	7,304
<b>Current</b>		
Trust receipt loans, secured and contain a repayment on demand clause	7,828	14,566
Mortgage loan, secured	1,036	950
	8,864	15,516

As at 30 April 2025 and 2024, the Group's trust receipt loans and mortgage loan were repayable as follows:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Within 1 year	8,864	15,516
More than one year	6,250	7,304
	15,114	22,820

As at 30 April 2025 and 2024, trust receipt loans are secured by corporate guarantees by the Company and its subsidiaries.

# Notes to the Consolidated Financial Statements *(Continued)*

## 28 Borrowings *(Continued)*

As at 30 April 2025 and 2024, mortgage loan is secured by properties in Hong Kong held by a subsidiary of the Company and also secured by corporate guarantees by the Company and one of its subsidiaries.

The carrying amounts of the Group's trust receipt loans and mortgage loan are denominated in the following currencies:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong dollars	10,194	19,047
Japanese Yen	1,138	2,327
United States dollars	3,782	1,446
	15,114	22,820

The Group has the following undrawn borrowing facilities:

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
Floating rate:		
– Expiring within one year	251,919	284,274

The facilities expiring within one year are annual facilities subject to review at various dates during 2025.

The Group has complied with the financial covenants of its borrowing facilities during the years ended 30 April 2025 and 2024.

The effective interest rate as at 30 April 2025 is 5.99% (2024: 6.01%).

# Notes to the Consolidated Financial Statements *(Continued)*

## 29 Notes to consolidated statement of cash flows

### (a) Cash generated from operations:

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Profit before income tax	55,393	119,769
Adjustments for:		
– Loss on disposal of property, plant and equipment (Note 7)	1,236	1,442
– Depreciation of property, plant and equipment (Note 14)	33,972	35,130
– Depreciation of right-of-use assets (Note 15)	315,199	344,960
– Amortisation of intangible assets (Note 17)	6,272	4,510
– Dividend income from financial asset at fair value through profit or loss (Note 18)	(555)	(296)
– Finance income (Note 10)	(4,920)	(7,887)
– Finance expenses (Note 10)	23,456	25,540
– Employee share-based compensation (Note 24)	1,114	771
– Fair value loss on investment properties (Note 18)	465	3,259
– Fair value loss on financial asset at fair value through profit or loss (Note 18)	369	1,234
– Gain on lease modification	–	(152)
– Provision for near-expiry and slow moving inventories (Note 21)	688	1,036
	432,689	529,316
Changes in working capital:		
– Inventories	28,974	(43,966)
– Trade and other receivables, prepayments and deposits	11,050	4,755
– Trade and other payables and contract liabilities	(66,328)	34,041
Cash generated from operations	406,385	524,146

- (b) In the consolidated statements of cash flows, proceeds from disposal of property, plant and equipment are analysed as follows:

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Net book amount (Note 14)	1,256	1,969
Loss on disposal of property, plant and equipment, (Note 7)	(1,236)	(1,442)
Proceeds from disposal of property, plant and equipment	20	527

# Notes to the Consolidated Financial Statements *(Continued)*

## 29 Notes to consolidated statement of cash flows *(Continued)*

- (c) In the consolidated statements of cash flows, cash flows from liabilities arising from financing activities are analysed as follows:

	Lease liabilities HK\$'000	Borrowings HK\$'000	Loans due to a non-controlling shareholder of a subsidiary HK\$'000	Total HK\$'000
As at 1 May 2023	575,284	13,381	7,065	595,730
Cash flows	(368,584)	9,458	–	(359,126)
Other non-cash movement	344,913	(19)	192	345,086
As at 30 April 2024 and 1 May 2024	551,613	22,820	7,257	581,690
Cash flows	(337,350)	(7,706)	–	(345,056)
Other non-cash movement	195,967	–	192	196,159
As at 30 April 2025	410,230	15,114	7,449	432,793

## 30 Contingent liabilities

The Group's bankers have given guarantees in lieu of deposits amounting to HK\$28,470,000 (2024: HK\$20,696,000) to the Group's landlords and utility providers. These guarantees are counter indemnified by corporate guarantees provided by certain subsidiaries.

## 31 Commitments

### (a) Operating lease commitments – as lessor

At 30 April 2025 and 2024, the Group has future aggregate minimum lease receipts under non-cancellable operating leases in respect of lease of investment properties and sub-lease of certain spaces in retail shops as follows:

	As at 30 April	
	2025 HK\$'000	2024 HK\$'000
No later than one year	611	551
Later than one year and no later than five years	169	352
	780	903

### (b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 30 April	
	2025 HK\$'000	2024 HK\$'000
Intangible assets	1,590	–

# Notes to the Consolidated Financial Statements *(Continued)*

## 32 Transactions with non-controlling interests

### (a) Acquisition of shares of a subsidiary

During the year ended 30 April 2024, the Group acquired additional 40% interests in JHC Property Management Limited (formerly known as JHC (Plastics) Limited) ("JPM") from a non-controlling shareholder of JPM at the consideration of approximately HK\$751,000, which increased the Group's shareholding in the JPM from 60% to 100%. After the completion of the acquisition, JPM becomes a wholly-owned subsidiary of the Group.

Effects of transaction with a non-controlling interest on the equity attributable to owners of the Company:

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Carrying amount of non-controlling interests acquired	–	865
Less: consideration paid to a non-controlling interest	–	(751)
Gain from consideration paid to a non-controlling interest recognised within equity	–	114

## 33 Dividend

The dividends paid during the years ended 30 April 2025 and 2024 were HK\$69,118,000 (HK9.6 cents per share) and HK\$112,228,000 (HK15.6 cents per share) respectively. In respect of the year ended 30 April 2025, the final dividend of HK1.5 cents per share amounting to a total dividend of HK\$10,758,000 is to be proposed at the annual general meeting on 25 September 2025. These consolidated financial statements do not reflect this dividend payable.

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend paid of HK4.0 cents (2024: Interim dividend paid of HK5.6 cents) per ordinary share	28,812	40,305
Proposed final dividend of HK1.5 cents (2024: Final dividend of HK5.6 cents) per ordinary share	10,758	40,305
	39,570	80,610

## 34 Significant related party transactions

Other than those transactions or balances disclosed elsewhere in these consolidated financial statements, the following transactions were carried out with related parties in the normal course of Group's business:

Ms. Ngai Lai Ha is a director of the related companies of the Group in (a)(i), (b)(i) and (b)(iv) below during the year.

### (a) Sales of goods and services

		Year ended 30 April	
		2025	2024
	Note	HK\$'000	HK\$'000
(i) Management fee income:			
– JHC Investment Limited	(i)	13	13
– Mulan's Garden (HK) Limited	(i)	25	25
– Hong Sing Investment Limited	(i)	13	13
(ii) Sub-lease rental income:			
– Radha Exports Pte. Ltd.	(ii)	154	129



# Notes to the Consolidated Financial Statements *(Continued)*

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

### (b) Purchase of goods and services

	Notes	Year ended 30 April	
		2025 HK\$'000	2024 HK\$'000
(i) Short-term lease expenses in respect of certain premises to related companies:			
– Mulan's Garden (HK) Limited	(iii)	5,453	5,508
– JHC Investment Limited	(iii)	2,510	2,719
– Hong Sing Investment Limited	(iii)	20,851	21,153
– Charm Rainbow Limited	(iii)	1,957	2,016
– Hugo Grand Limited	(iii)	6,372	6,486
– Beauty Delight Limited	(iii)	1,572	1,569
– Beauty Wellness Limited	(iii)	1,272	1,272
(ii) Purchase of goods from a related company:			
– Radha Exports Pte. Ltd.	(i)	61,869	68,967
(iii) Interest expense to a non-controlling interest of a subsidiary:			
– Union Way Trading Limited	(i), 34(f)(ii)	192	192

Notes:

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

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

For the period from 1 May 2023 to 5 October 2023, the Group's shareholding in JPM, one of the subsidiaries of the Group, was 60%. On 6 October 2023, the Group acquired additional 40% equity interest in this subsidiary at the consideration of approximately HK\$751,000.

After completion for the acquisition, JPM becomes a wholly-owned subsidiary of the Group (Note 32(a)).

# Notes to the Consolidated Financial Statements *(Continued)*

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

### (d) Key management compensation

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

	Year ended 30 April	
	2025	2024
	HK\$'000	HK\$'000
Short-term employee benefits	11,981	13,138
Post-employment benefits – defined contribution plans	69	92
Other long-term benefits	–	(111)
	12,050	13,119

### (e) Year-end balances

		As at 30 April	
		2025	2024
	Note	HK\$'000	HK\$'000
Amount due to a related company	(i)	10,796	7,962
Loans due to a non-controlling shareholder of a subsidiary	(ii)	7,449	7,257

Note:

- (i) The amount due to a related company includes trade payable and deposit received. The balances are unsecured, interest free, and denominated in Singapore dollars. The trade payable is repayable within 1 year and the deposit received is repayable upon the tenancy agreement is expired. The carrying value as at 30 April 2025 and 2024 approximate its fair value.
- (ii) The loans due to a non-controlling shareholder of an indirectly held subsidiary are unsecured, bearing interest at 3% per annum with their principals and interests repayable on 3 October 2023, 3 October 2024, 31 October 2024, 14 January 2025, 30 April 2025 and 30 April 2026 (2024: principals and interests repayable on 3 October 2023, 31 October 2023, 14 January 2024, 30 April 2024 and 30 April 2025). The loans are denominated in Hong Kong dollar and their carrying values as at 30 April 2025 and 2024 approximate their fair values.

# Notes to the Consolidated Financial Statements *(Continued)*

## 35 Balance sheet and reserve movement of the Company

### Balance sheet of the Company

	As at 30 April	
	2025	2024
	HK\$'000	HK\$'000
<b>Assets</b>		
Non-current asset		
Investments in subsidiaries	98,139	97,624
<b>Current assets</b>		
Other receivables and prepayments	480	400
Amounts due from subsidiaries	1,554,138	1,434,137
Cash and cash equivalents	3,334	4,273
	1,557,952	1,438,810
<b>Total assets</b>	<b>1,656,091</b>	<b>1,536,434</b>
<b>Equity</b>		
Capital and reserves attributable to the owners of the Company		
Share capital and share premium	587,590	589,517
Reserves (Note (a))	225,933	176,231
<b>Total equity</b>	<b>813,523</b>	<b>765,748</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrual and other payables	132	236
Amounts due to subsidiaries	842,436	770,450
<b>Total liabilities</b>	<b>842,568</b>	<b>770,686</b>
<b>Total equity and liabilities</b>	<b>1,656,091</b>	<b>1,536,434</b>

The balance sheet of the Company was approved by the Board of Directors on 25 July 2025 and were signed on its behalf.

NGAI Lai Ha  
Director

LAU Pak Fai, Peter  
Director

# Notes to the Consolidated Financial Statements *(Continued)*

## 35 Balance sheet and reserve movement of the Company *(Continued)*

### Note (a) Reserve movement of the Company

	Share-based compensation reserve HK\$'000	Retained earnings HK\$'000	Shares held for share award scheme HK\$'000	Shares held for cancellation HK\$'000	Total HK\$'000
Balance at 1 May 2023	3,200	83,512	(7,525)	–	79,187
Profit for the year	–	208,931	–	–	208,931
Employees share award scheme:					
– value of employee services (Note 9)	771	–	–	–	771
– vesting of share award	(1,100)	–	1,100	–	–
Purchase of treasury shares (Note 24)	–	–	(430)	–	(430)
Dividend related to 2023 (Note 33)	–	(71,923)	–	–	(71,923)
Dividend related to 2024 (Note 33)	–	(40,305)	–	–	(40,305)
Balance at 30 April 2024	2,871	180,215	(6,855)	–	176,231
Profit for the year	–	118,964	–	–	118,964
Employees share award scheme:					
– value of employee services (Note 9)	1,114	–	–	–	1,114
– vesting of share award	(915)	–	915	–	–
Purchase of treasury shares (Note 24)	–	–	(282)	–	(282)
Dividend related to 2024 (Note 33)	–	(40,305)	–	–	(40,305)
Dividend related to 2025 (Note 33)	–	(28,812)	–	–	(28,812)
Purchase and cancellation of shares	–	–	–	(977)	(977)
Balance at 30 April 2025	3,070	230,062	(6,222)	(977)	225,933

# Notes to the Consolidated Financial Statements *(Continued)*

## 36 Benefits and interest of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulations (Cap. 622G) and the HK Listing Rules)

### (a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive officer is set out below:

For the year ended 30 April 2025:

	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Allowances and benefit in kind (Note i) HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Others emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK\$'000	Total HK\$'000
Executive directors:							
Ngai Lai Ha (Chief executive officer)	–	3,571	–	70	18	–	3,659
Lau Pak Fai, Peter	–	500	–	2	–	–	502
Cheng Sing Yuk	–	2,023	–	191	–	–	2,214
Independent non-executive directors:							
Mang Wing Ming, Rene	282	–	–	–	–	–	282
Ng Sze Yuen, Terry	282	–	–	–	–	–	282
Yeung Yiu Keung	184	–	–	–	–	–	184
Total	748	6,094	–	263	18	–	7,123

# Notes to the Consolidated Financial Statements *(Continued)*

## 36 Benefits and interest of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulations (Cap. 622G) and the HK Listing Rules) *(Continued)*

### (a) Directors' and chief executive's emoluments *(Continued)*

For the year ended 30 April 2024:

	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Allowances and benefit in kind (Note i) HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Others emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK\$'000	Total HK\$'000
Executive directors:							
Ngai Lai Ha (Chief executive officer)	-	3,773	-	(16)	18	-	3,775
Lau Pak Fai, Peter	-	500	-	2	-	-	502
Cheng Sing Yuk	-	2,091	-	134	6	-	2,231
Independent non-executive directors:							
Mang Wing Ming, Rene	282	-	-	-	-	-	282
Ng Sze Yuen, Terry	282	-	-	-	-	-	282
Yeung Yiu Keung	184	-	-	-	-	-	184
Total	748	6,364	-	120	24	-	7,256

Note:

(i) Other benefits include share-based compensation and medical insurance.

None of the directors have waived any of the emoluments during the years ended 30 April 2025 and 2024.

## Notes to the Consolidated Financial Statements *(Continued)*

### 36 Benefits and interest of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulations (Cap. 622G) and the HK Listing Rules) *(Continued)*

**(b) Directors' retirement benefits**

None of the directors received or will receive any retirement benefits during the year ended 30 April 2025 (2024: Nil).

**(c) Directors' termination benefits**

None of the directors received or will receive any termination benefits during the year ended 30 April 2025 (2024: Nil).

**(d) Consideration provided to third parties for making available directors' services**

During the year ended 30 April 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

**(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

During the year ended 30 April 2025, there were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2024: Nil).

**(f) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 30 April 2025 (2024: Nil) other than those disclosed in Note 34.



# Corporate Information

## DIRECTORS

### Executive Directors:

Ms. Ngai Lai Ha

*(Chairman and Group Chief Executive Officer)*

Mr. Lau Pak Fai Peter *(Honorary Chairman)*

Mr. Cheng Sing Yuk *(Chief financial officer)*

### Independent Non-executive Directors:

Mr. Mang Wing Ming, Rene

Mr. Ng Sze Yuen, Terry

Mr. Yeung Yiu Keung

## AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

## COMPANY SECRETARY

Mr. Lee Chung Shing

HKICPA

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KY1-1111, Cayman Islands

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Wong Chuk Hang, Hong Kong

Tel: (852) 3512-3100

## LEGAL ADVISER

Deacons

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

## SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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