

# International Housewares Retail Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1373

日本城 JHC



## 日本城為你生活加乘

123...  
by ELLA

DAY  
DAY  
STORE 日記士多

City  
life 生活提案

JAPAN HOME  
日本の家

# 2023/24

## INTERIM REPORT

# Contents

	Page
Corporate Information	2
Financial Highlights	3
Management Discussion and Analysis	4
Report on Review of Interim Financial Information	8
Condensed Consolidated Interim Statement of Comprehensive Income	9
Condensed Consolidated Interim Balance Sheet	10
Condensed Consolidated Interim Statement of Changes in Equity	11
Condensed Consolidated Interim Statement of Cash Flows	12
Notes to the Condensed Consolidated Interim Financial Information	13
Other Information	30

# Corporate Information

## DIRECTORS

### Executive Directors:

Ms. Ngai Lai Ha (*Chairman and Chief executive officer*)

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

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

### Independent Non-executive Directors:

Mr. Mang Wing Ming Rene

Mr. Ng Sze Yuen, Terry

Mr. Yeung Yiu Keung

## AUDITOR

PricewaterhouseCoopers

*Certified Public Accountants*

## COMPANY SECRETARY

Mr. Lee Chung Shing

*HKICPA*

## REGISTERED OFFICE

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PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

## HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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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

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

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Wanchai, Hong Kong

## STOCK CODE

1373

## COMPANY WEBSITE

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# Financial Highlights

The board of directors (the “Board” or “Director(s)”) of International Housewares Retail Company Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group” or “We”) for the six months ended 31 October 2023 (the “Period”) prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules” and the “Stock Exchange” respectively), together with comparative figures for the six months ended 31 October 2022 (“2022/23”).

- The Group’s revenue ranked the second highest on record of HK\$1,322,485,000 for the Period (2022/23<sup>(1)</sup>: HK\$1,386,665,000). Compared to the high base due to the surging demand for anti-pandemic supplies during the COVID-19 epidemic in Hong Kong for the same period last year, the Group’s revenue turned to a 4.6% decline for the Period.
- The Group achieved the profit attributable to owners of the Company of HK\$50,764,000 for the Period (2022/23: HK\$110,350,000), compared to the adjusted profit attributable to the owners of the Company of HK\$78,413,000 for the same period last year, which is excluding grants under the Employment Support Scheme by the Government of the Hong Kong Special Administrative Region (the “HKSAR”) of HK\$31,937,000, the profit attributable to owners of the Company decreased by 35% for the Period.
- The Group’s gross profit margin slightly increased to 46.8% for the Period (2022/23: 46.7%).
- The Board has resolved to declare an interim dividend of 5.6 HK cents per share.

Note:

1. Comparative figures for the six months ended 31 October 2022 are shown as (“2022/23”) in brackets.

# Management Discussion and Analysis

## Overview

International Housewares Retail Company Limited and its subsidiaries achieved satisfactory financial results and remained in a solid financial position for the six months ended 31 October 2023. The Group continued to reinforce its position as an omni-channel retail chain of general merchandise stores (“GMS”) with a total of around 380 stores worldwide.

## Financial Performance

Despite the challenges and uncertainties posed by various external factors, the Group has prompted to deliver a solid results to its shareholders by adapting its flexible business strategy as well as swift adjustments to these changing market conditions. The Group’s revenue ranked the second highest on record of HK\$1,322,485,000 for the Period (2022/23: HK\$1,386,665,000). Compared to the high base due to the surging demand for anti-pandemic supplies during the COVID-19 epidemic in Hong Kong for the same period last year, the Group’s revenue turned to a 4.6% decline for the Period.

The Group achieved the profit attributable to owners of the Company of HK\$50,764,000 for the Period after the pandemic (2022/23: HK\$110,350,000), which represents a 5.5% increase from the pre-pandemic level of HK\$48,135,000 for the same period in 2019. However, compared to the adjusted profit attributable to the owners of the Company of HK\$78,413,000 for the same period last year, which is excluding grants under the Employment Support Scheme by the Government of the HKSAR of HK\$31,937,000, the profit attributable to owners of the Company decreased by 35% for the Period.

By leveraging the favorable procurement costs for products sourced from global suppliers, especially Japan and Korea, due to the strong Hong Kong dollar, the Group has been actively expanding its product portfolio and adding new categories in its product mix to ensure close alignment with current trends that are good-quality and popular among our customers to not only fill the gap of the decreasing demand for anti-pandemic supplies but also to stimulate post-pandemic local and cross-border spending to bolster our revenue. The Group has also developed more competitive OEM products, including new private label product ranges across different categories by enhancing the uniqueness of the products to increase our gross profit margin, to tap into more market opportunities and customer segments. The Group’s gross profit margin slightly increased to 46.8% of the Period (2022/23: 46.7%).

## Liquidity and Financial Resources

The Group has continued to maintain a strong liquidity and cash flow position, which is of paramount importance for its future development, particularly amid such uncertain economic times. As at 31 October 2023, the Group had cash and cash equivalents amounting to HK\$318,775,000 (30 April 2023: HK\$402,310,000). The main reason for the decrease in cash and cash equivalents was that we make a tax payment of HK\$53 million in late October, instead of early November as in the previous year. The majority of the Group’s cash and bank deposits were denominated in Hong Kong dollars and were deposited with major banks in Hong Kong, with maturity dates falling within three months.

It is the Group’s treasury management policy to not engage in any highly leveraged or speculative derivative products and it will continue to place the majority of its surplus cash in Hong Kong dollar bank deposits with appropriate maturity periods to meet funding requirements in the future. The current ratio for the Group was 1.5 (30 April 2023: 1.5). Borrowings amounted to HK\$22,167,000 as at 31 October 2023 (30 April 2023: HK\$13,381,000). The Group was in a net cash position as at 31 October 2023. Its gearing ratio as determined by total borrowings and loans due to a non-controlling shareholder divided by total equity was 3.3% (30 April 2023: 2.3%).

## Human Resources

Despite facing a challenging operating environment in recent years, the Group has successfully navigated through adversity due to its solid foundation. In anticipation of an increase in staff cost when Hong Kong has returned to normalcy post-epidemic, the Group has embraced in-store automation technologies to release manpower and workload to help streamline tasks and raise operational efficiencies. Additionally, the Group has made timely adjustments in manpower deployment across different stores to control our total man-hours and the staff cost. The Group regularly reviews its remuneration packages and rewards qualified employees with performance bonuses, share options, and share awards. The allocation of annual discretionary bonuses and share awards takes into consideration the individual’s performance. As at 31 October 2023, the Group had approximately 2,190 employees (at 31 October 2022: 2,060 employees). Total staff costs for the Period were HK\$216,886,000 (2022/23: HK\$192,564,000).

# Management Discussion and Analysis *(Continued)*

## Distribution Network

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

The Group recognizes the cumulative brand awareness it has built over the past 30 years, as well as its growing retail network and global supplier network, as key factors contributing to its steady business development. It expects these factors to continue driving its success. Furthermore, a multi-pronged approach adopted by the Government of the HKSAR, such as increasing residential plot ratios and maximum building heights in new development areas in the New Territories, will potentially lead to increase housing supply in a shorter time frame. This presents the Group with opportunities to open new stores and strengthen its position in the Hong Kong market.

The Group is committed to providing a truly omni-channel experience for its customers by launching its new online platform in November 2023. This platform leverages the Group’s extensive physical store network to integrate online and offline inventory in real time and offer a “click & collect” service from our stores. Customers can check the availability of products in our stores, order online and pick up their items as early as two hours. The Group also enhances its product range on the JHC online platforms by adding more durable and bulk items such as plastic boxes, furniture, and large electrical appliances. We believe that these will facilitate us to choose our retail space and location more flexibly and control our rental expenses.

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

	As at 31 October 2023	As at 31 October 2022	Net increase/ (decrease)
<b>The Group’s Directly Managed Stores</b>			
Hong Kong	318	320	(2)
Singapore	48	46	2
Macau	8	9	(1)
<b>The Group’s Licensed Stores</b>	5	6	(1)
<b>Total</b>	<b>379</b>	<b>381</b>	<b>(2)</b>

## Operational Review by Business Nature

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

The retail segment continued to be the primary revenue driver of the Group during the Period. The Group has continued to increase the variety of product offerings to help capture additional market opportunities and expand its customer base. These endeavors contributed to retail revenue reaching HK\$1,318,523,000 (2022/23: HK\$1,365,174,000), which also included consignment sales commission income that accounted for 99.7% (2022/23: 98.5%) of the Group’s total revenue for the Period.

The income from the wholesale, licensing and others together decreased to HK\$3,962,000 for the Period (2022/23: HK\$21,491,000).

# Management Discussion and Analysis *(Continued)*

## Operational Review by Geographical Locations

### Operational Review – Hong Kong

Hong Kong remained the Group's key market, accounting for 87% (2022/23: 89%) of its total revenue.

The Group recorded a revenue of HK\$1,147,066,000 from Hong Kong for the Period (2022/23: HK\$1,227,140,000), which was the second highest in its history. Compared to the high base due to the surging demand for anti-pandemic supplies during the COVID-19 epidemic in Hong Kong for the same period last year, the revenue turned to a 6.5% decline for the Period. The revenue for the Period also softened as many Hong Kong residents adopted revenge travelling and cross-border spending behaviour after the travel restrictions were lifted in Hong Kong, that have lowered the local consumption. In addition, the extreme conditions brought about by the black rainstorm associated with typhoon in Hong Kong in September and October, which damaged the facilities in our retail stores and disrupted our business operations, resulted in a loss of business days for the Period.

During the Period, despite not receiving any grants under the Employment Support Scheme from the Government of the Hong Kong Special Administrative Region, which amounted to approximately HK\$32 million for the same period last year due to the COVID-19 outbreak, and facing higher operating costs mainly related to increase in staff cost, as well as one-off expenses for relocating and upgrading our warehouse in Hong Kong, the Group still achieved a net profit of HK\$53,993,000 from Hong Kong market for the Period. This represented a 32.8% decline from the adjusted net profit of HK\$80,296,000 for the same period last year, which excluded the Government of the HKSAR's subsidies under the Employment Support Scheme of HK\$31,937,000.

Despite the complex and uncertain situations mentioned above, the Group has taken rigorous action swiftly in various areas to mitigate these impacts on our operation and to strengthen our fundamentals for the planned growth. We have been adopting new technologies to enhance our productivity, which helps us simplify tasks, improve operational efficiencies, optimize inventory management, lower costs, increase accuracy and accelerate processes, and reduce the pressure of the rising staff cost as well as free up more time and resources for our staff to concentrate on more value-added tasks. We also believe that the reorganization of our warehousing and distribution facilities, which involved relocating two of our main distribution hubs will improve our product sourced from worldwide distribution efficiency, with an emphasis on ensuring sufficient stock for various product categories to leverage our centralized procurement capabilities for our ongoing business development.

The Group will continue to explore different ways to broaden our new income streams, including expand our local market presence in regional shopping malls to target the middle-class segment who want quality and value, by launching our new outlets at The Wai and the Southside in Hong Kong. We offer a selective product range and a stylish shop fitting-out design to appeal this segment at fair prices. In addition, understanding that consumers are more health-conscious, we continue to expand the health and wellness categories through global sourcing and collaboration with brand owners, as well as developing our own private label products, where we aim to provide affordable health and wellness care products of value to our customers.

### Operational Review – Singapore

The Group remained committed to exploring different ways to broaden its revenue sources in the Singapore market. We delivered a satisfactory performance in sales for the Period, as expressed in Singapore dollars ("SGD"), increased by 10.3% to SGD 26,500,000 (2022/23: SGD 24,036,000). This result reflects our ongoing efforts to provide our customers with a comprehensive and convenient shopping experience across different categories, which covers housewares, FMCG, food and snacks, which are essential and popular products that attract a large and loyal customer base. In addition, we have updated our offerings with trendy and space-saving products that suit the lifestyles and preferences of our customers in the market. We also leverage Hong Kong competitive OEM products to enrich our product assortment and give our customers more options to choose from.

### Operational Review – Macau

The Group's operation in Macau continued to be profitable and achieved satisfactory results, with revenue of HK\$21,821,000 (2022/23: HK\$24,469,000) recorded for the Period.

# Management Discussion and Analysis *(Continued)*

## Prospects

During the Period, the Group's revenue was affected by several factors, such as lower demand for anti-pandemic supplies, revenge travelling and cross-border spending habits of Hong Kong people following the reopening of the city's borders, as well as extreme weather events in Hong Kong. Moreover, the raise in operation expenses mainly due to the increase in staff cost also impacted our profit. However, the Group responded quickly and effectively to these complex and uncertain situations by implementing flexible business strategies and rigorous measures to mitigate these effects on our operation and to enhance our fundamentals for the planned growth. The Group aims to anticipate future business demands and address them by constantly enhancing and refining our supply chain operations to support our long-term sustainability goals. Despite some temporary setbacks when we reorganized our warehousing and distribution facilities, which involved moving two of our main distribution hubs, we are confident that these measures will improve our product sourced from worldwide distribution efficiency, with an emphasis on ensuring sufficient stock for various product categories to leverage our centralized procurement capabilities for our ongoing business development.

By leveraging the favorable procurement costs for products sourced from global suppliers, especially Japan and Korea, due to the strong Hong Kong dollar, the Group has been actively expanding our product portfolio and adding new categories in our product mix to ensure close alignment with current trends that are popular among our customers to fill the gap of the decreasing demand for anti-pandemic supplies as well as to stimulate post-pandemic local and cross-border spending. The Group has also developed more competitive OEM products, including new private label product ranges across different categories by enhancing the uniqueness of the products to increase our gross profit margin, to tap into more market opportunities and customer segments. We will continue to follow market trends and customers' needs and preferences, and make this a priority in recent years as part of our strategic growth initiative to deliver value-for-money product choices to our customers.

The Group strives to create a truly omni-channel experience for its customers by launching its new online platform in November 2023. Leveraging the strengths of the Group's extensive physical store network, this platform integrates online and offline inventory in real time and enables customers to use a "click & collect" service from our stores. Customers can check the availability of products in our stores, place their order online and collect their items as early as two hours. The online platform also has a brand-new interface and features that offer the customers the easy, flexible and convenient O2O experience. Moreover, we will continue to seek partnerships with third-party e-commerce platforms to enhance our e-commerce presence and reach more customers by utilizing their advantages. We will continue to optimize and customize our product selections for different e-sales platforms to satisfy our different target consumers.

The Group will continue to explore different ways to broaden our new income streams, including expand our local market presence in regional shopping malls to target the middle-class segment who want quality and value, by launching our new outlets at The Wai and the Southside in Hong Kong. We offer a selective product range and a stylish shop fitting-out design to appeal this segment at fair prices. In addition, understanding that consumers are more health-conscious, we continue to expand the health and wellness categories through global sourcing and collaboration with brand owners, as well as developing our own private label products, where we aim to provide affordable health and wellness care products of value to our customers.

The Group understands that technology is critical to its future success. Hence, we actively adopt new technologies to help streamline tasks and raise operational efficiencies, such as the assortment plan that helps us plan and allocate the optimal product mix for each store based on its size, location, customer profile and sales performance; the digital price-tag that allows us to update the product prices automatically and remotely, without having to print and replace the paper price-tags manually; the automated ordering process at store level that allows us to replenish the stock at our stores automatically based on the sales data and inventory level, without having to rely on manual orders from the store staff; and the warehouse management system that allows us to manage the inbound and outbound logistics of our products more efficiently and accurately. With the aim to achieve long-term growth, above automations enable us to optimize our inventory management, reduce costs, enhance accuracy and speed up processes, as well as allow more time and resources for our staff to focus on more value-added tasks and hence to enhance the productivity and reduce the burden of the increasing staff cost. We believe that by investing in the right technologies and tools can enhance our operation efficiency and provide more value to our customers and shareholders.

Looking ahead, the year 2024 is still full of challenges and uncertainty. We have to work harder than ever to improve our operation efficiency and implement rigorous measures to control our expenses through various areas in this challenging market environment, so that we will be in a better position to remain competitive in the market and continue our success and business growth. In this regard, we have been actively reducing unnecessary expenses, enhancing the productivity, enhancing inventory management, optimizing product mix and negotiating better terms with suppliers in alignment with the Group's business development plans with the aim to achieve long-term sustainability and explore new market opportunities in the future. We are aware of the difficulties we may encounter in the near future, but we have an experienced management team, a quick response to the market, and a sustained commitment to the future development. We believe we have the capacity to overcome various obstacles and remain a cautiously optimistic in the medium- and long-term.



# Report on Review of Interim Financial Information



羅兵咸永道

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

## Introduction

We have reviewed the interim financial information set out on pages 9 to 29, which comprises the condensed consolidated interim balance sheet of International Housewares Retail Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 31 October 2023 and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

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

## Conclusion

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

PricewaterhouseCoopers  
Certified Public Accountants

Hong Kong, 21 December 2023

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# Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 31 October 2023

		Unaudited six months ended 31 October	
	Note	2023 HK\$'000	2022 HK\$'000
Revenue	6	1,322,485	1,386,665
Cost of sales	6	(703,666)	(739,712)
<b>Gross profit</b>		<b>618,819</b>	<b>646,953</b>
Other income	7	9,324	46,482
Other losses, net		(1,357)	(14,173)
Distribution and advertising expenses		(27,874)	(40,836)
Administrative and other operating expenses		(531,766)	(502,666)
<b>Operating profit</b>	8	<b>67,146</b>	<b>135,760</b>
Finance income		4,457	1,849
Finance expenses		(11,791)	(8,114)
Finance expenses, net		(7,334)	(6,265)
<b>Profit before income tax</b>		<b>59,812</b>	<b>129,495</b>
Income tax expense	9	(10,892)	(19,629)
<b>Profit for the period</b>		<b>48,920</b>	<b>109,866</b>
<b>Other comprehensive loss</b>			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences		(2,667)	(4,057)
<b>Total comprehensive income for the period</b>		<b>46,253</b>	<b>105,809</b>
<b>Profit for the period attributable to:</b>			
Owners of the Company		50,764	110,350
Non-controlling interests		(1,844)	(484)
		<b>48,920</b>	<b>109,866</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		48,282	106,407
Non-controlling interests		(2,029)	(598)
		<b>46,253</b>	<b>105,809</b>
<b>Earnings per share attributable to owners of the Company</b> (expressed in HK cents per share)	10		
Basic earnings per share		7.06	15.37
Diluted earnings per share		7.01	15.27

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

# Condensed Consolidated Interim Balance Sheet

As at 31 October 2023

	Note	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	215,410	182,340
Right-of-use assets	13	600,600	561,830
Investment properties	12	35,209	37,245
Intangible assets	12	26,835	29,305
Deferred income tax assets		6,345	6,377
Financial assets at fair value through profit or loss	5.2	8,263	9,373
Prepayments and deposits	14	51,546	67,204
		944,208	893,674
<b>Current assets</b>			
Inventories		385,040	360,188
Trade and other receivables, prepayments and deposits	14	125,184	121,242
Current income tax recoverable		1,044	24
Cash and cash equivalents		318,775	402,310
		830,043	883,764
<b>Total assets</b>		<b>1,774,251</b>	<b>1,777,438</b>
<b>Equity</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital and share premium	15	589,517	589,517
Reserves		285,917	307,446
		875,434	896,963
<b>Non-controlling interests</b>		<b>3,746</b>	<b>7,440</b>
<b>Total equity</b>		<b>879,180</b>	<b>904,403</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		1,323	1,203
Provision for reinstatement costs	17	4,580	4,495
Lease liabilities	13	340,663	295,268
Borrowings	18	7,804	–
		354,370	300,966
<b>Current liabilities</b>			
Trade and other payables	17	235,705	213,931
Contract liabilities	17	6,276	11,504
Loans due to a non-controlling shareholder of a subsidiary		7,161	7,065
Borrowings	18	14,363	13,381
Lease liabilities	13	272,506	280,016
Current income tax liabilities		4,690	46,172
		540,701	572,069
<b>Total liabilities</b>		<b>895,071</b>	<b>873,035</b>
<b>Total equity and liabilities</b>		<b>1,774,251</b>	<b>1,777,438</b>

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

# Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 31 October 2023

		Unaudited				
		Attributable to owners of the Company				
	Note	Share capital and share premium HK\$'000	Reserves HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
<b>At 1 May 2023 (audited)</b>						
<b>Comprehensive income:</b>						
Profit for the period		–	50,764	50,764	(1,844)	48,920
<b>Other comprehensive loss:</b>						
Currency translation differences		–	(2,482)	(2,482)	(185)	(2,667)
<b>Total comprehensive income for the period</b>		–	48,282	48,282	(2,029)	46,253
<b>Transactions with owners:</b>						
Transaction with a non-controlling interest		–	114	114	(865)	(751)
Employee share award scheme:						
– value of employee services		–	2,000	2,000	–	2,000
Dividend paid to a non-controlling interest		–	–	–	(800)	(800)
Dividends		–	(71,925)	(71,925)	–	(71,925)
<b>Total transactions with owners</b>		–	(69,811)	(69,811)	(1,665)	(71,476)
<b>At 31 October 2023 (unaudited)</b>						
<b>At 1 May 2022 (audited)</b>		589,517	307,446	896,963	7,440	904,403
<b>Comprehensive income:</b>						
Profit for the period		–	110,350	110,350	(484)	109,866
<b>Other comprehensive loss:</b>						
Currency translation differences		–	(3,943)	(3,943)	(114)	(4,057)
<b>Total comprehensive income for the period</b>		–	106,407	106,407	(598)	105,809
<b>Transactions with owners:</b>						
Employee share option and share award scheme:						
– value of employee services		–	1,949	1,949	–	1,949
– exercise of share options		2,034	–	2,034	–	2,034
Dividends		–	(86,161)	(86,161)	–	(86,161)
<b>Total transactions with owners</b>		2,034	(84,212)	(82,178)	–	(82,178)
<b>At 31 October 2022 (unaudited)</b>						
<b>At 1 May 2022 (audited)</b>		587,483	301,220	888,703	6,152	894,855

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

# Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 31 October 2023

	Unaudited six months ended 31 October	
	2023 HK\$'000	2022 HK\$'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	259,339	311,138
Income tax paid	(53,207)	(257)
Net cash generated from operating activities	206,132	310,881
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(46,858)	(14,942)
Down payment of right-of-use assets	(287)	–
Proceeds from disposal of property, plant and equipment	364	400
Dividend received from financial asset at fair value through profit or loss	297	–
Interest received	4,863	1,849
Net cash used in investing activities	(41,621)	(12,693)
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(182,393)	(160,124)
Proceeds from exercise of share options	–	2,034
Proceeds from/(repayment of) bank borrowings, net	8,815	(609)
Interest paid	(434)	(190)
Dividends paid	(71,925)	(86,161)
Dividend paid to a non-controlling interest	(800)	–
Consideration paid for increase in equity interest in a subsidiary without change of control	(751)	–
Net cash used in financing activities	(247,488)	(245,050)
Net (decrease)/increase in cash and cash equivalents	(82,977)	53,138
Cash and cash equivalents at beginning of the period	402,310	416,923
Currency translation differences	(558)	(1,215)
Cash and cash equivalents at end of the period	318,775	468,846
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks and on hand	185,189	245,966
Short-term bank deposits with original maturity within three months	133,586	222,880
	318,775	468,846

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

# Notes to the Condensed Consolidated Interim Financial Information

## 1 General information

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

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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

This condensed consolidated interim financial information is presented in HK dollars (“HK\$”) and rounded to the nearest thousand HK\$ (“HK\$’000”), unless otherwise stated. This interim financial information has been approved for issue by the Board of Directors on 21 December 2023.

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

## 2 Basis of presentation

This condensed consolidated interim financial information for the six months ended 31 October 2023 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This condensed consolidated interim financial information does not include all the notes of the type of normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 30 April 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

## 3 Accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 30 April 2023, as described in those annual consolidated financial statements, except for estimation of income tax and the adoption of the new and amended standards as set out below.

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

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

The Group has applied the following new and amended standards for the first time for the financial year beginning on 1 May 2023:

HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts
HKFRS 17 (Amendments)	Initial Application of HKFRS17 and HKFRS 9 – Comparative Information
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Asset and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules

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

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

## 3 Accounting policies *(Continued)*

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

The following new and amended standards which have been issued but are not effective for the Group's financial year beginning on 1 May 2023 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current Liabilities with Covenants	1 January 2024
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayments on Demand Clause	1 January 2024
HKAS7 (Amendments) and HKFRS 7	Supplier Finance Arrangements	1 January 2024
HKFRS10 and HKAS 28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

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

## 4 Estimates

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 April 2023.

## 5 Financial risk management

### 5.1 Financial risk factors

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

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 April 2023. There have been no significant changes in the risk management policies since 30 April 2023.

### 5.2 Fair value estimation

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

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

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

## 5 Financial risk management *(Continued)*

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

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

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

The following table presents the Group's financial assets that are measured at fair value at 31 October 2023 and 30 April 2023.

	Unaudited			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
<b>At 31 October 2023</b>				
Financial asset at fair value through profit or loss				
– Hong Kong listed equity securities	8,263	–	–	8,263
<b>At 30 April 2023</b>				
Financial asset at fair value through profit or loss				
– Hong Kong listed equity securities	9,373	–	–	9,373

The financial asset was denominated in HK\$.

The following table presents the change from level 3 to level 1 for the six months ended 31 October 2022 (Note).

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted preferred shares HK\$'000 (Note)
<b>Six months ended 31 October 2022</b>	
As at 1 May 2022	23,310
Transfer to level 1	(25,898)
Fair value changes recognised in condensed consolidated interim statement of comprehensive income	2,588
As at 31 October 2022	–

Unlisted preferred shares were stated at fair value which is estimated using other prices observed in recent transactions where the market price is not readily available. If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.



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

## 5 Financial risk management *(Continued)*

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

Note:

On 20 May 2021, Japan Home Centre (Management) Limited, an indirect wholly owned subsidiary of the Company, entered into a subscription agreement with Yoho Group Holdings Limited (“Yoho Group”), a company incorporated in the Cayman Islands. Pursuant to the subscription agreement, Yoho Group issued and allotted 5,465,854 Series A Preferred Shares to Japan Home Centre (Management) Limited on 21 May 2021, representing approximately 2.77% of the issued share capital of Yoho Group at a total consideration of US\$3.0 million (approximately HK\$23,310,000). The Group classifies unlisted preferred shares as financial asset at fair value through profit or loss.

On 10 June 2022, Yoho Group has successfully listed on Main Board of The Stock Exchange of Hong Kong. Pursuant to the subscription agreement, all Series A Preferred Shares will be automatically converted into ordinary shares upon listing on the Main Board of The Stock Exchange of Hong Kong Limited. Upon listing of Yoho Group, unlisted preferred shares automatically converted into 12,332,564 ordinary shares of Yoho Group and the fair value measurement was transferred from level 3 to level 1.

## 6 Segment information

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

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

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

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

\* Including consignment sales commission income.

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

## 6 Segment information *(Continued)*

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

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

The segment information provided to the executive directors for the reportable segments for the six months ended 31 October 2022 is as follows:

	Retail		Unaudited	Total HK\$'000
	Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	
Segment revenue (all from external customers)	1,230,118	135,056	21,491	1,386,665
Cost of sales	(647,318)	(78,331)	(14,063)	(739,712)
Segment results	582,800	56,725	7,428	646,953
Gross profit%**	47.38%	42.00%	34.56%	46.66%
Other income				46,482
Other losses, net				(14,173)
Distribution and advertising expenses				(40,836)
Administrative and other operating expenses				(502,666)
<b>Operating profit</b>				<b>135,760</b>
Finance income				1,849
Finance costs				(8,114)
<b>Profit before income tax</b>				<b>129,495</b>
Income tax expense				(19,629)
<b>Profit for the period</b>				<b>109,866</b>

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

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the six months ended 31 October 2023 and 2022. The accounting policies of the reportable segments are the same as the Group's accounting policies.

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

## 6 Segment information *(Continued)*

During the six months ended 31 October 2023, revenues include sales of goods of HK\$1,321,365,000 (during the six months ended 31 October 2022: HK\$1,385,569,000), revenue arising from customer loyalty programme of HK\$569,000 (during the six months ended 31 October 2022: HK\$650,000) and consignment sales commission of HK\$551,000 (during the six months ended 31 October 2022: HK\$446,000).

The revenue from the Group's largest customer accounted for less than 10% of the Group's total revenue for the six months ended 31 October 2023 and 2022.

All of the Group's revenues are recognised at a point in time for the six months ended 31 October 2023 and 2022.

The following tables present segment assets and liabilities as at 31 October 2023 and 30 April 2023 respectively:

	Unaudited As at 31 October 2023			Total HK\$'000
	Retail Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	
Segment assets	1,189,886	207,085	7,644	1,404,615
Segment liabilities	736,663	137,178	8,056	881,897

	Audited As at 30 April 2023			Total HK\$'000
	Retail Hong Kong and Macau HK\$'000	Singapore HK\$'000	Wholesales, licencing and others HK\$'000	
Segment assets	1,120,767	196,434	4,908	1,322,109
Segment liabilities	686,010	124,168	8,417	818,595

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

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

	As at	
	31 October 2023 HK\$'000	30 April 2023 HK\$'000
Segment assets	1,404,615	1,322,109
Investment properties	35,209	37,245
Financial asset at fair value through profit or loss	8,263	9,373
Deferred income tax assets	6,345	6,377
Current income tax recoverable	1,044	24
Cash and cash equivalents	318,775	402,310
Total assets	1,774,251	1,777,438

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

### 6 Segment information *(Continued)*

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

	As at	
	31 October 2023 HK\$'000	30 April 2023 HK\$'000
Segment liabilities	881,897	818,595
Deferred income tax liabilities	1,323	1,203
Loans due to non-controlling shareholders of a subsidiary	7,161	7,065
Current income tax liabilities	4,690	46,172
<b>Total liabilities</b>	<b>895,071</b>	<b>873,035</b>

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

	Unaudited Six months ended 31 October	
	2023 HK\$'000	2022 HK\$'000
Hong Kong	1,147,066	1,227,140
Singapore	153,598	135,056
Macau	21,821	24,469
	<b>1,322,485</b>	<b>1,386,665</b>

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

	As at	
	31 October 2023 HK\$'000	30 April 2023 HK\$'000
Hong Kong	685,355	640,078
Mainland China	43,168	46,042
Singapore	128,896	118,056
Macau	53,609	53,816
	<b>911,028</b>	<b>857,992</b>

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

## 7 Other income

	Unaudited	
	Six months ended 31 October	
	2023	2022
	HK\$'000	HK\$'000
Advertising and promotion income	4,535	4,585
Sub-leasing rental income	156	287
Rental income	442	–
Dividend income	297	–
Government grant (Note)	1,880	32,681
Rent concessions	–	8,872
Sundry income	2,014	57
	9,324	46,482

Note:

These primarily represented government subsidies in relation to subsidies of approximately HK\$1,767,000 received under the Progressive Wage Credit Scheme of the Government of Singapore during the six months ended 31 October 2023 (during the six months ended 31 October 2022: HK\$540,000).

Besides, during the six months ended 31 October 2022, the Group received additional government subsidies in relation to the COVID-19 pandemic of approximately HK\$31,937,000 under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region.

## 8 Operating profit

The following items have been charged to the operating profit during the six months ended 31 October 2023 and 2022:

	Unaudited	
	Six months ended 31 October	
	2023	2022
	HK\$'000	HK\$'000
Employee benefit expenses (including directors' emoluments)	216,886	192,564
Short-term lease expenses (Note 13(b))	30,649	44,752
Depreciation of property, plant and equipment (Note 12)	16,424	14,800
Depreciation of right-of-use assets (Note 13(b))	170,553	160,897
Amortisation of intangible assets (Note 12)	1,998	1,864
Write-down of inventories	901	1,165
Loss on disposal of property, plant and equipment	369	852
Fair value loss on financial asset at fair value through profit or loss	1,110	13,321
Net exchange (gains)/losses	(149)	1,492

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

## 9 Income tax expense

During the six-months ended 31 October 2023 and 2022, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit. Overseas profits tax has been provided at the standard tax rate of the respective entities according to local tax laws.

	Unaudited Six months ended 31 October	
	2023	2022
	HK\$'000	HK\$'000
Hong Kong profits tax		
– Current year	10,598	19,119
Overseas taxation		
– Current year	107	256
	10,705	19,375
Deferred income tax	187	254
Income tax expense	10,892	19,629

## 10 Earnings per share

### (a) Basic

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

	Unaudited Six months ended 31 October	
	2023	2022
Profit attributable to owners of the Company (HK\$'000)	50,764	110,350
Weighted average number of ordinary shares in issue (in thousands) (Note)	719,292	718,125
Basic earnings per share attributable to owners of the Company (HK cents per share)	7.06	15.37

Note:

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

### (b) Diluted

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

	Unaudited Six months ended 31 October	
	2023	2022
Profit attributable to owners of the Company (HK\$'000)	50,764	110,350
Weighted average number of shares for diluted earnings per share (in thousands)	724,002	722,423
Diluted earnings per share attributable to owners of the Company (HK cents per share)	7.01	15.27

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

## 11 Dividends

During the six months ended 31 October 2023, a final dividend and a special dividend totaling HK\$71,925,000 in relation to the year ended 30 April 2023 was declared and paid.

On 21 December 2023, the Board resolved to declare an interim dividend of 5.6 HK cents (2022/23: interim dividend of 12.0 HK cents) per share, totaling HK\$40,315,000 (2022/23: HK\$86,380,000). The proposed dividend has not been recognised as a liability in this interim financial information but will be reflected as an appropriation of retained profits for the year ending 30 April 2024.

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

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Intangible Assets			Sub Total HK\$'000	Total HK\$'000
			Trademark HK\$'000	Goodwill HK\$'000	Computer software HK\$'000		
<b>Six months ended 31 October 2023</b>							
Net book value							
As at 1 May 2023 (audited)	182,340	37,245	18,437	5,931	4,937	29,305	248,890
Additions	51,004	–	–	–	–	–	51,004
Disposals	(733)	–	–	–	–	–	(733)
Depreciation and amortization (note 8)	(16,424)	–	(317)	–	(1,681)	(1,998)	(18,422)
Exchange difference	(777)	(2,036)	(472)	–	–	(472)	(3,285)
<b>As at 31 October 2023 (unaudited)</b>	<b>215,410</b>	<b>35,209</b>	<b>17,648</b>	<b>5,931</b>	<b>3,256</b>	<b>26,835</b>	<b>277,454</b>
<b>Six months ended 31 October 2022</b>							
Net book value							
As at 1 May 2022 (audited)	186,752	36,622	18,472	5,931	8,299	32,702	256,076
Additions	15,737	–	–	–	–	–	15,737
Disposals	(1,252)	–	–	–	–	–	(1,252)
Depreciation and amortization (note 8)	(14,800)	–	(308)	–	(1,556)	(1,864)	(16,664)
Exchange difference	(891)	(3,458)	(361)	–	–	(361)	(4,710)
<b>As at 31 October 2022 (unaudited)</b>	<b>185,546</b>	<b>33,164</b>	<b>17,803</b>	<b>5,931</b>	<b>6,743</b>	<b>30,477</b>	<b>249,187</b>

The Group's investment properties were revaluated at 30 April 2023. No valuation was performed during the six months ended 31 October 2023 as there was no indication of significant changes in the values since previous annual reporting date.

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

## 13 Leases

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

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

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

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
Properties	596,782	558,850
Office equipment	27	–
Vehicle	1,021	–
Land use rights	2,770	2,980
	<u>600,600</u>	<u>561,830</u>

Additions to the right-of-use assets during the six months ended 31 October 2023 were approximately HK\$215,182,000 (for the year ended 30 April 2023: HK\$393,500,000).

#### (ii) Lease liabilities

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
Non-current	340,663	295,268
Current	272,506	280,016
	<u>613,169</u>	<u>575,284</u>

During the six months ended 31 October 2022, the Group received COVID-19-related rent concessions from landlords for certain leased properties which have been accounted for as negative variable lease payments and recognised in other income (Note 7) under the amendments to HKFRS 16.

During the six months ended 31 October 2023 and 2022, the Group received other rent concession from landlords for certain leased properties which has been accounted for as lease modifications.

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

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

	Unaudited Six months ended 31 October	
	2023 HK\$'000	2022 HK\$'000
Depreciation of right-of-use assets (Note 8)		
– Properties	170,467	160,846
– Office equipment	2	–
– Vehicle	36	–
– Land use rights	48	51
Interest on lease liabilities	11,261	7,828
Expense relating to short-term leases (Note 8)	30,649	44,752
Gain on lease modification	122	–

The total cash outflow for leases for the six months ended 31 October 2023 was HK\$213,042,000 (31 October 2022: HK\$204,876,000).



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

## 13 Leases *(Continued)*

### (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 vehicle. Rental contracts are typically made for fixed periods of 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.

## 14 Trade and other receivables, prepayments and deposits

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
Trade receivables, net	6,283	23,839
Prepayments	27,812	15,991
Deposits and other receivables	142,635	148,616
	176,730	188,446
Less: non-current portion		
Deposits	(51,546)	(63,783)
Prepayments	–	(3,421)
	(51,546)	(67,204)
Current portion	125,184	121,242

The Group conducts sales to customers on a cash-on-delivery basis for retail sales. At 31 October 2023 and 30 April 2023, the ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
Up to 3 months	6,254	23,781
3 to 6 months	13	37
6 to 12 months	16	21
	6,283	23,839
Less: provision for impairment of trade receivables	–	–
	6,283	23,839

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

## 15 Share capital and share premium

	Number of shares (thousands)	Share capital HK\$'000	Share premium HK\$'000	Total HK\$'000
As at 1 May 2022 (audited)	722,969	72,297	515,186	587,483
Issue of shares (Note a)	1,054	105	1,929	2,034
<b>As at 31 October 2022 (unaudited), 1 May 2023 (audited) and 31 October 2023 (unaudited)</b>	<b>724,023</b>	<b>72,402</b>	<b>517,115</b>	<b>589,517</b>

Note:

- (a) During the six months ended 31 October 2022, 1,054,000 shares were issued and allotted upon the exercise of options by the options holders.

## 16 Share award scheme

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

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

During the six months ended 31 October 2023, 784,000 shares were granted to selected participants pursuant to the Share Award Scheme (during the year ended 30 April 2023: 9,237,000).

No shares granted which required the holders to pay HK\$1.68 for each share upon the share awards vested during the six-months ended 31 October 2023 (during the year ended 30 April 2023: 1,535,000 shares granted require the holders to pay HK\$1.68 for each share upon the share awards vested).

As at 31 October 2023, 9,048,000 shares were outstanding (30 April 2023: 9,237,000), which include 7,911,000 shares require the holders to pay HK\$1.68 (30 April 2023: 8,161,000).

During the six months ended 31 October 2023, 689,000 treasury shares were distributed to the participants whose share awards have been vested (during the year ended 30 April 2023: 763,000).

No shares of the Company have been purchased by the trustee of the Share Award Scheme on the Stock Exchange during the six months ended 31 October 2023.

During the year ended 30 April 2023, the trustee of the Share Award Scheme has purchased 600,000 shares of the Company on the Stock Exchange. The total amount paid to acquire the shares was HK\$1,718,000 and has been deducted from shareholders' equity.

Treasury shares held uncancelled are accounted for as a deduction of shareholders' equity. As at 31 October 2023, 4,105,000 treasury shares were held by the Group (30 April 2023: 4,794,000).

For the six months ended 31 October 2023, total expenses recognised in the condensed consolidated interim statement of comprehensive income for share award granted is approximately HK\$2,000,000 (for the six months ended 31 October 2022: HK\$1,949,000).

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

## 16 Share award scheme *(Continued)*

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

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

Note:

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

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

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
<b>Current</b>		
Trade payables	180,330	153,158
Other payables and accruals	42,757	47,857
Deposits received	37	35
Provision for employee benefits	12,581	12,881
	<u>235,705</u>	<u>213,931</u>
<b>Non-current</b>		
Provision for reinstatement cost	4,580	4,495
	<u>240,285</u>	<u>218,426</u>
<b>Contract liabilities</b>		
Receipts in advance and cash coupons	2,836	8,045
Deferred revenue arising from customer loyalty programs	3,440	3,459
	<u>6,276</u>	<u>11,504</u>

The carrying values of trade and other payables approximate their fair values as at 31 October 2023 and 30 April 2023.

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

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
0-30 days	135,791	99,130
31-60 days	33,991	37,919
61-90 days	9,765	9,450
91-120 days	783	6,659
	<u>180,330</u>	<u>153,158</u>

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

## 18 Borrowings

	Unaudited As at 31 October 2023 HK\$'000	Audited As at 30 April 2023 HK\$'000
<b>Non-current</b>		
Mortgage loan, secured	7,804	–
<b>Current</b>		
Trust receipt loans, secured and contain a repayment on demand clause	13,462	13,381
Mortgage loan, secured	901	–
	<b>14,363</b>	<b>13,381</b>
	<b>22,167</b>	<b>13,381</b>

Interest expenses on the above borrowings for the six months ended 31 October 2023 are approximately HK\$434,000 (during the six months ended 31 October 2022: HK\$190,000).

As at 31 October 2023 and 30 April 2023, trust receipt loans are secured by corporate guarantees by the Company and its subsidiaries.

As at 31 October 2023, mortgage loan is secured by properties in Hong Kong held by a subsidiary of the Company and also secured by corporate guarantees by the Company and one of its subsidiaries.

The Group has the following undrawn banking facilities:

	As at 31 October 2023 HK\$'000	30 April 2023 HK\$'000
Floating rates		
– expiring within one year	285,372	276,367

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

## 19 Contingent liabilities

The Group's banks have given guarantees in lieu of deposits of approximately HK\$13,133,000 as at 31 October 2023 (30 April 2023: HK\$21,477,000) to the Group's landlords and utility providers. These guarantees are counter indemnified by corporate guarantees and pledged deposits provided by certain subsidiaries.

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

## 20 Significant related party transactions

Other than those transactions or balances disclosed elsewhere in this condensed consolidated interim financial information, the following transactions were carried out with related parties in the normal course of the Group's business during the six months ended 31 October 2023 and 2022.

Ms. Ngai Lai Ha is a director of the related companies of the Group mentioned in (a)(i) and (b)(i) below during the six months ended 31 October 2023 and 2022

### (a) Sales of goods and services

	Note	Unaudited Six months ended 31 October 2023 HK\$'000	2022 HK\$'000
(i) Management fee income:			
– JHC Investment Limited	(i)	13	10
– Mulan's Garden (HK) Limited	(i)	25	20
– Hong Sing Investment Limited	(i)	13	10
(ii) Sub-leasing rental income:			
– Radha Exports Pte. Ltd.	(ii)	64	–

### (b) Purchase of goods and services

	Note	Unaudited Six months ended 31 October 2023 HK\$'000	2022 HK\$'000
(i) Short-term lease expenses in respect of certain premises to related companies:			
– Mulan's Garden (HK) Limited	(ii)	2,754	2,730
– JHC Investment Limited	(ii)	1,402	1,332
– Hong Sing Investment Limited	(ii)	10,503	9,817
– Charm Rainbow Limited	(ii)	1,008	972
– Beauty Delight Limited	(ii)	768	750
– Hugo Grand Limited	(ii)	3,235	3,226
(ii) Purchase of goods from a related company			
– Radha Exports Pte. Ltd.	(i)	40,536	35,837
(iii) Interest expense to a non-controlling interest of a subsidiary			
– Union Way Trading Limited	(i)	96	96

Notes:

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

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

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

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

For the period from 1 May 2023 to 5 October 2023, the Group's shareholding in JHC (Plastics) Limited, 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, JHC (Plastics) Limited becomes a wholly-owned subsidiary of the Group.

### (d) Key management compensation

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

	Unaudited	
	Six months ended 31 October	
	2023	2022
	HK\$'000	HK\$'000
Short-term employee benefits	6,806	7,388
Post-employment benefits – defined contribution plans	51	60
Other long-term benefits	800	718
	7,657	8,166

# Other Information

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

As at 31 October 2023, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name and Category	Capacity/ Nature of Interest	Number of shares of the Company	Number of underlying shares of the Company – Share Option (Note 3)	Number of underlying shares of the Company – Share Award (Note 5)	Total interest (Note 1)	Approximate percentage of shareholding as at 31 October 2023*
<b>Directors</b>						
Ms. Ngai Lai Ha	Interest in a controlled corporation	324,000,000 (Note 2)	–	–	362,702,000	50.10%
	Personal interest	37,902,000	–	800,000		
Mr. Lau Pak Fai Peter	Interest in a controlled corporation	324,000,000 (Note 4)	–	–	352,373,000	48.67%
	Personal interest	28,373,000	–	–		
Mr. Cheng Sing Yuk	Personal interest	1,551,000	220,000	627,000	2,398,000	0.33%
Mr. Mang Wing Ming Rene	Personal interest	424,000	–	–	424,000	0.06%

\* The percentage was calculated based on 724,023,000 shares in issue as at 31 October 2023.

Notes:

- All the above shares and underlying shares are long position.
- Ms. Ngai Lai Ha is deemed to have interests in 324,000,000 shares beneficially owned by Hiluleka Limited, by virtue of her controlling shareholding (i.e. 50%) in Hiluleka Limited.
- These represent the shares to be issued and allotted by the Company upon exercise of the options granted under the Share Option Scheme (as defined in the section headed "Share Option Scheme" of this report).
- Mr. Lau Pak Fai Peter is deemed to have interests in 324,000,000 shares beneficially owned by Hiluleka Limited, by virtue of his controlling shareholding (i.e. 50%) in Hiluleka Limited.
- These represent the shares granted by the Company under the Share Award Scheme (as defined in the section headed "Share Award Scheme" of this report).

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 October 2023, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information *(Continued)*

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

As at 31 October 2023, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/Nature of Interest	Number of shares of the Company (Note 1)	Approximate percentage of shareholding as at 31 October 2023*
Hiluleka Limited	Beneficial owner	324,000,000 (Note 2)	44.75%
Webb David Michael	Beneficial owner/Interest of corporation controlled by the substantial shareholder	50,603,000	7.00%

\* The percentage was calculated based on 724,023,000 shares in issue as at 31 October 2023.

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 executives' interests and short positions in shares, underlying shares and debentures".

Save as disclosed above, as at 31 October 2023, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.



## Other Information *(Continued)*

### Share Option Scheme

The Company adopted a share option scheme for a period of 10 years commencing on 4 September 2013 (the “Share Option Scheme”). The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined below) and for such other purposes as the Board may approve from time to time. The Participants include Directors, any employees (whether full-time or part-time) of each member of the Group and any chief executives or substantial shareholders of the Company (together the “Participants” and each a “Participant”). In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

The total number of Shares, which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares in issue on the day on which trading of the shares commenced on the Stock Exchange, which is 72,000,000 Shares, unless the Company obtains a fresh approval from its shareholders. The options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating such 10% limit. At the date of this report, the total number of shares available for issue under the Share Option Scheme is 280,000 shares, representing approximately 0.04% of the Company’s issued share capital as at the same date. The Share Option Scheme is valid and effective for a period of 10 years commencing on 4 September 2013, which is expired, no further options can be issued; options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each Participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue, without prior approval from the Company’s shareholders.

Where options are proposed to be granted to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of shares in issue on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000, such grant of options must be subject to the approval of the shareholders at general meeting.

Option granted must be taken up upon payment of HK\$1 per option. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of grant of the share options. The exercise price is determined by the Directors, and shall be at least the highest of (i) the closing price of the Company’s shares on the date of offer of the grant of option, (ii) the average closing price of the shares for the five business days immediately preceding the date of offer of the grant of option; and (iii) the nominal value of the Company’s share.

## Other Information *(Continued)*

### Details of Options Granted by the Company

As at 31 October 2023, options to subscribe for an aggregate of 280,000 shares of the Company granted to Directors and certain employees pursuant to the Share Option Scheme remained outstanding, details of which were as follows:

Name and Category of participants	Date of grant	Exercise prices of share options HK\$ per share	Exercise periods of share options	Number of shares options (Notes 1 & 2)			
				At 1 May 2023	Exercised during the Period	Forfeited during the Period	At 31 October 2023
<b>Director</b>							
Mr. Cheng Sing Yuk	21/01/2016	1.08	31/10/2016 to 20/01/2024 (Notes 3(i),(iii)&(iv))	220,000	-	-	220,000
Sub-total				220,000	-	-	220,000
<b>Employees – In aggregate</b>							
	21/01/2016	1.08	31/10/2016 to 20/01/2024 (Notes 3(ii)&(iv))	60,000	-	-	60,000
Sub-total				60,000	-	-	60,000
<b>Total</b>				<b>280,000</b>	<b>-</b>	<b>-</b>	<b>280,000</b>

Notes:

1. The Share Option Scheme is valid and effective for a period of 10 years commencing on 4 September 2013, which is expired, no further options can be issued; options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.
2. No option granted under the Share Option Scheme during the Period.
3. The options, granted on 21 January 2016, are exercisable from 31 October 2016 to 20 January 2024 (both days inclusive) in the following manner:
  - (i) up to 73,000 options granted under the Share Option Scheme commencing 31 October 2016;

up to 146,000 options granted under the Share Option Scheme commencing 31 October 2017; and up to 220,000 options granted under the Share Option Scheme commencing 31 October 2018.
  - (ii) up to 636,000 options granted under the Share Option Scheme commencing 31 October 2016;

up to 1,272,000 options granted under the Share Option Scheme commencing 31 October 2017; and up to 1,940,000 options granted under the Share Option Scheme commencing 31 October 2018.
  - (iii) Out of the total 2,960,000 share options granted, 1,020,000 share options were granted to the Directors. The grant of the share options to the Directors was approved by all the independent non-executive Directors of the Company, and the Independent non-executive Director has abstained from voting on the resolution in respect of the grant of options to himself.
  - (iv) Closing price of the shares of the Company immediately before the date on which the options were granted was HK\$1.03 per share.

## Other Information *(Continued)*

### Share Award Scheme

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

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

Name and Category of participants	Date of grant	Closing price of the shares of the Company immediately before the date on which the share awards were granted HK\$ per share	Vesting prices of awarded shares HK\$ per share	Vesting period	Number of awarded shares				
					Unvested as at 1 May 2023	Granted during the Period	Forfeited during the Period	Vested during the Period	Unvested as at 31 October 2023
<b>Directors</b>									
Ms. NGAI Lai Ha	20/08/2022	2.97	1.68	16/10/2024 to 31/10/2024	800,000	-	-	-	800,000
Sub-total					800,000	-	-	-	800,000
Mr. CHENG Sing Yuk	06/10/2021	2.66	-	06/10/2022 to 06/10/2023	42,000	-	-	(42,000)	-
	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	85,000	-	-	(43,000)	42,000
	10/10/2023	2.18	-	10/10/2023 to 10/10/2025	-	85,000	-	-	85,000
Sub-total					627,000	85,000	-	(85,000)	627,000
Employees – In aggregate	06/10/2021	2.66	-	06/10/2022 to 06/10/2023	304,000	-	(11,000)	(293,000)	-
	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	645,000	-	(23,000)	(329,000)	293,000
	24/10/2022	2.69	1.68	16/10/2024 to 31/10/2024	235,000	-	-	-	235,000
	10/10/2023	2.18	-	10/10/2023 to 10/10/2025	-	699,000	-	-	699,000
Sub-total					7,810,000	699,000	(34,000)	(622,000)	7,853,000
<b>Total</b>					<b>9,237,000</b>	<b>784,000</b>	<b>(34,000)</b>	<b>(707,000)</b>	<b>9,280,000</b>

## Other Information *(Continued)*

### Notes:

- The number of shares available to be awarded under the Share Award Scheme as at the beginning of the Period, the end of the Period and the date of this report were 11,255,150 shares, 10,437,150 shares and 10,437,150 shares respectively, representing approximately 1.6%, 1.4% and 1.4% of the issued shares of the Company respectively as at the dates thereof. The number of awarded shares granted divided by the weighted average number of issued shares during the Period was approximate 0.3%.
- The weighted average closing price of the shares of the Company immediately before the dates on which the awarded shares were vested was HK\$2.19 per share.
- Details of their fair value at the time of grant and the accounting policy adopted are set out in note 16 to the consolidated financial statement.
- The vesting of the awarded shares shall be conditional upon the achievement of certain performance targets in respect of the financial results of the Group and the performance ratings of the grantees.
- Bank of Communications Trustee Limited has been appointed as the trustee of the Share Award Scheme (“Trustee”). Pursuant to the scheme rules and the trust deed entered into with the Trustee, the Trustee shall purchase from the market or subscribe for the relevant number of awarded shares out of the Company’s resources. The Trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme, had not repurchased any shares of the Company on the Stock Exchange during the Period.

### Compliance with Corporate Governance Code

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 to the Listing Rules. The Directors recognise the importance of good corporate governance in the management of the Group. The Board will review and monitor the corporate governance practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices.

The Board is of the view that the Company has met the code provisions set out in the CG Code, except for the separation of the roles of Chairman and Chief Executive Officer as stipulated in the code provision C.2.1 of the CG Code. Currently, Ms. Ngai Lai Ha is both the Chairman and the Chief Executive Officer of the Company. As Ms. Ngai is one of the founders of the Group, the Board believes that it is in the best interest of the Group to have Ms. Ngai taking up both roles for continuous effective management of the Board and the business development of the Group.

### Review of Financial Statements

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

### Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Having made a specific enquiry with all of the Directors, the Directors confirmed that they had been in compliance with the required standard set out in the Model Code throughout the Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities during the Period.

## Other Information *(Continued)*

### **Interim Dividend**

The Board has resolved to declare an interim dividend of 5.6 HK cents (2022/23: an interim dividend of 12.0 HK cents) per share, representing a total payout of approximately HK\$40,315,000 (2022/23: approximately HK\$86,380,000). Shareholders whose names appear on the register of members of the Company on Friday, 12 January 2024 will be entitled to the interim dividend which will be paid on or around Friday, 2 February 2024.

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

The register of members of the Company will be closed from Tuesday, 9 January 2024 to Friday, 12 January 2024, (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for an interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 8 January 2024.

### **Appreciation**

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

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

Hong Kong, 21 December 2023