CEC-COILS®

CEC INTERNATIONAL HOLDINGS LIMITED

CEC 國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 759)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2025

The Board of Directors (the "Board") of CEC International Holdings Limited (the "Company") would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 October 2025 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 31 October	
		2025	2024
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*2*	**710,391**	702,392
Cost of sales		**(429,648)**	(426,783)
Gross profit		**280,743**	275,609
Other income		**605**	–
Selling and distribution expenses		**(232,412)**	(237,248)
General and administrative expenses		**(62,037)**	(63,745)
Operating loss	*3*	**(13,101)**	(25,384)
Finance income		**887**	1,011
Finance costs		**(6,390)**	(7,609)
Finance costs, net	*4*	**(5,503)**	(6,598)
Loss before income tax		**(18,604)**	(31,982)
Income tax (expense)/credit	*5*	**(564)**	3,334
Loss attributable to equity holders of the Company for the period		**(19,168)**	(28,648)
Loss per share, basic and diluted, attributable to equity holders of the Company	*6*	**(HK2.88 cents)**	(HK4.30 cents)

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Notes:

1. **Basis of preparation and accounting policies**

These unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 30 April 2025, which have been prepared in accordance with HKFRS Accounting Standards.

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

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

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

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

I) Amendments to existing standards adopted the Group

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

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability

The adoption of above amendments did not have any significant impact on the preparation of these condensed consolidated interim financial information.

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

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

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

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

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

(3) Effective date to be determined.

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

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

2. Segment information

The Executive Directors of the Group ("Management") review the Group's internal reports periodically in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

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

	Retail business		Electronic components manufacturing		Investment property holdings		Eliminations		Total	
	Six months ended 31 October		Six months ended 31 October		Six months ended 31 October		Six months ended 31 October		Six months ended 31 October	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
External sales	**688,076**	675,013	**21,892**	26,956	**423**	423	**–**	–	**710,391**	702,392
Intersegment sales	**–**	–	**–**	–	**792**	792	**(792)**	(792)	**–**	–
	688,076	675,013	**21,892**	26,956	**1,215**	1,215	**(792)**	(792)	**710,391**	702,392
Segment results										
Operating profit/(loss)	**4,302**	(10,719)	**(9,406)**	(6,234)	**(318)**	(294)			**(5,422)**	(17,247)
Corporate expenses									**(7,679)**	(8,137)
Finance costs, net									**(5,503)**	(6,598)
Loss before income tax									**(18,604)**	(31,982)
Income tax (expense)/credit									**(564)**	3,334
Loss for the period									**(19,168)**	(28,648)
Depreciation and amortisation	**90,291**	97,762	**939**	1,035	**–**	–			**91,230**	98,797
Total distribution costs and administrative expenses	**274,997**	283,144	**11,032**	9,036	**741**	676			**286,770**	292,856

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

Geographical information

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

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

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

3. Operating loss

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

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

4. Finance costs, net

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

5. Income tax expense/(credit)

Income tax expense is recognised based on the Management's estimate of the annual income tax rate expected for the full financial year. The Company is incorporated in Bermuda and is exempted from taxation in Bermuda until 2035. For the six months ended 31 October 2025 and 2024, no provision for Hong Kong profits tax was made as the Group had an adjusted loss in Hong Kong. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax rate at the rate of 25% (2024: 25%) on their taxable income determined according to Mainland China tax laws. Certain subsidiaries of the Group are subject to "small and thin-profit enterprises" under Mainland China tax laws, whereby annual taxable income up to RMB3 million is subject to an effective tax rate of 5%. Other overseas income tax has been calculated on the estimated assessable profits for the period at the rates prevailing in the respective jurisdictions.

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

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

6. Loss per share

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

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

7. Dividend

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

8. Accounts receivable

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

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

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

9. Accounts payable

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

BUSINESS REVIEW

Retail Business

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

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

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

During the review period, the Group implemented stringent measures to control operating costs and comprehensively reduced all non-essential expenditure in response to the challenging market environment. The management assessed that shop rental levels would continue to decline in line with the downturn in Hong Kong's retail market. However, the rentals for some of the Group's outlets were bound by existing lease agreements during the period under review, and could not be immediately adjusted in line with the broader rental market. The management had to wait for the expiry of certain outlet leases to negotiate rental adjustments with landlords based on the prevailing market conditions. For stores with leases expiring during the review period, the majority received support from landlords, allowing new leases to be concluded at more favorable rental levels. During the review period, selling and distribution expenses and segment administrative expenses for the retail business both decreased, amounting to

HK$232,139,000 (2024: HK$236,928,000) and HK$42,858,000 (2024: HK$46,216,000) respectively. This represents a year-on-year reduction of 2.0% and 7.3% respectively, demonstrating that the cost-saving measures instituted by the management are beginning to yield results. These measures facilitated a turnaround in the retail business's segment results from loss to profit during the review period, recording a segment profit of approximately HK$4,302,000 (2024: segment loss of HK$10,719,000).

Electronic Component Manufacturing Business

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

Investment Properties

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

FINANCIAL REVIEW

Fund Surplus and Liabilities

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

(* The ratio of total borrowings over total equity)

Assets

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

Interest Expenses

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

Financial Resources and Capital Structure

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

Cash Flow Summary

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

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

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

Charges on Assets

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

Exchange Risks

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

Employees

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

Social Responsibilities

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

FUTURE PLAN AND OUTLOOK

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

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

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

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

CORPORATE GOVERNANCE CODE

The Company has complied with the applicable provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 31 October 2025, except for the following deviations:

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

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

AUDIT COMMITTEE

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions for the six months ended 31 October 2025. Following specific enquiry by the Company, all of the directors of the Company confirmed compliance with the required standard set out in the Model Code throughout the six months ended 31 October 2025. The Model Code also applies to the relevant employees of the Group.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 31 October 2025 will be despatched to the shareholders of the Company on or before 31 January 2026 according to their election for receiving corporate communication of the Company and will be published on the website of Hong Kong Exchanges and Clearing Limited and of the Company.

By Order of the Board
Tang Fung Kwan
Chairman

Hong Kong, 19 December 2025

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

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