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STELUX Holdings International Limited

寶光實業(國際)有限公司*

Incorporated in Bermuda with limited liability

website: <http://www.stelux.com>

Stock Code: 84

PROFIT WARNING

This Announcement is made by Stelux Holdings International Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap 571 Laws of Hong Kong) (the “SFO”).

The Group wishes to inform shareholders and potential investors of the Company that based on information currently available to the Board of directors of the Company (the “Board”), the Group is expected to record an increase in a net loss attributable to equity holders of the Company for the year ended 31 March 2020 compared to the year ended 31 March 2019, due to a decline of retail sales in our operating regions since the outbreak of the novel coronavirus disease (“COVID-19”) in January 2020, and the social events in Hong Kong since June 2019. A consolidated net loss of HK\$34.6 million was recorded for the year ended 31 March 2019 which included the gain recognized upon the completion of disposal of shares of the Group’s entire optical retail and wholesale business (the “Discontinued Operations”) to a connected party on 1 June 2018 (the “Disposal Gain”). Excluding the Disposal Gain and loss from the Discontinued Operations, the Group consolidated net loss for the year ended 31 March 2019 was HK\$144.4 million. The Group consolidated net loss for the year ended 31 March 2020 (before the potential non-cash impairment of intangible assets, provision of inventories (mainly watch movements) and impairment losses on right-of-use assets and property, plant and equipment) is expected to increase by not less than 30% compared to the Group consolidated net loss of HK\$144.4 million for the year ended 31 March 2019. The Group is in the progress of assessing the potential non-cash impairment of intangible assets, provision of inventories (mainly watch movements) and impairment losses on right-of-use assets and property, plant and equipment, which is estimated to be between HK\$160 million and HK\$220 million.

The Group continues to implement various measures to reduce shop operating costs, office administrative expenses, capital expenditures; and tightened procurement together with faster stock clearance to reduce inventory and strengthen liquidity.

The information contained in this Announcement has not been reviewed or audited by the Company’s auditors and is only based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2020. The Group is still in the course of finalising its accounts which are subject to further review and assessment by the Board and the Company’s auditors. Therefore, the Group’s results for the year ended 31 March 2020 may be

different from the information set out in this Announcement. The Group is expected to publish its final results for the year ended 31 March 2020 by the end of June 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing with shares of the Company.

On behalf of the Board
Joseph C. C. Wong
Chairman and Chief Executive Officer

Hong Kong, 12 May 2020

Directors of the Company as at the date hereof:

Executive directors:

Chumphol Kanjanapas (also known as Joseph C. C. Wong) (*Chairman and Chief Executive Officer*) and Wallace Kwan Chi Kin (*Chief Financial Officer*)

Non-Executive directors:

Wu Chun Sang (*independent*), Lawrence Wu Chi Man (*independent*) and Agnes Kwong Yi Hang (*independent*)

** For identification purpose only*