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STELUX Holdings International Limited

寶光實業(國際)有限公司*

website: <http://www.stelux.com>
Incorporated in Bermuda with limited liability
Stock Code: 84

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE – MODIFICATION OF WHOLESALE DISTRIBUTORSHIP ARRANGEMENTS

The board of directors (the “**Board**”) of Stelux Holdings International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to provide a business update of the Group as described below to the shareholders and potential investors of the Company.

Since around 2005, the Group has been distributing, as sole wholesale distributor, “GRAND SEIKO” and “CREDOR” watches (the “**Products**”) in five markets, namely, Hong Kong, Macau, Singapore, Brunei and Malaysia (collectively, the “**Existing Markets**”), pursuant to agreed distribution arrangements between the Group and Seiko Watch Corporation (the “**Brand Owner**”).

The Brand Owner has recently discussed with the Group that it intends to modify the current distributorship model of the Products for the Singapore, Brunei and Malaysia markets, by directly carrying out the distributions in these three markets through its own subsidiary. If this intention materialises, the Group will no longer act as the wholesale distributor of the Products in Singapore, Brunei and Malaysia. However, the Group will continue to be the sole wholesale distributor of the Products in Hong Kong and Macau, and will continue to be a retailer of the Products in Hong Kong, Macau, Singapore and Malaysia. Based on the discussions with the Brand Owner, the Board notices that this modification will take place on 1 October 2022.

The Board is of the view that this modification of distributorship arrangements of the Products in Singapore, Brunei and Malaysia will not lead to a material adverse impact on the business operations and financial condition of the Group. The revenue of the wholesale distribution of the Products generated from Singapore, Brunei and Malaysia in aggregate represented about 1.5%, 2.4% and 4.5% of the Group’s total turnover for each of the financial years ended 31 March 2020, 2021 and 2022, respectively.

The Group will continue to:

- (a) distribute as sole wholesale distributor for “GRAND SEIKO” and “CREDOR” watches in Hong Kong and Macau, and “SEIKO” watches in the Existing Markets;
- (b) act as retailer for “GRAND SEIKO”, “SEIKO” and “CREDOR” watches in Hong Kong, Macau, Singapore and Malaysia.

The Group will also continue to develop and strengthen its self-owned watch brands and other third party watch brands at the retail level. After excluding the wholesale distribution sales of the Products to third parties in Singapore, Brunei and Malaysia for the quarter from 1 April to 30 June in both years of 2022 and 2021, the Group recorded a turnover growth of 26% year-on-year.

The information contained in this announcement is based on the latest information available to the Board. The Board will update the shareholders and potential investors of the Company as and when appropriate.

Meanwhile, the shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 1 August 2022

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 Director:

Suriyan Kanjanapas (also known as Suriyan Joshua Kanjanapas)

Independent Non-Executive Directors:

Agnes Kwong Yi Hang, Jeff Ho Chi Kin and Ricky Lai Kai Ming

** For identification purpose only*