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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

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The Board of directors (the “**Board**”) of Stelux Holdings International Limited (the “**Company**”) announce the results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2026 as follows:

### CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	<i>Note</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	3	620,800	615,215
Cost of sales		<u>(351,572)</u>	<u>(334,359)</u>
<b>Gross profit</b>		<b>269,228</b>	<b>280,856</b>
Other gains/(losses)	4	6,462	(27,650)
Other income		33,993	35,777
Selling expenses		(188,591)	(212,732)
General and administrative expenses		(143,826)	(164,749)
Other operating (expenses)/income		(6,223)	8,015
Finance costs		<u>(14,630)</u>	<u>(22,666)</u>
<b>Loss before tax</b>		<b>(43,587)</b>	<b>(103,149)</b>
Income tax expense	5	<u>(3,354)</u>	<u>(3,639)</u>
<b>Loss for the year</b>		<b><u>(46,941)</u></b>	<b><u>(106,788)</u></b>

\* For identification purpose only

**CONSOLIDATED INCOME STATEMENT AND  
STATEMENT OF OTHER COMPREHENSIVE INCOME (Continued)  
FOR THE YEAR ENDED 31 MARCH 2026**

	<i>Note</i>	<b>2026</b> <b>HK\$'000</b>	2025 HK\$'000
<b>Loss for the year attributable to:</b>			
Equity holders of the Company		(47,224)	(106,999)
Non-controlling interests		<u>283</u>	<u>211</u>
		<b><u>(46,941)</u></b>	<b><u>(106,788)</u></b>
<b>Loss per share</b>			
Basic and diluted ( <i>HK cents</i> )	6	<b><u>(4.55)</u></b>	<b><u>(10.28)</u></b>
<b>Other comprehensive income:</b>			
<i>Item that reclassified and may be reclassified subsequently to profit or loss:</i>			
Exchange differences of translation of foreign operations		39,913	11,802
<i>Items that will not be reclassified to profit or loss:</i>			
Change in fair value of equity investment at fair value through other comprehensive income		588	(310)
Gain on revaluation of property, plant and equipment, net of tax		–	102,993
Re-measurement on retirement benefit obligations		<u>1,032</u>	<u>288</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>41,533</u></b>	<b><u>114,773</u></b>
<b>Total comprehensive(loss)/income for the year</b>		<b><u>(5,408)</u></b>	<b><u>7,985</u></b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Equity holders of the Company		(5,514)	7,488
Non-controlling interests		<u>106</u>	<u>497</u>
		<b><u>(5,408)</u></b>	<b><u>7,985</u></b>

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2026**

	<i>Note</i>	<b>2026</b> <b>HK\$'000</b>	2025 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		147,211	162,621
Investment properties		388,000	393,100
Right-of-use assets		52,199	69,211
Intangible assets		22,907	47,542
Equity investment at fair value through other comprehensive income		5,988	5,400
Consideration receivable		241,419	261,887
Trade receivables and deposits	8	28,936	34,904
Deferred tax assets		5,935	5,605
<b>Total non-current assets</b>		<b>892,595</b>	<b>980,270</b>
<b>Current assets</b>			
Inventories		177,466	207,654
Consideration receivable		48,284	43,647
Trade and other receivables	8	105,732	111,217
Cash and cash equivalents		138,589	83,339
<b>Total current assets</b>		<b>470,071</b>	<b>445,857</b>
<b>Total assets</b>		<b>1,362,666</b>	<b>1,426,127</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital		104,475	104,475
Treasury shares		(698)	(698)
Reserves		803,938	809,452
<b>Shareholders' funds</b>		<b>907,715</b>	<b>913,229</b>
<b>Non-controlling interests</b>		<b>6,308</b>	<b>6,202</b>
<b>Total equity</b>		<b>914,023</b>	<b>919,431</b>

**CONSOLIDATED BALANCE SHEET (Continued)**  
**AS AT 31 MARCH 2026**

	<i>Note</i>	<b>2026</b> <b><i>HK\$'000</i></b>	2025 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>38,196</b>	40,195
Lease liabilities		<b>22,769</b>	34,330
Retirement benefit obligations		<b>1,124</b>	1,862
<b>Total non-current liabilities</b>		<b>62,089</b>	76,387
<b>Current liabilities</b>			
Trade and other payables	<i>9</i>	<b>106,842</b>	117,229
Income tax payable		<b>23,772</b>	20,790
Bank borrowings		<b>216,416</b>	241,890
Lease liabilities		<b>39,524</b>	50,400
<b>Total current liabilities</b>		<b>386,554</b>	430,309
<b>Total liabilities</b>		<b>448,643</b>	506,696
<b>Total equity and liabilities</b>		<b>1,362,666</b>	1,426,127

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the disclosure requirements of the Companies Ordinance.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 (a) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

## 2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

### (a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations issued by the HKICPA that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

### (b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 March 2026 and which have not been early adopted by the Group for the annual reporting period ended 31 March 2026. The Group’s assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7- Classification and Measurement of Financial Instruments	1 April 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
Amendment to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 April 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 April 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for the following.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (Continued)

#### (b) Revised HKFRS Accounting Standards in issue but not yet effective (Continued)

##### *HKFRS 18 “Presentation and Disclosure in Financial Statements”*

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the consolidated income statement, which will affect how the Group presents and discloses financial performance in the consolidated financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the income statement, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the consolidated financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group’s consolidated income statement, the consolidated statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs (e.g., adjusted operating profits and adjusted EBITDA) in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors of the Company. The executive directors review the Group's financial information mainly from business nature and geographical perspectives. From a perspective on business nature, the Group has two reportable segments, namely watch retail and watch wholesale trading segments. From a geographical perspective, management mainly assesses the performance of watch retail operations in (i) Hong Kong and Macau and (ii) the rest of Asia.

In the prior year, the Group discontinued its watch retail operation in Mainland China. Following the cessation, the geographical segment previously presented as "Hong Kong, Macau and Mainland China" comprises only the Group's watch retail operations in Hong Kong and Macau, and has been renamed "Hong Kong and Macau" with effect from the current reporting period to reflect the composition of the segment as currently reviewed by the chief operating decision-makers.

The Mainland China watch retail operation was immaterial to the Group, representing less than 5% of the Group's revenue, segment results (in absolute amounts) and segment assets, respectively, as at and for the year ended 31 March 2025. As the effect of restating the comparative segment information would not be material to the consolidated financial statements, the comparative segment information has not been restated. The revenue, results, assets and liabilities of the Mainland China watch retail operation are included in the comparative segment information, which is accordingly labelled as "Hong Kong, Macau and Mainland China" to reflect the composition of that segment in the prior year.

Revenue represents sales of goods from watch retail segment and watch wholesale trading segment. Sales between operating segments are carried out on terms equivalent to those prevailing in arm's length transactions. The executive directors assess the performance of the operating segments based on a measure of adjusted earnings before interest and tax ("**EBIT**"). This measurement basis excludes unallocated income and net corporate expenses.

Unallocated income represents dividend income from unlisted equity investment. Net corporate expenses mainly represent corporate staff costs and provision for senior management bonus. Unallocated assets represent property, plant and equipment, an investment property and right-of-use assets at corporate level, unlisted equity investment, deferred tax assets and cash and cash equivalents. Unallocated liabilities represent lease liabilities, other payables and accruals at corporate level, bank borrowings, deferred tax liabilities and income tax payable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2026

	Watch retail		Watch wholesale trading HK\$'000	Total HK\$'000
	Hong Kong and Macau HK\$'000	Rest of Asia HK\$'000		
<b>Revenues from contracts with customers within the scope of HKFRS 15</b>				
– Gross segment	194,612	211,329	352,222	758,163
– Inter-segment	–	–	(137,363)	(137,363)
<b>Sales to external customers</b>	<b>194,612</b>	<b>211,329</b>	<b>214,859</b>	<b>620,800</b>
<b>Timing of revenue recognition</b>				
– At a point in time	194,612	211,329	214,859	620,800
<b>Segment results</b>	<b>(17,982)</b>	<b>(11,505)</b>	<b>10,790</b>	<b>(18,697)</b>
Unallocated income				3,524
Net corporate expenses				(13,784)
Finance costs				(14,630)
<b>Loss before tax</b>				<b>(43,587)</b>
Income tax expense				(3,354)
<b>Loss for the year</b>				<b>(46,941)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2026 (Continued)

	Watch retail		Watch wholesale trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
	Hong Kong and Macau HK\$'000	Rest of Asia HK\$'000			
Additional of non-current assets:					
– property, plant and equipment	(1,067)	(1,011)	(1,017)	(73)	(3,168)
– right-of-use assets	(8,432)	(18,099)	(11,104)	–	(37,635)
Depreciation of:					
– property, plant and equipment	(3,028)	(5,640)	(1,199)	(9,925)	(19,792)
– right-of-use assets	(18,283)	(22,318)	(4,388)	–	(44,989)
Impairment of:					
– property, plant and equipment	(96)	(865)	–	(336)	(1,297)
– right-of-use assets	(3,083)	(4,348)	–	–	(7,431)
– intangible assets	–	–	(26,875)	–	(26,875)
Reversal of impairment of:					
– trade receivables	–	–	158	–	158
– consideration receivable	–	–	–	665	665
Fair value change of investment properties	(9,500)	–	–	4,400	(5,100)
Reversal of provision/(provision) for inventories	4,582	(164)	29,576	–	33,994
Other material items of income and expense:					
– cost of inventories sold	(133,330)	(193,400)	(24,842)	–	(351,572)
– staff costs	(50,540)	(42,355)	(38,464)	(24,326)	(155,685)
Segment assets	<u>422,568</u>	<u>113,683</u>	<u>165,742</u>	<u>660,673</u>	<u>1,362,666</u>
Segment liabilities	<u>(46,198)</u>	<u>(49,802)</u>	<u>(56,289)</u>	<u>(296,354)</u>	<u>(448,643)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2025

	Watch retail			
	Hong Kong, Macau and Mainland China <i>HK\$'000</i>	Rest of Asia <i>HK\$'000</i>	Watch wholesale trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenues from contracts with customers within the scope of HKFRS 15</b>				
– Gross segment	225,887	187,119	342,979	755,985
– Inter-segment	–	–	(140,770)	(140,770)
	<u>225,887</u>	<u>187,119</u>	<u>202,209</u>	<u>615,215</u>
<b>Sales to external customers</b>	<u>225,887</u>	<u>187,119</u>	<u>202,209</u>	<u>615,215</u>
<b>Timing of revenue recognition</b>				
– At a point in time	<u>225,887</u>	<u>187,119</u>	<u>202,209</u>	<u>615,215</u>
<b>Segment results</b>	<u>(57,484)</u>	<u>(8,219)</u>	<u>22,263</u>	<u>(43,440)</u>
Unallocated income				1,593
Net corporate expenses				(38,636)
Finance costs				(22,666)
<b>Loss before tax</b>				(103,149)
Income tax expense				(3,639)
<b>Loss for the year</b>				<u>(106,788)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2025 (Continued)

	Watch retail			Unallocated HK\$'000	Total HK\$'000
	Hong Kong, Macau and Mainland China HK\$'000	Rest of Asia HK\$'000	Watch wholesale trading HK\$'000		
Additional of non-current assets:					
– property, plant and equipment	(3,003)	(4,467)	(702)	(29)	(8,201)
– right-of-use assets	(22,768)	(22,432)	(257)	–	(45,457)
Depreciation of:					
– property, plant and equipment	(4,492)	(6,038)	(1,189)	(9,956)	(21,675)
– right-of-use assets	(27,338)	(21,823)	(4,713)	–	(53,874)
Impairment of:					
– property, plant and equipment	(1,737)	(859)	–	–	(2,596)
– right-of-use assets	(7,639)	(1,191)	–	–	(8,830)
Reversal of impairment of:					
– trade receivables	20	–	787	–	807
– consideration receivable	–	–	–	650	650
Fair value change of investment properties	(18,700)	–	–	(6,000)	(24,700)
Reversal of provision/(provision) for inventories	9,210	(802)	17,235	–	25,643
Other material items of income and expense:					
– cost of inventories sold	(115,264)	(100,903)	(118,192)	–	(334,359)
– staff costs	(73,792)	(43,350)	(37,977)	(26,738)	(181,857)
Segment assets	<u>450,766</u>	<u>138,024</u>	<u>213,660</u>	<u>623,677</u>	<u>1,426,127</u>
Segment liabilities	<u>(76,033)</u>	<u>(55,477)</u>	<u>(55,590)</u>	<u>(319,596)</u>	<u>(506,696)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### Geographical information

An analysis of the Group's revenue and segment results by geographical area are as follows:

	Revenue		Segment results	
	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Hong Kong, Macau and Mainland China	274,149	309,403	(38,418)	(46,199)
Rest of Asia	343,682	303,857	12,454	7,333
Europe	2,969	1,955	7,267	(4,574)
	<u>620,800</u>	<u>615,215</u>	<u>(18,697)</u>	<u>(43,440)</u>

An analysis of the Group's non-current assets (other than equity investment at fair value through other comprehensive income, deferred tax assets, consideration receivable, trade receivables and refundable deposits) by geographical area is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Hong Kong, Macau and Mainland China	525,007	557,589
Rest of Asia	72,773	77,247
Europe	12,537	37,638
	<u>610,317</u>	<u>672,474</u>

The revenue information above is based on the locations of the customers.

There were no revenue transactions with a single external customer which amounted to 10% or more of the Group's revenue during the year (2025: Nil).

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Sales of watches	<u>1,814</u>	<u>892</u>

#### Performance obligations

The performance obligation is satisfied upon delivery of the goods and payment is mainly on cash and credit card settlement, except for wholesale customers, where payment is due within credit period from delivery. As at 31 March 2026, the remaining performance obligations (unsatisfied or partially unsatisfied) are part of contracts that have an original expected duration of one year or less, the transaction price allocated to which is not presented according to practical expedient in HKFRS 15.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 4. OTHER GAINS/(LOSSES)

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Exchange gains/(losses)	11,723	(164)
Fair value changes of investment properties	(5,100)	(24,700)
Loss on disposal of property, plan and equipment	(170)	(3,392)
Gain on termination of leases	9	606
	<u>6,462</u>	<u>(27,650)</u>

### 5. INCOME TAX EXPENSE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax		
– Hong Kong profits tax	1,063	818
– Overseas profits tax	4,408	2,674
– Over provision in prior years	(54)	(715)
	<u>5,417</u>	<u>2,777</u>
Deferred tax	(2,063)	862
	<u>3,354</u>	<u>3,639</u>

The provision for Hong Kong Profits Tax for 2026 is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. LOSS PER SHARE

#### Basic

Basic loss per share is calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2026	2025
Loss attributable to equity holders of the Company ( <i>HK\$'000</i> )	<u>(47,224)</u>	<u>(106,999)</u>
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<u>1,036,919</u>	<u>1,040,990</u>
Basic loss per share attributable to the equity holders of the Company ( <i>HK cents</i> )	<u>(4.55)</u>	<u>(10.28)</u>

#### Diluted

Diluted loss per share for the years ended 31 March 2026 and 31 March 2025 are the same as the basic loss per share amounts as there were no potentially dilutive ordinary shares in issues during two years.

### 7. DIVIDEND

The directors did not recommend the payment of any dividends for the year ended 31 March 2026 (2025: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 8. TRADE AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables, gross	85,255	87,548
Less: impairment loss	<u>(294)</u>	<u>(424)</u>
	84,961	87,124
Other receivables	8,141	13,272
Deposits	35,296	39,520
Prepayments	<u>6,270</u>	<u>6,205</u>
	134,668	146,121
Less: non-current portion	<u>(28,936)</u>	<u>(34,904)</u>
Current portion	<u><u>105,732</u></u>	<u><u>111,217</u></u>

The ageing analysis of the trade receivables based on invoice date is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0-60 days	20,479	25,569
Over 60 days	<u>64,776</u>	<u>61,979</u>
	<u><u>85,255</u></u>	<u><u>87,548</u></u>

*Note:*

The Group engages designated import and export agents for the importation of products from the subsidiaries in Hong Kong to the subsidiaries in the Mainland China. The balances due from and due to the import and export agents are settled on a back-to-back basis, and such balances are repayable on demand. The Group's trade receivables and trade payables include balances due from and due to the import and export agents of HK\$38.615 million as at 31 March 2026 (2025: HK\$37.000 million).

Other than the balances due from the import and export agents, the Group allows an average credit period of 60 days (2025: 60 days) from the invoice date to its trade receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. TRADE AND OTHER PAYABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables	52,249	56,728
Contract liabilities	2,250	1,814
Other payables	15,539	15,217
Accruals	36,804	43,470
	<u>106,842</u>	<u>117,229</u>

Trade payables are unsecured and usually paid within 30 days of recognition.

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0-60 days	13,375	16,984
Over 60 days	38,874	39,744
	<u>52,249</u>	<u>56,728</u>

### 10. CONTINGENT LIABILITIES

As at 31 March 2026, a subsidiary of the Company had contingent liabilities in respect of bank guarantees given to landlords in lieu of rental deposits for certain retail shops and suppliers amounting to approximately HK\$8.103 million (2025: HK\$7.715 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

- Group Turnover of HK\$620.8 million
- Loss Attributable to Equity Holders of the Company of HK\$47.2 million
- Net asset value at HK\$914.0 million (31 March 2025: HK\$919.4 million)
- Group gearing ratio at 8.6% (31 March 2025: 17.4%)

The Group recorded a turnover of HK\$620.8 million from combined retail and wholesale operations during the year ended 31 March 2026 (“FY26”), a slight increase by 0.9% compared to HK\$615.2 million in the year ended 31 March 2025 (“FY25”). Retail operations contributed HK\$405.9 million to Group turnover in FY26, representing a 1.7% decline compared to HK\$413.0 million in FY25. Notably, same-store sales recorded a positive growth of 6% in FY26, reflecting improved store-level performance despite the overall sales contraction.

The Group reported a loss attributable to equity holders of HK\$47.2 million in FY26 (loss of HK\$107.0 million in FY25) after taking into account of the following special items:

- A revaluation difference of properties (non-cash) of HK\$5.1 million expense (FY25: HK\$24.7 million expense) due to revaluation of properties;
- The impairment loss of intangible assets (non-cash) of HK\$26.9 million was recorded due to reducing recoverable amount while there was no impairment loss of intangible assets recorded in FY25;

If the above special items were excluded, the Group would have reported a loss of HK\$15.2 million in FY26 (FY25: HK\$82.3 million).

The reduction in adjusted loss was mainly driven by enhanced product portfolio driving shop productivity, tightened cost control and improving operational efficiency through shop consolidation.

In FY26, the Group continued to implement inventory measures. The Group inventory balance at 31 March 2026 was HK\$177.5 million, a decrease of 14.5% compared with the balance at 31 March 2025 of HK\$207.7 million. Continuous inventory control and prudent stock procurement are in place to strengthen balance sheet management.

## FINAL DIVIDEND

The Board does not recommend the payment of a final dividend in FY26 (FY25: Nil per ordinary share).

## **CITY CHAIN GROUP**

- City Chain Group turnover of HK\$405.9 million
- City Chain Group loss before interest and tax (“LBIT”) was HK\$29.5 million (FY25: HK\$65.7 million)

The City Chain Group currently operates around 71 stores in Hong Kong, Macau, Singapore, Thailand and Malaysia together with online stores under our own brands “CITY CHAIN”, “PRIMO CITY CHAIN” and “SOLVIL et TITUS”.

The City Chain Group recorded a turnover of HK\$405.9 million in FY26 (FY25: HK\$413.0 million), decreased by 1.7% year-on-year while the number of stores reduced by approximately 11.3%. Remarkably, our retail operations in Southeast Asia recorded same store sales growth of 15% year-on-year.

### **Hong Kong and Macau**

Turnover for City Chain operations in Hong Kong and Macau was HK\$194.6 million (FY25: HK\$209.3 million), decreased by 7.0% year-on-year while the number of shops reduced by 9.4%.

In FY26, LBIT of HK\$16.3 million (FY25: HK\$39.6 million) was recorded after taking into account of an impairment loss of HK\$9.5 million in FY26 (HK\$18.7 million in FY25) due to valuation of investment properties at year end.

If the impairment loss of investment properties were excluded in both years, the LBIT of FY26 would be HK\$6.8 million (FY25: HK\$20.9 million). The narrowing of the loss compared with last year was primarily attributable to reduced operating costs from shop consolidation, aimed at enhancing performance effectiveness, together with stronger contributions from our online business. In FY26, our Hong Kong online business continued to deliver a profitable result contributed by the successful launch of our various IP products that received strong market response. Looking ahead, we will continue to invest in our online platforms, where the synergy between online and offline business is expected to further enhance the customer experience by delivering a seamless and enriched shopping journey.

In FY25, the retail sales of the City Chain Group’s operations in Greater China (including Hong Kong, Macau and Mainland China) was HK\$225.9 million and LBIT of HK\$57.5 million. As a strategic move to streamline the Group’s business operations, the retail stores and online platforms in Mainland China ceased operations in 2025.

## **Southeast Asia**

Turnover for City Chain operations in Southeast Asia was HK\$211.3 million (FY25: HK\$187.1 million), increased by 12.9% year-on-year and LBIT was HK\$11.5 million (FY25: HK\$8.2 million). Operating costs have been impacted by the widened Sales and Service Tax framework introduced by the Malaysian government in July 2025. A one-off expense of HK\$0.8 million was recorded for the early termination of non-performing stores in Thailand, reflecting our proactive measures to optimize the retail portfolio. The Group will continuously evaluate business performance in the Southeast Asian market to optimize store locations.

Through ongoing investments in our e-commerce platforms, including the launch of consumer-focused products and corresponding marketing campaigns, our Southeast Asia e-commerce business achieved sales growth of 18% year-on-year in FY26, reinforcing momentum for future expansion.

## **SUPPLY CHAIN MANAGEMENT AND WHOLESALE TRADING**

Turnover for this division comprising our supply chain and wholesale trading subsidiaries increased by 6.3% to HK\$214.9 million (FY25: HK\$202.2 million) and an earnings before interest and tax (“**EBIT**”) of HK\$10.8 million was recorded (FY25: HK\$22.3 million).

An impairment loss of intangible assets (non-cash) of HK\$26.9 million (FY25: nil) was recorded in FY26 due to reducing recoverable amount. Excluding this special item, EBIT of FY26 would be HK\$37.7 million (FY25: HK\$22.3 million).

Our wholesale trading unit will continue to launch various marketing campaigns with quality service support to increase sell-through rate to retailers.

## **GROUP OUTLOOK**

In navigating the road ahead, we recognize that the business environment remains challenging, with the retail market undergoing transformations such as shifting buying behaviors among both local customers and tourists. Amid this rapidly changing landscape and evolving consumer spending patterns, we remain committed to staying ahead of market trends by enriching our product portfolio and optimizing our marketing strategies. Our focus continues to be on adaptability, innovation, and delivering value to our customers in this dynamic environment.

Our watch portfolio encompasses a renowned portfolio of Swiss brands including Solvil et Titus, CYMA, Pronto, and Delvina, alongside the Italian brand Ellesse. Over the years, these brands have earned trust and recognition across generations of consumers, particularly in Hong Kong, Macau and Southeast Asia, where we have established a strong presence and cultivated a loyal customer base.

At the same time, we will continue to invest in our online business to expand digital reach and enhance customer experience. These initiatives are designed not only to strengthen brand visibility but also to create meaningful synergy between our offline and online channels, ensuring a seamless and engaging journey for our customers.

## FINANCE

The Group's capital management, currency and interest rate movement are constantly monitored and reviewed by the management of the Group to address and manage relevant financial risks relating to the Group's operations. The Group maintains prudent treasury management policies to address liquidity to finance both short-term and long-term working capital needs for business operations. Funds are generated from business operating activities and banking facilities in the form of term loans and short-term trading facilities. Forecast and actual cash flow analyses are continuously monitored. Maturity of assets and liabilities and requirement of financial resources for business operations are prudently managed.

Group gearing ratio was 8.6% (31 March 2025: 17.4%) with shareholders' funds standing at HK\$907.7 million (31 March 2025: HK\$913.2 million) and net debts of HK\$77.8 million (31 March 2025: HK\$158.6 million). The net debts are based on the bank borrowings of HK\$216.4 million (31 March 2025: HK\$241.9 million) and less bank balance and cash of HK\$138.6 million (31 March 2025: HK\$83.3 million). The bank borrowings comprised of HK\$67.4 million repayable within one year and HK\$149.0 million with scheduled repayment after one year but repayable on demand and were classified as current liabilities. The unutilized banking facilities as at 31 March 2026 was HK\$93.7 million.

The Group's major borrowings are in Hong Kong dollars and mostly based on a floating rate at HIBOR or bank prime lending rates. As major assets of the Group are in Hong Kong dollars, the natural hedge mechanism is applied.

As at 31 March 2026, the current assets and current liabilities were approximately HK\$470.1 million (31 March 2025: HK\$445.9 million) and HK\$386.6 million (31 March 2025: HK\$430.3 million), respectively. The current ratio was approximately 1.22 (1.04 as at 31 March 2025).

As at 31 March 2026, the Group's total equity funds amounted to HK\$914.0 million.

As at 31 March 2026, the Group does not use any financial instruments for hedging purposes.

The Group does not engage in speculative derivative trading.

As at 31 March 2026, a subsidiary of the Company had contingent liabilities in respect of bank guarantees given to landlords in lieu of rental deposits for certain retail shops and suppliers amounting to approximately HK\$8.1 million (31 March 2025: HK\$7.7 million).

The Group does not have plans for material investments or change of capital assets.

As at 31 March 2026, certain property, plant and equipment and investment properties amounting to HK\$501.7 million (31 March 2025: HK\$516.4 million) were pledged to secure banking facilities granted to the Group.

The investment properties were revalued by independent valuers as at 31 March 2026. A revaluation loss of HK\$5.1 million was recorded in the year ended 31 March 2026 accordingly.

The annual results for FY26 have been reviewed by the Audit Committee.

## **NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND TRAINING SCHEMES**

The Group's remuneration policies are reviewed on a regular basis, and remuneration packages are in line with market practices in the relevant countries where the Group operates. The Group generally offers key performance index (“KPI”)-related bonuses to eligible employees based on (among others) the performance of the Group and the individual employee, and in relation to the executive directors of the Company (“**Directors**”), the Company offers an executive bonus scheme under which executive bonuses are made to eligible participants in accordance with the terms and conditions set out therein.

The Group also provides or encourages employees to participate in relevant training programmes (internal and external) to improve the quality, competence and skills of its employees. Internal training programmes include courses for professional competency and technical development to enhance employees' capabilities, whereas external training programmes include seminars and conferences organised by external parties that provide training and professional development opportunities for employees.

As at 31 March 2026, the Group had approximately 548 employees (31 March 2025: 645 employees), and the total employee costs incurred by the Group during the year amounted to HK\$155.7 million (31 March 2025: HK\$181.9 million).

## **CLOSURE OF REGISTER OF MEMBERS**

To determine entitlement to attend and vote at the forthcoming Annual General Meeting on 18 August 2026 (Tuesday) (or any adjournment thereof), the Register of Members of the Company will be closed from 13 August 2026 (Thursday) to 18 August 2026 (Tuesday) both days inclusive, during which period no transfer of shares will be effected.

All transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 12 August 2026 (Wednesday).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

The Company has not redeemed any of its shares during the year. Neither of the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's listed securities (including sale of its treasury shares) during the year and up to the date of this announcement.

## **SCOPE OF RSM HONG KONG**

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement and statement of other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this preliminary announcement have been agreed by the Group’s auditor, RSM Hong Kong, to be the same as the figures set out in the Group’s draft consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong on this preliminary announcement.

## **CORPORATE GOVERNANCE**

During the year ended 31 March 2026 and up to the date of this announcement, the Company has complied with the code provisions under the Corporate Governance Code (the “**Code Provisions**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), except for the following deviations:

### **Code Provision C.2.1**

Under Code Provision C.2.1, the roles of Chairman and chief executive officer (“**CEO**”) should be separate and should not be performed by the same individual. Under the current organisation structure of the Group, Mr. Joseph C.C. Wong is both the Chairman and CEO of the Group. The Company believes that with Mr. Joseph C.C. Wong acting as both Chairman and CEO, consistent leadership is ensured further enabling better strategic planning for the Group. The Board also believes that the non-separation of roles does not affect the balance of power and authority within the Board since the Board comprises of experienced and competent individuals, with the majority of the Board made up of independent non-executive directors.

### **Code Provision B.2.2**

Under Code Provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Not all directors of the Company retire strictly under Code Provision B.2.2 but in accordance with the Company’s Bye-Laws. Bye-Law 110(A) stipulates that one-third of the directors of the Company who have been longest serving in office since their last election, except the Chairman, CEO or the Vice Chairman, shall retire from office by rotation at each annual general meeting.

### **Code Provision E.1.2**

This Code Provision deals with the terms of reference of a remuneration committee. The Company has adopted the terms of reference under Code Provision E.1.2 except that the terms of reference do not include reviewing and determining the remuneration packages of senior management. The Company believes that the remuneration packages of senior management should be the responsibility of the executive directors as they are in a better position to appraise the performance of senior management.

## **Model Code for Securities Transactions by Directors of Listed Issuers**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix C3 of the Listing Rules (the “**Model Code**”) as the code of conduct regarding director’s securities transactions. The Company has also made specific enquiry of all its directors to ascertain whether they have complied with or whether there has been any non-compliance with the required standard set out in the Model Code. All directors complied with the provisions of the Model Code throughout the period under review.

### **Audit Committee**

The Audit Committee comprises of three non-executive directors; Mr. Chan Cheuk Pan (independent) (Chairman of the Audit Committee), Mr. Ricky Lai Kai Ming (independent) and Mr. Lai Chun Yu (independent). The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting processes including the review of the Company’s consolidated financial statements for the year ended 31 March 2026 with senior management of the Group and external auditor.

## **PUBLICATION OF FINANCIAL INFORMATION AND ANNUAL REPORT**

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company’s website at [www.stelux.com](http://www.stelux.com). The Company’s Annual Report for 2026 will be despatched to the shareholders of the Company and will also be available on the above websites in due course.

On behalf of the Board  
**Suriyan Joshua Kanjanapas**  
*Vice Chairman and Executive Director*

Hong Kong, 23 June 2026

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*), Suriyan Joshua Kanjanapas (*Vice Chairman*) and Liao Ching Mei (*Chief Financial Officer*)

#### *Independent Non-Executive directors:*

Chan Cheuk Pan, Ricky Lai Kai Ming and Lai Chun Yu