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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

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 Board of Directors of the Company (the “Board”) wishes to announce to the shareholders of the Company and potential investors that based on information currently available to the Board, the Group is expected to record a significant decline in profit attributable to shareholders for the year ended 31 March 2015.

The expected fall in profitability is mainly due to (i) an increase in borrowing cost of convertible bonds by approximately HK\$35 million due to change in fair value of liability component of convertible bonds; and (ii) slower Group turnover growth posted for the year ended 31 March 2015 compared to the year ended 31 March 2014, with an accelerated slowdown seen in Hong Kong and Macau in the second half of the financial year.

Reference is made to an announcement of the Company dated 29 November 2012, with respect to the Company entering into a strategic partnership with and the issue of convertible bonds to a subsidiary of Boyu Capital Holdings Limited (“Boyu”). Under the terms of the convertible bonds, the Company has set certain net income targets for the three financial years ending 31 March 2017 (“Net Income Targets”). If the Net Income Targets are not met in accordance with the terms of the convertible bonds, Boyu has the right to put 30 percent of the outstanding convertible bonds to the Company for early redemption and an additional payment not exceeding approximately HK\$111 million upon maturity in 18 December 2017, if the convertible bonds are not converted into shares of the Company. For further information, please refer to the Company's announcement dated 29 November 2012.

However, due to the current sluggish retail environment, achieving the Net Income Targets may be more challenging. As such, the Board intends to take a prudent view and engaged an independent valuer to derive the fair value of the convertible bonds such that the borrowing cost of the convertible bonds will increase by around HK\$35 million (“Increased Borrowing Cost”) for the year ended 31 March 2015. The Company understands that the Increased Borrowing Cost may be

partially or fully reversed and written back in subsequent financial periods if the convertible bonds are in the money and have been converted into shares of the Company.

The Company entered into the strategic partnership with Boyu with a vision of change and transformation, to becoming a major retail player in Mainland China. The Company has since worked closely with Boyu to drive this transformation. And progress is evident despite the continued slowdown in Mainland China as our Mainland operations posted an unaudited turnover growth of nearly 20% for the year ended 31 March 2015 compared to the previous financial year; and this positive momentum has continued. As such, the vision to transform the Group into a major retailer in Mainland China remains and the Company believes this is achievable.

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 2015. 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 2015 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 2015 on 25 June 2015.

Shareholders of the Company and potential investors 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 June 2015

As at the date of this announcement, the Directors are:

Executive Directors:

Chumphol Kanjanapas (also known as Joseph C. C. Wong) (*Chairman and Chief Executive Officer*), Vincent Lau Tak Bui (*Chief Operating Officer*) and Wallace Kwan Chi Kin (*Chief Financial Officer*)

Non- Executive Directors:

Sakorn Kanjanapas, Ma Xuezheng (also known as Mary Ma), Wong Yu Tsang Alex (also known as Alex Wong), Wu Chun Sang (*independent*), Lawrence Wu Chi Man (*independent*) and Agnes Kwong Yi Hang (*independent*)

** For identification purpose only*