STELUX Holdings International Limited

寶光實業(國際)有限公司*

incorporated in Bermuda with limited liability

Website: http://www.irasia.com/listco/hk/stelux

Stock Code: 84

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST MARCH 2007

The directors of Stelux Holdings International Limited (the "Company") have pleasure in announcing the audited results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March 2007 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2007

	Note	2007 *HK$'000*	2006 *HK$'000*
Continuing operations:			
Revenues	*2,3*	1,792,625	1,527,240
Cost of sales	*6*	(714,854)	(578,111)
Gross profit		1,077,771	949,129
Fair value gains of investment properties		8,212	58,224
Other gains	*4*	70,933	70,344
Other income	*4*	23,197	23,444
Compensation received from arbitration	*5*	–	38,489
Selling expenses	*6*	(783,764)	(688,610)
General and administrative expenses	*6*	(199,699)	(178,445)
Other operating expenses	*6*	(38,984)	(56,568)
Operating profit		157,666	216,007
Finance costs		(19,270)	(32,596)
Profit before income tax		138,396	183,411
Income tax (expense)/credit	*7*	(35,676)	12,090
Profit for the year from continuing operations	*2*	102,720	195,501
Discontinued operation:			
Loss from discontinued operation	*2*	–	(7,662)
Profit for the year		102,720	187,839

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT (continued)

	Note	2007 *HK$'000*	2006 *HK$'000*
Attributable to:			
Equity holders of the Company			
– Continuing operations		101,842	195,101
– Discontinued operation		–	(7,662)
Minority interests – continuing operations		878	400
		102,720	187,839
Dividends	*8*	38,054	511,821
		HK cents	*HK cents*
Earnings per share from continuing operations	*9*		
– Basic and diluted		10.71	20.51
Loss per share from discontinued operation	*9*		
– Basic and diluted		–	(0.80)

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		192,209	130,380
Investment properties		1,300	34,340
Prepayment of lease premium		152,974	146,877
Intangible assets		23,027	22,036
Deferred tax assets		21,092	21,840
Available-for-sale financial assets		13,252	10,920
		403,854	366,393
Current assets			
Stocks		518,284	456,827
Debtors and prepayments	*10*	376,607	303,926
Financial assets at fair value through profit or loss		–	90,851
Bank balances and cash		105,103	142,858
		999,994	994,462
Non-current assets held for sale		32,473	–
		1,032,467	994,462
Total assets		1,436,321	1,360,855

CONSOLIDATED BALANCE SHEET (continued)

	Note	2007 HK$'000	2006 HK$'000
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		95,134	95,134
Reserves		614,958	525,873
Proposed final dividend	8	27,589	26,638
Shareholders' funds		737,681	647,645
Minority interests		4,587	6,777
Total equity		742,268	654,422
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		2,825	3,486
Borrowings		71,223	35,976
		74,048	39,462
Current liabilities			
Creditors and accruals	11	321,195	311,120
Income tax payable		33,382	26,687
Borrowings		265,428	329,164
		620,005	666,971
Total liabilities		694,053	706,433
Total equity and liabilities		1,436,321	1,360,855
Net current assets		412,462	327,491
Total assets less current liabilities		816,316	693,884

Notes:–

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS", which also include Hong Kong Accounting Standards ("HKAS") and Interpretations ("HK-Int")). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Adoption of amendments to standards and interpretations

In 2007, the Group adopted the amendments to standards and interpretations of HKFRS issued by the Hong Kong Institute of Certified Public Accountants, which are relevant to its operations.

– Amendment to HKAS 19, Employee Benefits, is mandatory for the Company's accounting periods on or after 1st January 2006. It introduces the option of an alternative recognition approach for actuarial gains and losses. It also adds new disclosure requirements. As the Company does not intend to change the accounting policy adopted for recognition of actuarial gains and losses, adoption of this amendment only impacts the format and extent of disclosures presented in the financial statements.

– Amendments to HKAS 39 and HKFRS 4, Financial Guarantee Contracts, is mandatory for the Company's accounting periods on or after 1st January 2006. These amendments require issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair values, and subsequently measured at the higher of the unamortised balance of the related fees received and deferred, and the expenditure required to settle the commitment at the balance sheet date. The Company issued corporate guarantees to certain bank loans drawn down by its fellow subsidiaries. The adoption of this Standard has no significant financial impacts to the financial statements of the Company for the year ended 31st March 2007.

– Amendment to HKAS 21, Net Investment in a Foreign Operation, requires that in the financial statements including a foreign operation, the exchange differences on monetary items that formed part of the net investment in the foreign operation should be reclassified as equity, whether or not the monetary item is denominated in the functional currency of either the reporting entity or the foreign operation. The adoption of this amendment has no significant impacts to the financial statements of the Company for the year ended 31st March 2007.

– HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease, is mandatory for the Company's accounting periods on or after 1st January 2006. This interpretation requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The adoption of this Standard has no significant financial impacts to the financial statements of the Company for the year ended 31st March 2007.

2. Segment information

Primary reporting format – business segments

	For the year ended 31st March 2007					
	Continuing operations				Discontinued operation	
	Retail and trading		Property		Retail and trading	Group
	Watch	Optical		Sub-total	Hipo.fant	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenues						
Gross segment	1,177,418	613,846	8,159	1,799,423	–	1,799,423
Inter-segment	–	–	(6,798)	(6,798)	–	(6,798)
	1,177,418	613,846	1,361	1,792,625	–	1,792,625
Segment results	92,987	54,250	6,397	153,634	–	153,634
Unallocated income				40,792	–	40,792
Net corporate expenses				(36,760)	–	(36,760)
Operating profit				157,666	–	157,666
Finance costs				(19,270)	–	(19,270)
Profit before tax				138,396	–	138,396
Income tax expense				(35,676)	–	(35,676)
Profit for the year				102,720	–	102,720
Capital expenditure	(81,565)	(28,232)	(13)		–	
Depreciation	(31,883)	(22,040)	(321)		–	
Impairment of property, plant and equipment	(429)	(578)	–		–	
Amortisation of prepayment of lease premium	(3,390)	(2,853)	(3,083)		–	
Fair value gains of investment properties	–	–	8,212		–	
Gain/(loss) on disposal of property, plant and equipment	228	(208)	–		–	
Gain on disposal of investment properties	–	–	1,569		–	
Provision for stocks	(18,993)	(2,530)	–		–	
Impairment of debtors and bad debts written off	(1,636)	(1)	–		–	

2. Segment information (continued)

Primary reporting format – business segments (continued)

	As at 31st March 2007					
	Continuing operations				Discontinued operation	
	Retail and trading		Property		Retail and trading	Group
	Watch	Optical		Sub-total	Hipo.fant	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	857,869	246,216	190,645	1,294,730	–	1,294,730
Unallocated assets				141,591	–	141,591
Total assets				1,436,321	–	1,436,321
Segment liabilities	198,196	103,194	2,484	303,874	–	303,874
Unallocated liabilities				390,179	–	390,179
Total liabilities				694,053	–	694,053

2. Segment information (continued)

Primary reporting format – business segments (continued)

	For the year ended 31st March 2006					
	Continuing operations				Discontinued operation	
	Retail and trading		Property		Retail and trading	Group
	Watch	Optical		Sub-total	Hipo.fant	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenues						
Gross segment	1,024,947	474,356	38,876	1,538,179	90,748	1,628,927
Inter-segment	–	–	(10,939)	(10,939)	–	(10,939)
	1,024,947	474,356	27,937	1,527,240	90,748	1,617,988
Segment results	37,906	37,480	118,378	193,764	(7,229)	186,535
Unallocated income				66,803	–	66,803
Net corporate expenses				(44,560)	–	(44,560)
Operating profit/(loss)				216,007	(7,229)	208,778
Finance costs				(32,596)	(353)	(32,949)
Profit/(loss) before tax				183,411	(7,582)	175,829
Income tax credit/(expense)				12,090	(80)	12,010
Profit/(loss) for the year				195,501	(7,662)	187,839
Capital expenditure	(32,727)	(39,772)	–		(615)	
Depreciation	(30,136)	(16,817)	(2,058)		(1,373)	
Amortisation of prepayment of lease premium	(3,056)	(2,376)	(3,306)		–	
Fair value gains of investment properties	–	–	58,224		–	
(Loss)/gain on disposal of property, plant and equipment	(633)	(152)	(8)		34	
(Provision for stocks)/reversal of provision for stocks	(2,778)	(2,876)	–		6,571	
Impairment of debtors and bad debts written off	(6,060)	(16)	–		–	

2. Segment information (continued)

Primary reporting format – business segments (continued)

	As at 31st March 2006					
	Continuing operations				Discontinued operation	
	Retail and trading		Property		Retail and trading	Group
	Watch	Optical		Sub-total	Hipo.fant *(Note)*	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	707,993	199,596	182,075	1,089,664	2,090	1,091,754
Unallocated assets				269,101	–	269,101
Total assets				1,358,765	2,090	1,360,855
Segment liabilities	190,651	83,639	1,372	275,662	6,145	281,807
Unallocated liabilities				424,626	–	424,626
Total liabilities				700,288	6,145	706,433

Note: The assets and liabilities of discontinued operation represent rental deposit receivable from landlord, trading balance payable to suppliers and accrued salary and redundancy cost.

Secondary reporting format – geographical segments

Continuing operations:

	As at and for the year ended 31st March 2007			
	Revenues	Segment results	Total assets	Capital expenditure
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	962,323	62,800	666,554	32,099
South East and Far East Asia	730,806	130,608	625,045	66,366
Europe	14,738	(19,491)	49,631	4,606
North America	2,421	804	–	–
Mainland China	82,337	(21,087)	95,091	7,229
	1,792,625	153,634	1,436,321	110,300

2. **Segment information (continued)**

Secondary reporting format – geographical segments (continued)

	As at and for the year ended 31st March 2006			
	Revenues	**Segment results**	**Total assets**	**Capital expenditure**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	817,271	149,840	707,246	26,456
South East and Far East Asia	551,289	62,184	530,132	37,943
Europe	91,988	(9,180)	49,791	2,210
North America	6,951	2,266	113	–
Mainland China	59,741	(11,346)	71,483	6,660
	1,527,240	193,764	1,358,765	73,269

Discontinued operation:

	As at and for the year ended 31st March 2007			
	Revenues	**Segment results**	**Total assets**	**Capital expenditure**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	–	–	–	–
South East and Far East Asia	–	–	–	–
Mainland China	–	–	–	–
	–	–	–	–

	As at and for the year ended 31st March 2006			
	Revenues	**Segment results**	**Total assets**	**Capital expenditure**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	84,938	(3,529)	2,074	615
South East and Far East Asia	1,164	6	16	–
Mainland China	4,646	(3,706)	–	–
	90,748	(7,229)	2,090	615

3. **Revenues**

	2007	**2006**
	HK$'000	*HK$'000*
Turnover		
Sales of goods	1,791,264	1,499,303
Gross rental income	1,361	27,937
	1,792,625	1,527,240

4. Other gains and other income

	2007 *HK$'000*	2006 *HK$'000*
Other gains		
Fair value gains on financial assets at fair value through profit or loss	–	50,749
Gain on disposal of financial assets at fair value through profit or loss	29,250	–
Gain on disposal of subsidiaries	–	15,150
Gain/(loss) on disposal of property, plant and equipment	396	(765)
Gain on disposal of investment properties	1,569	–
Exchange gain	39,718	5,210
	70,933	70,344
Other income		
Building management fee income	5,061	11,611
Dividend income from investments	2,928	820
Interest income	2,611	5,540
Sundries	12,597	5,473
	23,197	23,444

5. Compensation received from arbitration

The Group was entitled to counter-claim liquidated damages and other costs or losses from the contractor for Stelux House. In December 2004, the arbitrator awarded legal costs and interests in favour of the Group. The contractor filed an appeal but failed to overturn the arbitrator's award. After deducting other related costs, the net compensation received of HK$38,489,000 was recognised during the year ended 31st March 2006.

6. Expenses by nature

Expenses included in cost of sales, selling expenses, general and administrative expenses and other operating expenses are analysed as follows:

	2007	2006
	HK$'000	*HK$'000*
Continuing operations:		
Cost of stocks sold and raw materials consumed	706,343	567,386
Amortisation of prepayment of lease premium	9,326	8,738
Depreciation of property, plant and equipment		
– Owned	54,826	49,944
– Leased	533	357
Impairment of property, plant and equipment	1,007	–
Provision for stocks	21,523	5,654
Discontinued operation:		
Cost of stocks sold and raw materials consumed	–	53,304
Depreciation of property, plant and equipment		
– Owned	–	1,338
– Leased	–	35
Reversal of provision for stocks	–	(6,571)

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits for the year ended 31st March 2007 (2006: 17.5%) less relief for available tax losses. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the territories in which the Group operates.

The amount of income tax charged/(credited) to the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Continuing operations:		
Current tax		
Hong Kong profits tax	12,916	8,819
Overseas profits tax	27,160	9,164
(Over)/under provisions in respect of prior years	(4,783)	3,945
	35,293	21,928
Deferred income tax	383	(34,018)
Income tax expense/(credit)	35,676	(12,090)
Discontinued operation:		
Current tax		
Overseas profits tax	–	45
Deferred income tax	–	35
Income tax expense	–	80

8. Dividends

	2007	2006
	HK$'000	*HK$'000*
Interim, paid, of HK$0.011 (2006: HK$0.01) per ordinary share	10,465	9,513
Final, proposed, of HK$0.029 (2006: HK$0.028) per ordinary share	27,589	26,638
Special, paid, of HK$0.5 per ordinary share	–	475,670
	38,054	511,821

9. Earnings per share

Basic

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

	2007	2006
Weighted average number of ordinary shares in issue (thousands)	951,340	951,340
Profit from continuing operations attributable to equity holders of the Company (HK$'000)	101,842	195,101
Basic earnings per share from continuing operations (HK cents)	10.71	20.51
Loss from discontinued operation attributable to equity holders of the Company (HK$'000)	–	(7,662)
Basic loss per share from discontinued operation (HK cents)	–	(0.80)

Dilutive

There were no dilutive potential ordinary shares in existence during the years ended 31st March 2007 and 2006.

10. Debtors and prepayments

	2007	2006
	HK$'000	*HK$'000*
Trade debtors (note)		
Below 60 days	54,492	86,340
Over 60 days	66,703	15,098
	121,195	101,438
Deposits, prepayments and other debtors	255,412	202,488
	376,607	303,926

Note: The Group allows an average credit period of 60 days to its trade debtors.

11. Creditors and accruals

	2007	2006
	HK$'000	*HK$'000*
Trade creditors		
Below 60 days	128,382	110,359
Over 60 days	46,797	34,606
	175,179	144,965
Other creditors and accruals	146,016	166,155
	321,195	311,120

12. Commitments

	2007	2006
	HK$'000	*HK$'000*
Capital commitments of the Group for property, plant and equipment:		
Contracted but not provided for	1,382	842
Authorised but not contracted for	–	–
	1,382	842

MANAGEMENT DISCUSSION AND ANALYSIS

After substantial restructuring during the last few years to focus on the watch and optical businesses, the Group is pleased to announce a profit attributable to shareholders after tax and minority interests of HK$102 million for this financial year compared to HK$187 million last year. Seemingly, a decline compared to the previous year, but we have returned a pleasing performance as the disposal of Stelux House at the end of March 2006 has resulted in a substantial reduction in earnings from the Group's investment properties. Group turnover was up 10.8% from HK$1,618 million (including turnover from continuing operations and discontinued operation of HK$1,527 million and HK$91 million respectively) last year to HK$1,793 million this year.

The Directors recommend the payment of a final dividend of HK$0.029 (05/06: HK$0.028) per share and with an interim dividend of HK$0.011 (05/06: HK$0.01) per share, the total dividend payment for the financial year ended 31st March 2007 is HK$0.040 per share (05/06: HK$0.538, including a special dividend of HK$0.50 per share).

WATCH RETAIL BUSINESS

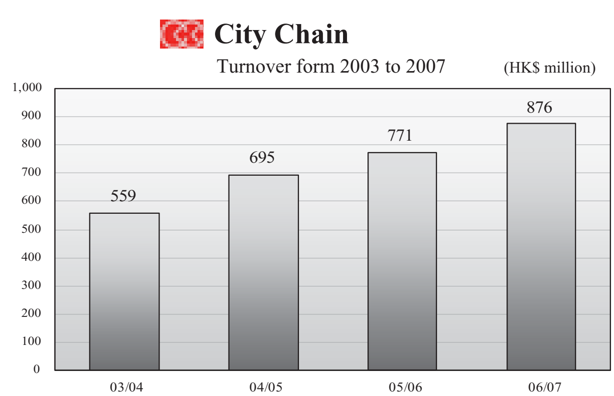
Buoyant sentiment regionally helped boost performance and our watch retail business, mainly operating as "CITY CHAIN", returned positive results with turnover up 13.5% from last year. EBIT was HK$69 million compared to HK$29 million during the same period last year.

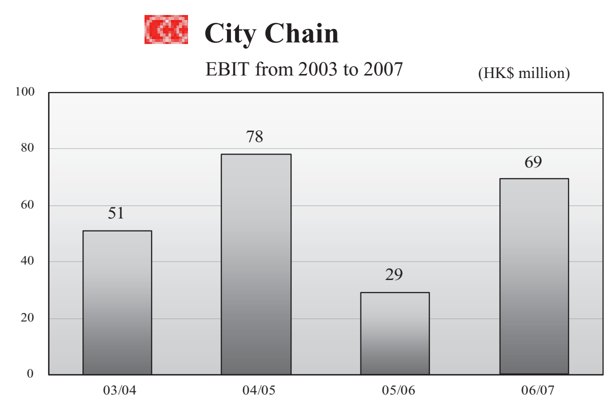
Singapore, Malaysia and Thailand posted very positive performances within expectations with an EBIT of HK$59 million up from HK$20 million. Currency gains due to the weak US$ also contributed to the higher earnings. Turnover, likewise, did not disappoint and increased by 24% compared to the previous year.

Our Hong Kong and Macau operations were not far behind and posted an increase in EBIT to HK$26 million from HK$19 million last year. Overall turnover was marginally up.

As expected, our mainland operations continued to lag behind other countries reporting a loss before interest of HK$16 million. Investment costs in building our brand names continued to impact. Turnover grew by 45% but was insufficient to set off initial shop investment costs. We will continue with plans to open more shops on the mainland this year to accelerate turnover growth. To achieve this, we have modified our overall business strategy. We will open larger shops within quality shopping malls and also on "high traffic high street" level tier one locations in major cities. At the same time, we are also exploring wholesale opportunities of our house brands to other regions within the mainland where we feel a direct retail presence may not be presently suitable.

Notwithstanding initial setbacks, we remain confident that losses from our mainland business will be reversed over the medium term and eventually the business will drive profit growth over the longer term.





OPTICAL RETAIL BUSINESS

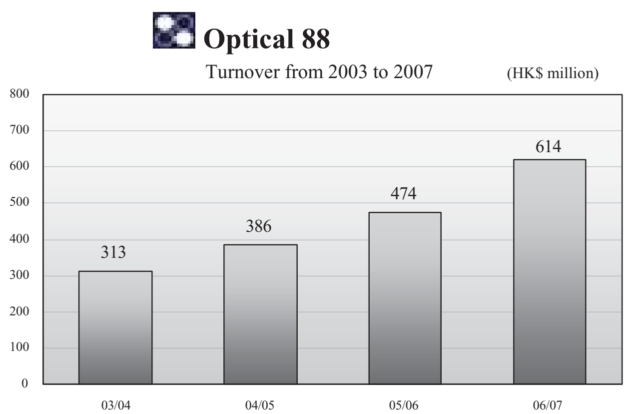
The optical retail segment of the Group's business – "Optical 88", "INSIGHT" and "IZE" recorded good results with an EBIT of HK$54 million compared to HK$37 million the previous year. Turnover grew by almost 30%. The pleasing results were due in part to the strong economies and also our ability to grow market share.

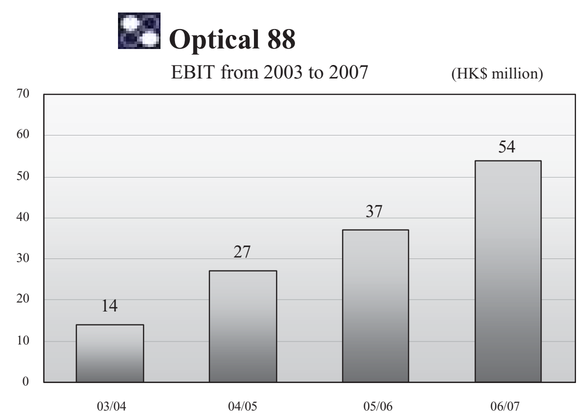
Despite intense competition, our Hong Kong and Macau operations reported an EBIT of HK$40 million from an EBIT of HK$33 million last year, a year on year increase of almost 22%. Turnover was strong and grew by 26%.

Singapore, Malaysia and Thailand all performed within our expectations posting an increase in turnover of nearly 36% and EBIT of HK$19 million compared to HK$8 million the previous year.

Turnover of our mainland operations grew by a wide margin, an increase of almost 70%. However, initial investment costs continued to impact and a loss before interest of almost HK$5 million was recorded. The pace of shop openings will be accelerated to boost turnover. We will focus on opening new shops within quality malls and "high traffic high street" level shops in Guangdong Province.

Likewise, we believe our mainland operations will become a contributor over the medium term and subsequently drive profit growth over the longer term.





WATCH EXPORT ASSEMBLY AND WHOLESALE TRADING

This segment of the Group's business reported an EBIT of HK$24 million compared to HK$9 million last year. Turnover grew by 19%. Whilst overall performance was generally positive, losses incurred by our several subsidiaries impeded a better performance.

As reported in our interim results for the first six months ended September 2006, measures have been undertaken to restructure and cut costs of our watch assembly and export trading units. These measures have been successful. Performance at both units improved during the last six months with our export trading unit containing loss for the full financial year at HK$6 million, a figure slightly higher than the HK$5 million loss recorded for the first six months. (For the financial year ended March 2006, our export trading unit reported an EBIT of HK$12 million.) A loss of HK$2 million recorded during the first six months at our watch assembly unit was also reversed and an EBIT of HK$1 million was recorded for the full year. We expect the performances of both units to continue to improve.

Losses at our Swiss subsidiary, Universal Geneve S.A. widened to HK$18 million compared to HK$11 million for the same period last year. Response to our new collection at the Basel World Fair in March 2007 was encouraging. Turnover increased more than two times. However, research and development costs for the second generation "MICROTOR" movement and marketing costs of the Universal Geneve brand were higher than expected and have been expensed for this year. We will continue to periodically review the situation at this subsidiary.

Reporting a full year performance since its acquisition by the Group, the Thong Sia Group operating wholesaling businesses in Hong Kong, Singapore, Malaysia and Taiwan returned splendidly good results and was a major profit contributor to this segment of the Group's business. We expect the momentum in both turnover and profit growth to be maintained in the coming year.

INVESTMENT HOLDING

During the period under review, the Group disposed of 30 million shares in Xinyu Hengdeli at HK$4.00 per share and as a result of the disposal a gain of HK$29.25 million before tax was recorded.

BUSINESS STRATEGY

As announced on 20th June 2007, Arisaig Greater China Fund Limited acquired approximately 9.5% of the entire issued share capital of the Company. The Directors believe that diversification of the Company's shareholder base will benefit the future development of the Group.

FINANCE

The Group's borrowings at balance sheet date were HK$337 million (2006: HK$365 million), out of which, HK$265 million (2006: HK$329 million) were repayable within 12 months. The Group's gearing ratio at balance sheet date was 0.46 (2006: 0.56), which was calculated based on the Group's borrowings and shareholders' funds of HK$738 million (2006: HK$648 million).

Of the Group's borrowings, 3% (2006: 20%) were denominated in foreign currencies. The Group's borrowings denominated in Hong Kong Dollars were on a floating rate basis at either bank prime lending rates or short term inter-bank offer rates.

The Group does not engage in speculative derivative trading.

CAPITAL STRUCTURE OF THE GROUP

There was no change in the capital structure of the Group during the year.

CHANGES IN THE COMPOSITION OF THE GROUP DURING THE YEAR

During the year, 4% and 2% equity interests in respect of Thong Sia Watch Company Limited and Thong Sia Sdn Bhd were acquired at a total consideration of HK$2,079,000. There were no other significant acquisitions during the year.

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. As of 31st March 2007, the Group had 2,694 (2006: 2,451) employees.

DETAILS OF THE CHARGES ON GROUP ASSETS

As at 31st March 2007, certain of the Group's freehold land and buildings amounting to HK$55 million (2006: HK$14 million) and leasehold land amounting to HK$100 million (2006: HK$101 million) were pledged to secure banking facilities granted to the Group. No investment properties were pledged for this year (2006: HK$33 million).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 1st September 2007 (Saturday) to 6th September 2007 (Thursday) both days inclusive, during which period no transfer of shares will be effected. To determine entitlement to attend and vote at the forthcoming Annual General Meeting to be held on 6th September 2007 and in order to qualify for the entitlement to the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Registrar, Computershare Hong Kong Investor Services Limited, 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 31st August 2007 (Friday). The final dividend will be paid on or about 21st September 2007 (Friday).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE

During the year ended 31st March 2007, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code Provisions") as set out in Appendix 14 of the Listing Rules, except for the following deviations:

Code Provision A.4.2

Under Code Provision A.4.2, 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 A.4.2 but in accordance with the Company's Bye-Laws. Bye-Laws 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, Vice-Chairman or Chief Executive Officer, shall retire from office by rotation at each annual general meeting.

Code Provision B.1.3

This Code Provision deals with the terms of reference of the remuneration committee. The Company has adopted the terms of reference under Code Provision B.1.3 except that the terms of reference do not include reviewing and determining the remunerations 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.

Code Provision E.1.2

Under the first part of Code Provision E.1.2, the Chairman of the Board should attend annual general meetings. The Chairman of the Board did not attend the annual general meeting of the Company held on 6th September 2006 as he was not in Hong Kong.

Audit Committee

The Audit Committee comprises three independent non-executive directors, namely Mr. Wu Chun Sang (Chairman of the Audit Committee), Prof. Lawrence Wu Chi Man, Dr. Agnes Kwong Yi Hang (appointed on 6th September 2006) and Mr. Kwong Yiu Chung (retired on 6th September 2006). The principal responsibilities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls. The Committee held meetings on 12th July 2006, 9th December 2006 and 14th July 2007 to discuss matters, including, the review of accounting principles and practices adopted by the Group and other financial reporting matters; to ensure the completeness, accuracy and fairness of the financial statements of the Company; to discuss the effectiveness of the systems of internal control throughout the Group; to review all significant business affairs managed by the executive Directors in particular on connected transactions and to review the Group's results for the year ended 31st March 2006 and 2007 before they were presented to the Board of Directors for approval.

Remuneration Committee

The Remuneration Committee comprises Prof. Lawrence Wu Chi Man (Chairman of the Remuneration Committee), Mr. Wu Chun Sang, Dr. Agnes Kwong Yi Hang (appointed on 6th September 2006), Mr. Kwong Yiu Chung (retired on 6th September 2006) (all independent non-executive directors) and Mr. Joseph C.C. Wong (Vice Chairman and CEO of the Company). The Committee held three meetings on 24th April 2006, 14th December 2006 and 23rd July 2007 to determine the remuneration packages of certain executive directors, annual bonus entitlement and an annual salary review of the Group's executive directors.

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 under "Latest Listed Company Information" and the Company's website at www.irasia.com/listco/hk/stelux under "Announcements & Notices". The Company's Annual Report for 2007 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
Joseph C. C. Wong
Vice Chairman and Chief Executive Officer

Hong Kong, 23rd July 2007

Directors of the Company as at the date hereof:

Executive directors:
Wong Chong Po (Chairman), Chumphol Kanjanapas (alias Joseph C. C. Wong) (Vice Chairman and Chief Executive Officer), Anthony Chu Kai Wah and Vincent Lau Tak Bui

Non-Executive directors:
Sakorn Kanjanapas, Wu Chun Sang (independent), Lawrence Wu Chi Man (independent) and Agnes Kwong Yi Hang (independent)