

STELUX Holdings International Limited

寶光實業(國際)有限公司

(Incorporated in Bermuda with limited liability)

<http://www.ione.com.hk>

CONNECTED TRANSACTIONS

Leasing of office premises and carparks to connected persons

The Directors of Stelux Holdings International Limited ("SHIL") announce that on 19th July 2001, Stelux Holdings Limited, a wholly owned subsidiary of SHIL entered into two tenancy agreements to renew the lease of office premises and carparking spaces at Stelux House to companies connected to SHIL. One of the tenancy agreements included the lease out of an additional storeroom.

1. A first tenancy agreement ("First Tenancy Agreement") dated 19th July 2001 was signed between Stelux Holdings Limited and International Optical Manufacturing Company Limited ("IOM").
2. A second tenancy agreement ("Second Tenancy Agreement") dated 19th July 2001 was signed between Stelux Holdings Limited and Yee Hing Company Limited ("Yee Hing").

Yee Hing ultimately holds 55.37% of the issued share capital of SHIL. Thong Sia Company Limited ("Thong Sia") holds 9.72% of the issued share capital of SHIL. Yee Hing holds 60% and Thong Sia holds 40% respectively of the issued share capital in IOM. The First Tenancy Agreement and Second Tenancy Agreement constitute connected transactions of SHIL under the Listing Rules.

The principal activity of SHIL is investment holding.

The Directors of SHIL, including the independent non-executive director consider the First Tenancy Agreement and the Second Tenancy Agreement to be on commercial terms and to be fair and reasonable.

FIRST TENANCY AGREEMENT DATED 19TH JULY 2001

Parties

Landlord : Stelux Holdings Limited
Tenant : IOM

Premises Leased:

Office Units 1902, 1903, 1905 and 1906 with Store Room 6 and an additional storeroom on the 19th Floor, with a gross floor area of approximately 9,504 square feet and carpark space no. 341 at basement 3 of Stelux House, No. 698 Prince Edward Road East, Kowloon, Hong Kong.

Term and Commencement Date:

A term of three (3) years commencing from 15th August 2001 to 14th August 2004 (both days inclusive) and with an option to renew for a further term of three (3) years at a new rent to be agreed between the landlord and tenant or at such market rent at which the premises might reasonably be expected to be let in the open market, without the renewal clause but otherwise subject to the same terms. SHIL will comply with the connected transactions requirements of the Listing Rules upon a further renewal of the First Tenancy Agreement.

Rental:

HK\$95,040.00 (Hong Kong Dollars Ninety-Five Thousand and Forty) per month exclusive of rates, government rent and management charges payable monthly in advance.

SECOND TENANCY AGREEMENT DATED 19TH JULY 2001

Parties

Landlord : Stelux Holdings Limited
Tenant : Yee Hing

Premises Leased:

Portion of 28th Floor with a gross floor area of approximately 4,300 square feet and carpark space no. 342 at basement 3 of Stelux House, No. 698 Prince Edward Road East, Kowloon, Hong Kong.

Term and Commencement Date:

Three (3) years commencing from 15th August 2001 to 14th August 2004 (both days inclusive) and with an option to renew for a further term of three (3) years at a new rent to be agreed between the landlord and tenant or at such market rent at which the premises might reasonably be expected to be let in the open market, without the renewal clause but otherwise subject to the same terms. SHIL will comply with the connected transactions requirements of the Listing Rules upon a further renewal of the Second Tenancy Agreement.

Rental:

HK\$55,900.00 (Hong Kong Dollars Fifty-Five Thousand and Nine Hundred) per month exclusive of rates, government rent and management charges payable monthly in advance.

BASIS FOR DETERMINING RENTAL

Independent written valuations conducted on 16th July 2001 of the office premises and carparking spaces leased show the current open market value on a monthly basis of (i) the office premises and carparking space leased under the First Tenancy Agreement to be HK\$95,000.00 (Hong Kong Dollars Ninety-Five Thousand Only) exclusive of rates, government rent, management fees and other outgoings and (ii) the office premises and carparking space leased under the Second Tenancy Agreement to be HK\$55,000.00 (Hong Kong Dollars Fifty-Five Thousand Only) exclusive of rates, government rent, management fees and other outgoings.

The respective rentals under the First Tenancy Agreement and the Second Tenancy Agreement were determined by reference to the current open market rental values.

The premises leased under the First Tenancy Agreement and Second Tenancy Agreement are for office purposes.

The directors of SHIL, including the independent non-executive director consider the First Tenancy Agreement and the Second Tenancy Agreement to be on commercial terms and to be fair and reasonable.

REASON FOR THE TRANSACTIONS

In a poor leasing market, the transactions will benefit SHIL as it allows Stelux Holdings Limited to continue to lock in good quality tenants at good market rentals.

INFORMATION FOR SHAREHOLDERS

The transactions are required to be disclosed according to Rule 14.25(1) of the Listing Rules by way of a press notice and the inclusion of details of the transactions in SHIL's annual report. This announcement constitutes such press notice and details of these transactions will be included in SHIL's annual report and accounts for the year end 2002 and for subsequent relevant years.

On behalf of the Board
Joseph C.C. Wong
Managing Director

Hong Kong, 19th July 2001