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STELLUX Holdings International Limited

寶光實業(國際)有限公司 *

website: <http://www.irasia.com/listco/hk/stelux>
(Incorporated in Bermuda with limited liability)
(Stock Code: 84)

CONTINUING CONNECTED TRANSACTION Leasing of office premises and storeroom from connected person

SUMMARY

The Directors of the Company announce that on 25th April 2007, a wholly owned subsidiary of the Company entered into a tenancy agreement for the lease of office premises and storeroom at Stelux House from Mengiwa, the owner of Stelux House and a wholly owned indirect subsidiary of Yee Hing. The principal activity of Yee Hing is investment holding.

The tenancy agreement ("Tenancy Agreement") dated 25th April 2007 for office premises and storeroom is for a term of eleven (11) months at a monthly rental of HK\$36,500.00 (Hong Kong Dollars Thirty Six Thousand and Five Hundred Only).

Yee Hing, a substantial shareholder of the Company, holds approximately 36% of the issued share capital of the Company. Mengiwa is a wholly owned indirect subsidiary of Yee Hing. Therefore, the Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules (the "Continuing Connected Transaction").

The principal activity of the Company is investment holding.

Reference is made to the announcements of the Company dated 20th December 2005 and 19th July 2006, with respect to the continuing connected transactions for the Company relating to the leasing of office premises and carpark spaces at Stelux House by certain subsidiaries of the Company from Mengiwa (the "Existing Tenancy Agreements").

Each of the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the annual consideration to be paid by a subsidiary of the Company for the Continuing Connected Transaction for the term of the tenancy from 1st May 2007 to 31st March 2008 and aggregated with the annual cap for the continuing connected transactions for the Existing Tenancy Agreements, will exceed 0.1% but will be less than 2.5%. As such, the Continuing Connected Transaction is classified as a continuing connected transaction exempt from the independent shareholders' approval requirements under Rule 14A.34 of the Listing Rules but will be subject to the annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Directors of the Company, including the independent non-executive directors consider the Tenancy Agreement to be on normal commercial terms agreed after arms' length negotiations between the parties, and to be fair and reasonable.

INFORMATION ABOUT THE CONTINUING CONNECTED TRANSACTION

The Directors of the Company announce that on 25th April 2007, a wholly owned subsidiary of the Company entered into a tenancy agreement for the lease of office premises and storeroom at Stelux House from Mengiwa, whose principal business is the ownership of Stelux House and a wholly owned indirect subsidiary of Yee Hing. The principal activity of Yee Hing is investment holding.

The tenancy agreement ("Tenancy Agreement") dated 25th April 2007 for office premises and storeroom is for a term of eleven (11) months commencing from 1st May 2007 up to and including 31st March 2008 at a monthly rental of HK\$36,500.00 (Hong Kong Dollars Thirty Six Thousand and Five Hundred Only).

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The Directors of the Company, including the independent non-executive directors consider the Tenancy Agreement to be on normal commercial terms agreed after arms' length negotiations between the parties, and to be fair and reasonable.

TENANCY AGREEMENT DATED 25TH APRIL 2007

Parties

Landlord : Mengiwa
Tenant : a wholly owned subsidiary of the Company

Premises Leased:

Office Unit 1501 with storeroom 1A on the 15th Floor at Stelux House, No. 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong, with a gross floor area of approximately 3,800 square feet.

Term and Commencement Date:

A term of eleven (11) months commencing from 1st May 2007 up to and including 31st March 2008 with an option to renew for a further term of three years at the then prevailing open market rent. The Company will comply with the continuing connected transactions requirements of the Listing Rules upon a further renewal of the Tenancy Agreement after 31st March 2008.

Rent for office premises and storeroom:

HK\$36,500.00 (Hong Kong Dollars Thirty Six Thousand and Five Hundred Only) per month exclusive of rates, government rent and management charges payable monthly in advance in cash from internal funds by the tenant, a wholly owned subsidiary of the Company on the first day of each and every calendar month.

BASIS FOR DETERMINING RENTAL

An independent written valuation conducted by an independent qualified valuer on 17th April 2007 of the office premises and storeroom leased under the Tenancy Agreement shows the current open market rental value on a monthly basis to be HK\$36,500.00 (Hong Kong Dollars Thirty Six Thousand and Five Hundred Only) exclusive of rates, government rent, management fees and other outgoings.

The valuation of the rental for the office premises and storeroom under the Tenancy Agreement was determined by reference to comparable rental transactions as available in the market.

The office premises and storeroom leased under the Tenancy Agreement are for use as an office and storeroom.

THE ANNUAL CAP

The Company proposes to set the maximum aggregate annual consideration for the Continuing Connected Transaction for the period from 1st May 2007 up to and including 31st March 2008 at the approximate rental payable by the Tenant to the Landlord, Mengiwa, under the terms of the Tenancy Agreement. Therefore, the maximum aggregate annual consideration for the Continuing Connected Transaction for the period from 1st May 2007 up to and including 31st March 2008 is HK\$ 405,000.00 (Hong Kong Dollars Four Hundred and Five Thousand Only).

REASON FOR THE TRANSACTION

Due to overall expansion, the Company and its subsidiaries require more office space. Since the Company, including its major subsidiaries, has its headquarters located at Stelux House, it follows to add additional office space at the same office building rather than at other locations as leasing of additional space at the same building will help to improve operational efficiency and reduce overall rental costs. Therefore, the Continuing Connected Transaction will benefit the Company.

INFORMATION FOR SHAREHOLDERS

The Continuing Connected Transaction is based on normal commercial terms agreed after arms' length negotiations between the parties and is in the ordinary and usual course of business of the Company. The Board (including the independent non-executive directors of the Company) considers that the terms of the Continuing Connected Transaction (including the Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Continuing Connected Transaction will be subject to the annual review requirement and the reporting and announcement requirement respectively under Rules 14A.37 to 14A.41, and Rules 14A.45 to 14A.47 of the Listing Rules and exempt from independent shareholders' approval.

DEFINITIONS

"Board"	board of Directors of the Company
"Cap"	the maximum aggregate annual value for the Continuing Connected Transaction as proposed by the Company for the period from 1st May 2007 up to and including 31st March 2008 is HK\$405,000.00 (Hong Kong Dollars Four Hundred and Five Thousand Only)
"Company"	Stelux Holdings International Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Directors"	directors of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Mengiwa"	Mengiwa Property Investment Limited (a company incorporated in Hong Kong), whose connection with the Company is set out above
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Shareholders"	holders of the shares in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Yee Hing"	Yee Hing Company Limited (a company incorporated in Hong Kong), whose connection with the Company is set out above

By order of the Board

Caroline Chong

Company Secretary

Hong Kong, 25th April 2007

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

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)

* *For identification purpose only*

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*