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(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with Limited Liability)
Stock Code 股份代號 : 0590

CONNECTED TRANSACTIONS Licensing and Maintenance Agreements For Computer Programs

On 11th May 2012 Luk Fook Holdings entered into the Licensing Agreement and the Maintenance Agreement with GS Tech for acquiring the Licence to use the Products and respective maintenance services.

The Directors (including the independent non-executive directors of the Company) are of the view that the Licensing Agreement and the Maintenance Agreement are on normal commercial terms entered into on arm's length basis, in the ordinary and usual course of business of the Luk Fook Group, and fair and reasonable so far as the independent shareholders of the Company are concerned. It is in the interest of the Luk Fook Group and the shareholders of the Company to enter into the transaction.

The entering into of the Licensing Agreement and the Maintenance Agreement constitute connected transactions for the Company under Rule 14A.32 of the Listing Rules, which are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and are exempt from the independent shareholders' approval requirements. For compliance with such Listing Rules, the Company is required to make this announcement and disclosure in annual reports and accounts.

LICENSING AGREEMENT

The principal terms of the Licensing Agreement ("Licensing Agreement") and the Maintenance Agreement ("Maintenance Agreement") are as follows:

Dated: 11th May 2012

Licensor: GS Tech Company Limited ("GS Tech"), a company incorporated in Hong Kong and 92% indirectly owned by the Wong's Family Trust.

Licensee: Luk Fook Holdings Company Limited (“Luk Fook Holdings”), a company incorporated in Hong Kong and indirectly wholly owned by Luk Fook Holdings (International) Limited (the “Company”)

The Licence (“Licence”): In consideration of the payment to GS Tech by Luk Fook Holdings of the Licence Fee, GS Tech grants to Luk Fook Holdings, the Company, its direct and indirect subsidiaries and any company whose shareholder or partner is a direct or indirect subsidiary of the Company (collectively referred to as "Luk Fook Group") a perpetual and non-exclusive licence to use the Products in any place in the world for the benefits of Luk Fook Group.

The Products: The computer programs in object code form in respect of the following computerized systems installed at the Luk Fook Group's retail outlets and / or authorized office units:

1. "Goldstar 2" Retail shop point-of-sale system
2. "ACCDEF" Accounting ledger and cheque issuing system
3. "CHKPROG" Comprehensive data analysis / processing system
4. Management of inventories in warehouse system
5. Management of trademark licensees system
6. Dedicated coding system for inventories tagging department
7. Central management of gift vouchers and coupons system
8. Global VIP management system
9. Supplementary retail shop system
10. "GSPlayer" Video information broadcasting system
11. Personnel appraisal and promotion system
12. Personnel management and payroll system
13. Personnel attendance clocking system
14. "CardManager" Name cards management system
15. China Gems Laboratory certificates issuing system

Licence Fee: HK\$10,560,000 being the lump sum Licence Fee covering the use of the Products payable upon signing of the Licensing Agreement on 11th May 2012.

Maintenance Service: Subject to receipt of the Maintenance Charge payable by Luk Fook Holdings for the applicable period, GS Tech will provide Maintenance Service for the Products.

Maintenance Charge: HK\$2,112,000 for twelve months commencing 1st April 2012 payable by twelve equal monthly instalments in advance on the first day of each month.

The Licence Fee of HK\$10,560,000 is determined with reference to the valuation of the fair value of the Products as at 13th February 2012 performed by Greater China Appraisal Limited, an independent valuer who is not connected with any of the directors and chief executive of the Company or any of its subsidiaries and any of their respective associates.

CONNECTED PERSONS

Mr. WONG Wai Sheung, Ms. LUK Chui Yee, Mr. WONG Ho Lung, Danny, and Miss WONG Lan Sze, Nancy are discretionary beneficiaries of the WONG's family Trust (the "Trust"). The Trust is the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which is the beneficial owner of 1,511,050 shares (0.26%) of the Company and of 36,724,007 shares (36.72%) of Luk Fook (Control) Limited. In turn, Luk Fook (Control) Limited holds 234,185,672,000 shares (39.75%) of the Company. Mr. Wong Wai Sheung is the Company's Director & Chief Executive, Ms. LUK Chui Yee is the spouse of Mr. WONG Wai Sheung; Mr. WONG Ho Lung, Danny and Miss WONG Lan Sze, Nancy (children of Mr. WONG Wai Sheung) are executive directors of the Company. They are regarded as connected persons under the Rules governing the listing of securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

CONNECTED TRANSACTIONS

The transactions in the Licensing Agreement and the Maintenance Agreement are regarded as connected transactions under the Listing Rules. Pursuant to Rule 14A.32 of the Listing Rules, the Company is required to disclose by way of a press announcement, and in the annual reports and accounts, the brief details of the transactions. The directors are not aware of any other connected transactions between the Company together with its subsidiaries ("Group") and Mr. Wong and his family which are subsisting in the same period as the Licensing Agreement and the Maintenance Agreement or in the past 12 months as stipulated under Rule 14A.25.

REASONS FOR THE LICENSING AND MAINTENANCE AGREEMENTS

The Luk Fook Group has since the year 2003 started to install and use the tentative versions of the Products on a trial and uncommitted basis for operating its jewellery retail business. After many years of testing and upgrading, the final versions of the Products are now used by the Luk Fook Group. In order to keep on using the Products for operating the jewellery retail business, Luk Fook Holdings has to enter into the Licensing Agreement and Maintenance Agreement.

DIRECTORS' VIEW

Having taken into account the factors and reasons set out above, the Directors (including the independent non-executive directors of the Company) are of the view that, based on the valuation of Greater China Appraisal Limited, the Licensing Agreement and the Maintenance Agreement are on normal commercial terms entered into on arm's length basis, in the ordinary and usual course of business of the Luk Fook Group, and fair and reasonable so far as the independent shareholders of the Company are concerned. The Directors also consider that

the Licensing Agreement is of terms no less favourable to the Luk Fook Group than those available from independent third parties. It is in the interest of the Luk Fook Group and the shareholders of the Company to enter into the transaction.

GENERAL

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the retailing and wholesaling of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones, and other accessory items.

The entering into of the Licensing Agreement and the Maintenance Agreement constitute connected transactions for the Group, which are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and are exempt from the independent shareholders' approval requirements. This announcement is made by the Company in compliance with such Listing Rules. The Company will also include the details of these transactions in its next published annual report and accounts. The Directors are not aware of any other continuing connected transactions entered between the Group and Mr. Wong and his family besides those disclosed in this Announcement.

By Order of the Board
Luk Fook Holdings (International) Limited
Wong Wai Sheung
Chief Executive

Hong Kong, 14th May 2012

As at the date of this Announcement, the Company's executive directors are Mr. WONG Wai Sheung (Chief Executive), Mr. TSE Moon Chuen, Mr. LAW Tim Fuk, Paul, Ms. WONG Hau Yeung, Ms. CHUNG Vai Ping, Mr. WONG Ho Lung, Danny, and Miss WONG Lan Sze, Nancy; the non-executive directors are Mr. WONG Koon Cheung, Ms. YEUNG Po Ling, Pauline, Mr. HUI King Wai, Mr. HUI Chiu Chung, JP and Mr. LI Hon Hung, MH, JP; the independent non-executive directors are Mr. LO Mun Lam, Raymond (Chairman), and Mr. TAI Kwok Leung, Alexander, Mr. IP Shu Kwan, Stephen, GBS, JP.