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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*

CONTINUING CONNECTED TRANSACTIONS

New leasing of premises from a connected person

The Company announces that on 28 November 2013, one of its wholly-owned subsidiaries, as tenant, entered into the Tenancy Agreement with Mengiwa, as landlord, for the leasing of an office unit with two storerooms at Stelux House for a term not exceeding three years commencing from 1 January 2014 and expiring on 31 March 2016.

Mr. Chumphol Kanjanapas and Mr. Sakorn Kanjanapas, being Directors, are beneficiaries of the Trust which holds 55% of the total issued ordinary shares of Yee Hing. Mengiwa is a subsidiary of Yee Hing. Mengiwa is therefore an associate of the aforesaid Directors and hence is a connected person of the Company. The entering into of the Tenancy Agreement therefore constitutes a continuing connected transaction for the Company.

Reference is made to announcements of the Company dated 22 March 2013 and 22 May 2013, that the Company through certain of its wholly-owned subsidiaries, each individually as tenant/licensee, entered into agreements relating to the leasing or licensing of premises between the Group and the Yee Hing Group for terms not exceeding three years commencing at various dates and expiring on 31 March 2016.

The highest applicable percentage ratio calculated with reference to the maximum aggregate annual rental fees payable by the Group to Mengiwa under the Tenancy Agreement and the other subsisting agreements relating to the leasing or licensing of premises by the Group from Yee Hing Group for each of the three years ending 31 March 2016 exceeds 0.1% but is less than 5% and the Tenancy Agreement is aggregated for the purpose of classification of connected transactions in accordance with Rule 14A.25 of the Listing Rules. Therefore, the leasing of the Tenancy Agreement constitutes a continuing connected transaction for the Company subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

* *For identification purpose only*

1. LEASING OF OFFICE PREMISES FROM CONNECTED PERSON

On 28 November 2013, the Company through a wholly-owned subsidiary, as tenant, entered into the Tenancy Agreement with Mengiwa to rent an office unit with two storerooms for a term of two years and three months commencing on 1 January 2014 and expiring on 31 March 2016 on the following terms:

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| Date: | 28 November 2013 |
| Parties: | Mengiwa, as landlord Stelux Holdings, as tenant |
| Premises: | Office unit number 601 with Storeroom Nos. 1A and 1B on 6th floor at Stelux House |
| Rental period: | Two years and three months from 1 January 2014 up to and including 31 March 2016 |
| Monthly rental: | HK\$42,500.00 per calendar month (exclusive of rates, government rent and management charges) payable in advance in cash by the tenant on the first day of each and every calendar month |
| Other terms: | Stelux Holdings is granted an option, but not an obligation, to renew the tenancy with Mengiwa every three years for three more years for a maximum of 15 years commencing from 1 April 2016 at the then prevailing open market rent. The Company will comply with all applicable requirements under the Listing Rules in the event of renewal of the Tenancy Agreement. |

The monthly rental was determined on an arm's length basis taking into account the valuation on the office unit with two storerooms conducted by an independent property valuer dated 22 November 2013. Accordingly, the Directors consider that the terms of the Tenancy Agreement reflect normal commercial terms and to be fair and reasonable, and the entering into of the Tenancy Agreement is in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The Group is principally engaged in the businesses of retailing and wholesaling of watches and optical products.

Due to expansion, the Group requires more office and storage space. Since the Company and its major subsidiaries have their headquarters located at Stelux House, leasing additional space at the same office building is more convenient than at other locations and will also help to improve operational efficiency and reduce overall rental costs.

LISTING RULES IMPLICATIONS AND AGGREGATION OF ANNUAL CAP IN RELATION TO THE TENANCY AGREEMENT

Mengiwa is a wholly-owned subsidiary of Yee Hing and is therefore a connected person of the Company. The Tenancy Agreement therefore constitutes a continuing connected transaction for the Company.

The maximum annual rentals payable to Mengiwa for each of the three years ending 31 March 2016 under the Tenancy Agreement amounts to HK\$510,000.00. Each of the highest applicable percentage ratios calculated with reference to the maximum aggregate annual rentals payable to Mengiwa under the Tenancy Agreement for each of the three years ending 31 March 2016 is less than 0.1%.

In view of the entering into of the Tenancy Agreement, the maximum aggregate annual rentals and licence fees payable by the Group to the Yee Hing Group under the Tenancy Agreement and the other subsisting agreements relating to the licensing or leasing of premises by the Group from Yee Hing Group as disclosed in the Company's announcements dated 22 March 2013 and 22 May 2013 will amount to approximately HK\$14,000,000.00 for the three years ending 31 March 2016.

The applicable percentage ratio calculated with reference to the maximum aggregate annual rentals and licence fees payable by the Group to the Yee Hing Group for each of the three years ending 31 March 2016 exceeds 0.1% but is less than 5%. Therefore, the Tenancy Agreement constitutes a continuing connected transaction for the Company subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Each of Mr. Chumphol Kanjanapas and Mr. Sakorn Kanjanapas, by virtue of their interest in the Yee Hing Group through the Trust, is regarded to have a material interest in the Tenancy Agreement. Both of Mr. Chumphol Kanjanapas and Mr. Sakorn Kanjanapas did not vote on the Tenancy Agreement.

Mr. Vincent Lau Tak Bui is also a director of the Company and Mengiwa. As such, Mr. Vincent Lau Tak Bui has a material interest in the Tenancy Agreement and also did not vote on the Tenancy Agreement.

DEFINITIONS

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| “Board” | the board of Directors |
| “Company” | STELUX Holdings International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange |
| “connected person” or “connected persons” | has the same meaning as ascribed to it under the Listing Rules |
| “controlling shareholder” | has the same meaning as ascribed to it under the Listing Rules |
| “Directors” | directors (including the independent non-executive Directors) of the Company |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mengiwa” | Mengiwa Property Investment Limited, a company incorporated in Hong Kong engaging in investment holding and a wholly-owned subsidiary of Yee Hing |
| “Shareholders” | holders of the shares in the issued share capital of the Company |
| “Stelux Holdings” | Stelux Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company |
| “Stelux House” | the building known as “Stelux House” situated at 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong, erected on New Kowloon Inland Lot No. 4790 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tenancy Agreement” | the tenancy agreement entered into on 28 November 2013 between Mengiwa, as landlord, and a wholly owned subsidiary of the Group, as tenant for the lease of office unit number 601 with Storeroom Nos. 1A and 1B on 6th floor at Stelux House |
| “Trust” | the Klayze Trust, of which Mr. Chumphol Kanjanapas, Mr. Sakorn Kanjanapas and their certain brothers and sisters are beneficiaries |
| “Yee Hing” | Yee Hing Company Limited, a company incorporated under the laws of Hong Kong |

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| “Yee Hing Group” | Yee Hing and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | Percentage |

By order of the Board
Caroline Chong
Company Secretary

Hong Kong, 28 November 2013

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*)