

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# **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 9 October 2014, one of its wholly-owned subsidiaries, as tenant, entered into Tenancy Agreements with Mengiwa, as landlord, for the leasing of office units and storerooms at Stelux House for terms not exceeding three years commencing from 9 October 2014 and expiring on 31 March 2016 respectively.

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. Therefore, Mengiwa is an associate of the aforesaid Directors and hence a connected person of the Company. The entering into of the Tenancy Agreements therefore constitute continuing connected transactions for the Company.

Reference is made to announcements of the Company dated 9 April 2014, 28 November 2013, 22 May 2013, 22 March 2013 and 10 December 2012, 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 and expiring on 31 March 2016.

The Tenancy Agreements are aggregated for the purpose of classification of connected transactions in accordance with Rule 14A.81 of the Listing Rules. The highest applicable percentage ratio calculated with reference to the maximum aggregate annual rental fees and license fees payable by the Group to Yee Hing Group under the Tenancy Agreements 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%. Therefore, the Tenancy Agreements constitute continuing connected transactions 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 AND STOREROOMS FROM A CONNECTED PERSON**

On 9 October 2014, the Company through a wholly-owned subsidiary entered into the Tenancy Agreements with Mengiwa to rent office premises and storerooms for a term of one year five months and twenty three days commencing on 9 October 2014 and expiring on 31 March 2016 on the following terms:

Date:	9 October 2014
Parties:	Mengiwa, as landlord Stelux Holdings, as tenant
Premises A:	Whole of 26th floor with Storeroom Nos. 1A, 1B, 6A and 6B on 26th floor at Stelux House
Premises B:	Office Unit 2203 on 22nd floor at Stelux House
Premises C:	Office Unit 1501 with Storeroom No. 1A on 15th floor at Stelux House
Rental period:	One year five months and twenty three days from 9 October 2014 up to and including 31 March 2016
Monthly rental:	Total HK\$352,540 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 each of the tenancies 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 any of the Tenancy Agreements.

The monthly rental for the Tenancy Agreements were determined on an arm's length basis taking into account the rental valuations of Premises A, Premises B and Premises C respectively conducted by an independent property valuer dated 30 September 2014, which indicated that the rental rates under the Tenancy Agreements are at market rental rates. Accordingly, the Directors consider that the terms of the Tenancy Agreements reflect normal commercial terms and to be fair and reasonable, and the entering into of the Tenancy Agreements are in the interests of the Company and the Shareholders as a whole.

### **REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENTS**

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

The Group requires more space to meet its operational needs. Since the headquarters of the Company and its major subsidiaries have been located at Stelux House over a long period of time, leasing additional space at the existing location 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 AGREEMENTS**

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. Therefore, Mengiwa is an associate of the aforesaid Directors and hence connected persons of the Company. The entering

into of the Tenancy Agreements therefore constitute continuing connected transactions for the Company.

The maximum annual rentals payable to Yee Hing Group for each of the three years ending 31 March 2016 under the Tenancy Agreements amount to approximately HK\$4,230,480. The highest applicable percentage ratios calculated with reference to the maximum aggregate annual rentals payable to Yee Hing Group under the Tenancy Agreements for each of the three years ending 31 March 2016 exceeds 0.1% but is less than 5%.

The Tenancy Agreements are aggregated for the purpose of classification of connected transactions in accordance with Rule 14A.81 of the Listing Rules. The maximum aggregate annual rentals and licence fees payable by the Group to the Yee Hing Group under the Tenancy Agreements 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 announcement dated 9 April 2014 will amount to approximately HK\$18,430,480 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 Agreements constitute continuing connected transactions 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 Agreements. Both of Mr. Chumphol Kanjanapas and Mr. Sakorn Kanjanapas did not vote on the Tenancy Agreements.

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

## DEFINITIONS

“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
“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
“Premises A”	Whole of 26th floor with Storeroom Nos. 1A, 1B, 6A and 6B on 26th floor at Stelux House
“Premises B”	Office Unit 2203 on 22nd floor at Stelux House
“Premises C”	Office Unit 1501 with Storeroom No. 1A on 15th floor at Stelux House
“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 Agreements”	the tenancy agreements entered into on 9 October 2014 between Mengiwa, as landlord, and a wholly owned subsidiary of the Group, as tenant for the lease of Premises A, Premises B and Premises C
“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

“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, 9 October 2014

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*)