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STELUX 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)

DISCLOSEABLE TRANSACTION

Acquisition of property in Hong Kong

On 6 December 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement for the acquisition of the Property from the Vendor at a cash consideration of HK\$62,000,000. Completion is expected to be on or before 3 March 2008.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information of the Acquisition and other information of the Group will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules.

The Company announces that on 6 December 2007 the Purchaser and the Vendor entered into the Provisional Agreement pursuant to which the Purchaser agreed to acquire (the “**Acquisition**”) the Property from the Vendor.

THE ACQUISITION

The Provisional Agreement dated 6 December 2007

| | | |
|----------|------------|--|
| Parties: | Vendor: | Mr Fan Min Chi (樊敏之) (the “ Vendor ”) |
| | Purchaser: | Fulani Investment Limited (the “ Purchaser ”), a wholly-owned subsidiary of the Company |

* For identification purpose only

The Directors, to the best of their knowledge, information and belief and having made all reasonable enquires, confirm that the Vendor is an independent third party not connected with the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates.

Property: The shop, with a saleable floor area of approximately 475 square feet, of the Building known as the Ground Floor of No. 30 Sai Yeung Choi Street, Kowloon, Hong Kong (please refer to details set out in section headed “DEFINITION” below)

The Property is subject to an existing tenancy of which City Chain Company Limited, a wholly-owned subsidiary of the Company, is the tenant. The annual rent (exclusive of rates, government rent and management charges for office premises) in respect of the Property paid by City Chain Company Limited for the two financial years ending 31 March 2006 and 31 March 2007 amounted to HK\$1,440,000 and HK\$1,880,000 respectively.

Consideration: The consideration for the Property is HK\$62,000,000 in cash, which is expected to be funded partially by internal resources of the Group and partially by external mortgage loan from bank.

Payment terms:

- (1) An initial deposit of HK\$3,000,000 has been paid by the Purchaser to Vendor upon signing of the Provisional Agreement.
- (2) A further deposit, and also as part payment of the consideration, of HK\$3,200,000 shall be paid by the Purchaser to the Vendor upon signing of the Formal Agreement, which is expected to be on or before 15 February 2008.
- (3) The balance of HK\$55,800,000 shall be paid by the Purchaser to the Vendor upon Completion.

Completion: Completion of the sale and purchase of the Property shall take place on or before 3 March 2008.

The consideration for the Acquisition was agreed between the Purchaser and the Vendor after arm’s length negotiations with reference to the preliminary valuation report of independent property valuers in respect of the Property which indicates that the consideration for the Property of HK\$62 million is within a reasonable market value as at 6 December 2007. The Board (including the independent non-executive Directors) considers that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PROPERTY AND REASONS FOR THE ACQUISITION

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

The Property is situated at Sai Yeung Choi Street of Mongkok district which is one of the busiest commercial areas in Kowloon, Hong Kong and is used for retail shop purpose. City Chain Company Limited, a wholly-owned subsidiary of the Company, has been leasing the Property for about 20 years to operate therefrom its watch retail shop, City Chain. The Directors are satisfied with the location of the Property in terms of exposure to shoppers and volume of pedestrian flow as far as the operations of the City Chain shop thereof is concerned. Given that the Property is now available for sale and having considered the business prospects for the City Chain shop operations at the Property, the Directors consider that the Acquisition could provide a good opportunity for the Company to secure a desirable retail space in Hong Kong without being affected by the fluctuations in rents and hence is beneficial to the development of the Group's core business. The current intended purpose for the Acquisition is for the Group's own retail shop uses.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules, calculated with reference to the consideration for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules. A circular containing further information of the Acquisition and other information of the Group will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules.

DEFINITIONS

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|--------------------|---|
| “associate” | has the same meaning as ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “chief executive” | has the same meaning as ascribed to it under the Listing Rules |
| “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 |
| “Completion” | The completion of the Acquisition |
| “Directors” | directors (including the independent non-executive Directors) of the Company |
| “Formal Agreement” | The formal sale and purchase agreement to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property |
| “Group” | the Company and its subsidiaries |

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| “Hong Kong” | The Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange |
| “Property” | all that one equal undivided 108th part or share of and in all that piece or parcel of ground registered in the Land Registry as The Remaining Portion of Section B of Kowloon Inland Lot No.1568 And of and in the messuages erections and buildings constructed thereon and now known as Nos. 26, 28, 30, 32, 34 and 36 Sai Yeung Choi Street and Nos. 51A and 51B Shantung Street (the “ Building ”) together with the sole and exclusive right and privilege to hold use occupy and enjoy all that the shop of the Building known as the Ground Floor of No. 30 Sai Yeung Choi Street |
| “Provisional Agreement” | The provisional sale and purchase agreement dated 6 December 2007 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property |
| “Shareholders” | holders of the shares in the issued share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder” | has the same meaning as ascribed to it under the Listing Rules |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | Percentage |

On behalf of the Board
Vincent Lau Tak Bui
Director

Hong Kong, 10 December 2007

As at the date of this announcement, the Directors 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*)