

LUK FOOK HOLD<0590> - Announcement

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

LUK FOOK (CONTROL) LIMITED
(Incorporated in British Virgin Islands with limited liability)

Proposed distribution of the issued shares of
Luk Fook Holdings (International) Limited
by its controlling shareholder

Luk Fook Control is the controlling shareholder of the Company.

The shareholders of Luk Fook Control want themselves to increase, while
Luk Fook Control to decrease, their direct interests in the Company.

Luk Fook Control has proposed to distribute 45,600,000 (about 10%) issued
shares of the Company, out of its own holdings, to its shareholders.

Luk Fook Control expects to complete the distribution before 21st March
2000.

The proposed distribution will have no impact on the business operations
and existing board of directors of the Company, also the public's
shareholdings in it will remain unchanged.

Proposed distribution by Luk Fook (Control) Limited ("Luk Fook Control")

Luk Fook Control will make a distribution, in the form a dividend-in-kind
consisting of 45,600,000 (about 10%) issued shares of Luk Fook Holdings
(International) Limited ("the Company"), out of its own holdings, to its
shareholders whose names appear on its register of members on 1st March
2000. This dividend-in-kind will fully comply with the provisions of Luk
Fook Control's Memorandum and Articles of Association.

Conditions of the proposed distribution

The proposed distribution will be unconditional.

Luk Fook Control and its shareholders' current interests:

Currently, Luk Fook Control and its shareholders are respectively
interested directly in about 60.8% and 6.2% (making a total of about
67.0%) of the issued share capital of the Company.

Luk Fook Control and its shareholders' interests after the proposed
distribution:

Immediately after the proposed distribution, assuming there were no
changes in shareholders' interests during the transitional period, Luk
Fook Control and its shareholders would be respectively interested
directly in about 50.8% and 16.2% (making a total of about 67.0%) of the
issued share capital of the Company. Their total direct interests in the
Company will collectively remain the same as that before the distribution.

Direct Interests of the Company's directors in the Company

Direct Interests of the Company's directors in the Company before and after the distribution are as follows:-

Name of Director	Direct Interest Before Distribution	Direct Interest After Distribution
Mr. Wong Wai Sheung		
Personal Interest	0.35%	0.40%
Other Interest	0.05%	2.77%
Mr. Tse Moon Chuen		
Personal Interest	0.03%	0.22%
Family Interest	0.00%	0.01%
Mr. Poon Kam Chi		
Personal Interest	0.00%	0.02%
Mr. Lau Kwok Sum		
Personal Interest	0.01%	0.01%
Mr. Wong Koon Cheung		
Personal Interest	0.29%	0.65%
Mr. Chan Wai		
Personal Interest	0.13%	0.73%
Mr. Lee Shu Kuan		
Personal Interest	0.67%	1.30%
Family Interest	0.10%	0.16%
Other Interest	0.48%	0.57%
Ms. Yeung Po Ling, Pauline		
Personal Interest	0.31%	0.47%
Total Interests	2.42%	7.31%

Background to and reasons for the proposed distribution

Upon the listing of the Company in May 1997, Luk Fook Control and its shareholders respectively held directly 60% and 15% (making a total of 75%) of the issued share capital of the Company, while the remaining 25% was held by the public. From time to time, the shareholders of Luk Fook Control have expressed their requests that Luk Fook Control should distribute to them a portion of its shareholdings in the Company, so that their direct interests in the Company would increase and they could deal with those shares in the Company more flexibly. Accordingly, in order to satisfy the needs of its shareholders, Luk Fook Control has proposed to distribute 45,600,000 (about 10%) issued shares of the Company, out of its own holdings, to its shareholders by way of a dividend-in-kind. As a result, Luk Fook Control will decrease, while its shareholders will increase, its direct interests in the Company by that level. All expenses incidental to the proposed distribution will only be borne by Luk Fook Control.

Impact of the proposed distribution

The proposed distribution by Luk Fook Control will have no impact on the business operations and existing board of directors of the Company, also

the public's shareholdings in it will remain unchanged.

Expected completion date of the proposed distribution

Luk Fook Control expects to complete the proposed distribution before 21st March 2000.

By Order of the Board

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

Wong Wai Sheung

Chairman

By Order of the Board

LUK FOOK (CONTROL) LIMITED

Tse Moon Chuen

Director

Hong Kong, 28th February 2000