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六福集團(國際)有限公司

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(於百慕達成立之有限公司)
(Incorporated in Bermuda with Limited Liability)
Stock Code 股份代號 : 590

DISCLOSEABLE TRANSACTION TENANCY AGREEMENT

On 18th January 2010, CHL entered into the Tenancy Agreement with JLC for leasing the Premises.

The Directors believe that the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

The Tenancy Agreement constitutes a discloseable transaction for the Company under the Listing Rules, hence, an announcement is hereby published.

TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are as follows:

- Dated: 18th January 2010
- Tenant: Cheer Hope Investment Limited (“CHL”), a company incorporated in Hong Kong and wholly owned by Luk Fook Holdings (International) Limited (the “Company”).
- Landlord: James S. Lee & Company (Kowloon) Limited (“JLC”) a company incorporated in Hong Kong, an independent third party introduced by a commissionable property agent. The principal business of JLC is property investment.
- Premises: Shops 2 & 3 on G/F., M/F and Apartments 1-5 on 1/F of Haiphong Mansion, 101 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the “Premises”).
- Gross Floor Area: Approximately 3,300 square feet on G/F., 2,800 square feet on M/F., and 3,900 square feet on 1/F.
- Cash Rental: HK\$2,400,000 per month from 16th March 2010 to 15th March 2013 (with two months’ rent free period), and HK\$2,580,000 per month from 16th March 2013 to 15th March 2016; payable at the beginning of the month exclusive of rates, management fees and other outgoings.
- Term: Six years from 16th March 2010 to 15th March 2016, subject to surrender of the Premises by the present tenant.

REASONS AND BENEFITS FOR THE TRANSACTION

The Premises are situated at the junction of Nathan Road and Haiphong Road within the Tsimshatsui District in Kowloon Peninsula. All modes of public transport facilities including franchised buses, public light buses, taxis are available along Nathan Road and near Haiphong Road. The Mass Transit Railway's Tsimshatsui Station is also situated right opposite to the Premises. The Group will use the Ground floor and Mezzanine of the Premises as a flagship store for its jewellery retail business, and it will consider to sublet the First Floor of the Premises to provide general commercial facilities catering for the promotion of the jewellery retail business. It is expected that this flagship store will capture the expanded jewellery retail business generated by the substantial increase in the number of PRC tourists traveling to Hong Kong under the individual travel scheme, following the recent relaxation of residence permit policies for temporary residents of the Guangdong Province.

DIRECTORS' VIEW

The monthly rent was determined by reference to the fact that the open market rent of the Premises as at 15th January 2010 should not be less than HK\$2,400,000 per month according to the professional valuation performed by Asset Appraisal Limited, an independent valuer who is not a connected person (as defined in the Listing Rules) of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Landlord and the ultimate beneficial owner of the Landlord are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. Having taken into account the factors and reasons set out in the previous paragraph, the directors of the Company (the "Directors") believe that the terms of Tenancy Agreement are fair and reasonable and in the interests of the shareholders of the Company (the "Shareholders") as a whole.

GENERAL

The relevant alternative ratio (being total contract value/consolidated total assets) for this transaction is over 5% but below 25%. As a result, the Tenancy Agreement constitutes a discloseable transaction under the Listing Rules.

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

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, Mr. LAU Kwok Sum, Mr. WONG Ho Lung, Danny, and Miss WONG Lan Sze, Nancy; the non-executive directors are Mr. WONG Koon Cheung, Mr. CHAN Wai, Mr. LEE Shu Kuan, Ms. YEUNG Po Ling, Pauline and Mr. HUI King Wai; the independent non-executive directors are Mr. HUI Chiu Chung, Mr. LO Mun Lam, Raymond (Chairman), and Mr. TAI Kwok Leung, Alexander.

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

Hong Kong, Dated 21st January 2010