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LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 590)

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTY

On 7th April 2004 Dragon Kind entered into the Sale and Purchase Agreement with Main Goal for acquiring the Property.

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

The acquisition of the Property constitutes a discloseable transaction for the Company under the Listing Rules. Therefore, the circular containing further information on the transaction will be dispatched to the Shareholders as soon as practicable.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

- Dated: 8th April 2004
- Purchaser: Dragon Kind Development Limited (“Dragon Kind”), a company incorporated in Hong Kong and wholly owned by Luk Fook Holdings (International) Limited (the “Company”)
- Vendor: Main Goal Limited (“Main Goal”), a company incorporated in Hong Kong, an independent third party introduced by a commissionable property agent
- Property: The whole block of commercial building situated at No. 749A Nathan Road, Kowloon, Hong Kong (the “Property”)
- Consideration: HK\$36,000,000 payable in cash (HK\$3,600,000 on or before 8th April 2004 and HK\$32,400,000 on or before completion of the transaction)
- Completion: On or before 18th June 2004

The Property is a 14-storey commercial building (plus a cockloft) completed in 1985 presently known as Hing Pong Commercial Building. It is currently vacant and has a total saleable floor area of approximately 10,788 square feet.

The cash price of HK\$36,000,000 was determined by reference to the open market value of HK\$37,500,000 as at 26th March 2004 as appraised by FPD Savills (Hong Kong) Limited, an independent valuer who is not a connected person (as defined in the Listing Rules) of the Company. It is expected that 30% (HK\$10,800,000) of the consideration will be financed by internal resources, while the remaining balance of 70% (HK\$25,200,000) will be financed by bank borrowings, subject to final decision of the Directors.

REASONS AND BENEFITS FOR THE TRANSACTION

The Property is situated on the west side of Nathan Road near the junction with Prince Edward Road West within the Mongkok District in Kowloon Peninsula. All modes of public transport facilities including franchised buses, public light buses, taxis are available along Nathan Road, Prince Edward Road and Lai Chi Kok Road. The Mass Transit Railway's Prince Edward Station is also situated within short walking distance of the Property. The Group will use the whole Property as its head office building to accommodate all its existing office operations which are currently housed in rented/owned properties at 19/F to 21/F Sino Centre, 582-592 Nathan Road, Kowloon. The Directors propose to rename the Property as Luk Fook Jewellery Centre, subject to approval from relevant Government authorities, so that it will become a landmark of the Group in Hong Kong. With a view to eliminating the need for leasing office space, to providing better support to the Group's jewellery retail shops located along Nathan Road especially in Mongkok, and to promoting the corporate image, the Group has decided to acquire the Property.

DIRECTORS' VIEW

The Vendor and the ultimate beneficial owner of the Vendor are not 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 acquisition of the Property are fair and reasonable and in the interests of the shareholders of the Company (the "Shareholders") as a whole.

GENERAL

The asset ratio and the consideration ratio for this transaction are each over 5% and below 25%. As a result, the acquisition of the Property constitutes a discloseable transaction under the Listing Rules. The circular containing further information on the transaction will be dispatched to the Shareholders as soon as practicable.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the 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 included Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. LAW Tim Fuk, Paul, Mr. POON Kam Chi, and Mr. LAU Kwok Sum, and the non-executive directors included Mr. WONG Koon Cheung, CHAN Wai, LEE Shu Kuan, Ms. YUENG Po Ling, Pauline, Mr. HUI Chiu Chung, Mr. CHIU Wai Mo and Mr. HUI King Wai.

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

Hong Kong, Dated 7th April 2004

“Please also refer to the published version of this announcement in The Standard”.