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LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 590)

CONTINUING CONNECTED TRANSACTION

On 10th January 2007 Luk Fook HK entered into the Tenancy Agreement with Mr. Wong for leasing the Property, as a renewal of the tenancy agreement expired on 31st December 2006.

The Directors (including the independent non-executive directors of the Company) are of the view that the Tenancy Agreement is on normal commercial terms entered into on arm's length basis, in the ordinary and usual course of business of the Group, and fair and reasonable so far as the independent shareholders of the Company are concerned. It is in the interest of the Group and the shareholders of the Company to enter into the transaction.

The entering into of the Tenancy Agreement constitutes continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules, which are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and are exempt from the independent shareholders' approval requirements. For compliance with such Listing Rules, the Company is required to make this announcement and disclosure in annual reports and accounts.

TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are as follows:

Dated: 10th January 2007

Tenant: Luk Fook Jewellery & Goldsmith (HK) Company Limited ("Luk Fook HK"), a company incorporated in Hong Kong and wholly owned by Luk Fook Holdings (International) Limited (the "Company").

Landlord: Mr. WONG Kwai Sang ("Mr. Wong"), father of Mr. WONG Wai Sheung who is the Company's Director & Chief Executive.

Property: Portion A-1 on Ground Floor, On Lee Building, Nos. 41-53 Fung Tak Road and Nos. 9-15 Fei Fung Street, Wong Tai Sin, Kowloon, Hong Kong (the "Property").

Saleable Area: Approximately 909 square feet.

Cash Rental: HK\$170,000 per month, payable at the beginning of the month exclusive of rates, management fees and other outgoings totaling approximately HK\$12,000 per month. The cap of the annual rental together with rates, management fees and other outgoings for the Property applicable to each of the three years ended 31st December 2009 is not more than HK\$2,300,000. The cap of the previous tenancy agreement was HK\$2,000,000 and the increase in such cap is mainly due to the monthly rental increase from HK\$150,000 to HK\$170,000 in accordance with the market rate increase.

Term: Three years from 1st January 2007 to 31st December 2009.

The monthly rental is equivalent to HK\$170,000 determined with reference to the valuation of the open market rent as at 9th January 2007 performed by DTZ Debenham Tie Lung Limited, an independent valuer who is not connected with any of the directors and chief executive of the Company or any of its subsidiaries and any of their respective associates. The Tenancy Agreement is a renewal of the tenancy agreement expired on 31st December 2006 which was dated 8th March 2006 previously disclosed in a press announcement dated 13th March 2006 and annual report of the Company for the year ended 31st March 2006.

CONNECTED PERSON

Mr. Wong, being the father the Company's Director & Chief Executive, together with a registered shareholding of about 0.03% of the issued shares of the Company, is regarded as a connected person under the Rules governing the listing of securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

CONTINUING CONNECTED TRANSACTIONS

Similar to the previous tenancy agreement, the Tenancy Agreement is regarded as continuing connected transactions under the Listing Rules. Pursuant to Rule 14A.34 of the Listing Rules, the Company is required to disclose by way of a press announcement and in the annual reports and accounts of the brief details of the transactions. The directors are not aware of any other connected transactions between the Group and Mr. Wong which are subsisting in the same period as the Tenancy Agreement or in the past 12 months as stipulated under Rule 14A.25.

REASON FOR THE TENANCY AGREEMENT

The Group has operated a jewellery retail shop (the "Retail Shop") on the Property since 1st July 1996, which has successfully accumulated a substantial valuable customer base over the past few years and achieved satisfactory business results during the past few years. In order to keep on operating the Retail Shop, the Group has to continue leasing the Property.

DIRECTORS' VIEW

Having taken into account the factors and reasons set out above, the Directors (including the independent non-executive directors of the Company) are of the view that, based on the valuation of DTZ Debenham Tie Lung Limited, the Tenancy Agreement is on normal commercial terms entered into on arm's length basis, in the ordinary and usual course of business of the Group, and fair and reasonable so far as the independent shareholders of the Company are concerned. The Directors also consider that the Tenancy Agreement is of terms no less favourable to the Group than those available from independent third parties. It is in the interest of the Group and the shareholders of the Company to enter into the transaction.

GENERAL

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.

The entering into of the Tenancy Agreement constitutes continuing connected transactions for the Company together with its subsidiaries (the "Group"), which are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and are exempt from the independent shareholders' approval requirements. This announcement is made by the Company in compliance with such Listing Rules. The Company will also include the details of this transaction in its next published annual reports and accounts. The Directors are not aware of any other continuing connected transactions entered between the Group and Mr. Wong besides the one as disclosed in this announcement.

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 and Mr. LAU Kwok Sum; 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. CHIU Wai Mo, and Mr. LO Mun Lam, Raymond (Chairman).

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