

**STELUX HOLDINGS INTERNATIONAL LTD :
NEAR-SIGHTED SUBSIDIARY ATTRACTS CREDITORS**

A wholly owned subsidiary of publicly listed Stelux Holdings International Ltd (Code: 84, Main Board, The Stock Exchange of Hongkong Ltd) appears to be getting itself into plenty of hot water, of late, and has attracted the attention of quite a number of its creditors.

The subsidiary is the Company's optical retailer, known as Optical 88 Ltd, about which Managing Director, Mr Joseph C.C. Wong said, on July 19, 2001:

'Optical 88 reported an increase in turnover from last year (meaning, the increase of turnovers for the Financial Year, ended March 31, 2000, compared with the Financial Year, ended March 31, 2001) of 12%, amid fierce competition in the HK market. However, price wars in this sector affected profits and a loss of HK\$2 million was reported compared to a slight profit of HK\$1 million for last year (meaning, the 'slight profit' for the Financial Year, ended March 31, 2000). To beat the competition, we will enhance the image of our stores, the quality of our sales force and also bring in new product mixes. To better our services, we have introduced various customer loyalty programmes.'

Optical 88, according to the records of **TOLFIN** (**TARGET**'s Computerised, Online Financial Service), this subsidiary operates 74 shops in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

But, during the past 4 months, it has attracted not less than 7 claims from its landlords, all of which are claiming arrears of rent.

Thus far, the aggregate amount, being claimed by these 7 Plaintiffs, only amounts to about \$HK1.45 million, but, when the MTR Corporation Ltd announces that it is making a claim for a seemingly paltry amount of just \$HK113,253.60 for its rent, then some people start to wonder just what is going on in the subsidiary.

The shops, which have been accused of not paying rent, are located at:

1. Tuen Mun, the New Territories;
2. San Po Kong, Kowloon;
3. Shatin, the New Territories;
4. Shamshuipo, Kowloon;
5. Tseung Kwan O, Sai Kung, the New Territories; and,
6. Causeway Bay, Hongkong.

Strangely, Stelux turned in a Net Profit Attributable to Shareholders of about \$HK55.40 million for the Financial Year, ended March 31, 2001, and does not appear to be in need of cash for operations.

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