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Unless otherwise defined herein, terms defined in the prospectus dated 30th June, 2004 (the "Prospectus") issued by Luen Thai Holdings Limited (the "Company") shall have the same meanings when used in this announcement.

LUEN THAI HOLDINGS LIMITED

聯泰控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

ANNOUNCEMENT EXERCISE OF OVER-ALLOTMENT OPTION

The Board would like to announce that BNP Paribas Peregrine exercised the Over-allotment Option partially on 4th August, 2004 to require the Company to issue 2,300,000 additional new Shares at the Offer Price of HK\$2.975 per Share to cover over-allocations in the Placing.

The Company will receive net proceeds of approximately HK\$6.7 million from the issue of the Over-allotment Shares. The net proceeds will be used as additional general working capital for the Group as disclosed in the Prospectus.

The Board would like to announce that BNP Paribas Peregrine exercised the Over-allotment Option partially on 4th August 2004 to require the Company to issue 2,300,000 additional new Shares (the "Over-allotment Shares"), representing about 0.26% of the existing issued share capital of the Company and about 0.25% of the issued share capital of the Company as enlarged by the Over-allotment Shares, at the Offer Price of HK\$2.975 per Share to cover over-allocations in the Placing.

The Company will receive net proceeds of approximately HK\$6.7 million from the issue of the Over-allotment Shares. The net proceeds will be used as additional general working capital for the Group as disclosed in the Prospectus.

Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange. Dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:30 a.m. on 9th August, 2004.

The shareholding structure of the Company before and immediately after the issuance of the Over-allotment Shares is as follows:

| Shareholders | Before the issuance of the Over-allotment Shares | | Immediately after the issuance of the Over-allotment Shares | |
|---------------------|--|---------------------------------------|---|---------------------------------------|
| | Number of Shares | Approximate % of issued share capital | Number of Shares | Approximate % of issued share capital |
| Capital Glory | 614,250,000 <i>(Note)</i> | 68.25 | 614,250,000 | 68.08 |
| Union Bright | 60,750,000 | 6.75 | 60,750,000 | 6.73 |
| Public Shareholders | <u>225,000,000</u> | <u>25.00</u> | <u>227,300,000</u> | <u>25.19</u> |
| Total | <u>900,000,000</u> | <u>100.00</u> | <u>902,300,000</u> | <u>100.00</u> |

Note: Includes 33,750,000 Shares lent by Capital Glory to BNP Paribas Peregrine pursuant to a stock borrowing arrangement.

Following the partial exercise of the Over-allotment Option by BNP Paribas Peregrine, the aggregate maximum number of additional new Shares which the Company may be required to issue and allot under the terms of the Over-allotment Option will be reduced from 33,750,000 Shares to 31,450,000 Shares. The Over-allotment Option with respect to such Shares is exercisable by BNP Paribas Peregrine on or before 6th August, 2004.

Immediately after the issue of the Over-allotment Shares, the total number of Shares in issue will be 902,300,000, of which an aggregate of 227,300,000 Shares will be in public hands, representing about 25.19% of the total number of Shares in issue (including the Over-allotment Shares).

By order of the Board
Tan Henry
Chief Executive Officer and President

Hong Kong, 4th August, 2004

As at the date of this announcement, the executive Directors are Mr. Tan Siu Lin, Mr. Tan Henry, Mr. Tan Willie and Mr. Tan Cho Lung, Raymond and the independent non-executive Directors are Mr. Chan Henry, Mr. Cheung Siu Kee and Mr. Fok Kwan Wing.

“Please also refer to the published version of this announcement in the South China Morning Post”