

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this Circular to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

---

**LUEN THAI HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 311)**

**NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to  
the Independent Board Committee and Independent Shareholders**



---

A letter from the Board is set out on pages 4 to 9 and a letter from the Independent Board Committee is set out on pages 10 to 11 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 20 of this circular.

A notice convening the EGM of the Company to be held at Room 1004, 10/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 31 December 2008 at 2:30 p.m., is set out on pages 37 to 38 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Computershare Hong Kong Investor Services Ltd., at Rooms 1806-1807, 18/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

15 December 2008

---

## CONTENTS

---

	<i>Page</i>
<b>CONTENTS</b> .....	i
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
INTRODUCTION .....	4
THE NEW MASTER AGREEMENT .....	5
REASONS FOR ENTERING INTO THE TRANSACTION .....	5
PROPOSED ANNUAL CAPS AND BASIS OF THE ANNUAL CAPS .....	6
INFORMATION OF AND RELATIONSHIP BETWEEN THE GROUP AND AMI .....	7
IMPLICATIONS UNDER THE LISTING RULES .....	8
NOTICE OF THE EGM .....	8
RECOMMENDATIONS .....	9
ADDITIONAL INFORMATION .....	9
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	10
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....	12
<b>APPENDIX I — GENERAL INFORMATION</b> .....	21
<b>NOTICE OF THE EGM</b> .....	37

---

## DEFINITIONS

---

“AMI”	A. M. International Manufacturing Company Limited, a company incorporated in Hong Kong and a Connected Person of the Company
“Associate”	shall have the meaning as ascribed to it under the Listing Rules
“Best Uni”	Best Uni Limited, a member of the On Time Group incorporated in Hong Kong
“Board”	board of Directors
“Capital Glory”	Capital Glory Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company holding approximately 61.89% of all shareholders’ voting rights
“Company”	Luen Thai Holdings Limited, the shares of which are listed on the Stock Exchange
“Connected Person”	shall have the meaning as ascribed to it under the Listing Rules
“Directors”	directors of the Company for the time being
“EGM”	the extraordinary general meeting of the shareholders of the Company to be convened for the purpose of considering and, if thought fit, approving the New Master Agreement and the transactions thereunder and the Proposed Caps
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising Chan Henry, Cheung Siu Kee and Seing Nea Yie, being all the independent non-executive Directors
“Independent Financial Adviser”	Partners Capital International Limited, a licensed corporation to carry on type 1 and 6 regulated activities (dealing in securities and advising on corporate finance) under the SFO and the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders relation to the New Master Agreement
“Independent Shareholders”	shareholders of the Company who are not required to abstain from voting at the EGM

---

## DEFINITIONS

---

“Independent Third Parties”	the third parties which, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, are independent of the Company and its Connected Persons
“Kardon”	Kardon International Worldwide Ltd., a company incorporated in the British Virgin Islands and a Connected Person of the Company
“Latest Practicable Date”	12 December 2008, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LTDI”	Luen Thai Direct Investment Limited, a company incorporated in the British Virgin Islands and a Connected Person of the Company
“New Master Agreement”	the master agreement dated 26 November 2008 entered into between AMI and Partner Joy in relation to the provision of garment manufacturing services to the Group
“Old Master Agreements”	collectively the master agreement dated 30 June 2007 between AMI and TMS Fashion and the master agreement dated 30 June 2007 between AMI and Best Uni, both in relation to the provision of garment manufacturing services to the Group
“On Time Group”	On Time International Limited (a 60%-owned subsidiary of the Company) and its subsidiaries
“Partner Joy”	Partner Joy Group Limited, a company incorporated in the British Virgin Islands, and an indirect 90%-owned subsidiary of the Company
“Previous Announcement”	the announcement made by the Company dated 5 July 2007 concerning, among other things, the non-exempt continuing connected transactions in respect of sub-contracting services under which the Group, through TMS Fashion and Best Uni, had engaged AMI as its sub-contractor for the provision of garment manufacturing services
“Proposed Caps”	the proposed annual caps in respect of the Service Orders and Purchase Orders for the three financial years ending on 31 December 2011

---

## DEFINITIONS

---

“Purchase Orders”	the purchase orders to be made by AMI to the Subsidiaries pursuant to the New Master Agreement under which AMI will purchase the relevant manufacturing raw materials from the relevant Subsidiaries each time after AMI receives the Service Orders so as to fulfill the relevant Service Orders placed by such Subsidiaries, and a “Purchase Order” will be construed accordingly
“Service Orders”	the service orders to be made by the relevant Subsidiaries to AMI pursuant to the New Master Agreement under which AMI will provide garment manufacturing services to the Group, and a “Service Order” will be construed accordingly
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Subsidiaries”	the subsidiaries of the Company and a “Subsidiary” shall refer to any one of them, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TMS Fashion”	TMS Fashion (HK) Limited, a member of the On Time Group incorporated in Hong Kong
“US\$”	US dollars, the lawful currency of United States of America

*For illustration purpose, in this circular, amounts in US\$ have been translated into HK\$ at the exchange rate of US\$1.00 to HK\$7.8. Such translation does not constitute a representation that any amount has been, could have been or may be exchanged at such rates.*

---

LETTER FROM THE BOARD

---



**LUEN THAI HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 311)**

*Executive Directors:*

Mr. Tan Siu Lin (*Chairman*)  
Mr. Tan Henry  
Mr. Tan Cho Lung, Raymond  
Mr. Tan Sunny  
Ms. Mok Siu Wan, Anne

*Non-executive Directors:*

Mr. Tan Willie  
Mr. Lu Chin Chu

*Independent non-executive Directors:*

Mr. Chan Henry  
Mr. Cheung Siu Kee  
Mr. Seing Nea Yie

*Registered Office:*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman  
KY1-111 Cayman Islands

*Head office and Principal place of  
business in Hong Kong:*

5/F, Nanyang Plaza  
57 Hung To Road  
Kwun Tong, Kowloon  
Hong Kong

15 December 2008

*To the Shareholders*

Dear Sir or Madam,

**NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

**INTRODUCTION**

As stated in the announcement of the Company dated 26 November 2008, the Group, through Partner Joy, has entered into the conditional New Master Agreement with AMI for a term of three years commencing on 1 January 2009 and expiring on 31 December 2011. The New Master Agreement will supersede the Old Master Agreements upon the New Master Agreement coming into force in accordance with its terms. The Old Master Agreements will expire on 31 December 2009 and the current annual cap for the transactions under the Old Master Agreements, which will expire on 31 December 2009 as well, will be revised accordingly to take into account the projected increase of the transactions under the New Master Agreement.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with details regarding the New Master Agreement and the transactions thereunder.

### THE NEW MASTER AGREEMENT

Date: 26 November 2008

Parties: (1) Partner Joy  
(2) AMI

The conditional New Master Agreement is for a term of three years commencing on 1 January 2009 and expiring on 31 December 2011. Pursuant to the New Master Agreement, the Group, through Partner Joy, will engage AMI as its sub-contractor for the provision of garment manufacturing services. The sub-contracting services under the New Master Agreement will be performed by AMI and its affiliated companies and subsidiaries. Furthermore, as a quality-assurance measure, under the New Master Agreement, the Subsidiaries shall be entitled (but are not obliged) on a case by case basis to require AMI to place Purchase Orders for the purchase of the relevant manufacturing raw materials from the relevant Subsidiary each time after AMI receives the Service Orders so as to fulfill the relevant Service Orders placed by such Subsidiary. The prices for the Service Orders will be determined on a case by case basis and a comparison with an order placed by the Group with an Independent Third Party will be made before an actual Service Order is placed to AMI to ensure that the prices under each Service Order will at least not be favourable to AMI. Since the principal purpose of requiring AMI to place a Purchase Order on a case by case basis is for quality assurance and timely delivery of the finished products under the corresponding Service Order, the prices under the Purchase Orders will be determined on the basis of actual cost incurred by the Group in respect of the raw manufacturing materials concerned with no mark-up element. The New Master Agreement further stipulates that in respect of each Service Order, the relevant Subsidiary will only pay to AMI after AMI has delivered to such Subsidiary the products manufactured pursuant to such Service Order. In respect of each Service Order, a credit period of 45 days will be granted to the relevant Subsidiary by AMI after shipment of the products concerned. Such credit term is similar to those offered by the Group to other sub-contractors for the provision of garment manufacturing services for the Group. In case AMI is required to place a Purchase Order upon the request by the relevant Subsidiary in respect of a Service Order, the credit period and payment date under the Purchase Order will coincide with the relevant corresponding Service Order, and the sum payable under the Service Order will only be the net amount after deducting the sum payable by such Subsidiary to AMI under the relevant corresponding Purchase Order.

### REASONS FOR ENTERING INTO THE TRANSACTION

Reference is made to the Previous Announcement in which the Company announced that the Group, through TMS Fashion and Best Uni, had engaged AMI as its sub-contractor for the provision of garment manufacturing services pursuant to the Old Master Agreements.

---

## LETTER FROM THE BOARD

---

AMI has in the past provided garment manufacturing services to the Group and offered specialized garment manufacturing techniques required by the Group pursuant to the Old Master Agreements. Since the merchandising division of AMI is expected to close down in early 2009, certain customers of AMI, who are Independent Third Parties, now cannot directly place orders with AMI. The Group has, therefore, seized the opportunity to widen its sales network and to secure the orders from such customers, who historically placed orders with AMI mainly for the manufacturing of sweaters. As AMI possesses the specialized garment manufacturing techniques to manufacture sweaters for such customers and it is not viable to find alternative manufacturers elsewhere who are willing to perform sub-contracting services to manufacture sweaters with terms acceptable to the Group or with qualities comparable to or better than those manufactured by AMI, the Directors considered that it would be beneficial for and in the commercial interest of the Group as a whole to sub-contract the garment manufacturing services to AMI, its affiliated companies and subsidiaries in respect of the orders for manufacturing sweaters which were historically placed by such customers with AMI.

### **PROPOSED ANNUAL CAPS AND BASIS OF THE ANNUAL CAPS**

The transactions to be effected pursuant to the Service Orders and (in case AMI is required to place Purchase Orders upon the request by the Subsidiaries) the transactions to be effected pursuant to the Purchase Orders will respectively be on normal commercial terms and on a contract basis, and the prices for the respective Service Orders and the Purchase Orders will be negotiated on an arm's length basis.

Based on the projection provided by the Group with the projected maximum amount of the Service Orders that it shall place with AMI under the New Master Agreement, the Directors expect that the Proposed Annual Caps are as follows: (a) the aggregate fees to be paid by the Group to AMI in respect of the transactions under the Service Orders for each of the three financial years ending on 31 December 2011 will not exceed a maximum cap of US\$23,000,000 (approximately HK\$179,400,000), US\$25,760,000 (approximately HK\$200,928,000) and US\$27,600,000 (approximately HK\$215,280,000) respectively; while in case AMI is required to place Purchase Orders upon the request by the Subsidiaries (b) the aggregate fees to be paid by AMI to the Group in respect of the transactions under the corresponding Purchase Orders for each of the three financial years ending on 31 December 2011 will not exceed a maximum cap of US\$14,950,000 (approximately HK\$116,610,000), US\$16,750,000 (approximately HK\$130,650,000) and US\$17,940,000 (approximately HK\$139,932,000) respectively.

The estimation of the above proposed annual caps for the Service Orders is based on the projected growth in the sales of the Group for the coming three years ending 31 December 2011, having regard to: (i) the expected substantial increase in sales attributable to the orders which the Group may secure from customers who historically placed orders with AMI for manufacturing of sweaters before the anticipated close down of the merchandising division of AMI; (ii) other new Service Orders which the Group may place with AMI in respect of other customers under the New Master Agreement; and (iii) the historical amounts of the service orders placed with AMI under the Old Master Agreements for the year 2008. For the orders placed with AMI by its customers mainly for the



---

## LETTER FROM THE BOARD

---

manufacturing of sweaters, it is estimated that the total historical amount for such orders for the year 2008 is in the sum of about US\$12,600,000 (approximately HK\$98,280,000). For the Service Orders which the Group may place with AMI in respect of other customers under the New Master Agreement, it is estimated that the total amount for such Service Orders for the year 2009 is in the sum of about US\$7,000,000 (approximately HK\$54,600,000). Such Service Orders in the said sum of about US\$7,000,000 are expected from the orders placed with the Group by its existing customers other than those being sub-contracted to AMI under the Old Master Agreements. The criteria of arriving at the amount of such Service Orders in the said sum of about US\$7,000,000 include the capability of AMI's factories in offering specialized manufacturing skills in the production of sweaters, the customers' acceptance level of products manufactured by AMI's factories which are located in Indonesia and the delivery lead time. For the service orders placed with AMI under the Old Master Agreements, it is estimated that the total historical amount for such orders for the year 2008 is in the sum of about US\$3,400,000 (approximately HK\$26,520,000).

In respect of the above proposed annual caps for the Purchase Orders, it is based on: (i) the actual costs of the raw manufacturing materials, having regard to the projected growth in the sales of the Group for the coming three years ending 31 December 2011; and (ii) the amount of the Purchase Orders which the Group may on a case by case basis require AMI to place from the Group. Since the principal purpose of requiring AMI to place a Purchase Order is for quality assurance and timely delivery of the finished products under the corresponding Service Order, it is intended that AMI may be required to place Purchase Orders for all the Service Orders, subject to the determination by the Subsidiaries on a case by case basis. Accordingly, the above proposed annual caps for the Purchase Orders are based on the estimated total amount of the Service Orders which the Subsidiaries may place with AMI under the New Master Agreement.

The Directors (including the independent non-executive Directors) considered that the terms and the transactions under the New Master Agreement are fair and reasonable and are in the interests of the Group and the Company's shareholders as a whole.

### **INFORMATION OF AND RELATIONSHIP BETWEEN THE GROUP AND AMI**

The Group is principally engaged in the manufacturing and trading of garment and textile products, and the provision of freight forwarding and logistics services.

AMI is principally engaged in the manufacturing of garment products.

As at the Latest Practicable Date, AMI is a wholly owned company of Kardon, which is a 42%-owned company of LTDI. LTDI is wholly owned by Admirable Investment Holdings Limited, which in turn is indirectly owned by Mr. Tan Siu Lin, a Director. AMI is, therefore, an Associate and hence a Connected Person, of the Company.

---

## LETTER FROM THE BOARD

---

### IMPLICATIONS UNDER THE LISTING RULES

According to the applicable percentage ratios, the estimated annual consideration of the transactions under the New Master Agreement exceeds 2.5%, the New Master Agreement and the transactions thereunder will constitute non-exempt continuing connected transactions of the Company under the Listing Rules, and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Capital Glory, which is indirectly controlled by Mr. Tan Siu Lin, has a material interest in the transactions as contemplated under the New Master Agreement. Accordingly, Capital Glory and its Associates will abstain from voting in respect of the approval of the New Master Agreement and the transactions thereunder and the Proposed Caps.

The Company will comply with the independent shareholders' approval requirements under the Listing Rules in relation to the New Master Agreement. The Independent Board Committee of the Company, whose members do not have any material interest in the transactions contemplated under the New Master Agreement, has been set up to advise the Independent Shareholders of the Company in relation to the New Master Agreement and the transactions thereunder and the Proposed Caps and the Independent Financial Adviser has been appointed to advise the Independent Board Committee of the Company and the Independent Shareholders in relation to the New Master Agreement and the transactions thereunder and the Proposed Caps.

### NOTICE OF THE EGM

A notice convening the EGM which will be held at Room 1004, 10/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 31 December 2008 at 2:30 p.m. is set out on pages 37 to 38 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolutions to approve the New Master Agreement and the transactions thereunder and the Proposed Caps.

The form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share register, Computershare Hong Kong Investors Services Ltd. at Rooms 1806–1807, 18/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should be so wish.

Under the Listing Rules, the New Master Agreement and the transactions thereunder constitute non-exempt continuing connected transactions of the Company and requires the approval of the Independent Shareholders at the EGM by vote to be taken by poll. Capital Glory and its Associates will abstain from voting at the EGM on the resolutions in relation to the New Master Agreement and the transactions thereunder and the Proposed Caps at

---

## LETTER FROM THE BOARD

---

the EGM in view of their interests thereof. As at the Latest Practicable Date, Capital Glory and its Associates together hold approximately 69.15% of all the shareholders' voting rights of the Company.

### RECOMMENDATIONS

The Directors consider that the terms of the New Master Agreement and the transactions thereunder and the Proposed Caps are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. The Company has established the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the New Master Agreement and the transactions thereunder and the Proposed Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Company has also appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the New Master Agreement and the transactions thereunder and the Proposed Caps. Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Master Agreement and the transactions thereunder and the Proposed Caps.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 10 to 11 of this circular and the letter from the Independent Financial Adviser set out on pages 12 to 20 of this circular which contain the advice of the Independent Board Committee to the Independent Shareholders and the recommendations from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders respectively.

Your attention is also drawn to the additional information set out in Appendix I to this circular.

Yours faithfully,  
By Order of the Board  
**Luen Thai Holdings Limited**  
**Roy Chiu Chi Cheung**  
*Company Secretary*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*The following is the text of a letter from the Independent Board Committee to the Independent Shareholders in relation to the New Master Agreement and the transactions thereunder and the Proposed Caps for inclusion in this circular:*



### **LUEN THAI HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 311)**

15 December 2008

*To the Independent Shareholders*

Dear Sir or Madam,

#### **NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular of the Company dated 15 December 2008 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

We have been appointed by the Board as members of the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the terms of the New Master Agreement and the transactions thereunder and the Proposed Caps, details of which are set out in the letter from the board set out on pages 4 to 9 of this Circular.

Having considered the terms of the New Master Agreement and the transactions thereunder and the Proposed Caps, and the advice of Independent Financial Adviser in relation thereto as set out on pages 12 to 20 of the Circular, the Independent Board Committee considers that the terms of the New Master Agreement and the transactions thereunder and the Proposed Caps are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Master Agreement and the transactions thereunder and the Proposed Caps.

---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---

The Independent Board Committee draws the attention of the Independent Shareholders to the Letter from the Board and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which sets out the considerations and factors taken into account in arriving at its recommendations.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee

**Chan Henry**

**Cheung Siu Kee**  
*Independent Non-Executive Directors*

**Seing Nea Yie**

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the text of a letter to the Independent Board Committee and the Independent Shareholders from Partners Capital in respect of the terms of the New Master Agreement prepared for the purpose of incorporation in this circular.*



博大資本國際有限公司  
Partners Capital International Limited

Partners Capital International Limited  
Unit 3906, 39/F, COSCO Tower  
183 Queen's Road Central  
Hong Kong

15 December 2008

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### **NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

#### **INTRODUCTION**

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the New Master Agreement, particulars of which are set out in the letter from the Board (the "Letter from the Board") of this circular to the Shareholders dated 15 December 2008 (the "Circular") and in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

As set out in the Letter from the Board, the Group, through Partner Joy, entered into the New Master Agreement on 26 November 2008, pursuant to which AMI was appointed as sub-contractor of the Group for the provision of garment production services, in particular sweater knitting related services, for a term of three years commencing from 1 January 2009 to 31 December 2011. AMI is a wholly owned company of Kardon, which in turn is a 42%-owned company of LTDI. LTDI is wholly owned by Admirable Investment Holdings Limited, which in turn is indirectly owned by Mr. Tan Siu Lin, a Director. AMI is therefore an Associate, and hence a Connected Person, of the Company. As each of these maximum caps under the New Master Agreement is more than 2.5% under the applicable Percentage Ratios on an annual basis, the transactions contemplated under the New Master Agreement constitute non-exempted continuing connected transactions under the Listing Rules and are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. At the EGM, Capital Glory and its Associates will abstain from voting in respect of the approval of the New Master Agreement and the transaction contemplated thereunder.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Group and the New Master Agreement,

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Company in the Circular were reasonably made after due enquiry. We have no reason to believe that any material facts have been omitted from the information contained or opinions expressed in the Circular nor to doubt the truth of the information and representations provided by the Directors. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group and their respective associates nor have we carried out any independent verification of the information supplied.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion regarding the terms of the New Master Agreement, we have considered the following principal factors and reasons:

#### **1. Background of and reasons for the New Master Agreement**

The Group is principally engaged in the production and trading of garment and textile products, and provision of freight forwarding and logistic services. Over 80% revenue of the Group is sourced from USA and Europe for the two years ended 31 December 2007 and for the six months ended 30 June 2008. AMI is principally engaged in knitted sweater production. The business relationship between the Group and AMI has commenced since early 2007 pursuant to the Old Master Agreements, under which AMI was engaged as subcontractor of the Group in relation to specialized garment production techniques, particularly the production of knitted sweaters. The subcontracting fee payable by the Group to AMI under the Old Master Agreements was US\$1.4 million and US\$0.7 million during the year ended 31 December 2007 and the first half of 2008 respectively. The Group mainly possesses garment sewing machineries and thus the production of knitted sweaters was subcontracted to AMI under the Old Master Agreements and other independent subcontractors.

Principal sweater knitting facilities of AMI are located in Indonesia. AMI is equipped with pattern selective needle knitting machines which are capable of producing seamless and three-dimensional structured knitwear with embroidery and washing capability. AMI is also capable of producing wide range of knitted sweaters for men and ladies in cardigans and pullovers styles from knitting, linking, washing and finishing processes. More than 5,000 skilful workers are deployed and the monthly production capacity exceeds 31,000 dozens of knitted sweaters. As advised by the Directors, AMI is one of a few sweater knitting factories in Indonesia which are accepted as qualified knitted sweater supplier by well-known international brand apparel distributors. Apart from the provision of subcontracting service to the Group, AMI also sells knitted sweater products to several well-known international apparel distributors, who are Independent Third Parties.

Since the merchandising division of AMI is to be closed down in early 2009, customers of AMI will not be able to place orders directly. The Group has, therefore, seized the opportunity to widen its sales network and to secure the orders from such customers, who historically placed orders directly with AMI mainly for the production

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

of sweaters, and subcontract such production function to AMI pursuant to the New Master Agreement. AMI will sell finished knitted sweaters to the Group (the “Service Orders”) whilst the Group may provide required materials to AMI (the “Purchase Orders”). Both of these transactions will be entered into at price negotiated on arm’s length basis. The New Master Agreement replaces and substitutes the Old Master Agreements.

As advised by the Directors, certain existing customers of AMI (the “Transferred Customers”) will be transferred to and managed by the Group after the implementation of the New Master Agreement. The Transferred Customers include a listed company on overseas stock exchange which is an international apparel distributor with network of retail outlets all over the world operated under its own brand with remarkable annual revenue.

The Group is familiar with AMI’s production technicality and therefore is able to respond quickly in a cost efficient manner to any new product requirements from the Transferred Customers. As compared to the Old Master Agreements, the New Master Agreement allows the Group to have quality-assurance measure and timely delivery and AMI is required in all cases, as expected by the Directors, to place Purchase Orders for relevant materials with the Group. We concur with the Directors that the revenue of the Group as well as profile of its clientele can be enhanced by entering into the New Master Agreement. The Directors also anticipate cooperation opportunities i.e. production orders in relation to garment products, with the Transferred Customers would be captured and new business may arise directly between the Group and the Transferred Customers in this respect which is in the long term interest to the Group.

Based on the above background and reasons, in particular, (i) thorough control vested to the Group on product quality under the Purchase Order arrangement and timely delivery to customers; and (ii) potential future business opportunities which may arise directly between the Group and the Transferred Customers, and after taking into account of our further analysis to be discussed below, we consider that there is a commercial justification for the Company to enter into the New Master Agreement.

### **2. Key terms of the New Master Agreement**

#### ***A. Pricing***

Pursuant to the New Master Agreement, the pricing basis of the Service Orders under the New Master Agreement is with reference to the order placed by the Group with an Independent Third Party, from which a price quotation will be requested before an actual Service Order is placed to AMI so as to ensure that the price of the actual Service Orders will at least not be favourable to AMI.

An internal control procedures policy for the pricing of subcontracting to AMI has been established for the purpose of the New Master Agreement. We note from the policy, which will be adopted in line with the implementation of the New Master Agreement, that prior to actual Service Orders are placed with AMI, (i) at least one independent separate quotation will be requested; (ii) comparison of



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

terms (including price, production lead time and settlement period etc) of such independent quotations to that of AMI will be made; and (iii) orders will be placed with AMI if price under Service Orders will at least not be favourable to AMI.

As set out in the Letter from the Board, the pricing basis of the Purchase Orders is equivalent to the costs payable by the Group in respect of the manufacturing materials concerned without any mark-up. In other words, the cost of required materials will be reimbursed to AMI on actual cost basis.

With regard to (i) new pricing policy in relation to pricing under the Service Orders will be applied in line with the implementation of the New Master Agreement; and (ii) costs of materials under Purchase Orders are reimbursed to AMI on actual cost basis, we consider that the pricing bases under the Service Orders and the Purchase Orders are fair and reasonable and is in the interest to the Group.

### ***B. Payment terms and settlement***

We have reviewed relevant document and noted the settlement by AMI's independent customers (who will be the Transferred Customers) to AMI is made by means of at sight letter of credit, i.e. these customers are required to settle to AMI upon delivery of products. We are advised that settlement period with the Transferred Customers will not have material change after the implementation of the New Master Agreement such that the Transferred Customers will settle to the Group upon delivery of products.

Having considered the credit period of 45 days after shipment of the products under the Service Orders, the Group's working capital position is expected to be improved due to the fact that receivables to be collected from the Transferred Customers will in general be 45 days in advance of the corresponding payables to be settled to AMI under the Service Orders.

Under the New Master Agreement, the settlement period under the Purchase Orders will coincide with the relevant Service Orders. In other words, the sum payable under the Service Order will only be the net amount after deducting the sum payable to AMI under the relevant Purchase Order, which we consider is in the interest of the Group as the Purchase Orders will not attract actual cash outflow to the Group. We have obtained and reviewed various samples of invoices issued by the suppliers providing raw materials to the Group for manufacturing sweaters and noted that the settlement periods of these invoices are around 45 days. Accordingly, the credit period of 45 days under the Purchase Orders is in line with those credit periods generally offered to the Group by its suppliers and, as such, we consider the working capital commitment resulting from the credit period of the Purchase Orders will be offset by the equivalent credit period offered to the Group by its raw material suppliers.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As such, we consider the settlement arrangement under the Service Orders and Purchase Orders as a whole is in the interest to the Group.

### *C. Annual monetary caps*

We summarize below the proposed annual cap for the maximum value to be paid by the Group to AMI under the Service Orders and the maximum value to be paid by AMI to the Group under the Purchase Orders for the three year ending 31 December 2011 below:

US\$	Proposed Annual Caps		
	For the year ended 31 December		
	2009	2010	2011
Maximum value of the Service Orders	23,000,000	25,760,000	27,600,000
Maximum value of the Purchase Orders	14,950,000	16,750,000	17,940,000

#### *1. Maximum value of the Services Orders*

As discussed in the Letter from the Board, the annual monetary cap in relation to the Service Orders for the year ending 31 December 2009 was determined by the Company with reference to the sum of:

- a. US\$12.6 million, being the actual sales attributable to the orders which the Group secured from customers who historically placed orders with AMI for manufacturing of sweaters in 2008 before the anticipated close down of the merchandising division of AMI;
- b. US\$7 million, being other new Service Orders which the Group may place with AMI in respect of other customers under the New Master Agreement; and
- c. US\$3.4 million, being the estimated amounts of the service orders placed to AMI under the Old Master Agreements in 2008.

With a view to assessing the reasonableness of the proposed annual monetary cap in relation to the Service Orders in the year 2009, we have managed to obtain from the Company a sale analysis of AMI for the two years ended 31 December 2007, based on which we noted that the annual sales level was in the range of US\$17.4 million to US\$28.0 million. We were advised by the Directors that major customers of AMI have established a lengthy business relationship with AMI for average period of five years to over ten years. As AMI possesses specialized garment production techniques and customers are not viable to find substitute subcontractors whose quality are comparable to or better than that of AMI, we concur with the Directors

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

that the amount of orders from these customers are likely to be maintained in the coming three years ending 31 December 2011, and therefore the bases as stipulated in (a) and (c) above are considered fair and reasonable.

We were also advised by the Directors that, based on the production capability, customers' acceptance level and delivery lead time of AMI, the Group is able to shift part of their existing orders of manufacturing sweaters from other manufacturers to AMI. In this connection, we have requested the Group to provide its sales analysis by product and noted that over US\$100 million of the Group's revenue in each of the year 2006 and 2007 was related to knitted sweater. We also noted that the Group has over 20 knitted sweater customers and most of them had business relationship with the Group for over 10 years. The Directors estimated that the Group is able to subcontract around US\$7 million of the production orders from these existing customers to AMI under the Service Orders. Based on (i) the existing substantial income from knitted sweater business of the Group of over US\$100 million as compared to the annual caps of the Service Orders; (ii) orders from these customers are stable given its established business relationship; and (iii) the production capability, customers' acceptance level and delivery lead time of AMI, we are of the view that the basis of the annual cap as stipulated in (b) above is fair and reasonable.

The annual caps of the Service Orders for the two years ending 31 December 2011 were arrived at by making approximate increments of US\$2.76 million and US\$1.84 million respectively from its previous year, which represent growth rates on a year-on-year basis of 12% and 7% respectively. According to the Textile & Apparel Trade Balance Report dated 25 November 2008 published by the Office of Textiles and Apparel of the U.S. Department of Commerce, the year-on-year growth rate of general import of apparel from ASEAN Region from the year 2005 to 2007 was approximately 7.3%, 15.5% and 10.0% respectively, which was comparable to the growth rate of the Group's turnover of approximately 7.1%, 11.6% and 21.0% for the corresponding years. However, we were advised by the Directors that, for the sake of prudence, the Group has not projected any growth in the sales of sweaters for the year of 2010 and 2011. The moderate increments of US\$2.76 million and US\$1.84 million were derived at after taking into consideration the factor that the Group will be able to shift more production orders of sweaters of its existing customers from other manufacturers to AMI. Having considered (i) the existing substantial income from knitted sweater business of the Group of over US\$100 million as compared to the annual caps of the Service Orders; (ii) orders from these customers are stable given its established business relationship; and (iii) the production capability, customers' acceptance level and delivery lead time of AMI, we concur with the Directors that the growth of the proposed annual caps is fair and reasonable.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

After assessment of the basis of determining the proposed annual cap for the year of 2009 and the basis of determining the growth of the proposed annual caps for the years of 2010 and 2011 as detailed above, we consider the proposed annual caps for the three years ending 31 December 2011 to be fair and reasonable.

### *2. Total value of the Purchase Orders*

The proposed annual monetary caps in relation to the Purchase Orders for the three years ending 31 December 2011 were calculated based on (i) the actual cost of the raw manufacturing materials, having regard to the projected growth in the sales of the Group for the coming three years ending 31 December 2011; and (ii) the amount of the Purchase Orders which the Group may require AMI to place with the Group. Upon enquiry, we further understand from the Directors that such annual caps were also arrived at based on 65% of proposed annual monetary caps of the Services Orders for the three years ending 31 December 2011. Based on the audited financial records, we noted that the percentage of raw materials over sales was in the range of 65% to 80% for subcontractors of AMI. For reference purpose we also noted the percentage of raw materials over sales for the Group, which was in relation to casual garment product, was 60%. The basis of 65% as used in arriving at the Purchase Orders therefore is at the lower end of the above range and we consider that the proposed annual monetary caps in relation to the Purchase Orders for the three years ending 31 December 2011 have been arrived at on an acceptable basis for the purpose of accommodating the Group's sales of required materials to AMI under the New Master Agreement.

Based on the foregoing, we consider that the basis of determining the proposed annual monetary caps for the Services Orders and the Purchase Orders are fair and reasonable for the purpose of accommodating transactions between the Group and AMI under the New Master Agreement.

### **3. The Conditions**

Pursuant to Rule 14A.37 and Rule 14A.36(1) the Listing Rules, the Company will seek the approval by the Independent Shareholders of the New Master Agreement for the three years ending 31 December 2011 subject to the following conditions:

1. The transactions contemplated under the New Master Agreement will be entered into:
  - (a) in the ordinary and usual course of the business of the Group;
  - (b) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available from or to independent third parties; and

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (c) in accordance with the terms of the New Master Agreement that are fair and reasonable and in the interests of the Independent Shareholders as a whole; and
2. The transacted amount of the transactions under the New Master Agreement shall not exceed the relevant annual monetary caps.

Taking into account of the conditions attached to the New Master Agreement, in particular, (i) the basis of setting the annual monetary caps is fair and reasonable; and (ii) the compliance with all other relevant requirement under the Listing Rules (which include the annual review and/or confirmation by the independent non-executive Directors and auditors of the Company on the actual execution of the transaction contemplated under the continuing connected transactions pursuant to Rule 14A.35(3) and (4) of the Listing Rules), we consider that the Company has taken appropriate measures to govern the Company in carrying out the continuing connected transactions, thereby safeguarding the interests of the Independent Shareholders thereunder.

---

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

---

**RECOMMENDATION**

Having considered the above factors, in particular,

- (i) the background of and the reasons for carrying out the New Master Agreement to substitute the Old Master Agreement;
- (ii) the pricing/settlement basis adopted under the New Master Agreement;
- (iii) the annual monetary caps of the New Master Agreement for the three years ending 31 December 2011 have been arrived at on a pre-determined and acceptable basis; and
- (iv) the conditions attached to carrying out the New Master Agreement as a mechanism to protect the interests of the Independent Shareholders,

we consider that the terms of the New Master Agreement (including annual monetary caps) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole and the transactions contemplated under the New Master Agreement are carried out at normal and commercial terms and are in the ordinary and usual course of the Company. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to, and we recommend the Independent Shareholders to, vote in favour of the resolutions at the EGM to approve the New Master Agreement.

Yours faithfully,  
For and on behalf of  
**Partners Capital International Limited**  
**Alan Fung**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (i) Interests of Directors in the Company and its associated corporations

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations which were required to be notified to the Company and the Stock Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

*Long positions in the shares:*

Name of Director	Capacity	Number of ordinary shares	Approximate percentage of interest in Company
Tan Siu Lin	Trustee( <i>Note 1</i> )	686,307,000	69.15%
Tan Henry	Beneficiary( <i>Notes 2 and 3</i> ) Beneficial owner ( <i>Notes 7 and 8</i> )	614,250,000 450,000	61.89% 0.05%
Tan Willie	Beneficiary( <i>Notes 2 and 4</i> ) Beneficial owner ( <i>Notes 7 and 10</i> )	614,250,000 1,450,000	61.89% 0.15%
Tan Cho Lung, Raymond	Beneficiary( <i>Notes 2 and 5</i> ) Beneficial owner ( <i>Notes 7, 8 and 11</i> )	614,250,000 749,000	61.89% 0.08%
Tan Sunny	Beneficiary( <i>Note 2 and 6</i> ) Beneficial owner ( <i>Notes 7, 8 and 12</i> )	614,250,000 1,022,000	61.89% 0.1%
Mok Siu Wan, Anne	Beneficial owner ( <i>Notes 7, 8 and 9</i> )	3,200,000	0.32%

*Notes:*

1. Mr. Tan Siu Lin is the settlor and trustee of each of the Tan Family Trust of 2004, the Pak Kim Lam Tan Trust of 2004, the HJ Trust, the WR5C Trust, the LS Trust, the RC Trust, the JL Trust and the ST Trust (collectively referred to as the “Trusts”). As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to be interested in the aggregate shareholdings of Tan Holdings Corporation (“Tan Holdings Corporation”), a company incorporated in Commonwealth of Northern Mariana Islands and Helmsley Enterprises Limited (“Helmsley”), a company incorporated in the Commonwealth of the Bahamas, held in the Company, together with the interest in Tan Siu Lin Foundation Limited, representing approximately 69.15% of the issued share capital of the Company as at the date of this Circular.
2. Pursuant to a shareholders’ agreement dated 12 June 2004 and entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts have agreed to adhere to certain pre-emptive arrangements concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the interests of Helmsley in the Company.
3. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the HJ Trust in the Company.
4. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the WR5C Trust in the Company.
5. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the RC Trust in the Company.
6. Mr. Tan Sunny is one of the beneficiaries of the ST Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the ST Trust in the Company.
7. Each of Mr. Tan Henry, Mr. Tan Willie, Mr. Tan Cho Lung, Raymond, Ms. Mok Siu Wan Anne and Mr. Tan Sunny is a grantee of the respective share options granted by the Company on 26 January 2006.
8. Each of Mr. Tan Henry, Mr. Tan Cho Lung, Raymond, Ms. Mok Siu Wan Anne and Mr. Tan Sunny is a grantee of the share options granted by the Company on 10 November 2006.
9. Ms. Mok Siu Wan, Anne is a grantee of the share options granted by the Company on 21 April 2008.
10. A total of 1,150,000 Company Shares were acquired by an associate of Mr. Tan Willie between 2005 and 2008. He is therefore deemed under Part XV of the SFO to be interested in all of the 1,150,000 Company Shares acquired by his associate.
11. A total of 449,000 Company Shares were acquired by an associate of Mr. Tan Cho Lung, Raymond in 2006 and 2008. He is therefore deemed under Part XV of the SFO to be interested in all of the 449,000 shares acquired by his associate.
12. Mr. Tan Sunny acquired a total of 322,000 Company Shares in 2006.



*Long positions in the shares of associated corporations of the Company (as defined in the SFO)*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity</b>	<b>Number of ordinary shares</b>	<b>Approximate percentage of attributable interest in corporation</b>
Tan Siu Lin	Helmsley <i>(Note 1)</i>	Trustee <i>(Note 4)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Trustee <i>(Note 4)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a HK corporation)</i> <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	2	100%
	Integrated Solutions Technology Inc. <i>(a BVI corporation)</i> <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. <i>(a Philippines corporation)</i> <i>(Note 3)</i>	Trustee <i>(Note 4)</i>	1	100%
Tan Henry	Helmsley <i>(Note 1)</i>	Beneficiary <i>(Note 5)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary <i>(Note 5)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a HK corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	2	100%

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. <i>(a BVI corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Philippines corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 5)</i>	1	100%
Tan Willie	Helmsley <i>(Note 1)</i>	Beneficiary <i>(Note 6)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary <i>(Note 6)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	1	100%

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. <i>(a HK corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	2	100%
	Integrated Solutions Technology Inc. <i>(a BVI corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Philippines corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 6)</i>	1	100%
Tan Cho Lung, Raymond	Helmsley <i>(Note 1)</i>	Beneficiary <i>(Note 7)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary <i>(Note 7)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	50	100%

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a HK corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	2	100%
	Integrated Solutions Technology Inc. <i>(a BVI corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Philippines corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 7)</i>	1	100%
Tan Sunny	Helmsley <i>(Note 1)</i>	Beneficiary <i>(Note 8)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary <i>(Note 8)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary <i>(Note 8)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 8)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary <i>(Note 8)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary <i>(Note 8)</i>	1	100%
	Integrated Solutions Technology Inc. <i>(a Cayman Islands corporation)</i> <i>(Note 3)</i>	Beneficiary <i>(Note 8)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary <i>(Note 8)</i>	11,819	100%

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
	Servicios Textiles Mexicanos, SA (Note 3)	Beneficiary (Note 8)	50	100%
	Hanium Industries Limited (Note 3)	Beneficiary (Note 8)	1	100%
	Integrated Solutions Technology Inc. (a HK corporation) (Note 3)	Beneficiary (Note 8)	2	100%
	Integrated Solutions Technology Inc. (a BVI corporation) (Note 3)	Beneficiary (Note 8)	1	100%
	Integrated Solutions Technology Inc. (a Philippines corporation) (Note 3)	Beneficiary (Note 8)	1	100%

## Notes:

1. Helmsley is the holding company of Capital Glory Limited, which is, in turn, the holding company of the Company. Helmsley is therefore an associated corporation of the Company as defined under Part XV of the Company.
2. Capital Glory Limited is the holding company of the Company. It is therefore an associated corporation of the Company.
3. This is a subsidiary of Helmsley. It is therefore an associated corporation of the Company.
4. Mr. Tan Siu Lin is the settlor and trustee of each of the Trusts. As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
5. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.

6. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
7. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
8. Mr. Tan Sunny is one of the beneficiaries of the ST Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and Stock Exchange.

- (b) As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group which was not terminable by the employer within one year without payment of compensation other than statutory compensation.

**(ii) Interests of Substantial Shareholders**

- (a) As at the Latest Practicable Date, so far as was known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or held any option in respect of such capital:

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary shares</b>	<b>Approximate percentage of shareholding</b>
Capital Glory Limited (Note 1)	Beneficial owner	614,250,000	61.89%
Helmsley (Note 1)	Interest of controlled corporation	614,250,000	61.89%
Tan Family Trust of 2004 (Notes 2 and 3)	Interest of controlled corporation	680,743,000	68.59%
Trusts (other than the Tan Family Trust of 2004) (Note 3)	Interest of controlled corporation	614,250,000	61.89%

*Notes:*

- Capital Glory Limited is a wholly-owned subsidiary of Helmsley. Helmsley is therefore deemed to be interested in the interests of Capital Glory Limited held in the Company.
- The Tan Family Trust of 2004 is interested in the entire issued share capital of Tan Holdings Corporation and 30% of the issued share capital of Helmsley. For the purposes of Part XV of the SFO, it is deemed to be interested in the shares held by both Tan Holdings Corporation and Helmsley.
- Pursuant to a shareholders' agreement dated 12 June 2004 and entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts has agreed to enter into a pre-emptive arrangement concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the shareholding of Helmsley in the Company, representing 68.59% of the issued share capital of the Company as at the date of this Circular.
- Both of Mr. Tan Siu Lin and Mr. Henry Tan are directors in each of Capital Glory Limited and Helmsley Enterprises Limited.



- (b) Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person, other than the Directors and the chief executives of the Company, who had, or was deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or held any option in respect of such capital.

### 3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or any of their respective associates had a controlling interest in a business which causes or may cause any significant direct or indirect competition with the business of the Group or any significant conflicts with the interests of the Group, save for Kardon. The particulars of such business of Kardon are as follows:

Kardon is a company incorporated in the British Virgin Islands, which manufactures knitted sweaters in Indonesia. As disclosed in the section headed "Letter from the Board" in this circular, AMI is a wholly owned company of Kardon, which is a 42%-owned company of LTDI. Though LTDI is a shareholder of Kardon, Kardon is in fact a joint venture in which LTDI has no control, either at the shareholder or board levels. Kardon is owned as to the other 42% by an independent third party who is not a connected person of the Company and the remaining 16% by the management of Kardon who is also not a connected person of the Company. LTDI is wholly owned by Admirable Investment Holdings Limited, which in turn is indirectly owned by Mr. Tan Siu Lin, a Director. AMI is, therefore, an Associate, and hence a Connected Person, of the Company. Capital Glory, which is indirectly controlled by Mr. Tan Siu Lin, has a material interest in the transactions as contemplated under the New Master Agreement. Accordingly, Capital Glory and its Associates will abstain from voting in respect of the approval of the New Master Agreement and the transactions contemplated thereunder and the Proposed Caps at the EGM.

Save as disclosed in this circular concerning the Old Master Agreements and the New Master Agreement, pursuant to which Mr. Tan Siu Lin has a material interest in the transactions as contemplated thereunder, there are no contracts or arrangements subsisting as at the Latest Practicable Date in which a Director is materially interested or which is significant in relation to the business of the Group.

As at the Latest Practicable Date, no Director has any interest, direct or indirect, in any assets which have been, since 31 December 2007, acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group.

#### 4. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years preceding the Latest Practicable Date which are or may be material:

- (a) the land disposal agreement dated 6 March 2008 entered into between GJM (Qingyuan) Light Industrial Development Limited, an indirect wholly-owned subsidiary of the Company and the Qingyuan Land Reserves Centre in relation to the conversion of a piece of land in Qingyuan from industrial use to commercial/residential use;
- (b) the sale and purchase agreement dated 11 June 2008 entered into between, amongst others, Ospella International Limited as the vendor and Fortune Investment Overseas Limited as the purchaser in relation to the sale and purchase of 600 shares of Trinew Limited (the “**Sale and Purchase Agreement**”);
- (c) the supplemental letter agreement dated 16 June 2008 entered into between the parties to the Sale and Purchase Agreement, which supplemented and amended certain terms of the Sale and Purchase Agreement;
- (d) the shareholders’ agreement dated 8 August 2008 entered into among Ospella International Limited, Fortune Investment Overseas Limited and Trinew Limited pursuant to the Sale and Purchase Agreement;
- (e) the share charge dated 8 August 2008 in relation to Trinew Limited, which was entered into between Ospella International Limited and Fortune Investment Overseas Limited pursuant to the Sale and Purchase Agreement;
- (f) the charge over account dated 8 August 2008 entered into between Ospella International Limited and Fortune Investment Overseas Limited pursuant to the Sale and Purchase Agreement;
- (g) the option deed dated 8 August 2008 in respect of the sale and purchase of the first 20% equity interests in Trinew Limited, which was entered into among Ospella International Limited, Fortune Investment Overseas Limited and Owen John Inglis pursuant to the Sale and Purchase Agreement;
- (h) the option deed dated 8 August 2008 in respect of the sale and purchase of the second 20% equity interests in Trinew Limited, which was entered into among Ospella International Limited, Fortune Investment Overseas Limited and Owen John Inglis pursuant to the Sale and Purchase Agreement; and
- (i) the deed of tax indemnity dated 8 August 2008 entered into, amongst others, Ospella International Limited and Fortune Investment Overseas Limited pursuant to the Sale and Purchase Agreement.

## 5. SERVICE CONTRACTS

Pursuant to the letter of re-appointment from the Company to each of Mr. Seing Nea Yie, Mr. Chan Henry and Mr. Cheung Siu Kee dated 28 January 2008, 4 April 2007 and 4 April 2007 respectively, the re-appointment of each of these independent non-executive Directors was for a term of three years commencing from 28 January 2008, 16 April 2007 and 16 April 2007 respectively. Each of these independent non-executive Directors shall be entitled to an annual fee of HK\$120,000 with effect from 1 January 2007.

Except for Ms. Mok Siu Wan, Anne and Mr. Sunny Tan, each of the executive Directors has entered into a service agreement with the Company for an initial fixed period of three years commencing from 27 June 2007, and thereafter shall continue subject to termination by either the Company or the Director giving three months' notice in writing to the other party.

The respective monthly salaries of the executive Directors are set out below:

Mr. Tan Siu Lin	HK\$76,700
Mr. Tan Henry	HK\$198,000
Mr. Tan Cho Lung, Raymond	HK\$144,000
Ms. Mok Siu Wan, Anne	HK\$224,584
Mr. Tan Sunny	HK\$67,000

On 17 September 2007, Mr. Lu Chin Chu was appointed as a non-executive Director with an annual director's fee of HK\$120,000. He held office until the next following annual general meeting of the Company and was re-elected to the post of non-executive Director on 30 May 2008 after such annual general meeting.

The directorship of Mr. Tan Willie was re-designated from an executive Director to a non-executive Director on 26 May 2006 with an annual salary of US\$150,000 pursuant to a service agreement dated 26 May 2006.

Save as disclosed in this circular, the Company has not entered into any service agreements of directors as at the Latest Practicable Date.

## 6. EXPERT QUALIFICATION AND CONSENT

The following is the qualification of the expert who has made statement in this Circular:

Name	Qualification
Partners Capital International Limited ("Partners Capital")	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Partners Capital has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member in the Group.

Partners Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter/opinion dated 15 December 2008 and references to its name in the form and context in which they are included.

## **7. EXPERTS' INTERESTS**

As at the Latest Practicable Date,

- (a) Partners Capital did not have any direct or indirect interest in any asset which had since 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group; and
- (b) Partners Capital was not beneficially interested in the share capital of any member of the Group or did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## **8. LITIGATION**

As at the Latest Practicable Date, the Group was involved in various labour lawsuits and claims arising from the normal course of business. The Directors believe that the Group has substantial legal and factual bases for their position and are of the opinion that losses arising from these lawsuits, if any, will not have a material adverse impact on the results of the operations or the financial position of the Group.

Save as disclosed above, none of the members of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or arbitration of material importance known to the Directors to be pending or threatened by or against any member of the Group.

## **9. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group was made up.

## **10. MISCELLANEOUS**

- (a) The registered head office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111 Cayman Islands.

- (b) The principal share registrar and transfer office of the Company is Bank of Bermuda (Cayman) Limited at P.O. Box 513 G.T., Strathvale House, North Church Street, George Town, Grand Cayman, Cayman Islands.
- (c) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The company secretary of the Company is Mr. Chiu Chi Cheung, Associate Member of The Hong Kong Institute of Certified Public Accountants.
- (e) The qualified accountant of the Company is Mr. Chiu Chi Cheung, Associate Member of The Hong Kong Institute of Certified Public Accountants.
- (f) In the event of any inconsistency, the English text of this Circular shall prevail over the Chinese text.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company’s principal place of business in Hong Kong at 5/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong for a period of 14 days (except public holidays) from the Latest Practicable Date:

- (a) the letter from the Board, the text of which is set out on pages 4 to 9 of this circular;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2007, 31 December 2006 and 31 December 2005;
- (d) the material contracts referred to in paragraph 4 above;
- (e) the service contracts and letters of appointment referred to in paragraph 5 above;
- (f) the circulars issued by the Company on 27 March 2008, 25 April 2008 and 27 June 2008;
- (g) the letter from the Independent Board Committee dated 15 December 2008, the text of which is set out on pages 10 to 11 of this circular;
- (h) the letter from the Independent Financial Adviser dated 15 December 2008, the text of which is set out on pages 12 to 20 of this circular;
- (i) the written consent from Partners Capital referred to in the section headed “Expert Qualification and Consent” in this Appendix;
- (j) this circular;

- (k) the New Master Agreement;
- (l) the Old Master Agreements; and
- (m) any other contracts referred to in this circular.

---

NOTICE OF THE EGM

---



**LUEN THAI HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 311)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Luen Thai Holdings Limited (the “Company”) will be held at Room 1004, 10/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 31 December 2008 at 2:30 p.m. to consider, and if thought fit, to pass the following resolutions as ordinary resolutions of the Company:

**ORDINARY RESOLUTIONS**

**“THAT:**

- (a) the New Master Agreement and the transactions thereunder (as defined in the circular of the Company dated 15 December 2008 (the “**Circular**”), a copy of which marked “**A**” is produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the Proposed Caps (both as defined in the Circular) be and are hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorized to take all steps necessary or expedient in their opinion to implement and/or to give effect of the New Master Agreement and the transactions thereunder.”

Yours faithfully,  
By Order of the Board  
**Luen Thai Holdings Limited**  
**Roy Chiu Chi Cheung**  
*Company Secretary*

Hong Kong, 15 December 2008

---

## NOTICE OF THE EGM

---

*Registered Office:*  
Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman  
KY1-111 Cayman Islands

*Head Office and Principal Place of  
Business in Hong Kong:*  
5/F, Nanyang Plaza  
57 Hung To Road  
Kwun Tong, Kowloon  
Hong Kong

### Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. A proxy shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Ltd., at Rooms 1806–1807, 18/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy or by representative, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register. Several executors or administrators of a deceased member in whose name any share stands shall for such purpose be deemed joint holders thereof.

As at the date of this notice, the Board comprised five executive Directors, namely, Mr. Tan Siu Lin (Chairman), Mr. Tan Henry, Mr. Tan Sunny, Mr. Tan Cho Lung, Raymond and Ms. Mok Siu Wan, two non-executive Directors, namely Mr. Tan Willie and Mr. Lu Chin Chu and three independent non-executive Directors, namely, Mr. Chan Henry, Mr. Cheung Siu Kee and Mr. Seing Nea Yie.