

 **Luenthai**  
**LUEN THAI HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 311)

**APPOINTMENT  
AND  
RE-DESIGNATION OF DIRECTORS**

The board of directors (the "Board") of Luen Thai Holdings Limited (the "Company") is pleased to announce that Mr. Tan Sunny has been appointed as an executive Director of the Company with effect from 26 May 2006. The Board further wishes to announce that Mr. Tan Willie, currently an executive Director of the Company, is re-designated as a non-executive Director of the Company with effect from 26 May 2006.

**Appointment of an Executive Director**

The Board is pleased to announce that Mr. Tan Sunny has been appointed as an executive Director of the Company with effect from 26 May 2006.

Mr. Tan, aged 32, is the Chief Financial Officer of the Company. Mr. Tan joined the Company in 1999. Prior to joining the Company, Mr. Tan worked at the investment banking division of Merrill Lynch. In 2006, he was appointed as the Vice Chairman of the Hong Kong General Chamber of Textiles Limited and a special advisor to the Governor of Commonwealth of the Northern Mariana Islands. He obtained a Master of Science degree from Stanford University and Bachelor of Business Administration degree from the University of Wisconsin-Madison.

Mr. Tan is the son of Dr. Tan Siu Lin, Chairman of the Company, and brother of Mr. Tan Henry, Mr. Tan Willie and Mr. Tan Cho Lung, Raymond, Directors of the Company. As at the date of this announcement, Mr. Tan holds an option to subscribe for 450,000 shares of the Company. He also has personal interest of 215,000 shares of the Company and corporate interests of a total of 614,250,000 shares held by Capital Glory Limited in the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Tan has not entered into a service contract with the Company as an executive Director and is not entitled to any Director fee. As at the date of this announcement, the remuneration payable to Mr. Tan shall be a fixed monthly salary of HK\$67,000, with such increase as the Board may from time to time determine in its absolute discretion. In addition, Mr. Tan is entitled to a bonus equivalent to one month's salary on or around each Chinese New Year. Mr. Tan is also eligible for consideration of annual discretionary bonus which shall be of such amount as the Board may determine based on his performance. The Company has made contribution to mandatory provident fund in accordance with the applicable legal requirement. Mr. Tan will also be entitled to all reasonable out-of-pocket expenses. Mr. Tan's remuneration was determined by reference to the prevailing market condition and his knowledgeable experience for the industry. Mr. Tan is subject to retirement by rotation and re-election pursuant to the articles of association of the Company.

Mr. Tan does not hold any directorship in any other listed companies in the past three years.

**Re-designation as a Non-Executive Director**

The Board further wishes to announce that Mr. Tan Willie, currently the executive Director of the Company, is re-designated as a non-executive Director of the Company with effect from 26 May 2006.

Mr. Tan Willie, aged 50, is the Chief Operating Officer of the Group. He joined the Company in July 1985, responsible for the operation of the Company. Mr. Tan has over 20 years of experience in the apparel business as well as logistics. Mr. Tan is a board director of the Confederation of Garment Exporters of the Philippines and is a committee member of the Chinese People's Political Consultative Conference in Qingyuan, Guangdong (中國人民政治協商會議廣東省清遠市委員會委員). Mr. Tan is the Founding Board of Director of the Philippine-China Business Council since February 2005. Mr. Tan obtained his Bachelor's degree in Business Administration from the University of Guam.

Mr. Tan is the son of Dr. Tan Siu Lin, Chairman of the Company, and brother of Mr. Tan Henry, Mr. Tan Cho Lung, Raymond and Mr. Tan Sunny, executive Directors of the Company. As at the date of this announcement, Mr. Tan holds an option to subscribe for 500,000 shares of the Company. He also has personal interest of 500,000 shares of the Company and corporate interests of a total of 614,250,000 shares held by Capital Glory Limited in the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Tan has entered into a service agreement with the Company for an initial period of three years commencing 26 May 2006, and thereafter shall continue subject to termination by either the Company or Mr. Tan giving three months' notice in writing to the other party. Under the service agreement, the remuneration payable to Mr. Tan shall be a fixed annual salary of US\$150,000, with such adjustment as the Board may from time to time determine in its absolute discretion. Mr. Tan's remuneration was determined by reference to the prevailing market condition and his knowledgeable experience for the industry.

Mr. Tan has not held any directorships in any other listed companies for the last three years.

Mr. Tan confirmed that he has no disagreement with the Board and there are no other matters in respect of his re-designation needed to be brought to the attention of the shareholders of the Company nor The Stock Exchange of Hong Kong Limited.

The appointment and re-designation of Directors were approved on Annual General Meeting held on 26 May 2006.

There is no information relating to Mr. Tan Sunny and Mr. Tan Willie that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the shareholders of the Company.

The Board takes this opportunity to welcome Mr. Tan Sunny joining the Board and thank Mr. Tan Willie for his valuable contributions during his tenure of service as executive Director of the Company.

By order of the Board  
**Luen Thai Holdings Limited**  
**Mr. Tan Henry**  
*Chief Executive Officer*

Hong Kong, 26 May 2006

*As at the date of this announcement, the Board comprises Mr. Tan Siu Lin, Mr. Tan Henry, Mr. Tan Cho Lung, Raymond, Mr. Tan Sunny and Ms. Mok Siu Wan, Anne as executive Directors; Mr. Tan Willie as non-executive Director; Mr. Chan Henry, Mr. Cheung Siu Kee and Mr. Seing Nea Yie as independent non-executive Directors.*

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