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LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

SUPPLEMENTAL ANNOUNCEMENT — CONTINUING CONNECTED TRANSACTIONS MASTER SUBCONTRACTING AGREEMENT

Reference is made to the announcement of Luen Thai Holdings Limited (the “**Company**”) dated 30 June 2025 (the “**Announcement**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

This supplemental announcement intends to provide additional information on (i) the internal pricing policy of the LTO Group and the detailed procedures to be followed by the management of the Group when considering the service fees offered by the Shangtex HK Group for subcontracting services contemplated under the Master Subcontracting Agreement; and (ii) the ultimate beneficial owner of Shangtex HK.

INTERNAL PRICING POLICY AND PROCEDURES

As disclosed in the Announcement, in order to ensure that the service fees payable to the LTO Group under each definitive subcontracting agreement are fair and reasonable and in line with the prevailing market rate, the LTO Group will compare the quoted subcontracting service fee received from the Shangtex HK Group against (i) the subcontracting service fee payable by the Shangtex HK Group to independent third party subcontractors for similar products, and (ii) comparable quotations obtained by the LTO Group from other independent third party subcontractors, subject to practical availability and feasibility.

The internal pricing policy of the Group and the detailed procedures to be followed by the management of the Group when considering the service fees offered by the Shangtex HK Group are as follows:

1. As per the terms of the Master Subcontracting Agreement, the LTO Group is not obliged to accept any service fee quoted by the Shangtex HK Group. The management of the Group shall ensure that the LTO Group would only enter into a definitive subcontracting agreement with the Shangtex HK Group if the service fee for the relevant subcontracting services is in line with the prevailing market rate and in accordance with the internal pricing policy of the LTO Group.
2. According to the internal pricing policy of the LTO Group, service fees to be received for subcontracting services shall not in any event be less than the aggregate amount of (i) labor costs to be incurred by the LTO Group in providing such services and (ii) an amount equivalent to 10% or more of such labor costs (the “**Baseline Fee**”). When determining the Baseline Fee, the management of the Group has taken into account the fixed costs already incurred by the Group in maintaining its labor force and operating its factories. The management of the Group is of the view that, by entering into subcontracting agreements with the Shangtex HK Group pursuant to the Master Subcontracting Agreement from time to time, the Company will be able to better utilize the capacity of its factories.
3. Whenever the LTO Group receives a request for subcontracting services from the Shangtex HK Group, the management of the Group would estimate the amount of labor costs to be incurred by the LTO Group in providing such services. If the service fee offered by the Shangtex HK Group is less than the Baseline Fee, the management of the Group would reject the offer from the Shangtex HK Group.
4. If the service fee offered is higher than the Baseline Fee, the management of the Group would request the Shangtex HK Group to produce satisfactory documentary evidence as regards the service fees payable by the Shangtex HK Group to independent third party subcontractors for similar services in relation to similar products for comparison. At the same time, the management of the Group would seek to obtain at least two additional comparable quotations from other independent third party subcontractors for similar services in relation to similar products, subject to practical availability and feasibility. Once the Group has received the requested information from the Shangtex HK Group and the comparable quotations, the management of the Group would assess whether the service fee offered by the Shangtex HK Group is in line with the prevailing market rate.
5. If comparable quotations from other independent third party subcontractors for similar services in relation to similar products are not available or cannot practically be obtained, the management of the Group would compare the service fee offered by the Shangtex HK Group against quotations obtained from independent third party subcontractors for other subcontracting services in relation to other products, and assess whether the difference in the service fee offered by the Shangtex HK Group (if

any) is fair and reasonable considering the difference in the complexity of the subcontracting services involved (in terms of the amount of time and labor required for providing such services).

The Directors consider that, based on the Group's internal pricing policy and the procedures as set out above, the Group can ensure that the service fees payable to the LTO Group under each definitive subcontracting agreement are fair and reasonable and in line with the prevailing market rate, and that the transactions contemplated under the Master Subcontracting Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

FURTHER INFORMATION OF SHANGTEX HK

Shangtex HK is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Shangtex Holding Co., Ltd., a company incorporated in the PRC and owned as to 96.65% by Orient International (Holding) Co., Ltd. Orient International (Holding) Co., Ltd. is ultimately owned as to 93.4% by the Shanghai State-owned Assets Supervision and Administration Commission.

By order of the Board
Luen Thai Holdings Limited
Chan Hiu Leong
Company Secretary

Hong Kong, 11 July 2025

As at the date hereof, the Board comprises the following Directors:

Executive Directors:

Wang Weimin (*Chairman*)

Tan Siu Lin (*Honorary Life Chairman*)

Tan Cho Lung, Raymond (*Chief Executive Officer*)

Zhang Min

Jin Xin

Non-executive Director:

Fok Yue San, Sandy

Independent Non-executive Directors:

Chan Henry

Lee Cheuk Yin, Dannis

Shi Min

Company website: www.luenthai.com