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LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FABRIC PURCHASE MASTER AGREEMENT

On 27 August 2025 (after trading hours), LTO, the Company's direct wholly-owned subsidiary, and Shangtex entered into the Fabric Purchase Master Agreement in respect of the purchase of fabric by the LTO Group from the Shangtex Group for a term from 1 October 2025 to 31 December 2027.

As at the date of this announcement, Shangtex, through its wholly-owned subsidiary, Shangtex HK, holds 730,461,936 Shares, representing approximately 70.64% of the issued share capital of the Company and is a substantial shareholder of the Company. Accordingly, Shangtex and its associates are connected person of the Company. Therefore, the transaction contemplated under the Fabric Purchase Master Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual caps for the aggregate fees for the transactions contemplated under the Fabric Purchase Master Agreement for each of the years ending on 31 December 2025, 2026 and 2027 is more than 5% and more than HK\$10,000,000 on an annual basis, the transactions contemplated under the Fabric Purchase Master Agreement will be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

EGM

The Company will hold an EGM for the Independent Shareholders to consider and, if thought fit, approve the Fabric Purchase Master Agreement and the transactions contemplated thereunder, and the proposed annual caps thereof.

The Independent Board Committee has been established to advise the Independent Shareholders on the transactions contemplated under the Fabric Purchase Master Agreement and the proposed annual caps thereof. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing further details of the Fabric Purchase Master Agreement, a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice of the EGM is expected to be despatched to the Shareholders on or before 12 September 2025.

INTRODUCTION

On 27 August 2025 (after trading hours), LTO, the Company's direct wholly-owned subsidiary, and Shangtex entered into the Fabric Purchase Master Agreement in respect of the purchase of fabric by the LTO Group from the Shangtex Group for a term of from 1 October 2025 to 31 December 2027.

FABRIC PURCHASE MASTER AGREEMENT

The principal terms of the Fabric Purchase Master Agreement are as follows:

Date: 27 August 2025

Parties: (i) LTO, for itself and on behalf of the LTO Group
(ii) Shangtex, for itself and on behalf of the Shangtex Group

Term: From 1 October 2025 to 31 December 2027

Nature of Transactions: The LTO Group and the Shangtex Group will enter into individual orders or purchase agreements setting out specific terms of the Purchase Transactions. The terms of the individual orders or purchase agreements will be consistent with the principles and the terms of the Fabric Purchase Master Agreement. If there is any conflict between the terms of an individual order or purchase agreement and the Fabric Purchase Master Agreement, the latter shall prevail.

Payment: The purchase price, payment time and method, and other specific terms or conditions (if any) for the Purchase Transactions shall be fixed by relevant parties in the individual agreements, individual contracts or purchase orders on a case-by-case basis. The Purchase Transactions will normally be settled in the form of cash payment on a monthly, quarterly or agreed period basis and shall be consistent with the payment terms in the market.

Pricing policy: As a general principle, the price and terms of the individual order in respect of the Purchase Transactions will be on normal commercial terms, negotiated on an arm's length basis, set with reference to the market price and on similar basis as the Group transacts business with other independent third party suppliers (which in any event shall not be higher than those charged by independent third party suppliers on the Group for comparable goods) and shall be on terms which are no less favourable to the Group than those provided by independent third party suppliers.

Subject to the general principle disclosed above, the Group will also take into account the following factors when determining the purchase price payable by the Group under the individual orders in respect of the Purchase Transactions: (i) the prevailing market prices of similar products obtained through internal checks and research conducted by the Company; and (ii) the quality and prices of the products offered by other independent third party suppliers. For the avoidance of doubt, such pricing mechanism should apply to any orders issued during the term of the Fabric Purchase Master Agreement and each order shall be conducted in compliance with the provisions of the Fabric Purchase Master Agreement.

HISTORICAL TRANSACTION VALUE AND PROPOSED ANNUAL CAPS

The annual caps for the transactions contemplated under the Fabric Purchase Master Agreement for the period from 1 October 2025 to 31 December 2025 and the two years ending 31 December 2026 and 2027 are US\$5,000,000 (or approximately HK\$39,250,000), US\$20,000,000 (or approximately HK\$157,000,000) and US\$20,000,000 (or approximately HK\$157,000,000), respectively.

In determining the said annual caps, the Directors (including the independent non-executive Directors) have taken into account: (i) the volume of fabric purchased by the Group from the existing suppliers during the 7-month period from 1 January 2025 to 31 July 2025; (ii) the current market price of fabric; and (iii) the expected volume of

fabric required by the LTO Group for its production during the term of the Fabric Purchase Master Agreement based on the sales forecasts and fabric requirements of the LTO Group.

Taking into account the above factors, the Directors (including the independent non-executive Directors) consider that the above proposed annual caps for the transactions contemplated under the Fabric Purchase Master Agreement are fairly and reasonably determined.

REASONS FOR ENTERING INTO THE FABRIC PURCHASE MASTER AGREEMENT

The Group is principally engaged in the business of manufacturing and trading of apparel products with a consistent demand of high-quality fabric for production. As one of the principal activities of the Shangtex Group is textile manufacturing, the entering into of the Fabric Purchase Master Agreement will allow the Group to better manage quality control and its production lead time.

It is believed that the Fabric Purchase Master Agreement will enable the Group to secure a long term and stable supply of high-quality fabric at competitive prices in the long run, which will be beneficial to the overall business operation and development of the Group.

In view of the aforesaid, the Directors (excluding the independent non-executive Directors who will provide their view after receiving the advices from the Independent Financial Adviser) are of the view that the transactions contemplated under the Fabric Purchase Master Agreement (and the annual caps related thereto) are and will be entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Fabric Purchase Master Agreement (and the annual caps related thereto) were negotiated on an arm's length basis and are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

INFORMATION ON THE PARTIES

LTO is an investment holding company and a direct wholly-owned subsidiary of the Company. The Group is principally engaged in the manufacturing and trading of apparels and accessories.

Shangtex is an investment holding company. The Shangtex Group is principally engaged in the manufacturing and trading of apparels and accessories.

Shangtex is 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.

INTERNAL CONTROL

The Company has established various internal control measures in order to ensure that the transactions under the Fabric Purchase Master Agreement will be conducted in accordance with the pricing policies of the Group and the terms of the Fabric Purchase Master Agreement, on normal commercial terms and in the Group's ordinary and usual course of business.

Such internal control measures mainly include the following:

- The Group will collect market information and keep track of the latest changes in the industry on a regular basis, especially the purchase prices of similar fabric products through different sources, including at least two market quotations from other independent third party suppliers and/or reputable industry sources, on an ongoing basis.
- The finance department of the Company will conduct regular checks on whether the transactions contemplated under the relevant continuing connected transactions are being conducted in accordance with the terms and the pricing policy of the Fabric Purchase Master Agreement.
- The finance department of the Company is responsible for collecting data and statistics of the continuing connected transactions under the Fabric Purchase Master Agreement on a monthly basis to ensure the annual caps approved are not exceeded.
- The internal audit team of the Company will conduct regular review of the transactions in accordance with the established terms and the pricing policy under the Fabric Purchase Master Agreement and perform sampling inspections to ensure the related internal control procedures were properly followed. The internal audit assessment on the adequacy and effectiveness of such internal control measures will be reported to the Audit Committee.
- All abovementioned personnel involved in the Group's internal control procedures are independent of the Shangtex Group and its associates.
- The external auditors of the Company will report by issuing a letter to the Board every year on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions (including the transactions under the Fabric Purchase Master Agreement) of the Company conducted during the preceding financial year pursuant to the Listing Rules.
- The independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions of the Company throughout the preceding financial year and confirm on the transactional amounts and terms of the continuing connected transactions in the annual report of the Company pursuant to the

requirements under the Listing Rules, and to ensure that the transactions are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the relevant agreements governing the continuing connected transactions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shangtex, through its wholly-owned subsidiary, Shangtex HK, holds 730,461,936 Shares, representing approximately 70.64% of the issued share capital of the Company and is a substantial shareholder of the Company. Accordingly, Shangtex and its associates are connected person of the Company. Therefore, the transaction contemplated under the Fabric Purchase Master Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual caps for the aggregate fees for the transactions contemplated under the Fabric Purchase Master Agreement for each of the years ending on 31 December 2025, 2026 and 2027 is more than 5% and more than HK\$10,000,000 on an annual basis, the transactions contemplated under the Fabric Purchase Master Agreement will be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Three Directors, namely Mr. Wang Weimin, Mr. Zhang Min and Mr. Jin Xin, each hold positions in Shangtex and/or its associated companies and hence have a material interest in the transactions contemplated under the Fabric Purchase Master Agreement. Accordingly, each of the said Directors has abstained from voting on the board resolution of the Company approving the entering into of the Fabric Purchase Master Agreement and the transactions contemplated thereunder.

EGM

The Company will hold an EGM for the Independent Shareholders to consider and, if thought fit, approve the Fabric Purchase Master Agreement and the transactions contemplated thereunder, and the proposed annual caps thereof.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transactions and its associates will abstain from voting at the EGM to be held by the Company for (among others) considering and approving the Fabric Purchase Master Agreement and the transactions to be contemplated thereunder. Therefore, Shangtex HK, which holds 730,461,936 Shares as at the date of the announcement, representing approximately 70.64% of the issued share capital of the Company, shall abstain from voting at the EGM for approving the Fabric Purchase Master Agreement and the transactions to be contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders on the transactions contemplated under the Fabric Purchase Master Agreement and the proposed annual caps thereof. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

DESPATCH OF CIRCULAR

A circular containing further details of the Fabric Purchase Master Agreement, a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice of the EGM is expected to be despatched to the Shareholders on or before 12 September 2025.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	board of Directors
“Company”	Luen Thai Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 311)
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“continuing connected transaction(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder
“Fabric Purchase Master Agreement”	the fabric purchase master agreement dated 27 August 2025 entered into between LTO and Shangtex
“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”	an independent committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in connection with the transactions contemplated under the Agreements and the proposed annual caps thereof
“Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Fabric Purchase Master Agreement
“Independent Shareholders”	Shareholders other than those who have a material interest in the Fabric Purchase Master Agreement and the transactions contemplated thereunder
“independent third parties”	persons who are independent of the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LTO”	Luen Thai Overseas Limited, a company incorporated in the Bahamas and a direct wholly-owned subsidiary of the Company
“LTO Group”	LTO and its subsidiaries
“percentage ratios”	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
“Purchase Transactions”	the purchase of fabric by members of the LTO Group from members of the Shangtex Group from time to time contemplated under the Fabric Purchase Master Agreement
“Shangtex”	Shangtex Holding Co., Ltd.* (上海紡織(集團)有限公司), a company incorporated in the PRC with limited liability
“Shangtex Group”	Shangtex and its subsidiaries (excluding the Group)

* For identification purpose only

“Shangtex HK”	Shangtex (Hong Kong) Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	shall have the meaning as ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For illustration purpose, in this announcement, amounts in US\$ have been translated into HK\$ at the exchange rate of US\$1.00 to HK\$7.85. Such translations do not constitute a representation that any amount has been, could have been or may be exchanged at such rates.

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

Hong Kong, 27 August 2025

As at the date hereof, the Board comprises Mr. Wang Weimin, Dr. Tan Siu Lin, Mr. Tan Cho Lung, Raymond, Mr. Zhang Min and Mr. Jin Xin as executive directors; Ms. Fok Yue San, Sandy as non-executive director; Mr. Chan Henry, Mr. Lee Cheuk Yin, Dannis and Ms. Shi Min as independent non-executive directors.

Company website: www.luenthai.com