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If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Luen Thai Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME,
AMENDMENT TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2014 Annual General Meeting (“AGM”) of the Company to be held at The Domain, 3/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Hong Kong on Monday, 26 May 2014 at 3:00 p.m. is set out on pages 27 to 32 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

Hong Kong, 16 April 2014

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which the New Share Option Scheme is adopted, conditionally or unconditionally by the Company at the AGM
“AGM”	the annual general meeting of the Company to be held at The Domain, 3/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Hong Kong on Monday, 26 May 2014 at 3:00 p.m., a notice of which is set out on pages 27 to 32 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Company”	Luen Thai Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on the Main Board of the Stock Exchange
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	(a) any Group Director and Employee (and any proposed Group Directors and Employees); (b) any customer, supplier or provider of services, landlord or tenant, agent, partner, consultant, or adviser of or a contractor to or person doing business with any Group Company; (c) the trustee of any trust the principal beneficiary of which is, or any discretionary trust the discretionary objects of which include, any person referred to in (a) or (b) above; (d) a company controlled by any person referred to in (a) or (b) above; and (e) such other persons (or classes of persons) as the Board may in its absolute discretion determine should be Eligible Persons
“Employee”	any full-time employee for the time being of any Group Company

DEFINITIONS

“Exercise Period”	in respect of any particular Option, the period to be determined by the Board in its absolute discretion as the period during which the Option may (subject as provided in the New Share Option Scheme) be exercised
“Exercise Price”	the price per share at which a Grantee may subscribe for Shares upon the exercise of an Option pursuant to the New Share Option Scheme
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 27 June 2004
“Grantee”	any Eligible Person who accepts an offer by the Company of an Option or (where the context permits) the Personal Representative of that Eligible Person (being an individual)
“Group”	the Company and its subsidiaries from time to time
“Group Company”	a member company within the Group
“Group Director”	a director of any Group Company for the time being
“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
“INED(s)”	independent non-executive Director(s)
“Latest Practicable Date”	11 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“New Share Option Scheme”	the new share option scheme proposed to be adopted by a resolution of the Shareholders at the AGM, a summary of the principal terms of which is set out in the Appendix III to this circular
“Offer”	an offer by the Company to an Eligible Person of an Option
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme

DEFINITIONS

“Personal Representative”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise any Option granted to such Grantee (to the extent not already exercised)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of United States of America
“%”	Percent



LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

Executive Directors:

Tan Siu Lin (*Chairman*)
Tan Henry
Tan Cho Lung, Raymond
Mok Siu Wan, Anne

Non-executive Directors:

Tan Willie
Lu Chin Chu

Independent Non-executive Directors:

Chan Henry
Cheung Siu Kee
Seing Nea Yie

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

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

5th Floor
Nanyang Plaza
57 Hung To Road
Kwun Tong
Kowloon
Hong Kong

16 April 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME,
AMENDMENT TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for (i) granting the general mandates to the Directors to allot, issue, deal with new Shares and repurchase existing Shares; (ii) the re-election of the retiring Directors; (iii) the adoption of the New Share Option Scheme and (iv) the amendment to the Articles of Association.

LETTER FROM THE BOARD

PROPOSED GRANTING OF GENERAL MANDATES

On 27 May 2013, resolutions were passed by the Shareholders at the 2013 annual general meeting giving general mandates to the Directors:

- (i) to allot, issue and otherwise deal with additional Shares with the aggregate nominal amount not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue on the day of passing such resolution;
- (ii) to repurchase Shares with the aggregate nominal amount not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue on the day of passing such resolution; and
- (iii) to add to the general mandate for issuing Shares set out in (i) above the number of Shares repurchased by the Company pursuant to the repurchase mandate set out in (ii) above.

The above general mandates will expire at the conclusion of the AGM, unless renewed at that meeting.

Three respective ordinary resolutions will be proposed at the AGM for the purposes of granting general mandates to the Directors:

- (a) to allot, issue and otherwise deal with additional Shares with the aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company (the “Issue Mandate”) as at the date of passing the resolution approving the Issue Mandate;
- (b) to repurchase Shares with the aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of the Company (the “Repurchase Mandate”) as at the date of passing the resolution approving the Repurchase Mandate; and
- (c) to add to the general mandate for issuing Shares set out in (a) above the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

The full text of these resolutions are set out in Resolution 8 (Issue Mandate), Resolution 9 (Repurchase Mandate) and Resolution 10 as set out in the notice of the AGM contained in pages 27 to 29 of this circular.

The aforesaid mandates, unless revoked or varied by way of ordinary resolutions of the Shareholders in general meeting, will expire at the conclusion of the next annual general meeting of the Company, which will be convened on or before 30 June 2015.

In accordance with the requirements set out in the Listing Rules, the Company is required to send an explanatory statement containing requisite information to Shareholders to consider the Repurchase Mandate subject to certain restrictions, which are set out in Appendix I to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation. And, according to the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

To comply with the above, Mr. Tan Willie, Mr. Lu Chin Chu and Mr. Seing Nea Yie shall retire from office at the AGM and being eligible, offer themselves for re-election at the AGM.

And, pursuant to Code Provision A.4.3 of the CG Code, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders, and the papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected.

Mr. Seing Nea Yie was appointed as an INED in 2005 and has served the Company for more than nine years. During his tenure of office over the past nine years, Mr. Seing has been able to fulfill all the requirements regarding independence of INED and provide annual confirmation of independence to the Company in accordance with Rule 3.13 of the Listing Rules. To the best knowledge of the Directors, as at the Latest Practicable Date, the Company is not aware of any matters or events that may occur or affect the independence of Mr. Seing Nea Yie.

During his tenure of office, Mr. Seing Nea Yie has performed his duties as INED to the satisfaction of the Board. Through exercising the scrutinizing and monitoring function of an INED, he has contributed to an upright and efficient Board for the interest of the Shareholders.

The Board is of the opinion that Mr. Seing Nea Yie remains independent notwithstanding the length of his service and believes that his valuable knowledge and experience in the Group's business and his general business acumen continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

Pursuant to Code Provision A.4.3 of the CG Code, separate ordinary resolution will be proposed at the AGM to approve the re-election of Mr. Seing Nea Yie as an INED.

The Company will continue to review the independence of the INEDs annually and take all appropriate measures to ensure compliance of relevant provisions regarding their independence as required under the Listing Rules.

Biographical information of the aforesaid retiring Directors proposed to be re-elected as Directors at the AGM, which are required to be disclosed by the Listing Rules, are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ADOPTION OF NEW SHARE OPTION SCHEME

Reasons for adoption of the New Share Option Scheme

The Existing Share Option Scheme will expire on 26 June 2014. The Board proposed that the New Share Option Scheme be approved and adopted at the AGM. The purpose of the New Share Option Scheme is to provide incentives or rewards to the Eligible Persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees who are valuable to the Group.

Conditions

The New Share Option Scheme:

- (i) shall take effect subject to the passing of an ordinary resolution by the Shareholders approving the adoption of the New Share Option Scheme; and
- (ii) is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the New Share Option Scheme.

Maximum number of Shares subject to the New Share Option Scheme

Subject to the terms of the New Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and all other schemes (if any) involving the issue or grant by the Company of options or similar rights in respect of Shares or other securities of the Company (“Other Schemes”) shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date. Such limit may be altered from time to time pursuant to the terms of the New Share Option Scheme, provided that the maximum number of Shares which may be issued upon the exercise of all outstanding options granted but yet to be exercised under the New Share Option Scheme and any of the Other Schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time.

Termination of Existing Share Option Scheme

The Existing Share Option Scheme will be terminated on the date when the New Share Option Scheme comes into effect upon the fulfilment of the conditions set out above. Upon termination of the Existing Share Option Scheme, no further options will be granted thereunder but in all other respects, the provisions of the Existing Share Option Scheme shall remain in force and all existing options which have been granted prior to such termination shall continue to be valid and exercisable in accordance therewith. As at the Latest Practicable Date, no options were granted and remained outstanding under the Existing Share Option Scheme.

LETTER FROM THE BOARD

Except for the Existing Share Option Scheme, the Group has not adopted any scheme which will enable the directors of the Company to grant options for subscription of Shares in the Company.

The Company will comply with the terms of the New Share Option Scheme and the requirements of Chapter 17 of the Listing Rules in granting, dealing in or otherwise disposing of any Option.

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised, the discretion of the Board to impose any performance target that has to be achieved before the subscription right attaching to the Options can be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options if granted will be exercised by the holders of the Options. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

Principal terms of the New Share Option Scheme

A summary of the principal terms of the rules of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme is available for inspection 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 during normal business hours from the date hereof up to and including the date of the AGM and at the AGM.

Voting at Annual General Meeting

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution regarding the proposed adoption of the New Share Option Scheme at the AGM.

LETTER FROM THE BOARD

AMENDMENT TO ARTICLES OF ASSOCIATION

As provided under Article 88 of the Articles of Association, if a Shareholder intends to nominate a person (other than a retiring Director) as Director at any general meeting, a notice of such intention must be given to the Company and the period for lodgment of such notice shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting (the “Lodgment Period”).

In order to give flexibility to the Board in determining the Lodgment Period, the Board proposed the amendment to Article 88 of the Articles of Association as follows:

Article 88

Original:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

To be deleted in its entirety and be amended as:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that such Notice(s) shall be given within seven (7) days after the day of dispatch of the notice of the meeting (or such other period, being a period of not less than seven (7) days, commencing no earlier than the day after the dispatch of the notice of such meeting and ending no later than seven (7) days prior to the date of such meeting, as may be determined by the Board from time to time).”

AGM

The notice convening the AGM is set out on pages 27 to 32 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy to the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and in such event, the proxy form shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all proposed resolutions put to vote at the AGM shall be taken by way of poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed granting of the Issue Mandate and the Repurchase Mandate, the re-election of the retiring Directors, the adoption of the New Share Option Scheme and the amendment to the Articles of Association are in the best interests of the Company and the Shareholders as a whole and accordingly the Directors, together with their Associates, intend to vote in favour of the relevant resolutions in respect of their respective shareholdings in the Company and recommend Shareholders to vote in favour of such relevant resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board
Tan Siu Lin
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the requisite information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate.

SHAREHOLDERS' APPROVAL

The Listing Rules provide that all repurchase of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

SHARE CAPITAL

As at the Latest Practicable Date, 1,034,112,666 Shares were in issue and fully paid.

Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares will be issued and repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 103,411,266 Shares, representing 10% of the aggregate nominal value of the Shares in issue as at the date of passing of the Repurchase Mandate.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders as a whole. Such repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

FUNDING OF REPURCHASE

Any repurchase will only be funded out of funds of the Company legally available for the purpose of making the proposed purchases in accordance with the Company's Memorandum and Articles of Association, the applicable laws and regulations of the Cayman Islands and the Listing Rules.

EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's audited accounts for the year ended 31 December 2013) in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the

circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective Associates, has any present intention to sell any Share to the Company or its subsidiaries under the Repurchase Mandate if the same is approved by the Shareholders in the AGM.

No Connected Persons have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and the regulations of the Cayman Islands and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeover Codes) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

Based on the Company's records as at the Latest Practicable Date, Mr. Tan Henry is the beneficial owner of 3,500 issued shares (representing 70% interest) in Helmsley Enterprise Limited ("Helmsley"), a company incorporated in the Commonwealth of the Bahamas. Helmsley wholly owns Capital Glory Limited which in turn owns 614,250,000 Shares, or approximately 59.40% interest in the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, then the shareholding of Capital Glory Limited would be increased to approximately 66.00%. In the opinion of the Directors, such increase will not give rise to a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the six months immediately preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
May	3.59	2.95
June	3.55	2.44
July	3.45	2.74
August	3.30	2.96
September	3.15	2.87
October	3.08	2.80
November	2.98	2.75
December	2.96	2.63
2014		
January	2.78	1.99
February	2.80	2.37
March	2.69	2.30
April (1 April 2014 to the Latest Practicable Date)	2.56	2.30

As required by the Listing Rules, the following sets out the biographical information of the three retiring Directors eligible for re-election at the AGM:

1. Tan Willie

Mr. Tan Willie (“Mr. Tan”), aged 58, is the Chief Executive Officer of the privately held businesses of the Tan Family namely Luen Thai Enterprises Limited and Tan Holdings Corporation. Mr. Tan is also the Chief Executive Officer of Skechers China Limited.

Mr. Tan joined the apparel division in 1985 and has held the positions of Executive Vice President and later on Chief Operating Officer prior to his appointment to lead the privately held businesses. Mr. Tan has over 30 years’ experience in business management in various disciplines including apparel and footwear manufacturing, fishing, logistics including cargo airline and shipping, wholesale and retail operations, hotel, travel and tours, insurance, financial and health care services. Mr. Tan obtained his Bachelor’s Degree in Business Administration from the University of Guam. He is currently the External Vice President of the Philippine-China Business Council, Chairman of the Confederation of Garment Exporters of the Philippines and a director for Quanzhou City Global Youth Federation. In November 2007, Mr. Tan was appointed Honorary Ambassador-at-Large for Guam, USA.

Mr. Tan is the son of Dr. Tan Siu Lin, Chairman of the Company. Mr. Tan is the brother of Messrs. Tan Henry and Tan Cho Lung, Raymond, Directors of the Company. Mr. Tan is also the brother of Messrs. Tan Cho Yee, Jerry and Tan Sunny, senior management of the Group.

Save as disclosed above, Mr. Tan does not have any relationship with any other Directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Tan and his Associates were beneficially interested in 1,000,000 shares within the meaning of Part XV of the SFO.

Mr Tan entered into a service agreement with the Company for a term of 3 years commencing from 26 May 2012, with an annual salary and annual director’s fee of US\$150,000 and HK\$120,000 respectively. Pursuant to a letter of director fee increment dated 30 August 2012, the annual director fee to Mr. Willie Tan was increased to HK\$150,000. Mr. Tan’s remuneration was determined by reference to the prevailing market condition and his knowledgeable experience for the industry.

Other than disclosed herein, Mr. Tan has not held any directorships in any other listed companies in the last three years.

Save as disclosed above, there is no information relating to Mr. Tan that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

2. Lu Chin Chu

Mr. LU Chin Chu, aged 60, is the General Manager of Pouchen Industrial Co., Ltd. and being in charge of Global Supply Chain Management. Additionally, he is currently a director of Pou Chen Corporation, San Fang Chemical Industry Co. Ltd. and Evermore Chemical Industry Co. Ltd., companies being listed on the Taiwan Stock Exchange in Taiwan. Mr. Lu also holds several directorships in certain private companies established in Taiwan, Hong Kong, mainland China, the United States, Bermuda and the British Virgin Islands, which are engaged primarily in investment holding, production and marketing of non-apparel products. Mr. Lu is an accomplished industry professional with over 36 years of experience in the manufacturing of footwear and related components. He joined the Group in 2007. On 26 March 2014, Mr. Lu was appointed as an executive director and the chairman of the board of the Yue Yuen Industrial (Holdings) Limited, whose share are listed on the Stock Exchange.

Other than disclosed herein, Mr. Lu has not held any directorships in any listed companies in the past three years and does not have any relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lu has no interest in the issued share capital of the Company within Part XV of the Securities and Futures Ordinance.

Mr. Lu had entered into a letter of re-appointment with the Company for a term of 3 years commencing from 6 September 2013, with a director's fee of HK\$150,000 per annum. Mr. Lu's remuneration was determined by reference to the prevailing market condition and his knowledgeable experience for the industry. Mr. Lu is subject to retirement by rotation and re-election pursuant to the article of association of the Company in the coming Annual General Meeting.

Save as disclosed above, there is no information relating to Mr. Lu that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

3. Seing Nea Yie

Mr. Seing Nea Yie ("Mr. Seing"), aged 66, was appointed an independent non-executive Director on 21 January 2005. He is also the Chairman of the Audit Committee, Nomination Committee and the Remuneration Committee of the Company.

Save the office held in the Company, Mr. Seing had not held any directorship in other public listed companies during the past three years prior to the Latest Practicable Date.

Mr. Seing has over 39 years of audit experience and is currently holding CPA (Practising) at Hong Kong Institute of Certified Public Accountants. He is currently the senior partner of both accounting firms Messrs Chan, Seing & Co. and Messrs Chen Yih Kuen & Co. Certified Public Accountants (Practising). Mr. Seing is an active contributor to the charity activities in the community. He was the director of Po Leung Kuk, an authorized

charity organization in Hong Kong, from 1987 to 1990 and became the Vice Chairman in 1990 and 1991. Mr. Seing was also a member of audit committee of Po Leung Kuk from 1996 to 2000. Currently, Mr. Seing is the honorary president of The Fukienese Association Limited.

Mr. Seing does not have any relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Seing had no interest in any Share within the meaning of Part XV of the SFO.

Pursuant to a letter of re-appointment by the Company, Mr. Seing was re-appointed as an independent non-executive Director for a period from 16 April 2013 to 15 April 2016 and is entitled to a Director's fee of HK\$150,000 per annum.

Save as disclosed above, there are no other matters concerning Mr. Seing that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

This Appendix summarises the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the rules of the New Share Option Scheme.

(a) PURPOSE

The purpose of the New Share Option Scheme is to provide the Company with a flexible means of recognising and acknowledging the contributions of the Eligible Persons and to attract and retain and appropriately remunerate the best possible quality of Employees and other Eligible Persons.

(b) ELIGIBLE PERSONS OF THE NEW SHARE OPTION SCHEME

The following persons shall be eligible for participation in the New Share Option Scheme:

- (i) any Group Director and Employee (and any proposed Group Directors and Employees);
- (ii) any customer, supplier or provider of services, landlord or tenant, agent, partner, consultant, or adviser of or a contractor to or person doing business with any Group Company;
- (iii) the trustee of any trust the principal beneficiary of which is, or any discretionary trust the discretionary objects of which include, any person referred to in (i) or (ii) above;
- (iv) a company controlled by any person referred to in (i) or (ii) above; and
- (v) such other persons (or classes of persons) as the Board may in its absolute discretion determine should be Eligible Persons. In exercising such discretion, the Board shall have regard to factors such as any contributions which have been made, or may be made, by such persons to the Group and other factors as the Board may consider appropriate.

(c) DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective for the period commencing on (and from) the Adoption Date up to midnight on the date which falls 10 years after the Adoption Date, after which period no further Options may be granted or offered but the provisions of the New Share Option Scheme shall otherwise remain in full force and effect.

(d) GRANT OF OPTIONS

An Offer shall be made to an Eligible Person in writing in such form as the Board may from time to time determine. Such Offer shall specify the Exercise Price and the Exercise Period (which shall not in any event be longer than 10 years from the date of grant of the relevant Option).

The letter to an Eligible Person containing an Offer (“Offer Letter”) shall state, among other things, the minimum period (if any) for which an Option must be held before it can be exercised. Subject to the provisions of the New Share Option Scheme, the Listing Rules and other applicable rules and regulations, the Board may at its discretion, on a case by case basis or generally, when making an Offer impose such conditions, restrictions, limitations or requirements which may include conditions, restrictions, limitations relating to the achievement of operating or financial targets, or satisfactory conduct or performance by the Grantee in relation thereto.

An Offer may be accepted by an Eligible Person for a period of 28 days (or such shorter period as the Board may decide) from the date of the Offer. A consideration of HK\$10.00 is payable on acceptance of the Offer. Once such acceptance is made the grant of the Option(s) shall be deemed to have become unconditional.

(e) MAXIMUM NUMBER OF SHARES

Subject to the terms of the New Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and all other schemes (if any) involving the issue or grant by the Company of options or similar rights in respect of Shares or other securities of the Company (“Other Schemes”) shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date. Such limit (the “Scheme Limit”) may be altered from time to time:

- (i) the Scheme Limit may be increased, provided that: (A) the Company shall have issued a circular to its shareholders containing such information as is required under the Listing Rules at the relevant time in connection with such an increase; (B) such increase shall have been approved by shareholders of the Company in general meeting; and (C) the total number of Shares which may be issued upon the exercise of all options to be granted under this Scheme and all of the Other Schemes after such increase in the Scheme Limit must not exceed 10% of the Shares in issue as at the date of such approval; and
- (ii) Options may be granted in excess of, or which are not counted in calculating the Shares under option in connection with, the Scheme Limit (“**Excess Options**”), provided that: (A) the Company shall have issued a circular to its shareholders containing such information as is required under the Listing Rules at the relevant time in connection with such grants; (B) such grants shall have been approved by shareholders of the Company in general meeting; and (C) Excess Options are granted only to Eligible Persons identified by the Company (specifically or generically, in such manner and detail as is required by the Listing Rules at the relevant time) in a circular to the Company’s shareholders or otherwise before such approval is sought.

Notwithstanding the above, the maximum number of Shares which may be issued upon the exercise of all outstanding options granted but yet to be exercised under the New Share Option Scheme and any of the Other Schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time.

Options which have lapsed in accordance with the terms of the New Share Option Scheme and all of the Other Schemes shall not be counted for the purpose of calculating the number of Shares under option in connection with the Scheme Limit.

(f) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

No Option may be granted to any person which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options already granted and to be granted to such person (including exercised, cancelled and outstanding Options but excluding lapsed Options) in the 12-month period up to and including the date of such new grant exceeding 1% of the Shares in issue as at the date of such new grant, provided that Options may be issued in excess of such limit if:

- (i) the Company shall have issued a circular to its shareholders containing such information about the proposed grant as is required by the Listing Rules at the relevant time;
- (ii) such grant shall have been separately approved by shareholders of the Company in a general meeting at which that proposed Grantee and his Associates (as defined in the Listing Rules) shall have abstained from voting; and
- (iii) the number and terms (including the Exercise Price) of Options to be granted to such person shall have been fixed before the aforesaid shareholders' approval.

(g) GRANT OF OPTIONS TO CERTAIN CONNECTED PERSONS

Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive director of the Company or their respective Associates will result in the total number of the Shares issued and to be issued upon full exercise of the Options granted and to be granted to such person (including exercised, cancelled and outstanding Options but excluding lapsed Options) in any 12-month period up to and including the date of grant of the relevant Option:

- (i) exceeding an aggregate of 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of grant of the relevant Option, in excess of HK\$5 million,

then the proposed grant must be subject to the approval of shareholders of the Company in general meeting taken on a poll and all connected persons (as defined in the Listing Rules) must abstain from voting, except that any connected person may vote against the resolution provided that its intention to do so has been stated in the circular dispatched to the shareholders of the Company for convening such general meeting.

(h) EXERCISE PRICE

Subject to the adjustment made in accordance with the terms of the New Share Option Scheme, the Exercise Price in respect of any Shares the subject of any particular Option shall be a price determined by the Board and notified to each Grantee (in the letter containing the Offer) and shall not be less than the highest of:

- (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option;
- (ii) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the 5 Business Days immediately preceding the date of grant of the relevant Option; and
- (iii) the nominal value of a Share.

(i) RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the articles of association of the Company for the time being and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which a notice exercising that Option (together with the remittance relating to such exercise) is received by the Company (the "Exercise Date") and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made, or other rights or benefits accruing if the record date therefor shall be on or before the Exercise Date.

Save as aforesaid, a Share allotted upon the exercise of an Option shall not carry any voting or other rights until the name of the Grantee has been duly entered in to the register of shareholders of the Company as the holder thereof.

(j) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

The Board shall not make any grant or Offer:

- (i) after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been announced pursuant to the relevant requirements of the Listing Rules; or
- (ii) during the period commencing one month (or such other period as the Listing Rules may require from time to time) immediately preceding the earlier of:
 - (A) the date of the board meeting (as first notified to the Stock Exchange) for the approval of the Company's results for any year, half year or any other interim period (whether or not required by the Listing Rules), and

- (B) the deadline for the Company to publish an announcement of its results for any year, half year or any other interim period (whether or not required by the Listing Rules),

until the date on which such results have been announced.

(k) RIGHTS ON CEASING EMPLOYMENT AND RESIGNATION, ETC

If the Grantee of an Option is an Employee, the Option (to the extent such Option has not already been exercised) shall lapse and not be exercisable (and the Exercise Period in respect of that Option shall automatically terminate): (i) on the date on which the Employee resigns from (or gives notice terminating) his employment with any Group Company; or (ii) on the date on which his employment with any Group Company is terminated by the employer on any one or more of the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay debts which are due or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or any other ground on which an employer would be entitled to terminate his employment without notice (or the normal notice period) at common law or pursuant to any applicable laws or under the Grantee's employment contract with any Group Company.

If the Grantee of an Option is a Group Director, the Option (to the extent such Option has not already been exercised) shall lapse and not be exercisable (and the Exercise Period in respect of that Option shall automatically terminate) on the effective date on which the Group Director ceases to be a Group Director (whether by resignation, removal or pursuant to any order or requirement of any law, court or the Stock Exchange, or in accordance with the provisions of any applicable law, or otherwise) in circumstances: (A) involving the dishonesty or lack of integrity or misdemeanour (or the bona fide alleged dishonesty or lack of integrity or misdemeanour) of such Group Director or a breach of law or the Listing Rules by (or instructed or procured or connived in by) such Group Director; or (B) where the Stock Exchange has stated publicly that in its opinion the retention of office as a Director by such Group Director is prejudicial to the interests of investors.

(l) RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON

If the Grantee (being a Group Director or an Employee) ceases to be a Group Director or an Employee (as the case may be) for any reason, other than his death or the termination of his directorship or employment on one or more of the grounds specified in paragraph (k) above, the Option (to the extent exercisable and not already exercised at the date of cessation) shall be exercised within:

- (i) (in the case of a Grantee being an Employee) 12 months (or such longer period as the Board may determine) after the date of cessation of such employment if such cessation is by reason of retirement in accordance with his contract of employment (or otherwise by agreement with the relevant company);

- (ii) 3 months (or such longer period as the Board may determine) following the date of cessation of such directorship or employment in all other circumstances,

provided that this paragraph shall not apply in circumstances where a Grantee is both a Group Director and an Employee and ceases to be a Group Director but does not at that time cease to be an Employee (or vice versa); for the above purposes the date of cessation of employment shall be the last actual working day with the relevant Group Company, whether salary is paid in lieu of notice or not.

(m) RIGHTS ON DEATH

If the Grantee dies before exercising an Option in full, his Personal Representatives may exercise the Option (in whole or in part) up to the Grantee's entitlement (to the extent exercisable as at the date of his death and not exercised) within the period of 12 months following his death or such longer period as the Board may determine.

(n) RIGHTS ON BREACH OF CONTRACT

If the Grantee commits a breach (which the Board in its absolute discretion considers to be material) of any term of an Option and the Board (after careful consideration of the views of the INEDs) shall resolve that the Option shall lapse in connection with that breach, the Option (to the extent such Option has not already been exercised) shall lapse and not be exercisable.

(o) RIGHTS ON A GENERAL OFFER

If a general or partial general offer (whether by way of take-over offer, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company, and/or that an option cancellation offer (on fully comparable terms) is made by the offeror to all the Grantees. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to shareholders in the Company, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time thereafter and up to the close of such offer (or any revised offer) or the date on which the scheme of arrangement becomes effective, as the case may be.

(p) RIGHTS ON WINDING UP

- (i) If notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice

thereof to the Grantee and the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than three business days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting), exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of Shares to the Grantee as falls to be issued on such exercise.

- (ii) If (x) an effective resolution has been passed for the voluntary winding-up of the Company during the Exercise Period, or (y) an order of the court is made for the winding up of the Company (other than a winding up to which (i) above has applied), the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company within 21 days after the date of such resolution or the date of such order of the court, elect to be treated as if the Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution or the making of such order either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Shares such sum (if any) as he would have received had he been allotted and issued on the day prior to the date of such resolution or order as aforesaid the Shares in respect of which such election was made, reduced by an amount equal to the Exercise Price which would otherwise have been payable in respect thereof.

(q) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS CREDITORS

If a compromise or arrangement between the Company and its shareholders or creditors is proposed in connection with a scheme or proposal for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice thereof to all Grantees on (or as soon as practicable after) the date on which it gives notice of the meeting to its shareholders or creditors to consider such a scheme of arrangement, and thereupon the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than two business days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting), exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee as falls to be issued on such exercise.

(r) RIGHTS EXERCISE OF OPTIONS IN RESPECT OF PROPOSED GROUP DIRECTORS AND PROPOSED EMPLOYEES

For any Option granted to any person who is: (i) a proposed Group Director or a proposed Employee, (ii) the trustee of any trust the principal beneficiary of which is, or any discretionary trust the discretionary objects of which include, such proposed Group Director or proposed Employee, or (iii) a company controlled by such proposed Group Director or proposed Employee, the exercise of the relevant Option is conditional upon such proposed Group Director or proposed Employee having taken office.

(s) EFFECT OF REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company while any Option remains exercisable, which involves a capitalisation of profits or reserves, a rights issue or other offer of Shares and/or other securities made by the Company to holders of Shares (or the majority of them), consolidation, subdivision or reduction of capital of the Company, or a dividend in specie or other distribution which (in the opinion of the relevant expert (“Relevant Expert”), i.e. the auditors of the Company for the time being or, in relation to any matter, an independent financial adviser to the Company (or, as the case may be, the independent non-executive directors of the Company) appointed in relation to that matter by the Board) is in the nature of a special dividend or a return of capital or surplus assets and such other events as the Board may specify with the prior written approval of the Stock Exchange (“Relevant Event”), appropriate corresponding alterations (if any) shall be made to: (i) the number or nominal amount of Shares subject to the Option so far as unexercised; (ii) the Exercise Price; (iii) the method of exercise of the Option; and/or (iv) the various maximum numbers of Shares referred to in paragraphs (e) and (f) above.

Such adjustments must result in the number of Shares issuable to the Grantee on full exercise of an Option bearing, to the extent practicable, the same proportion to the total number of issued Shares after the Relevant Event as they bore to the total number of issued Shares immediately prior to the Relevant Event; and the total Exercise Price payable by a Grantee on the full exercise of any Option shall, where appropriate, remain as nearly as possible the same as (but shall in any event not be greater than) it was before the Relevant Event. However, no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value.

(t) CANCELLATION OF OPTIONS

Subject to the Listing Rules and all applicable laws and requirements from time to time, any Option may be cancelled in whole or in part and at any time or from time to time: (i) by agreement between the Company and the Grantee (on such terms as they may agree); or (ii) at the absolute discretion of the Board.

Where an Option is cancelled and a new Option is proposed to be granted to the same Grantee, the grant of such new Option may only be made with available unissued Options subject to and within the limits referred to in paragraph (e) above (and for this purpose all Options which have been cancelled shall be treated as still outstanding).

(u) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by a resolution of shareholders in general meeting or of the Board, may at any time terminate the operation of this Scheme and, in such event, no further Options will be granted or offered but the provisions of this Scheme shall otherwise remain in force in all other respects.

(v) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, dispose of, charge, mortgage, encumber, or create or dispose of any interest of any nature in favour of any third party over or in relation to, any Option or any interest therein (or enter into any agreement to, or otherwise attempt to, do any of the foregoing). In the event of any breach of the foregoing, the relevant Option (to the extent not already exercised) shall lapse automatically on the date of the relevant breach, unless the Board shall resolve otherwise.

(w) ALTERATION TO THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the New Share Option Scheme relating to:

- (i) any alteration of the provisions of the New Share Option Scheme as to the definitions of “Eligible Person”, “Grantee” and “Exercise Period”, and the matters set out in Rule 17.03 of the Listing Rules which is to the advantage of Grantees or potential Grantees;
- (ii) any alteration to:
 - (x) the terms and conditions of the New Share Option Scheme which is of a material nature; or
 - (y) the terms and conditions of any Option granted which is to the advantage of the Grantee,except where such alterations take effect automatically under the existing terms of this Scheme; and
- (iii) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme,

provided always that the amended terms of this Scheme must continue to comply with the relevant provisions of the Listing Rules at the relevant time.

(x) ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be administered by the Board, whose decision shall (save as otherwise provided herein) be final and binding on all persons who may be affected thereby.

NOTICE OF ANNUAL GENERAL MEETING



LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Luen Thai Holding Limited (the “Company”) will be held at The Domain, 3/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Hong Kong on Monday, 26 May 2014 at 3:00 p.m. for the following purposes:

1. To consider and adopt the audited consolidated accounts and the reports of the directors and of the auditors for the year ended 31 December 2013;
2. To declare a final dividend for the year ended 31 December 2013;
3. To re-elect Mr. Tan Willie as a non-executive director of the Company;
4. To re-elect Mr. Lu Chin Chu as a non-executive director of the Company;
5. To re-elect Mr. Seing Nea Yie as an independent non-executive director of the Company;
6. To authorize the board of directors of the Company to fix the directors’ remuneration;
7. To re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company and to authorize the board of directors of the Company to fix their remuneration;
8. To consider as special business, and if thought fit, to pass the following resolution as Ordinary Resolution:

“THAT:

- (A) subject to paragraph (C) below, the exercise by the directors of the Company during the Relevant Period (as defined in the paragraph (D) below) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby approved generally and unconditionally;

NOTICE OF ANNUAL GENERAL MEETING

- (B) the approval in paragraph (A) above shall be in addition to any other authorisation given to the directors of the Company and shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted, issued and dealt with, or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) of this resolution, otherwise than pursuant to:
- (i) a Rights Issue (as defined below); or
 - (ii) the exercise of any option under the Company's share option scheme(s); or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares pursuant to the Articles of Association of the Company from time to time,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (D) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required either by any applicable laws or by the Articles of Association of the Company to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares, subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong.”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider as special business, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“THAT:

(A) subject to paragraph (B) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to repurchase issued shares in the capital of the Company, in accordance with all applicable laws and the requirements set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby approved generally and unconditionally;

(B) the aggregate nominal amount of shares authorized to be repurchased or agreed conditionally or unconditionally to be repurchased by the directors of the Company pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution, and the said approval shall be limited accordingly; and

(C) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required either by any applicable laws or by the Articles of Association of the Company to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders in general meeting.”

10. To consider as special business, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“THAT conditional upon the passing of resolutions numbered 8 and 9 as set out in the notice convening this meeting, the aggregate nominal amount of the number of shares in the capital of the Company that shall have been repurchased by the Company after the date thereof pursuant to and in accordance with the said resolution 9 shall be added to the aggregate nominal amount of share capital that may be allotted, issued and disposed of or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to the general mandate to allot and issue shares granted to the directors of the Company by the said resolution 8.”

NOTICE OF ANNUAL GENERAL MEETING

11. To consider as special business, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“THAT:

- (A) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the ordinary shares in the capital of the Company (the “Shares”) or any part thereof to be issued pursuant to the exercise of any options that may be granted under the share option scheme (“New Share Option Scheme”), the rules of which are summarised in the Circular of the Company dated 16 April 2014 and contained in the document marked “A” produced to this meeting and initialed by the Chairman of the meeting for the purpose of identification, the New Share Option Scheme be and is hereby approved and adopted by the Company, and the directors of the Company be and are hereby authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with any Shares pursuant to the exercise of the subscription rights under any options which may be granted from time to time in accordance with the terms of the New Share Option Scheme and to do all such acts as they may in their absolute discretion consider necessary or expedient in order to give full effect to the New Share Option Scheme; and
- (B) the existing share option scheme of the Company adopted on 27 June 2004 (“Existing Share Option Scheme”) be and is hereby terminated on the same date as the New Share Option Scheme comes into effect upon approval of the New Share Option Scheme and fulfillment of the condition in accordance with (a) above, provided that any options granted under the Existing Share Option Scheme prior to the passing of this resolution shall not, in any way, be affected or prejudiced and all such options shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.

12. To consider as special business, and if thought fit, to pass the following resolution as a Special Resolution:

“THAT the following amendment to the Articles of Association be and are hereby approved:

Article 88

Original:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall

NOTICE OF ANNUAL GENERAL MEETING

have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

To be deleted in its entirety and be amended as:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that such Notice(s) shall be given within seven (7) days after the day of dispatch of the notice of the meeting (or such other period, being a period of not less than seven (7) days, commencing no earlier than the day after the dispatch of the notice of such meeting and ending no later than seven (7) days prior to the date of such meeting, as may be determined by the Board from time to time).”

By order of the Board
Tan Siu Lin
Chairman

Hong Kong, 16 April 2014

Notes:

- i. A member entitled to attend and vote at the meeting convened is entitled to appoint another person(s) as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- ii. If a member of the Company wishes to nominate a person to stand for election as a director of the Company, (i) a notice in writing signed by the shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election; and (ii) a notice in writing signed by the person to be proposed of his willingness to be elected must accompany with (a) that nominated candidate’s information as required to be disclosed under Rule 13.51(2) of the Listing Rules, and (b) the nominated candidate’s written consent to the publication of his/her personal data, must be validly lodged **no later than 28 April 2014** at the head office of the Company at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong or the Hong Kong Branch Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

NOTICE OF ANNUAL GENERAL MEETING

- iii. To be valid, a form of proxy together with 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 Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.

- iv. The Register of Members of the Company will be closed from 21 May 2014 to 26 May 2014 (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the Annual General Meeting of the Company, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 20 May 2014.

- v. In addition, the Board has resolved to recommend the payment of a final dividend of HK6.774 cents per share for members whose names appear on the Register of Members of the Company on 6 June 2014. The Register of Members of the Company will also be closed from 4 June 2014 to 6 June 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, subject to approval at the Annual General Meeting of the Company, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 3 June 2014.