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LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

VOLUNTARY ANNOUNCEMENT IN RESPECT OF THE PROPOSED RESTRUCTURING

This announcement is made by the Company on a voluntary basis.

THE PROPOSED RESTRUCTURING

The Board hereby announces that it has been informed by the controlling Shareholder, Shangtex Holding, that Shanghai SASAC issued the Shanghai SASAC Decision in relation to the Proposed Restructuring, pursuant to which 76.33% of equity interests of Shangtex Holding, including 27.33% of the equity interest held directly by Shanghai SASAC and 49% of the equity interest held indirectly by Shanghai SASAC through its wholly-owned subsidiary, namely, Shanghai Guosheng, will be transferred to Orient International at nil consideration, and the Company will therefore become an indirect subsidiary of Orient International upon completion of the Proposed Restructuring. Upon completion of the Proposed Restructuring, Shangtex Holding will remain to be an indirect controlling Shareholder and Shanghai SASAC will remain to be the ultimate controlling Shareholder. Each of Shangtex Holding, Shanghai Guosheng and Orient International is ultimately controlled by Shanghai SASAC.

GRANT OF WAIVER

The Proposed Restructuring may lead to a general offer for the Shares under the Takeovers Code unless otherwise waived by the Executive. As informed by Orient International, (i) Orient International has applied to the Executive for a waiver to dispense with its obligation to make a mandatory general offer for all the Shares pursuant to Rule 26 of the Takeovers Code as a result of the Proposed Restructuring; and (ii) the said waiver was granted by the Executive pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code on 13 September 2017.

The Company will make further announcement(s) with regard to the progress of the Proposed Restructuring as and when required.

INTRODUCTION

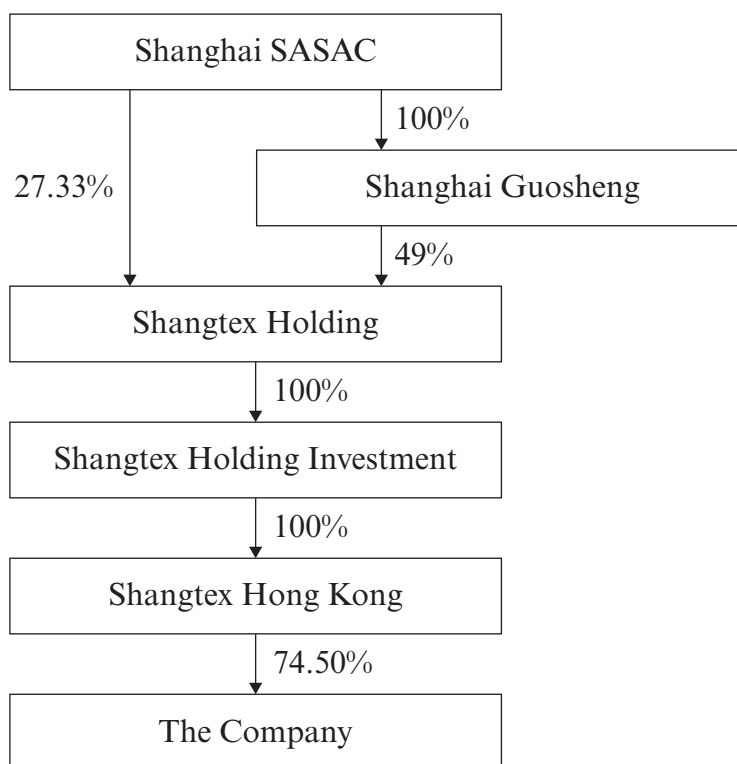
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THE PROPOSED RESTRUCTURING

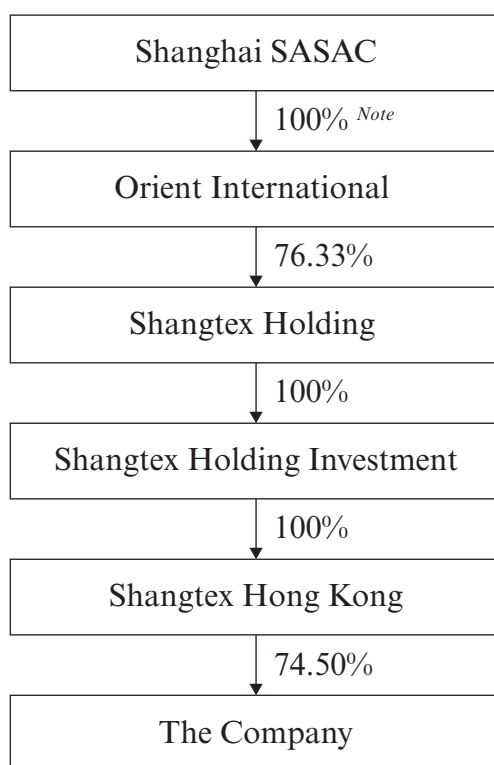
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The shareholding structures of the Company immediately prior to and after the completion of the Proposed Restructuring are set out as follows:

IMMEDIATELY BEFORE THE PROPOSED RESTRUCTURING



IMMEDIATELY AFTER THE PROPOSED RESTRUCTURING



Note: Pursuant to the notice in relation to the transfer of equity interests in Orient International to Shanghai Guosheng issued by Shanghai SASAC on 5 September 2017, 34% of the equity interests held by Shanghai SASAC in Orient International will be transferred to Shanghai Guosheng.

REASONS FOR THE PROPOSED RESTRUCTURING

Orient International is a state-owned enterprise established in the PRC and a directly wholly-owned subsidiary of Shanghai SASAC. The Proposed Restructuring is a decision made by Shanghai SASAC with an aim to comply with the overall deployment for the reform of Shanghai state-owned enterprises and in order to promote the innovation and transformation of enterprises and bring into full play of Shanghai state-owned enterprises in the “One Belt and One Road Initiative” of the state and the construction of the “Shanghai International Trade Center”.

The Directors consider that the Proposed Restructuring will not have any material impact on the financial position and operations of the Group.

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DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Luen Thai Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	director(s) of the Company
“Executives”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Orient International”	Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司), a state-owned enterprise incorporated in the PRC with limited liability and wholly-owned and controlled by Shanghai SASAC
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Taiwan, Hong Kong and the Macau Special Administrative Region
“Proposed Restructuring”	the proposed joint restructuring by way of transferring a total of 76.33% equity interests in Shangtex Holding held by Shanghai SASAC (both directly and indirectly) to Orient International
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai Guosheng”	Shanghai Guosheng Group Co. Ltd. (上海國盛(集團)有限公司), a state-owned enterprise incorporated in the PRC with limited liability and wholly-owned and controlled by Shanghai SASAC
“Shanghai SASAC”	The Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會)
“Shanghai SASAC Decision”	the notice of joint restructuring between Shangtex Holding and Orient International issued by Shanghai SASAC in relation to the Proposed Restructuring
“Shangtex Holding”	Shangtex Holding Co., Ltd.* (上海紡織(集團)有限公司), a state-owned enterprise incorporated in the PRC with limited liability
“Shangtex Hong Kong”	Shangtex (Hong Kong) Limited (上海紡織(香港)有限公司), a company incorporated in Hong Kong with limited liability and the direct controlling Shareholder

“Shangtex Holding Investment”	Shangtex Holding Investment Co., Ltd.* (上海紡織集團投資有限公司), a state-owned enterprise incorporated in the PRC with limited liability
“Share(s)”	ordinary shares in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Takeovers Code”	the Code on Takeovers and Mergers as amended from time to time and administered by the SFC
“Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the respective obligations of Orient International to make a mandatory general offer for all the securities of the Company not already owned or acquired by it and its respective parties acting in concert under Rule 26 of the Takeovers Code which would otherwise arise as a result of the Proposed Restructuring

By order of the Board
Chiu Chi Cheung
Company Secretary

Hong Kong, 19 September 2017

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

Executive Directors

Shen Yaoqing (*Chairman*)

Tan Siu Lin (*Honorary Life Chairman*)

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

Qu Zhiming

Mok Siu Wan, Anne

Non-executive Director

Huang Jie

Independent non-executive Directors

Seing Nea Yie

Chan Henry

Cheung Siu Kee

* *For identification purpose only*