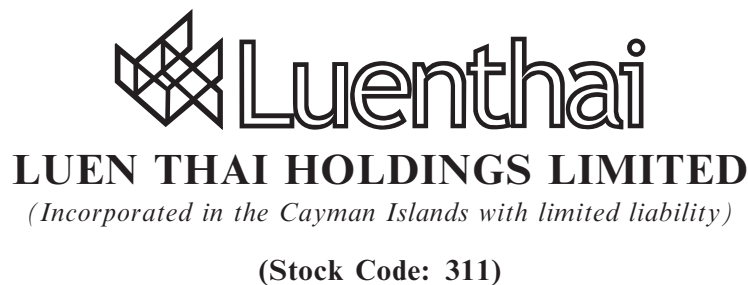

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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**, you should at once hand this circular to the purchaser or other 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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**DISCLOSEABLE TRANSACTION
CONVERSION OF LAND USE**

A letter from the Board is set out on pages 3 to 7 of this circular.

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DEFINITIONS

“Announcement”	the announcement published by the Company on 10 March 2008 in relation to the Conversion;
“Auction”	the public auction held on 7 March 2008 during which the Qingyuan Land will be sold to the successful bidder;
“associated company”	shall have the same meaning as ascribed to it in Part XV of the SFO;
“Company”	Luen Thai Holdings Limited, the shares of which are listed on the Stock Exchange
“Completion”	Completion of the Land Disposal Agreement in accordance with terms and conditions thereof;
“Conversion”	the conversion of the land use of the Qingyuan Land from industrial use to residential/commercial use;
“Directors”	directors of the Company;
“Disposal”	the sale of the Qingyuan Land by the Company to the Qingyuan Land Reserves Centre subject to and conditional upon the terms of the Land Disposal Agreement;
“Fortune Investment Overseas Limited”	a company incorporated under the laws of the British Virgin Islands, a wholly-owned subsidiary of the Company;
“GJM”	GJM (Qingyuan) Light Industrial Development Limited, an indirect wholly-owned subsidiary of the Company;
“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 PRC;
“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the Listing Rules);
“Land Disposal Agreement”	the agreement for sale and purchase of the Qingyuan Land dated 6 March 2008 entered into between the Company and the Qingyuan Land Reserves Centre;
“Latest Practicable Date”	26 March 2008;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“PRC”	the Peoples’ Republic of China;
“Qingyuan Land Reserves Centre”	the Qingyuan Land Reserves Centre (清遠市土地儲備中心), an unit of the Qingyuan City State-Owned Land Resources Bureau (清遠市國土資源局), which is an Independent Third Party;
“Qingyuan Properties”	the four dormitories each consisting of seven storeys of a total gross floor area of approximately 28,500 sq.m. and the factory consisting of six floors of floor area of approximately 23,600 sq.m. on the Qingyuan Land;
“Qingyuan Land”	a parcel of land located at Pi Keng, Luen Thai Industrial City, Long Tang Town, Qing Shing District, Qingyuan City, Guangdong Province, the PRC with a site area of approximately 423,814 sq.m.;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong;
“Shareholders”	holders of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“sq.m.”	square metres; and
“%”	Per cent.



LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

Executive Directors:

Mr. Tan Siu Lin (*Chairman*)
Mr. Tan Henry
Mr. Tan Cho Lung, Raymond
Mr. Tan Sunny
Ms. Mok Siu Wan, Anne

Non-executive Directors:

Mr. Tan Willie
Mr. Lu Chin Chu

Independent Non-executive Directors:

Mr. Chan Henry
Mr. Cheung Siu Kee
Mr. 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:*

5/F, Nanyang Plaza
57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

28 March 2008

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
CONVERSION OF LAND USE**

1. INTRODUCTION

The Directors announced on 10 March 2008 that the Group has effected the Conversion as a result of which the user of the Qingyuan Land has been converted from industrial use to commercial/residential use. According to the relevant PRC laws, any conversion of land use in the PRC from industrial use to commercial use is required to undergo a public auction procedure, under which the existing owner of the relevant land would dispose of the land to the relevant land authority, and the authority would then put up the land with the proposed change in use for public auction. In connection with the Qingyuan Land, GJM, the Company's indirect wholly-owned subsidiary, entered into the Land Disposal Agreement on 6 March 2008, pursuant to which GJM agreed to dispose of the Qingyuan Land to the Qingyuan Land Reserves Centre, an unit of the Qingyuan City State-Owned Land Resources Bureau (清遠市國土資源局), and to participate in the

LETTER FROM THE BOARD

Auction. Completion of the Disposal and the Auction took place on 7 March 2008. According to the official information, GJM (through its agent) was the only bidder of the Qingyuan Land at the Auction and hence, GJM re-acquired the Qingyuan Land at the floor price of the Auction, with the use changed to commercial/residential use.

The total land premium payable by the Group for the Conversion is RMB53,400,000 (approximately HK\$58,580,000 as at the date of the Announcement). As the applicable percentage ratios of such premium exceed 5%, the Conversion is subject to the reporting and announcement requirements in accordance with Rule 14.34 of the Listing Rules.

The purpose of this circular is to provide you with further details of the Conversion and other information as required by the Listing Rules.

2. LAND DISPOSAL AGREEMENT

Date: 6 March 2008

Parties: (1) GJM
(2) The Qingyuan Land Reserves Centre which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party of the Company

Information of the Qingyuan Land:

The Qingyuan Land, acquired by GJM in 2003, is a parcel of industrial land located at Pi Keng, Luen Thai Industrial City, Long Tang Town, Qing Shing District, Qingyuan City, Guangdong Province, the PRC with a site area of approximately 423,814 sq.m. As at the Latest Practicable Date, the Qingyuan Properties are the only structures and buildings erected thereon which were developed by the Group back in 2006. As at the date of the Land Disposal Agreement, the net book value of the Qingyuan Land and the Qingyuan Properties were approximately US\$1,490,000 (HK\$11,622,000 as at the date of the Announcement) and US\$4,200,000 (HK\$32,760,000 as at the date of the Announcement) respectively.

Obligations of GJM:

GJM agreed, among other things, to dispose of the Qingyuan Land to the Qingyuan Land Reserves Centre and to participate in the Auction.

Completion:

Completion of the Disposal took place on 7 March 2008.

LETTER FROM THE BOARD

Post-completion matters:

The Auction was held on 7 March 2008. According to the official information, GJM (through its agent) was the only bidder of the Qingyuan Land at the Auction and hence, GJM re-acquired the Qingyuan Land at the floor price of the Auction, with the use changed to commercial/residential use.

The land premium payable by the Group for the Conversion is RMB53,400,000 (HK\$58,580,000 as at the date of the Announcement) which shall be funded by internal resources of and paid by the Group in cash by way of a single instalment within 180 days from the date of the Auction. The land premium represents the difference between the price for the disposal of the Qingyuan Land by GJM to the Qingyuan Land Reserves Centre under the Land Disposal Agreement, which amounted to approximately RMB160,200,000 (HK\$175,740,000 as at the date of the Announcement) and determined after arm's length negotiations between GJM and the Qingyuan Land Reserves Centre, and the minimum price, which amounted to RMB213,600,000 (HK\$234,320,000 as at the date of the Announcement), for bidding the Qingyuan Land at the Auction was set by the Qingyuan Land Reserves Centre. Based on the fact that the Group has re-acquired the Land through the Auction at the floor price, the reasons as set out under the paragraph headed "Reasons for the Conversion" below, by reference to the net book values as disclosed under the paragraph headed "Information of the Qingyuan Land" above, and by reference to the valuation carried out by a third party valuer independent from the Group, the evaluated amount of which is close to the minimum price of RMB213,600,000 (HK\$234,320,000 as at the date of the Announcement), on the Qingyuan Land on the assumption that the Conversion had taken place, the Directors believe that the terms of the Conversion are fair and reasonable and in the interest of the Shareholders as a whole, though at the same time the Directors are mindful of the recent uncertainties in the PRC property markets and changes to the property related PRC regulations from time to time. Should any development plan of the Group in respect of the Qingyuan Land realizes, details of which are provided for under the paragraph headed "Reasons for the Conversion" below, it is expected that financial benefits would be accrued to the Group.

Compensation for the Qingyuan Properties:

It is a term of both the Land Disposal Agreement and the Auction that the successful bidder of the Qingyuan Land at the Auction is required to compensate GJM a sum of approximately RMB120,840,000 (HK\$132,562,000 as at the date of the Announcement) for the Qingyuan Properties. The compensation amount was set by the Qingyuan Land Reserves Centre which was set by reference to a valuation being carried out by a third party valuer independent from the Group, the amount of which is close to the minimum price of RMB213,600,000 (HK\$234,320,000 as at the date of the Announcement), on the Qingyuan Properties on the assumption that the Conversion had taken place. Given that GJM (through its agent) was the successful bidder of the Qingyuan Land at the Auction, the financial impact of this compensation is expected to be neutralised.

LETTER FROM THE BOARD

3. FINANCIAL INFORMATION

From an accounting perspective, the Conversion was not considered to be a disposal or acquisition of properties. Hence, no gains or losses are recorded in respect of the Conversion. Moreover, since the increase in the value of our fixed assets resulted from the Conversion is netted off by a simultaneous decrease in our cash flow, there is no material effect on the Company's overall earnings, and no effect on the Company's assets and liabilities. For the financial year ended 31 December 2006, the Group made a profit of US\$67,000 (HK\$522,600 as at the date of the Announcement) that were attributable to the Qingyuan Land and the Qingyuan Properties, while for the financial year ended 31 December 2007, the Group made a loss of US\$830,000 (HK\$6,474,000 as at the date of the Announcement) that were attributable to the Qingyuan Land and the Qingyuan Properties. These profit and loss are operating in nature which resulted from the Group's operation of a production facility at the Qingyuan Properties.

4. REASONS FOR THE CONVERSION

As at the Latest Practicable Date, the Qingyuan Properties are the only structures and buildings erected on the Qingyuan Land, and the Qingyuan Properties only occupy approximately 52,100 sq.m. out of the total site area of approximately 423,814 sq.m. of the Qingyuan Land. The remaining site area of the Qingyuan Land is currently vacant and undeveloped.

The Directors consider that the recent and continuing economic boom in the Southern China and in particular the Guangdong area has contributed and is expected to continue to contribute to the significant rise in the costs of production for manufacturers. Against this backdrop, the Directors consider that any proposal to further develop the vacant portion of the Qingyuan Land for industrial purposes is not economical. Under the relevant PRC law, the undeveloped portion of the Qingyuan Land is subject to repossession for non-development. To avoid the undesirable consequence of a repossession, to flexibly explore the commercial value of the Qingyuan Land and to benefit from the relatively low cost of the Conversion, the Directors consider it is in the best commercial interests of the Company and its Shareholders to effect the Conversion. The Directors are currently exploring possibilities to develop the Qingyuan Land, including a proposal of a co-development plan with the owners of the lands adjoining the Qingyuan Land (which such owners include an associate of the controlling shareholder of the Company) for residential or commercial purposes. However, the Group has not entered into any concrete and legally binding plan or commitment on the development of the Qingyuan Land nor does the Group have any expectations as to the incurrence of any other capital expenditure as at the date of the Announcement, and if such plan or commitment materialises, the Company will exercise due care and fulfil its obligations (if any) in accordance with the Listing Rules. As at the date of the Announcement, the principal businesses of the Group do not include property development. Should the Group decide to venture into this new line of business later on, it will consult the relevant experts and may recruit management with relevant expertise and experiences.

LETTER FROM THE BOARD

5. LISTING RULES IMPLICATIONS

As the premium for the Conversion is RMB53,400,000 (approximately HK\$58,580,000 as at the date of the Announcement) and the applicable percentage ratios of the Conversion exceed 5%, the Conversion is subject to the reporting and announcement requirements in accordance with Rule 14.34 of the Listing Rules.

6. GENERAL

The Group is principally engaged in the manufacture and trading of garment and textile products, and the provision of freight forwarding and logistics service.

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of
Luen Thai Holdings Limited
Henry Tan
Executive Director & Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors in the Company and its associated corporations

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations which were required to be notified to the Company and the Stock Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares:

Name of Director	Capacity	Number of Shares	Approximate percentage of interest in Company
Tan Siu Lin	Trustee (<i>Note 1</i>)	678,366,000	68.35%
Tan Henry	Beneficiary of trust (<i>Notes 2 and 3</i>)	614,250,000	61.89%
	Beneficial owner (<i>Notes 7 and 8</i>)	450,000	0.05%
Tan Cho Lung, Raymond	Beneficiary of trust (<i>Notes 2 and 5</i>)	614,250,000	61.89%
	Beneficial owner (<i>Notes 7, 8 & 10</i>)	749,000	0.08%
Mok Su Wan, Anne	Beneficial owner (<i>Notes 7 and 8</i>)	1,200,000	0.12%

Name of Director	Capacity	Number of Shares	Approximate percentage of interest in Company
Tan Sunny	Beneficiary of trust (Notes 2 & 6)	614,250,000	61.89%
	Beneficial owner (Notes 7, 8 & 11)	1,022,000	0.1%
Tan Willie	Beneficiary of trust (Notes 2 and 4)	614,250,000	61.89%
	Beneficial owner (Notes 7 and 9)	900,000	0.09%

Notes:

1. Mr. Tan Siu Lin is the settlor and trustee of each of the Tan Family Trust of 2004, the Pak Kim Lam Tan Trust of 2004, the HJ Trust, the WR5C Trust, the LS Trust, the RC Trust, the JL Trust and the ST Trust (collectively referred to as the “Trusts”). As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to be interested in the aggregate shareholdings of Tan Holdings Corporation, Helmsley Enterprises Limited (“Helmsley”) and Wincare Company Limited held in the Company, representing approximately 68.35% of the issued share capital of the Company as at the Latest Practicable Date.
2. Pursuant to a shareholders’ agreement dated 12 June 2004, entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts has agreed to adhere to certain pre-emptive arrangements concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the interests of Helmsley in the Company.
3. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the HJ Trust in the Company.
4. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the WR5C Trust in the Company.
5. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the RC Trust in the Company.
6. Mr. Tan Sunny is one of the beneficiaries of the ST Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the St Trust in the Company.
7. Each of Mr. Tan Henry, Mr. Tan Willie, Mr. Tan Cho Lung, Raymond, Ms. Mok Siu Wan, Anne and Mr. Tan Sunny is a grantee of the respective share options granted by the Company on 28 December 2004 and 26 January 2006 respectively.

8. Each of Mr. Tan Henry, Mr. Tan Cho Lung, Raymond, Ms. Mok Siu Wan, Anne and Mr. Tan Sunny is a grantee of the share options granted by the Company on 10 November 2006.
9. A total of 600,000 shares of the Company were acquired by an associate of Mr. Tan Willie between 2005 and 2006. He is therefore deemed under Part XV of the SFO to be interested in all of the 600,000 shares acquired by his associate.
10. A total of 449,000 shares of the Company were acquired by an associate of Mr. Tan Cho Lung, Raymond in 2006 and 2008. He is therefore deemed under Part XV of the SFO to be interested in all of the 449,000 shares acquired by his associate.
11. Mr. Tan Sunny acquired a total of 322,000 shares of the Company in 2006.

Long positions in the shares of associated corporations of the Company (as defined in the SFO)

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
Tan Siu Lin	Helmsley (<i>Note 1</i>)	Trustee (<i>Note 4</i>)	5,000	100%
	Capital Glory Limited (<i>Note 2</i>)	Trustee (<i>Note 4</i>)	1	100%
	Justintime Development Limited (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	1	100%
	Tripletrio International Limited (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	42,500	100%
	Newtex International Limited (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	2	100%
	Torpedo Management Limited (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	1	100%
	Integrated Solutions Technology Limited (a Cayman Islands Corporation) (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	1	100%
	Eldex Del Golfo, SA de CV (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	11,819	100%
	Servicios Textiles Mexicanos, SA (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	50	100%
	Hanium Industries Limited (<i>Note 3</i>)	Trustee (<i>Note 4</i>)	1	100%

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Limited (a HK corporation) (Note 3)	Trustee (Note 4)	2	100%
	Integrated Solutions Technology Limited (a BVI corporation) (Note 3)	Trustee (Note 4)	1	100%
	Integrated Solutions Technology Limited (a Philippines corporation) (Note 3)	Trustee (Note 4)	1	100%
Tan Henry	Helmsley (Note 1)	Beneficiary of trust (Note 5)	5,000	100%
	Capital Glory Limited (Note 2)	Beneficiary of trust (Note 5)	1	100%
	Justintime Development Limited (Note 3)	Beneficiary of trust (Note 5)	1	100%
	Tripletrio International Limited (Note 3)	Beneficiary of trust (Note 5)	42,500	100%
	Newtex International Limited (Note 3)	Beneficiary of trust (Note 5)	2	100%
	Torpedo Management Limited (Note 3)	Beneficiary of trust (Note 5)	1	100%
	Integrated Solutions Technology Limited (a Cayman Islands corporation) (Note 3)	Beneficiary of trust (Note 5)	1	100%
	Eldex Del Golfo, SA de CV (Note 3)	Beneficiary of trust (Note 5)	11,819	100%
	Servicios Textiles Mexicanos, SA (Note 3)	Beneficiary of trust (Note 5)	50	100%
	Hanium Industries Limited (Note 3)	Beneficiary of trust (Note 5)	1	100%
	Integrated Solutions Technology Limited (a HK corporation) (Note 3)	Beneficiary of trust (Note 5)	2	100%

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Limited (a BVI corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
	Integrated Solutions Technology Limited (a Philippines corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 5)</i>	1	100%
Tan Cho Lung, Raymond	Helmsley <i>(Note 1)</i>	Beneficiary of trust <i>(Note 7)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Integrated Solutions Technology Inc. (a Cayman Islands corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
	Integrated Solutions Technology Inc. (a HK corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	2	100%
	Integrated Solutions Technology Inc. (a BVI corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. (a Philippines corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 7)</i>	1	100%
Tan Willie	Helmley <i>(Note 1)</i>	Beneficiary of trust <i>(Note 6)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. (a Cayman Islands corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
	Integrated Solutions Technology Inc. (a HK corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	2	100%
	Integrated Solutions Technology Inc. (a BVI corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. (a Philippines corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 6)</i>	1	100%
Tan Sunny	Helmley <i>(Note 1)</i>	Beneficiary of trust <i>(Note 8)</i>	5,000	100%
	Capital Glory Limited <i>(Note 2)</i>	Beneficiary of trust <i>(Note 8)</i>	1	100%
	Justintime Development Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	1	100%
	Tripletrio International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	42,500	100%
	Newtex International Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	2	100%
	Torpedo Management Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	1	100%
	Integrated Solutions Technology Inc. (a Cayman Islands corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	1	100%
	Eldex Del Golfo, SA de CV <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	11,819	100%
	Servicios Textiles Mexicanos, SA <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	50	100%
	Hanium Industries Limited <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	1	100%
	Integrated Solutions Technology Inc. (a HK corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	2	100%
	Integrated Solutions Technology Inc. (a BVI corporation) <i>(Note 3)</i>	Beneficiary of trust <i>(Note 8)</i>	1	100%

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
	Integrated Solutions Technology Inc. (a Philippines corporation) (Note 3)	Beneficiary of trust (Note 8)	1	100%

Notes:

1. Helmsley is the holding company of Capital Glory Limited, which is, in turn, the holding company of the Company. Helmsley is therefore an associated corporation of the Company as defined under Part XV of the Company.
2. Capital Glory Limited is the holding company of the Company. It is therefore an associated corporation of the Company.
3. This is a subsidiary of Helmsley. It is therefore an associated corporation of the Company.
4. Mr. Tan Siu Lin is the settlor and trustee of each of the Trusts. As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
5. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
6. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
7. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is therefore deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.
8. Mr. Tan Sunny is one of the beneficiaries of the ST Trust, which is a revocable discretionary trust. By virtue of the shareholders' agreement dated 12 June 2004 (as described above), he is deemed under Part XV of the SFO to be interested in the aggregate interests of the Trusts in each of Helmsley and its subsidiaries respectively.

Save as disclosed above, Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations which are required (a) to be notified to the Company

and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and Stock Exchange.

- (b) As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group which was not terminable by the employer within one year without payment of compensation other than statutory compensation.

(ii) Interests of Substantial Shareholders

- (a) As at the Latest Practicable Date, so far as was known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or held any option in respect of such capital:

Name	Capacity	Number of shares	Approximate percentage of attributable interest in corporation
Capital Glory Limited <i>(Notes 1 and 4)</i>	Beneficial owner	614,250,000	61.89%
Helmsley <i>(Notes 1 and 4)</i>	Interest of controlled corporation	614,250,000	61.89%
Tan Family Trust of 2004 <i>(Notes 2 and 3)</i>	Interest of controlled corporation	678,366,000	68.35%
Trusts (other than the Tan Family Trust of 2004) <i>(Note 3)</i>	Interest of controlled corporation	614,250,000	61.89%

Notes:

1. Capital Glory Limited is a wholly-owned subsidiary of Helmsley. Helmsley is therefore deemed to be interested in the interests of Capital Glory Limited held in the Company.
 2. The Tan Family Trust of 2004 is interested in the entire issued share capital of Tan Holdings Corporation and Wincare International Company Limited. It is also interested in the 30% of the issued share capital of Helmsley. For the purposes of Part XV of the SFO, it is deemed to be interested in the shares held by Tan Holdings Corporation, Wincare International Company Limited and Helmsley.
 3. Pursuant to a shareholders' agreement dated 12 June 2004 and entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts has agreed to enter into a pre-emptive arrangement concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the shareholding of Helmsley in the Company, representing 61.89% of the issued share capital of the Company as at the Latest Practicable Date.
 4. Both of Mr. Tan Siu Lin and Mr. Henry Tan are directors in each of Capital Glory Limited and Helmsley Enterprises Limited.
- (b) Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person, other than the Directors and the chief executives of the Company, who had, or was deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or held any option in respect of such capital.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or any of their respective associates had a controlling interest in a business which causes or may cause any significant direct or indirect competition with the business of the Group or any significant conflicts with the interests of the Group, save for Kardon International Worldwide Limited as disclosed in the section headed "Relationship with controlling shareholder" in the Company's prospectus dated 30 June 2004.

There are no contracts or arrangements subsisting as at the Latest Practicable Date in which a Director is materially interested or which is significant in relation to the business of the Group.

As at the Latest Practicable Date, no Director has any interest, direct or indirect, in any assets which have been, since 31 December 2006, acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group.

4. MATERIAL CONTRACTS

As at the Latest Practicable Date, save and except for the Land Disposal Agreement, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years preceding the Latest Practicable Date which are or may be material:

- (a) the Sale and Purchase Agreement dated 10 March 2006 entered into between Frank Fleischer (as vendor), Fortune Investment Overseas Limited (as purchaser) and Luen Thai Overseas Limited (as guarantor);
- (b) the Option Agreement dated 10 March 2006 entered into between Frank Fleischer and Fortune Investment Overseas Limited in relation to an option to purchase a further 10% interest in On Time International Limited; and
- (c) the Second Option Agreement dated 10 March 2006 entered into between Mr. Frank Fleischer (as vendor) and Fortune Investment Overseas Limited (as purchaser) in relation to an option to the sale and purchase of a 40% interest in On Time International Limited, a private company incorporated under the laws of the British Virgin Islands.

5. SERVICE CONTRACT

Pursuant to the letter of appointment from the Company to each of Mr. Seing Nea Yie, Mr. Chan Henry and Mr. Cheung Siu Kee dated 27 January 2008, 4 April 2007 and 4 April 2007 respectively, the re-appointment of each of these independent non-executive Directors was for a term of three years commencing from 28 January 2008, 16 April 2007 and 16 April 2007 respectively. Each of these independent non-executive Directors shall be entitled to an annual fee of HK\$120,000 with effect from 1 January 2007.

The directorship of Mr. Tan Willie was re-designated from an executive Director to a non-executive Director on 26 May 2006 with an annual salary of US\$150,000 pursuant to a service agreement dated 26 May 2006.

Save as disclosed in this circular, Appendix VI to the Company's prospectus dated 30 June 2004 (the "**Prospectus**") and the renewal of the executive Directors' existing service agreements, details of which are disclosed in the Prospectus, upon their respective expiration, the Company has not entered into any service agreements of directors as at the Latest Practicable Date.

6. EXPERT QUALIFICATION AND CONSENT

No expert or professional adviser has given opinion or advice contained in this circular.

Since no expert or professional adviser has given opinion or advice contained in this circular, no consent is hence given.

7. LITIGATION

As at the Latest Practicable Date, the Group was involved in various labour lawsuits and claims arising from the normal course of business. The Directors believe that the Group has substantial legal and factual bases for their position and are of the opinion that losses arising from these lawsuits, if any, will not have a material adverse impact on the results of the operations or the financial position of the Group.

8. MISCELLANEOUS

- (a) The registered head office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands.
- (b) The principal share registrar and transfer office of the Company is Bank of Bermuda (Cayman) Limited at P.O. Box 513 G.T., Strathvale House, North Church Street, George Town, Grand Cayman, Cayman Islands.
- (c) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The company secretary of the Company is Mr. Chiu Chi Cheung, Associate Member of The Hong Kong Institute of Certified Public Accountants.
- (e) The qualified accountant of the Company is Mr. Chiu Chi Cheung, Associate Member of The Hong Kong Institute of Certified Public Accountants.
- (f) In the event of any inconsistency, the English text of this Circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours 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 for a period of 14 days (except public holidays) from the Latest Practicable Date:

- (a) the letter from the Board, the text of which is set out on pages 3 to 7 of this Circular;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2006, 31 December 2005 and 31 December 2004;
- (d) the interim report of the Company for the six months ended 30 June 2007;
- (e) the material contracts referred to in paragraph 4 above;
- (f) the service contracts referred to in paragraph 5 above; and
- (g) this circular.