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LUEN THAI HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 311)

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SHIPPING AGENCY SERVICES FREIGHT SERVICES

SHIPPING AGENCY SERVICES

As disclosed in the Company's announcement dated 5 October 2006, the Group has been providing shipping agency services to MELL, a Connected Person of the Company. The MELL Shipping Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Directors currently expect that the aggregate fees to be paid by MELL to the Group in respect of the MELL Shipping Transactions for each of the three years ended on 31 December 2011 for the shipping agency services will amount to approximately US\$1,100,000 (approximately HK\$8,580,000), US\$1,100,000 (approximately HK\$8,580,000) and US\$1,100,000 (approximately HK\$8,580,000) respectively, resulting in the applicable Percentage Ratios remaining to be more than 0.1% but less than 2.5%. The MELL Shipping Transactions will therefore continue to be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

The fees paid and to be paid by MELL to the Group in relation to the MELL Shipping Transactions are determined after arm's length negotiations with reference to the prevailing rates in the shipping agency industry, and are charged on the same bases as those for Independent Third Parties. The terms of the MELL Shipping Transactions were negotiated on an arm's length basis, and the Directors (including the independent non-executive Directors) consider that the MELL Shipping Transactions and their respective terms are fair and reasonable and are in the interests of the Group and the Company's shareholders as a whole.

FREIGHT SERVICES

As disclosed in the Company's announcement dated 5 October 2006, the Group has been providing freight services to certain members of the Private Group, which are Connected Persons of the Company. The CTSI Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Directors currently expect that the aggregate fees to be paid by the Private Group to the Group (through the CTSI Group) in respect of the CTSI Transactions for each of the three years ended on 31 December 2011 will amount to approximately US\$400,000 (approximately HK\$3,120,000), US\$400,000 (approximately HK\$3,120,000) and US\$400,000 (approximately HK\$3,120,000) respectively, resulting in the applicable Percentage Ratios remaining to be more than 0.1% but less than 2.5%. The CTSI Transactions will therefore continue to be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

The fees paid and to be paid by the Private Group to the Group in relation to the CTSI Transactions are determined after arm's length negotiations with reference to the prevailing rates in the freight industry, and are charged on the same bases as those for Independent Third Parties. The terms of the CTSI Transactions were negotiated on an arm's length basis, and the Directors (including the independent non-executive Directors) consider that the CTSI Transactions and their respective terms are fair and reasonable and are in the interests of the Group and the Company's shareholders as a whole.

A. SHIPPING AGENCY SERVICES

1. Background

Reference is made to the Company's announcement dated 5 October 2006, in which it was announced that the Group has been providing shipping agency services to MELL on a continuing basis. Such services involved the Group providing cargo solicitation, market reports, preparation of shipping documentation, cargo loading and discharge, vessel husbanding, container monitoring and control, as well as customer services, as an agent for MELL in various jurisdictions, including Taiwan, the Philippines, Guam and the CNMI. For the MELL Shipping Transactions, the Group acts as an agent of MELL in providing services of MELL to third parties.

Written agreements in respect of such arrangements have been entered into between MELL and the relevant Group companies between 2002 and 2004, each having been supplemented on 20 March 2006 by a 3-year fixed duration commencing from such date unless terminated by either party giving 30 days' written notice.

The Company announces that on 5 February 2009, the Group has entered into a master agreement with MELL in respect of the MELL Shipping Transactions to extend the term for a 3-year fixed duration from 1 January 2009 to 31 December 2011, unless terminated by either party giving 30 days' written notice. Upon the signing of this master agreement, it has superseded all the said supplemental agreements dated 20 March 2006.

The MELL Shipping Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. For the three years ended 31 December 2008, the aggregate fees received by the Group for its provision of shipping

agency services to MELL amounted to approximately US\$1,749,000 (approximately HK\$13,642,200), US\$1,728,000 (approximately HK\$13,478,400) and US\$1,161,000 (approximately HK\$9,055,800) respectively.

2. Connected Person

MELL is owned as to 45% by Luen Thai Enterprises Limited. Luen Thai Enterprises Limited in turn is indirectly owned by Mr. Tan Siu Lin, the Chairman of the Company.

MELL is therefore an Associate and hence a Connected Person of the Company for the purpose of the Listing Rules. MELL is principally engaged in the provision of ocean cargo service in Asia.

3. Reasons for entering into the MELL Shipping Transactions

The Group has been providing shipping agency services to MELL since and prior to its listing on The Stock Exchange of Hong Kong Limited. The Directors believe that such transactions are beneficial to the Group as a whole as the Group is able to leverage on its relationship with MELL to establish new client contacts for its logistics business.

The fees paid and to be paid by MELL to the Group in relation to the MELL Shipping Transactions shall be determined after arm's length negotiations on normal commercial terms with reference to the prevailing rates in the shipping agency industry, and are charged on the same bases as those for Independent Third Parties. Payment of the fees by MELL to the Group in relation to the MELL Shipping Transactions is on a case by case basis, and is generally to be made within 45 days from the invoice date. The terms of the MELL Shipping Transactions were negotiated on an arm's length basis, and the Directors (including the independent non-executive Directors) consider that the MELL Shipping Transactions and their respective terms are fair and reasonable and are in the interests of the Group and the Company's shareholders as a whole.

4. Implications under the Listing Rules

The MELL Shipping Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Directors currently expect that the aggregate fees to be paid by MELL to the Group in respect of the MELL Shipping Transactions for each of the three years ended on 31 December 2011 for the shipping agency services will amount to approximately US\$1,100,000 (approximately HK\$8,580,000), US\$1,100,000 (approximately HK\$8,580,000) and US\$1,100,000 (approximately HK\$8,580,000) respectively, resulting in the applicable Percentage Ratios remaining to be more than 0.1% but less than 2.5%. The determination of the above annual caps in respect of the MELL Shipping Transactions is based on: (a) the actual historical performance, (b) the economic indicators which are applicable to the logistics industry, and (c) the business plans of the relevant members of the Group in response to the current economic condition.

The MELL Shipping Transactions will therefore continue to be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

B. FREIGHT SERVICES

1. Background

Reference is made to the Company's announcement dated 5 October 2006, in which it was announced that the Group (through CTSI Guam and CTSI CNMI) has been providing freight services to Luen Thai Fishing and Cosmos Saipan (being members of the Private Group) respectively. These freight services involved the booking of freight space with third party airlines, in return for commissions paid by the airlines and additional premium charged by the Group above the airline published rates. Furthermore, the Group (through the CTSI Group) has also entered into similar arrangements to provide freight services (including the booking of freight space as well as other trucking and warehousing services) to Cosmos Guam, Marshall Island Fishing Venture, Zhong Thai Fisheries and Palau International Traders (all being members of the Private Group). For the CTSI Transactions, the Group as a shipping operator provides freight services directly to the relevant members of the Private Group. Commission and premium are determined by reference to prevailing market rates and after arm's length negotiations. All of the CTSI Transactions are governed by provisions contained in written agreements (including airway bills and bills of lading). It is currently expected that such arrangements made between the Group and the Private Group will continue. Payment of the fees by the relevant members of the Private Group to the Group in relation to the CTSI Transactions is on a case by case basis, and is generally to be made within 45 days from the invoice date.

The Company announces that on 5 February 2009, the Group has entered into a master agreement with the Private Group in respect of the CTSI Transactions for a 3-year fixed term from 1 January 2009 to 31 December 2011, unless terminated by either party giving 30 days' written notice.

For the three years ended 31 December 2008, the aggregate fees received by the Group for its provision of freight services to the Private Group amounted to approximately US\$283,000 (approximately HK\$2,207,400), US\$340,000 (approximately HK\$2,652,000) and US\$348,000 (approximately HK\$2,714,400) respectively.

2. Connected Persons

Luen Thai Fishing is a wholly-owned subsidiary of Luen Thai Direct Investment Limited, which is in turn wholly-owned by Admirable Investment Holdings Limited, a company indirectly owned by Mr. Tan Siu Lin, the Chairman of the Company. It is therefore an Associate of Mr. Tan Siu Lin and hence a Connected Person of the Company. On the other hand, Cosmos Saipan and Cosmos Guam are subsidiaries and Associates of Tan Holdings Corporation, and hence Connected Persons of the Company. Luen Thai Fishing is principally engaged in investment holding whilst Cosmos Saipan and Cosmos Guam are principally engaged in the wholesale and retail of general merchandise.

Marshall Island Fishing Venture and Zhong Thai Fisheries are subsidiaries of Luen Thai Fishing and are therefore Connected Persons of the Company. They are principally engaged in fishery business.

Palau International Traders is a wholly-owned subsidiary of IASS Trading, Inc., which is in turn a wholly-owned subsidiary of Tan Holdings Corporation. It is therefore a Connected Person of the Company. It is principally engaged in fishery business.

3. Reasons for entering into the CTSI Transactions

The CTSI Group is principally engaged in the provision of freight forwarding and logistics services and has been providing such services to the Private Group even before the Company's listing on the Stock Exchange in 2004. In view of the high standard of quality service, reliability and experience of the CTSI Group, the Private Group considered that it is in its interests to continue retaining the services of the CTSI Group. The CTSI, on the other hand, also considers that it is in its interests to continue its business relationship with the Private Group as part of its strategy to increase its already dominating market shares.

The terms of the CTSI Transactions were negotiated on an arm's length basis, and the Directors (including the independent non-executive Directors) consider that the CTSI Transactions and their respective terms are fair and reasonable and are in the interests of the Group and the Company's shareholders as a whole.

4. Implications under the Listing Rules

The CTSI Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Directors currently expect that the aggregate fees to be paid by the Private Group to the Group (through the CTSI Group) in respect of the CTSI Transactions for each of the three years ended on 31 December 2011 will amount to approximately US\$400,000 (approximately HK\$3,120,000), US\$400,000 (approximately HK\$3,120,000) and US\$400,000 (approximately HK\$3,120,000) respectively, resulting in the applicable Percentage Ratios remaining to be more than 0.1% but less than 2.5%. The determination of the above annual caps in respect of the CTSI Transactions is based on: (a) the actual historical performance, (b) the economic indicators which are applicable to the logistics industry, and (c) the business plans of the relevant members of the Group in response to the current economic condition.

The CTSI Transactions will therefore continue to be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

C. GENERAL

The Group is principally engaged in the manufacturing and trading of garment, textile products and laptop bags and the provision of freight forwarding and logistics services.

D. DEFINITIONS

“Associate”	shall have the meaning as ascribed to it under the Listing Rules
“CNMI”	the Commonwealth of Northern Mariana Islands, a commonwealth territory of the United States of America
“Company”	Luen Thai Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Connected Person”	shall have the meaning as ascribed to it under the Listing Rules
“Cosmos Guam”	Cosmos Distributing Co. Ltd., a company incorporated under the laws of Guam and a subsidiary of Tan Holdings Corporation
“Cosmos Saipan”	Cosmos Distributing Co., (Saipan) Ltd., a company incorporated under the laws of the CNMI and a subsidiary of Tan Holdings Corporation
“CTSI CNMI”	Consolidated Transportation Services Inc., a company incorporated under the laws of CNMI and a wholly-owned subsidiary of the Company
“CTSI Group”	CTSI CNMI, CTSI Guam, CTSI Palau, CTSI USA, CTSI Saipan and CTSI Korea
“CTSI Guam”	Consolidated Transportation Services Incorporated (Guam), a company incorporated under the laws of Guam and a wholly-owned subsidiary of the Company
“CTSI Korea”	Consolidated Transportation Services Incorporated (Korea), a company incorporated under the laws of Korea and a wholly-owned subsidiary of the Company
“CTSI Palau”	Consolidated Transportation Services Inc. (Belau), a company incorporated under the laws of Palau and a wholly-owned subsidiary of the Company
“CTSI Saipan”	Consolidated Transportation Services Incorporated (Saipan), a company incorporated under the laws of CNMI and a wholly-owned subsidiary of the Company
“CTSI Transactions”	all the transactions between the CTSI Group and the Private Group relating to the CTSI Group’s provision of freight services to the Private Group as disclosed in this announcement
“CTSI USA”	CTSI Logistics Inc., a company incorporated under the laws of the state of California, United States of America and a wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Guam”	a Pacific Island and an unincorporated territory of the United States of America
“Helmsley”	Helmsley Enterprises Limited, a company incorporated in the Bahamas and a substantial shareholder of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	a third party which, together with its beneficial owner(s) (if any) and to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, is independent of the Company and its Connected Persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Luen Thai Fishing”	Luen Thai Fishing Venture Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Luen Thai Direct Investment Limited, which is in turn wholly-owned by Admirable Investment Holdings Limited, a company indirectly owned by Mr. Tan Siu Lin, the Chairman of the Company
“Marshall Island Fishing Venture”	Marshall Island Fishing Venture, Inc., a company incorporated in the Republic of the Marshall Islands and a wholly-owned subsidiary of Luen Thai Fishing
“MELL”	Mariana Express Lines Ltd., a company incorporated in the British Virgin Islands
“MELL Shipping Transactions”	all the transactions between MELL and the Group relating to the Group’s provision of shipping agency services to MELL as disclosed in this announcement
“Palau International Traders”	Palau International Traders, Inc., a company incorporated in the CNMI and a wholly-owned subsidiary of IASS Trading, Inc., which is in turn a wholly-owned subsidiary of Tan Holdings Corporation
“Percentage Ratios”	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
“Private Group”	Tan Holdings Corporation and Helmsley and their respective subsidiaries (other than the Company and its subsidiaries)
“Prospectus”	the Company’s prospectus dated 30 June 2004 and issued in connection with its listing on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tan Holdings Corporation”	Tan Holdings Corporation, a company incorporated in the CNMI and wholly-owned by the Tan Family Trust of 2004, a substantial shareholder of the Company

“US\$”	United States dollars, the lawful currency of the United States of America
“Zhong Thai Fisheries”	Zhong Thai Fisheries Company Limited, a company incorporated in the British Virgin Islands and a subsidiary of Luen Thai Fishing

Dated 5 February 2009

As at the date hereof, the Board of Directors of the Company comprise the following Directors:

Executive Directors:

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

Independent Non-executive Directors:

Chan Henry
Cheung Siu Kee
Seing Nea Yie

Non-executive Directors:

Tan Willie
Lu Chin Chu

By order of the Board
Chiu Chi Cheung
Company Secretary

Website: www.luenthai.com

For illustration purpose, in this announcement, amounts in US\$ have translated into HK\$ at the exchange rate of US\$1.00 to HK\$7.8. Such translation does not constitute a representation that any amount has been, could have been or may be exchanged at such rates.