

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**LUEN THAI HOLDINGS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 311)**

**MAJOR TRANSACTION IN RESPECT OF  
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF  
OCEAN SKY GLOBAL (S) PTE. LTD.  
AND  
RESUMPTION OF TRADING**

The Board announced that on 6 January 2013, the Company and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Seller, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the Sale Shares representing the entire issued share capital of the Target Company at a total consideration of US\$55,000,000 (subject to adjustments as further described in this announcement).

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements.

The Company has obtained a written approval to the Acquisition from Capital Glory, the controlling shareholder of the Company, which is beneficially interested in approximately 61.44% of the issued share capital of the Company as at the date of this announcement, which approved the Acquisition and the transactions contemplated in the Share Purchase Agreement for so long as the Purchaser is satisfied with the due diligence investigation conducted pursuant to the Share Purchase Agreement and there has not been any breach of any term by the Seller under the Share Purchase Agreement. By reason of the written approval from the controlling shareholder of the Company, an extraordinary general meeting of the Company to approve the Acquisition is not required pursuant to Rule 14.44 of the Listing Rules and will not be convened.

A circular containing (i) further details of the Share Purchase Agreement and the Acquisition; (ii) the accountant's report of the Target Company; (iii) the pro forma financial information of the Group as a result of the Acquisition; and (iv) other information required to be disclosed under the Listing Rules will be despatched to the Shareholders. As additional time is required for preparing the accountant's report of the Target Group, the Company will apply for an extension of the time required under the Listing Rule 14.41(a) to despatch the circular to the Shareholders on or before 31 March 2013.

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 7 January 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 8 January 2013.

**The proposed Acquisition is subject to Conditions and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **A. THE SHARE PURCHASE AGREEMENT**

The Board announced that on 6 January 2013, the Company and the Purchaser entered into the Share Purchase Agreement with the Seller. The main terms of the Share Purchase Agreement are set out below.

**Date:** 6 January 2013

**Parties:** (a) the Seller  
(b) the Purchaser, an indirect wholly-owned subsidiary of the Company  
(c) the Company

### **Assets to be acquired:**

Pursuant to the Share Purchase Agreement, the Seller agreed to sell and the Purchaser agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties.

### **Consideration:**

The consideration for the sale and purchase of the Sale Shares shall be:

- (a) the payment by the Purchaser to the Seller at Completion of the Initial Consideration; and
- (b) subject to the adjustments (if any) provided for in the paragraphs (i) to (iii) described below, the payment by the Purchaser to the Seller within 3 Business Days of the receipt by the Purchaser of the Final Completion Accounts of the sum of US\$19,250,000.

The amount payable pursuant to paragraph (b) above shall, in any one or more of the following circumstances, be:

- (i) reduced by US\$1.00 for every US\$1.00 that the Pro Forma FY2012 Net Profit is less than US\$10,000,000;
- (ii) reduced by US\$1.00 for every US\$1.00 that the Completion NTA is less than US\$40,000,000; and
- (iii) reduced by US\$1.00 for every US\$1.00 that the Net Debt exceeds US\$2,400,000,

provided that under paragraphs (ii) and (iii) above, the final amount payable pursuant to paragraph (b) above shall be determined after allowing any surplus to the Completion NTA or any shortfall to the Net Debt to be set off against any surplus to the Net Debt or any shortfall to the Completion NTA (as the case may be), subject to a maximum set off of US\$2,000,000 each.

For the avoidance of doubt, the amount payable pursuant to paragraph (b) and paragraphs (i) to (iii) above shall not be less than US\$1.00 and shall not exceed US\$19,250,000.

The Consideration was determined after arm's length negotiations between the Parties on a willing-buyer willing-seller basis with reference to factors including the unaudited combined financial results of the Target Group for the two years ended 31 December 2011 and nine months ended 30 September 2012 and the unaudited combined net asset value of the Target Group as at 30 September 2012.

The Company intends to finance the Acquisition partly by its internal resources and partly by external financing.

**Escrow arrangement:**

Pursuant to the Share Purchase Agreement, the Seller, the Purchaser and the Company have entered into the Escrow Agreement with the Escrow Agent. Upon the signing of the Share Purchase Agreement, the Purchaser shall pay to the Escrow Agent the Deposit, to be held and applied upon the terms and conditions contained in the Escrow Agreement, and on the following terms and conditions:

- (a) the Deposit will upon Completion represent part payment of the Initial Consideration and shall be paid to the Seller upon Completion;
- (b) the Deposit shall be refunded and released to the Purchaser upon demand by the Purchaser when the Share Purchase Agreement is rescinded or terminated within the Due Diligence Period, thereafter which subject to paragraph (c) below, the Deposit will (i) upon Completion represent part payment of the Initial Consideration; or (ii) in any other circumstances be released to the Seller.

If the Deposit is to be refunded and released to the Purchaser in the above manner, the Purchaser shall reimburse the Seller the costs and expenses actually incurred by the Seller in the negotiation, preparation and performance of the Share Purchase Agreement up to a maximum sum of US\$500,000, and the remainder of the Deposit shall be released to the Purchaser.

The Seller shall execute and deliver to the Purchaser the Supplemental Disclosure Letter upon Completion. In the event that any information disclosed in the Supplemental Disclosure Letter shows that any change, event or circumstance has occurred which has a material adverse change in and effect on the business, assets, liabilities and financial condition of the Target Group, the Purchaser shall be entitled to have full refund of the Deposit and to terminate the Share Purchase Agreement forthwith.

- (c) if the Due Diligence Period allowed for the due diligence investigation is extended by mutual agreement between the Seller and the Purchaser (the “**Extended Due Diligence Period**”), US\$1 million of the Deposit shall become non-refundable and will either (i) upon Completion represent part payment of the Initial Consideration; or (ii) in any other circumstances be released to the Seller. The remaining US\$1,750,000 of the Deposit (the “**Remaining Deposit**”) shall be refunded and released to the Purchaser only if the Share Purchase Agreement is validly rescinded or terminated within the Extended Due Diligence Period, thereafter which the Remaining Deposit will either (i) upon Completion represent part payment of the Initial Consideration; or (ii) in any other circumstances be released to the Seller.

**Conditions precedent:**

The obligations of the Parties are in all respects conditional upon the satisfaction (or waiver, as the case may be,) of the following conditions precedent:

- (1) The Seller and the Company having complied fully with their respective pre-completion obligations as provided in the Share Purchase Agreement. Such pre-completion obligations include that the Seller shall procure that from the date of the Share Purchase Agreement and up to and including the Completion Date, each Target Group Company will conduct its Business in the ordinary course, save for the Restructuring and/or the Reorganisation.
- (2) The approval of the shareholders of the Seller being obtained at any necessary extraordinary general meeting of such shareholders for the sale of the Sale Shares by the Seller, on the terms and subject to the conditions of the Share Purchase Agreement.
- (3) The approval of the shareholders of the Purchaser and the Company being obtained at any necessary extraordinary general meeting of such shareholders for the purchase of the Sale Shares by the Purchaser, on the terms and subject to the conditions of the Share Purchase Agreement.
- (4) Up to and including the Completion Date, no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or any other person which prevents the consummation of the transactions contemplated by the Share Purchase Agreement.
- (5) All necessary approvals having been obtained for the transactions contemplated under the Transaction Documents, whether pursuant to law, regulatory compliance or otherwise, and if such approvals are obtained subject to any conditions and where such conditions affect the Seller, such conditions being acceptable to the Seller, and if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion.
- (6) The Reorganisation having been fully, validly and legally completed.
- (7) The warranties given by the Seller under the Share Purchase Agreement being true and accurate in all material respects and not misleading at Completion.
- (8) No change, event or circumstance having occurred which has a material adverse change in and effect on the business, assets, liabilities and financial condition of the Target Group.

- (9) The Seller having used its reasonable endeavours to facilitate the Purchaser to undertake a legal, financial, operational, tax, accounting and business due diligence investigation in respect of the Target Group, and the results of which being satisfactory to the Purchaser in its reasonable discretion within the Due Diligence Period. If the Purchaser is not satisfied with the results of the due diligence investigation by the end of the Due Diligence Period, the Seller may extend the Due Diligence Period by mutual agreement with the Purchaser.
- (10) The Target Group and all its assets and properties having become free from all encumbrances, save for the Hong Kong Properties and encumbrances entered into in the Ordinary Course of Business.
- (11) The Target Company having entered into a service contract with Mr Ang Boon Chong on terms acceptable to each of the Purchaser and Mr Ang Boon Chong.
- (12) The Seller having provided to the Purchaser legal opinions issued by reputable professional firms to the Seller, in each case appointed by the Seller at the Seller's cost, in Cambodia, Singapore and Vietnam confirming that the Reorganisation has been validly and legally completed.
- (13) The warranties given by the Purchaser and the Company under the Share Purchase Agreement being true and accurate in all material respects and not misleading at Completion.

The Purchaser may, to such extent as the Purchaser thinks fit and is legally entitled to do so, waive in whole or in part all or any of the Conditions, except the Conditions set out in paragraphs 1, 2, 3, 4, 5 and 13 above.

If any of the Conditions are not fulfilled or waived, on or before the Long Stop Date, any Party shall be entitled to treat the Share Purchase Agreement as terminated.

**Reorganisation:**

Pursuant to the terms of the Share Purchase Agreement, the Seller shall effect the Reorganisation such that the Target Subsidiaries shall become wholly-owned subsidiaries of the Target Company on or before Completion.

**Hong Kong Properties:**

The Hong Kong Properties will not be included as part of the assets of the Target Group and will not be included in the transaction in the Share Purchase Agreement. In the event that Ocean Sky Hong Kong has legal title to any of the Hong Kong Properties on Completion, the Company and the Purchaser shall procure that Ocean Sky Hong Kong shall dispose of such Hong Kong Properties within twelve (12) months of Completion Date. Subject to the Seller's payment of costs and expenses in connection with the disposal, all proceeds arising from the disposal of such Hong Kong Properties shall belong to the Seller.

**Obligations of the Company:**

To the extent permitted by the law, the Company shall procure the Purchaser to comply with its obligations under the Share Purchase Agreement, including doing and executing all such further acts, deeds, things and documents as may be reasonably necessary to give

effect to the terms of the Share Purchase Agreement. The Company and the Purchaser shall also jointly and severally give warranties and undertakings to the Seller in relation to the obligations of the Purchaser under the Share Purchase Agreement.

## **B. INFORMATION ON THE TARGET GROUP**

The Target Company is a company incorporated in Singapore. Pursuant to the terms of the Share Purchase Agreement, the Seller shall effect the Reorganisation such that the Target Subsidiaries shall become wholly-owned subsidiaries of the Target Company on or before Completion.

The further details of the Target Subsidiaries are as follows:

- (a) Sunglobe Pte Ltd is a company incorporated in Singapore. Its principal activities are those of importing, exporting and trading of apparels.
- (b) Ocean Sky Apparel (VN) Limited Company is a company incorporated in Vietnam. Its principal activities are processing and exporting garment products.
- (c) Suntex Pte Ltd. is a company incorporated in Cambodia. Its principal activity consists of contract manufacturing of garments.
- (d) Bright Sky Pte Ltd is a company incorporated in Cambodia. Its principal activity consists of contract manufacturing of garments.
- (e) Bloom Time Embroidery Pte Ltd is a company incorporated in Cambodia. Its principal activities consist of printing, embroidery and washing of garments.
- (f) Ocean Sky Hong Kong is a company incorporated in Hong Kong. Its principal activity is the co-ordination of sales and sourcing of raw materials for its holding company.

Set out below are certain unaudited combined financial information of the Target Group for each of the two financial years ended 31 December 2010 and 31 December 2011 respectively and the nine months financial period ended 30 September 2012 assuming that the Reorganisation has been completed on 1 January 2010:

	<b>For the year ended 31 December 2010</b>	<b>For the year ended 31 December 2011</b>	<b>For the nine months ended 30 September 2012</b>
	<i>US\$ approximately</i>	<i>US\$ approximately</i>	<i>US\$ approximately</i>
Net profits before tax	14.2 million	17.1 million	13.5 million
Net profits after tax	13.3 million	15.4 million	12.2 million

The unaudited combined net tangible asset value of the Target Group as at 30 September 2012 is approximately US\$33.3 million and the unaudited combined net asset value of the Target Group as at 30 September 2012 is approximately US\$33.4 million.

Upon completion of the Acquisition, the Target Company and the Target Subsidiaries will become indirect wholly-owned subsidiaries of the Company and their results will be consolidated into the Group's financial results.

### **C. REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Target Group is principally engaged in the designing, manufacturing, sales and marketing of apparel and accessories in Vietnam, Cambodia, Singapore and Hong Kong. Headquartered in Singapore, the Target Group has established production facilities in Cambodia and Vietnam and its customer portfolio included global apparel brands and retailers. The Board believes that through the proposed Acquisition, the Group can diversify its production bases outside China in countries with relatively low labour costs and expand its customer base, thereby increasing the competitiveness of the Group. The Board further believes that the Group will be benefited from the expansion of the Group's production capacities in Cambodia as the Group has been requested by a European customer to consider expanding its production base to Cambodia which enjoys duty benefits in exporting goods to Europe. The Board considers that the proposed Acquisition would be beneficial to the long term development of the Group and in the commercial interest of the Group as a whole.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition, the terms of the Share Purchase Agreement and the transactions contemplated thereunder were negotiated on an arm's length basis between the Parties and are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **D. LISTING RULE IMPLICATIONS**

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisition, and no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting of the Company to approve the Acquisition.

The Company has obtained a written approval to the Acquisition from Capital Glory, the controlling shareholder of the Company, which is beneficially interested in approximately 61.44% of the issued share capital of the Company as at the date of this announcement, which approved the Acquisition and the transactions contemplated in the Share Purchase Agreement for so long as the Purchaser is satisfied with the due diligence investigation conducted pursuant to the Share Purchase Agreement and there has not been any breach of any term by the Seller under the Share Purchase Agreement. By reason of the written approval from the controlling shareholder of the Company, an extraordinary general meeting of the Company to approve the Acquisition is not required pursuant to Rule 14.44 of the Listing Rules and will not be convened.

A circular containing (i) further details of the Share Purchase Agreement and the Acquisition; (ii) the accountant's report of the Target Company; (iii) the pro forma financial information of the Group as a result of the Acquisition; and (iv) other information required to be disclosed under the Listing Rules will be despatched to the Shareholders. As additional time is required for preparing the accountant's report of the Target Group, the Company will apply for an extension of the time required under the Listing Rule 14.41(a) to despatch the circular to the Shareholders on or before 31 March 2013.

## **E. GENERAL**

The Group is principally engaged in the manufacturing and trading of apparels and accessories, the provision of freight forwarding and logistics services.

The Purchaser is principally engaged in investment holding.

The Seller is listed on the main board of the Singapore Exchange Securities Trading Limited and is principally engaged in the designing, manufacturing, sales and marketing of apparel.

## **F. RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 7 January 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 8 January 2013.

**The proposed Acquisition is subject to Conditions and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **G. DEFINITIONS**

<b>“Acquisition”</b>	the acquisition of the Sale Shares by the Purchaser pursuant to the Share Purchase Agreement;
<b>“Board”</b>	the board of Directors of the Company;
<b>“Business”</b>	the business of the Target Group comprising designing, manufacturing, sales and marketing of apparel and accessories in Vietnam, Cambodia, Singapore and Hong Kong as conducted by the Seller and its subsidiaries on the date of the Share Purchase Agreement and from time to time thereafter up till the date of Completion;
<b>“Business Day”</b>	a day (other than a Saturday or Sunday) when commercial banks are open for business in both Singapore and Hong Kong;
<b>“Business Transfer Agreement”</b>	the business transfer agreement entered into on or around 10 August 2012 between the Seller and the Target Company, and as amended, supplemented or modified by the supplemental deed dated 6 January 2013;

<b>“Cambodian Land”</b>	a parcel of land located at No. 8 and 9, Street Choam Chao, Sangkat Choam Chao, Khan Dangkor, Phnom Penh, Cambodia with Lot No. 650, Certificate of Real Estate Ownership No. 12050521–0650 and land area of approximately 122,097 square meters;
<b>“Capital Glory”</b>	Capital Glory Limited, the controlling shareholder of the Company;
<b>“Company”</b>	Luen Thai Holdings Limited, the shares of which are listed on the Stock Exchange;
<b>“Completion”</b>	completion of the sale and purchase of the Sale Shares in accordance with terms of the Share Purchase Agreement;
<b>“Completion Accounts Date”</b>	the earlier of the Completion Date or 31 March 2013, provided that if Completion does not take place on 31 March 2013 it shall be on such other later date as the Parties may agree in writing but in any event no later than the Long Stop Date;
<b>“Completion Date”</b>	the date of Completion, being a date no later than 31 March 2013, provided that if the Conditions shall not have been satisfied or waived on or before such date, ten (10) Business Days after the day on which the last of the Conditions has been satisfied or waived or such other date as the Parties agree in writing, but in any event no later than the Long Stop Date;
<b>“Completion NTA”</b>	the consolidated tangible net asset value of the Target Group as at Completion Accounts Date, as shown in the Draft Completion Accounts or the Final Completion Accounts as the case may be;
<b>“Conditions”</b>	conditions precedent to Completion under the Share Purchase Agreement which are described in the section headed “Conditions precedent” in this announcement;
<b>“Connected Person”</b>	shall have the meaning as ascribed to it under the Listing Rules;
<b>“Consideration”</b>	the aggregate consideration payable for the Sale Shares, which are set out in the section headed “Consideration” in this announcement;
<b>“Deposit”</b>	the amount of US\$2,750,000;
<b>“Director(s)”</b>	director(s) of the Company for the time being;
<b>“Disclosure Letter”</b>	the letter from the Seller to the Purchaser in the agreed terms and delivered to the Purchaser upon the execution of the Share Purchase Agreement, which sets out, among other things, the specific steps involved in the Reorganisation and the Restructuring that affect the warranties given by the Seller under the Share Purchase Agreement;

<b>“Draft Completion Accounts”</b>	the draft balance sheet of the Target Group as at the Completion Accounts Date;
<b>“Due Diligence Period”</b>	the period which shall commence from the date of the Share Purchase Agreement and end on the later of (i) (a) the date falling six (6) weeks from the date of the Share Purchase Agreement; or (b) the date when the Purchaser receives from the Seller the legal opinions issued in relation to the Vietnam Buildings and the properties on the Cambodian Land to (A) Ocean Sky Apparel (VN) Limited Company; and (B) Suntex Pte Ltd and Bright Sky Pte Ltd, respectively, whichever is the later; or (ii) 15 February 2013;
<b>“Escrow Agent”</b>	UOB Kay Hian Private Limited;
<b>“Escrow Agreement”</b>	the escrow agreement dated 6 January 2013 entered into among the Seller, the Purchaser, the Company and the Escrow Agent;
<b>“Final Completion Accounts”</b>	the final balance sheet of the Target Group as at the Completion Accounts Date;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Hong Kong Properties”</b>	the properties located at (i) Flat D, 11/F., Tower 5, The Waterfront, 1 Austin Road West, Kowloon, Hong Kong and car parking space no. 267 on 2/F; and (ii) Duplex flat D, 33/F., Tower 5, The Waterfront, 1 Austin Road West, Kowloon, Hong Kong and car parking space no. 128 on basement 2;
<b>“Independent Third Parties”</b>	third parties who are independent of the Company and its Connected Persons;
<b>“Initial Consideration”</b>	the sum of US\$35,750,000;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Long Stop Date”</b>	30 April 2013 or such other date as the Parties may agree in writing;
<b>“Net Debt”</b>	the aggregate interest bearing liabilities of the Target Group with unrelated parties less the aggregate of (i) all cash and bank balances and (ii) fixed deposits of the Target Group as at the Completion Accounts Date, as shown in the Draft Completion Accounts or the Final Completion Accounts as the case may be;
<b>“Ocean Sky Hong Kong”</b>	Ocean Sky Marketing (H.K.) Limited (式佳工業 (香港) 有限公司) incorporated in Hong Kong;

<b>“Ordinary Course of Business”</b>	(i) entering into forward order contracts; (ii) factoring or discounting of debt or receivables as well as using trust receipts, import invoice loan or import invoice financing; (iii) financing business activities relating to hire-purchase agreements only and in which the sum involved does not exceed US\$80,000 for one single transaction or does not exceed US\$300,000 for all the transactions in aggregate; and (iv) and any other non-financing business activities entered into in the course of business operations by the various Target Group Companies or with the Retained Group in relation to the Business;
<b>“Party/Parties”</b>	the party/parties to the Share Purchase Agreement;
<b>“Pro Forma FY2012 Net Profit”</b>	the audited combined net profit after tax (prepared in the business perspective in accordance with International Financial Reporting Standards) of the Target Group excluding one-time disposal of assets and extraordinary gains or losses and any discontinued operations (including but not limited to the reversal of provisions for tax, accounts receivable and inventory, etc), as shown in the audited combined accounts of the Target Group for the year ended 31 December 2012 and audited by the Purchaser’s Accountants;
<b>“Purchaser”</b>	Sunny Force Limited, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company;
<b>“Purchaser’s Accountants”</b>	PricewaterhouseCoopers;
<b>“Reorganisation”</b>	the reorganisation of the Target Group Companies pursuant to the Business Transfer Agreement such that the Target Subsidiaries become wholly-owned subsidiaries of the Target Company;
<b>“Restructuring”</b>	the changes to the capital structure of any Target Group Company, including share buybacks, capital reductions, declaring dividends, distributions in specie, factoring of debts or receivables, assignment and/or transfer of debt or receivables, assigning, transferring or selling any aging inventory without active delivery orders and disposing of the Hong Kong Properties, with the purpose of effecting adherence to the Target Benchmarks (to the extent possible);
<b>“Retained Group”</b>	the Seller, its subsidiaries and subsidiary undertakings, any holding company of the Seller and all other subsidiaries and subsidiary undertakings of any such holding company from time to time (but excluding the Target Group);
<b>“Sale Shares”</b>	21,223,245 ordinary shares comprising the entire issued share capital of the Target Company;

<b>“Seller”</b>	Ocean Sky International Limited, a company incorporated in Singapore;
<b>“Share Purchase Agreement”</b>	a share purchase agreement dated 6 January 2013 2013 and entered into between the Seller, the Purchaser and the Company in relation to the sale and purchase of the Sale Shares;
<b>“Shareholders”</b>	shareholders of the Company;
<b>“Shares”</b>	shares of the Company;
<b>“Singapore”</b>	the Republic of Singapore;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Supplemental Disclosure Letter”</b>	the disclosure letter which supplements the Disclosure Letter from the Seller to the Purchaser in the agreed terms and delivered to the Purchaser on Completion;
<b>“Target Benchmarks”</b>	(i) the Completion NTA value of US\$40,000,000; and (ii) the Net Debt of US\$2,400,000;
<b>“Target Company”</b>	Ocean Sky Global (S) Pte. Ltd., a company incorporated in Singapore;
<b>“Target Group”</b>	the Target Company and the Target Subsidiaries;
<b>“Target Group Company(ies)”</b>	any company/companies within the Target Group;
<b>“Target Subsidiaries”</b>	the companies which shall become the wholly-owned subsidiaries of the Target Company upon completion of the Reorganisation, comprising Sunglobe Pte Ltd, Ocean Sky Apparel (VN) Limited Company, Suntex Pte Ltd., Bright Sky Pte Ltd., Bloom Time Embroidery Pte Ltd, and Ocean Sky Hong Kong;
<b>“Transaction Documents”</b>	the Share Purchase Agreement, the Disclosure Letter and the Supplemental Disclosure Letter;
<b>“US\$”</b>	United States dollars, the lawful currency of the United States of America; and
<b>“Vietnam Buildings”</b>	the buildings built and currently possessed by Ocean Sky Apparel (VN) Limited Company in Vietnam.

Dated 7 January 2013

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  
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*

Company's website: [www.luenthai.com](http://www.luenthai.com)