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LUEN CHEONG TAI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

DISCLOSEABLE TRANSACTION INVOLVING ISSUANCE OF NEW SHARES in respect of the acquisition of 100% of the issued share capital of Sky Glory Holdings Limited

The Board is pleased to announce that on 5th February, 2002, Luen Cheong Tai (BVI) Limited, a wholly-owned subsidiary of the Company, have entered into the Agreement with certain independent third parties, under which and subject to certain terms and conditions thereof, Luen Cheong Tai (BVI) Limited agrees to acquire 100% of the issued share capital of Sky Glory Holdings Limited. The total Consideration for the Acquisition is HK\$14,000,000.00.

The Consideration for the Acquisition will be satisfied by way of issuance and allotment of 87,500,000 new shares (credited as fully paid) at HK\$0.16 per share to the holders of the Consideration Shares. Consideration Shares are subject to sale restrictions whereof each holder of Consideration Shares may only sell the Consideration Shares 6 months after the date of Completion.

The Acquisition constitutes a discloseable transaction involving issuance of new shares in the Company under the Listing Rules, a circular containing details of the Acquisition will be dispatched to the shareholders of the Company as soon as practicable.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 10:00 a.m. on 6th February, 2002 pending the issue of this Announcement, the Company has applied to the Stock Exchange for the shares of the Company to resume its trading with effect from 10:00 a.m. on 8th February, 2002.

THE AGREEMENT

Date: 5th February, 2002

Parties:

Purchaser: Luen Cheong Tai (BVI) Limited, a wholly-owned subsidiary of the Company

Vendor: Ngan Wan and Lee Yuen Yan

Each of Ngan Wan and Lee Yuen Yan and Sky Glory Holdings Limited and their respective beneficial owners are companies/persons independent from the Directors or chief executive or substantial shareholders or management shareholders of the Company or any of their respective associates (as defined in the Listing Rules).

Asset Acquired

LCTBVI has agreed to purchase the Sky Glory Shares, representing 100% of the issued and fully paid up share capital of Sky Glory. No audited financial statements have been prepared since its incorporation on 18th July, 2001. A net asset of HK\$2.00 was recorded in the unaudited management accounts of Sky Glory at 31st January, 2002 and no profit or loss has been reported by Sky Glory since its incorporation on 18th July, 2001. The principal business of Sky Glory is as a contractor mainly in PRC.

Sky Glory has entered into a PRC contract with 深圳市中立投資有限公司 (Shenzhen City Zhong Li Investment Limited), a company incorporated under the laws of PRC and is an independent third party with which the Directors or senior management or substantial shareholders or management shareholders of the Company do not have any relationship, for the interior decoration of a hotel in Shenzhen, PRC, with a total contract sum of RMB89,000,000.00 equivalent to HK\$84,372,000.00 ("the PRC Project").

Consideration

The total Consideration for the sale and purchase of the Sky Glory Shares shall be HK\$14,000,000.00. The Consideration shall be satisfied by way of issuance of new shares of the Company on Completion.

The Consideration was arrived at based on arm's length negotiations and by reference to the estimated profit to be generated under the PRC Project.

Conditions precedent of the Agreement

The validity of the provisions of the Agreement are subject to, inter alia, the following conditions precedent being fulfilled:-

- the making of such enquiries, investigations and due diligence reviews of the business of Sky Glory are satisfactory and upon the settlement by the Vendors therein of the accounts payable and the accounts receivable, if any.
- the issuing of a favourable legal opinion by a reputable PRC law firm in relation to the legality of the PRC Project; and
- the Listing Committee of the Stock Exchange granting listing and permission to deal in the Consideration Shares.

In the event that any of the above conditions precedent shall not have been fulfilled (or waived by LCTBVI) to the satisfaction of LCTBVI within 14 working days from the date of the Agreement, the parties shall be entitled to treat the Agreement as terminated in such case the Agreement shall become null and void and of no effect save in respect of claims arising out of any antecedent breach of the Agreement. If such a case, the Company will make an appropriate announcement.

Number of Consideration Shares and Class

The Consideration for the Acquisition will be satisfied by way of the issuance and allotment by the Company of a total of 87,500,000 new shares (representing approximately 19.66% and 16.43% respectively of the Existing Capital and the Enlarged Capital) (credited as fully paid) at HK\$0.16 per share. The price per Consideration Share represents a premium of approximately 171.19% to the closing price of HK\$0.059 per Share as quoted on the Stock Exchange on 5th February, 2002 (the date of the Agreement) and a premium of approximately 162.30% to the average closing price of HK\$0.061 per Share of the 10 consecutive trading days before the date of the Agreement as quoted on the Stock Exchange. The proposed price of HK\$0.16 per share is based on arm's length negotiation and the Company's net asset value of HK\$0.34 per share such that it is considered to be a fair and reasonable price.

The Consideration Shares will be allotted and issued pursuant to the general mandate granted to the Directors by the Shareholders of the Company at the Extraordinary General Meeting of the Company held on 2nd August, 2001.

The Company will make application to the Listing Committee of The Stock Exchange for the listing of and permission to deal in the Consideration Shares to be issued under the Acquisition.

Sale restrictions

Each of the holders of the Consideration Shares are subject to sale restriction that each of whom may only dispose of the Consideration Shares 6 months after the date of their issuance.

Reason for Acquisition

The Company is mainly engaged in construction and building works principally in Hong Kong. The Directors consider that the Acquisition will explore the best opportunity to strengthen the business of the Group, especially in view of the fact that Sky Glory has already secured the PRC Project. The Directors consider the terms of Acquisition are fair and reasonable and the Acquisition is made in the best interest of the Group and its Shareholders.

Discloseable Transaction

The Acquisition constitutes a discloseable transaction involving issuance of new shares in the Company under the Listing Rules, a circular containing details of the Acquisition will be dispatched to the shareholders of the Company as soon as practicable.

Suspension and Resumption of Trading of Shares in the Company

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 10:00 a.m. on 6th February, 2002 pending the issue of this Announcement, the Company has applied to the Stock Exchange for the shares of the Company to resume its trading with effect from 10:00 a.m. on 8th February, 2002.

DEFINITIONS

"Acquisition"	means the acquisition by LCTBVI of the Sky Glory Shares
"Agreement"	means a share sale and purchase agreement entered into between Ngan Wan and Lee Yuen Yan as Vendor and LCTBVI as Purchaser on 5th February, 2002
"Board"	means the board of Directors of the Company
"LCTBVI"	means Luen Cheong Tai (BVI) Limited, a company incorporated in the British Virgin Islands and wholly-owned by the Company
"Company"	means Luen Cheong Tai International Holdings Limited the shares of which are listed on the main board of the Stock Exchange
"Completion"	means the completion of the Acquisition
"Conditions"	means the conditions precedent as mentioned under the section "Conditions precedent of the Agreement"
"Consideration Shares"	means the Shares credited as fully paid at HK\$0.16 per Share to be allotted and issued to the Holders of the Consideration Shares pursuant to the Agreement
"Consideration"	means the total consideration payable by LCTBVI for the Acquisition
"Director(s)"	means the director(s) of the Company including the independent non-executive directors
"Enlarged Capital"	means 532,554,501 shares in issue upon Completion assuming that there are no further issues of Shares from 5th February, 2002 to Completion other than the Consideration Shares
"Group"	means the Company and its subsidiaries
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"PRC"	means the People's Republic of China
"Stock Exchange"	means the Stock Exchange of Hong Kong Limited
"Sky Glory"	means Sky Glory Holdings Limited, a company incorporated under the laws of Hong Kong on 18th July, 2001 whose principal business is as a contractor

By Order of the Board
Chan Man Chuen
Chairman

Hong Kong, 7th February, 2002