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LUEN CHEONG TAI INTERNATIONAL HOLDINGS LIMITED

聯 昌 泰 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

LEGAL PROCEEDINGS

The Board wishes to state that subsequent to the Company's announcement made on 27th February 2002 in relation to various litigations involved by the Company and its subsidiaries, there have been no further and major developments of the litigations except for those disclosed hereinafter.

A judgment has been entered for East Asia Credit Company Limited in the sum of HK\$4,721,331.89 plus costs, and the case with GE Capital (Hong Kong) Limited has been adjourned to a date to be fixed.

Shareholders of the Company and the public are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement made by the Company on 27th February 2002 in relation to various litigations involved by the Company and its subsidiaries.

The Board wishes to state that there have been no further and major developments of the litigations disclosed in the aforesaid announcement since 27th February 2002, except for those stated herein.

At a hearing held on 30th April 2002, which date was notified to the Company on 28th February 2002, a judgment has been entered for East Asia Credit Company Limited against the Company (as guarantor) and its wholly owned subsidiary, Luen Cheong Tai Construction Company Limited (as borrower) in the sum of HK\$4,721,331.89 plus costs. The judgment debt remains unpaid at the date of this announcement.

A first hearing was held on 11th March 2002 in relation to the claims by G.E. Capital (Hong Kong) Limited against the Company (as guarantor) and its wholly owned subsidiary, Finestyle Maritime Services Limited (as borrower). During the said hearing, the Court ordered the case be adjourned to some later date to be fixed. At the date of this announcement, no hearing date has been fixed.

The management continues to seek legal assistance and negotiating with the creditors concerned with a view to have the pending litigations resolved and the aforesaid judgment debt settled on appropriate terms. Further announcement, as required under the Listing Rules, will be made by the Company in case of any significant development and when appropriate. The Board does not consider there will be any adverse impact on the financial position and operation of the Company.

Shareholders of the Company and the public are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Luen Cheong Tai International Holdings Limited
Chan Man Chuen
Chairman