

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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 CHEONG TAI INTERNATIONAL HOLDINGS LIMITED

聯昌泰國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The Board refers to a press article appeared in Oriental Daily News of 16th May 2002, and wishes to state that the allegation made therein that the amount of consideration involved in the proposed acquisition by the Company of 100% interest in Shenzhen Baker Deal Industrial Company Limited would exceed HK\$200,000,000 is inaccurate. The proposed acquisition is still under serious negotiation, and its final terms and conditions, including the amount of consideration required, have yet to be finalized. The Company may or may not proceed with the proposed acquisition, and further announcement will be made in case of any significant development as and when appropriate.

The Board further clarifies that Shenzhen Baker Deal Industrial Company Limited in PRC is not a subsidiary of and unrelated to a company from the United States of America by the name of "Baker Mellon Stuart Construction".

The Board also noted the increase in the trading volume of the Company on 16th May 2002 and wishes to state that the Board is not aware of any reasons for such increase, saved as the Company's announcements on 15th May 2002, 8th May 2002, 29th April 2002 and 19th April 2002, and the aforesaid press article.

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

I. Clarifications of Press Article

Reference is made to a press article (the "Press Article") appeared in Oriental Daily News of 16th May 2002, and the Company's announcements on 19th April 2002, and 29 April 2002 in relation to the proposed acquisition (the "Proposed Acquisition") by the Company of 100% interest in Shenzhen Baker Deal Industrial Company Limited ("Shenzen Baker")

The Board of Directors (the "Board") wishes to state that the allegation appeared in the Press Article that the Proposed Acquisition would involve a consideration in excess of HK\$200,000,000 is inaccurate. The Board further clarifies that Shenzhen Baker in PRC is not a subsidiary of and unrelated to "Baker Mellon Stuart Construction", a company from the United States of America.

The Company and other relevant parties continue with their serious negotiation on the Proposed Acquisition, but the final terms and conditions, including the amount of consideration required, have not yet been finalized. The Company may or may not proceed with the Proposed Acquisition, and further announcement, as required under the Listing Rules, will be made by the Company in case of any significant development as and when appropriate.

II. Exceptional Volume Movement

The Board noted the increase in the trading volume of the Company on 16th May 2002 and wishes to state that the Board is not aware of any reasons for such increase, saved as the Company's announcements on 15th May 2002, 8th May 2002, 29th April 2002 and 19th April 2002, and the Press Article.

Except for the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

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