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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)

### UNAUDITED RESULTS FOR THE YEAR ENDED 31 MAY 2001

Further to the announcement dated 27 September 2001, Luen Cheong Tai International Holdings Limited (the "Company") announces its unaudited results for the year ended 31 May 2001.

The Company will use its best endeavour to ensure that the annual results will be published on or before 23 November 2001 and that the annual report of the Company for the year ended 31 May 2001 will be dispatched to its shareholders on or before 30 November 2001.

#### RESULTS

As announced on 27 September 2001, the publication of the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 May 2001 (the "annual results") has been delayed to allow the new auditors a reasonable amount of time to duly complete the audit following the resignation of Messrs PricewaterhouseCoopers as auditors. The appointment of the new auditors is expected to be finalized next week.

The Company will use its best endeavour to ensure that the annual results will be published on or before 23 November 2001 and that the annual report of the Company for the year ended 31 May 2001 will be dispatched to its shareholders on or before 30 November 2001.

The board of Directors of the Company is pleased to announce the unaudited consolidated results of the Group for the year ended 31 May 2001 together with comparative figures for the previous corresponding year, which have been reviewed by the Audit Committee comprising two independent non-executive directors, as follows:

Notes	2001 HK\$'000	2000 HK\$'000
Turnover	293,647	367,194
Cost of sales	<u>(292,522)</u>	<u>(311,040)</u>
Gross profit	1,125	56,154
Other revenues	10,764	2,164
Administrative expenses	(28,791)	(24,103)
Other operating expenses	(7,512)	(5,788)
Loss on disposal of fixed assets	(722)	(2,865)
Profit on disposal of subsidiary	109	—
Revaluation deficits on investment properties	(16,846)	(6,002)
Impairment of vessels, machinery and equipment	<u>(28,652)</u>	<u>—</u>
Operating profit/(loss)	(70,525)	19,560
Finance costs	<u>(15,525)</u>	<u>(12,696)</u>
Profit / (loss) before taxation	(86,050)	6,864
Taxation	1 <u>8,301</u>	<u>(3,268)</u>
Profit/(loss) attributable to shareholders	(77,749)	3,596
Dividends	<u>—</u>	<u>(1,320)</u>
Profit/(loss) for the year retained	<u>(77,749)</u>	<u>2,276</u>
Basic earning per share/(loss per share)	3 <u>(21.12 cents)</u>	<u>1.34 cents</u>

Notes:

#### 1. Taxation

Hong Kong profit tax has been provided at the rate of 16 per cent (2000: 16 per cent) on the estimated assessable profit for

the year. Overseas profit tax represents taxation charge relating to income derived in the People's Republic of China (but excluding Hong Kong) which is calculated at the rate of 33 per cent.

The amount of taxation charged to the consolidated profit and loss account represents:

	2001 HK\$'000	2000 HK\$'000
Hong Kong profits tax		
- current year	630	614
- over provision in prior year	—	(48)
- deferred taxation	<u>(8,931)</u>	<u>279</u>
	(8,301)	845
Overseas profits tax		
- current year	<u>—</u>	<u>2,423</u>
	<u>(8,301)</u>	<u>3,268</u>

#### 2. Transfer to and from reserves

	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000
At 1 June 2000	122,214	10,802	18	91,182
Goodwill arising on consolidation written off	—	—	—	(60,721)
Conversion of convertible notes	19,096	—	—	—
Issue of new share	5,009	—	—	—
Issue expenses	(26)	—	—	—
Exchange difference	—	—	(37)	—
Loss for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>(77,749)</u>
As 31st May 2001	<u>146,293</u>	<u>10,802</u>	<u>(19)</u>	<u>(47,288)</u>

#### 3. Earnings per share

The calculation of basic loss per share is based on the Group's loss attributable to shareholders of HK\$77,749,000 (2000: profit HK\$3,596,000) and the weighted average of 368,052,747 (2000: 267,797,687) ordinary shares in issue during the year.

No diluted earnings or loss per share has been presented for the years ended 31 May 2000 and 2001 as the effect of potential ordinary shares outstanding during these two years would be anti-dilutive.

#### 4. General

The directors of the Company have respectively confirmed that they have not dealt in the shares of the Company since 24 August 2001 and have also undertaken not to deal in the shares of the Company until the publication of the audited consolidated results for the year ended 31 May 2001.

The audited consolidated results may be different from the unaudited consolidated results disclosed in this announcement. If there are material differences between the audited consolidated results and unaudited consolidated results, the reasons for the discrepancies will be disclosed in the audited consolidated results.

**Shareholders and investors are reminded to exercise caution when dealing in the Company's shares.**

By order of the board of directors  
**Luen Cheong Tai International Holdings Limited**  
**Chan Man Chuen**  
*Chairman*

Hong Kong, 12 October, 2001