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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)

ANNOUNCEMENT

The Board refers to the increase in the trading volume and decrease in price of the shares of the Company on 20 September 2001 and wishes to state that it is not aware of the reasons for such fluctuations, save as the litigation proceedings disclosed in the Company's announcement of 10 September 2001 and the information disclosed herein.

The Company has been approached recently by an independent third party to explore the possibility of the Company acquiring a business in trading of building supplies from the independent third party. **As the proposed acquisition may or may not proceed, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.**

Trading in the shares was suspended at 10:00 a.m. on 21 September 2001 at the request of the Company and application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 10:00 a.m. on 24 September 2001.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (the "Board") of Luen Cheong Tai International Holdings Limited (the "Company") has noted the increase in trading volume and decrease in price of the shares of the Company on 20 September 2001 and wishes to state that the Board is not aware of any reasons for such fluctuations, save as the litigation proceedings disclosed in the Company's announcement of 10 September 2001 and the information disclosed herein.

The Company has been approached recently by an independent third party to explore the possibility of the Company acquiring a business in trading of building supplies from the independent third party. The discussions commenced on 17 September 2001 and are in very preliminary stage and no definite terms or agreement have been finalized. Further announcement, as required under the Listing Rules, will be made by the Company once the terms of the proposed acquisition are agreed. **As the proposed acquisition may or may not proceed, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.**

Save as mentioned above, there are no negotiations or agreements in relation to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither the Directors 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.

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Made by the order of the Board of Luen Cheong Tai International Holdings Limited, the directors of which individually and jointly accept responsibility for the accuracy of this statement

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

Hong Kong, 21 September 2001