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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**

A winding-up petition was filed against Luen Cheong Tai Construction Company Limited, a wholly owned subsidiary of the Company, by Winfast Engineering Limited on 24th May 2002.

On 24th May 2002, a winding-up petition (the "Petition") was filed against Luen Cheong Tai Construction Company Limited (the "Subsidiary"), a wholly owned subsidiary of the Company, by Winfast Engineering Limited ("Winfast"). It was alleged in the Petition that the Subsidiary was indebted to Winfast in the sum of HK\$15,266,599.83 (the "Alleged Debt"). The case has been referred to the solicitors of the Subsidiary for legal advice and further actions.

The Subsidiary is a major subsidiary of the Company, which is principally engaged in a wide range of construction work in Hong Kong and PRC. The Alleged Debt represents approximately only 5.4% of the unaudited consolidated net asset of the Company and its subsidiaries (the "Group") at 30th November 2000 as reflected in the Group's interim report at 30th November 2000. As explained in the Company announcement on 24th May 2002, the audited consolidated accounts for the year ended 31st May 2001 is still outstanding and therefore the above percentage of 5.4% may not accurately reflect the current position.

Having regard to the fact that the Alleged Debt relates to ordinary contract dispute and the maximum amount of loss to the Group, if any, arising from this litigation will amount to only HK\$15,266,599.83, the board of directors of the Company is of the view that the amount involved, in the worst scenario, is not material enough to the extent that the Petition would lead to a winding-up order by the Court against the Subsidiary and would significantly and adversely affect the Group's financial position and its operations as a whole. Further announcement will be made by the Company in case of any significant development as and when appropriate.

**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*

Hong Kong, 27th May 2002