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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)

**FURTHER DELAY IN ANNUAL RESULTS ANNOUNCEMENT
AND DISPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31ST MAY 2001
AND DELAY IN INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH NOVEMBER 2001**

The annual results announcement of Luen Cheong Tai International Holdings Limited for the year ended 31st May 2001 will be further delayed for the seventh time to on or before 13th June 2002, and accordingly the dispatch of the annual report of the Company for that year will be postponed to on or before 24th June 2002 for reasons set out below. It is anticipated that the publication of the unaudited interim results for the six months ended 30th November 2001 will also need to be postponed to on or before 2nd July 2002.

The directors of the Company acknowledge that they have breached paragraphs 8(1), 10(1) and 11(1) of the Listing Agreement and that The Stock Exchange of Hong Kong Limited reserves its rights to take appropriate actions against the Company and its directors in respect of the breach.

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 Company's announcements of 27th September 2001, 12th October 2001, 21st November 2001, 24th December 2001, 16th January 2002, 11th February 2002 and 1st March 2002 regarding the annual results announcement for the year ended 31st May 2001 (the "Annual Results Announcement").

The Directors of the Company announce that there will be a further delay for the seventh time in the publication of the audited results of the Company and its subsidiaries (the "Group") for the year ended 31st May 2001. The further delay is necessary and allows a reasonable amount of time for the new auditors of the Company to complete their audit duly and for the existing overseas auditors of the Company's wholly owned subsidiaries in Suriname, Latin America (the "overseas subsidiaries") to update their audit work which has been substantially completed.

In view of the intended resignation of Messrs KPMG as auditors due to fee disagreement, the Directors intend to nominate Messrs RSM Nelson Wheeler to fill the casual vacancy in the office of auditors. The resignation of Messrs KPMG and the appointment of Messrs RSM Nelson Wheeler as new auditors are expected to be formalized early next week. Further announcement will be made in due course if there are any circumstances which the resigning auditors would like to bring to the attention of the shareholders in relation to their resignation, but the Directors do not expect any such circumstances.

After careful discussions with the prospective new auditors and the overseas auditors, the Board expects that the Annual Results Announcement will be postponed to on or before 13th June 2002 and the annual report of the Company for the year ended 31st May 2001 (the "Annual Report") dispatched to its shareholders on or before 24th June 2002.

The Directors regret for the repeated delay in the Annual Results Announcement due to circumstances outside their control including the repeated changes of auditors and various adverse factors affecting the smooth progress of KPMG's audit. These adverse factors include in particular the delay in the completion of the audits by the overseas auditors for the overseas subsidiaries acquired during the year under review, delay in receiving information and explanations from the overseas auditors, and the outstanding matters stated in the Company's announcement on 11th February 2002 i.e. the requirement of additional evidence, which has been gathered subsequently, and other outstanding information which were specific to KPMG's audit.

There have been positive developments since KPMG's audit. The audits for the overseas subsidiaries are now substantially completed and audit conclusions are being updated and finalized by the overseas auditors. Necessary and additional evidence and information have been gathered and documented, additional supporting work schedules prepared and the Group's books and accounts updated with major adjustments identified during and after KPMG's audit. In the view of the Directors, these positive developments would facilitate the early completion of the audit by RSM Nelson Wheeler, and accordingly, the Directors, after consultation with the new auditors, consider the new target dates of 13th June 2002 and 24th June 2002 achievable and realistic. Mindful of their responsibilities to promptly release the audited results without further delay, the Directors will endeavour to work closely with the new auditors and the overseas auditors to expedite the audits by working overtime and to resolve outstanding audit matters as early as possible. To this end, the Company will be concentrating on the early completion of the final results of the year ended 31st May 2001 and the finalisation of outstanding financial information for that year which may affect the results of the ensuing period. Consequently, the unaudited interim results for the six months ended 30th November 2001 (the "Interim Results") will have to be deferred to on or before 2nd July 2002 to ensure that they are accurately compiled.

Pursuant to the Listing Agreement, the Annual Results Announcement is required to be published and the Annual Report of the Company dispatched to its shareholders on or before 30th September 2001, and the unaudited interim results for the six months ended 30th November 2001 is required to be released on or before 28th February 2002. The directors of the Company acknowledge that they have breached paragraphs 8(1), 10(1) and 11(1) of the Listing Agreement and that The Stock Exchange of Hong Kong Limited reserves its rights to take appropriate actions against the Company and its directors in respect of the breach.

The directors of the Company have respectively confirmed that they have not dealt in the shares of the Company since 24th August 2001 and have also undertaken not to deal in the shares of the Company until the publication of the Annual Results Announcement and the Interim Results.

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, 24th May 2002

“Please also refer to the published version of this announcement in the Hong Kong i-Mail”.