

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Luen Cheong Tai International Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)*

**PROPOSED CHANGE OF NAME**

**AND**

**GENERAL MANDATES**

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A notice convening the EGM to be held at Suites 2109-11, 21st Floor, CMG Asia Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong at 10:30 a.m. on 26 June 2002 is set out on pages 9 to 11 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at Suites 2109-11, 21st Floor, CMG Asia Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof should you so desire.

# CONTENTS

	<i>Page(s)</i>
<b>Responsibility Statement</b> .....	ii
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Proposed Change of Name .....	3
General Mandates to Issue and Repurchase Securities .....	4
Recommendation .....	5
Extraordinary General Meeting .....	5
General Information .....	5
<b>Appendix – Explanatory Statement of the Repurchase Mandate</b> .....	6
<b>Notice of Extraordinary General Meeting</b> .....	9

## **RESPONSIBILITY STATEMENT**

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Board”	the board of Directors;
“Company”	Luen Cheong Tai International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Suites 2109-11, 21st Floor, CMG Asia Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong at 10:30 a.m. on 26 June 2002 to consider and, if appropriate, to approve resolutions in relation to the proposed change of name and the general mandates to issue and repurchase securities, notice of which is set out on pages 9 to 11 of this circular, or any adjourned meeting thereof;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(i) of the Letter from the Board;
“Latest Practicable Date”	30 May 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Name”	Baker Group International Holdings Limited in English or “倍可集團國際控股有限公司” in Chinese;
“Proposed Acquisition”	the proposed acquisition of Shenzhen Baker by the Company;
“Repurchase Mandate”	as defined in paragraph 3(ii) of the Letter from the Board;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	registered holder(s) of Share(s);

## DEFINITIONS

“Shenzhen Baker”	Shenzhen Baker Deal Industrial Company Limited, a private limited company incorporated in the People’s Republic of China on 6 February 1996;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$” and “cents”	Hong Kong dollars and cents;
“per cent.” and “%”	per cent.;

**LETTER FROM THE BOARD**



**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)*

*Directors*

Chan Man Chuen (*Chairman*)

Vong Pak Cheong

Chan Kai Yiu

Hung Yat Ming

Tsang Fan Wan\*

Yau Ting Kwok\*

*Registered Office:*

Century Yard

Cricket Square

Hutchins Drive

P.O.BOX 2681GT

George Town

Grand Cayman

British West Indies

\* *Independent non-executive Director*

*Principal place of business*

*in Hong Kong:*

Suites 2109-11,

21/F CMG Asia Tower,

The Gateway,

15 Canton Road,

Kowloon, Hong Kong

3 June 2002

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CHANGE OF NAME  
AND  
GENERAL MANDATES**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the EGM for (a) the change of name of the Company; (b) granting to the Directors the Issuance Mandate; (c) granting to the Directors the Repurchase Mandate; and (d) to extend the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased under the Repurchase Mandate.

**2. PROPOSED CHANGE OF NAME**

As mentioned in the announcement of the Company dated 15 May 2002, the Company had been notified that the originally proposed name of the Company of “Baker International Holdings Limited and Chinese name of “倍可國際控股有限公司” as disclosed in the announcement of the Company dated 29 April 2002 was not available for registration in the Cayman Islands. In view of the aforesaid, the Board proposed to change the name of the Company to “Baker Group International Holdings Limited” and the Chinese name of the Company to “倍可集團國際控股有限公司”.

\* *for identification purposes only*

## LETTER FROM THE BOARD

The Board considers that although the Proposed Acquisition of Shenzhen Baker by the Company as disclosed in its announcement dated 19 April 2002 is still under negotiation, the change of name can pave the way for future cooperation with the relevant parties of Shenzhen Baker and facilitate the furtherance of the business of the Group in the People's Republic of China. In case the Proposed Acquisition cannot be finalized, the Group will look for alternative ways of cooperation with Shenzhen Baker. In addition, if the New Name is approved by the Shareholders at the EGM but the Proposed Acquisition subsequently cannot be finalized, the Board intends to continue to use the New Name as the name of the Company.

The Group is engaged in a wide range of public and private sectors construction works in five major areas: landslip prevention/remedial works; road and drainage; building demolition and decoration; marine and port works; and site formation. Since Shenzhen Baker is principally engaged in property holding and development of construction projects, which is related to the Group's existing business, the Board considers that if the Proposed Acquisition cannot be finalized, the New Name can still reflect the Group's existing major business.

The New Name is subject to the passing of a special resolution by the Shareholders at the EGM and the approval by the Registrar of Companies in the Cayman Islands. In the event that the proposed Chinese name of the Company is not approved by the Registrar of Companies in the Cayman Islands, the Company will adopt the Chinese name for identification purposes only. The Company will carry out the necessary filing procedures with the Registrar of Companies in Hong Kong.

The existing share certificates of the Company under the name of "Luen Cheong Tai International Holdings Limited" shall, after the proposed change of name becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement and delivery for the same number of Shares in the New Name. Once the change of name has become effective, any new share certificate of the Company will be issued in the New Name.

Upon the effective date of the change of name, Shareholders who desire to exchange their existing share certificates for share certificates bearing the new name of the company may do so at no cost if effected within 30 days from such effective date. Subsequent changes will incur a fee of HK\$2.50 (or such higher amount as may from time to time be charged) for each of such certificate to be issued.

Further announcement will be made in relation to the effective date of the proposed change of name of the Company and the arrangement for exchange of share certificate.

### **3. GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES**

Ordinary resolutions will be proposed at the EGM to approve the granting of new general mandates to the Directors:–

- (i) to allot, issue and otherwise deal with new Shares of the Company with an aggregate nominal amount not exceeding 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM (i.e. the Issuance Mandate);
- (ii) to purchase Shares of the Company on the Stock Exchange with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of issued share capital of the Company as at the date of the EGM (i.e. the Repurchase Mandate); and

## LETTER FROM THE BOARD

- (iii) to extend the Issuance Mandate by adding those Shares purchased by the Company pursuant to the Repurchase Mandate if granted to the Directors at the EGM.

#### 4. RECOMMENDATION

The Directors consider that the proposed resolutions for (a) the change of name; (b) granting to the Directors the Issuance Mandate; (c) granting to the Directors the Repurchase Mandate; and (d) extending the Issuance Mandate by adding to it the aggregate number of the Shares repurchased under the Repurchase Mandate are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

#### 5. EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 9 to 11 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so desire.

#### 6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I to this circular.

Yours faithfully,  
By Order of the Board  
**Luen Cheong Tai**  
**International Holdings Limited**  
**Chan Man Chuen**  
*Chairman*



*This Appendix includes explanatory statements required by the Listing Rules to be presented to Shareholders concerning the mandate to purchase Shares of the Company proposed to be granted to the Directors.*

**(1) Listing Rules for Purchases of Securities**

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by its Memorandum and Articles of Association to repurchase its own securities.

**(2) Funding of Purchases**

It is envisaged that repurchases will be made out of funds which are legally available for the purpose in accordance with the memorandum and articles of association of the Company and the laws of the jurisdiction in which the Company is incorporated or otherwise established.

Compared with the financial position of the Company as at 31 May 2000 (being the date of its latest available audited accounts), the Directors consider that there will be a material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing ratio which in the opinion of the Directors are from time to time appropriate for the Company.

**(3) Share Capital**

As at the Latest Practicable Date, the issued share capital of the Company comprised 532,544,501 Shares of HK\$0.10 each in the Company and there were outstanding options granted under the share option scheme to subscribe for up to 29,650,000 Shares.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued, no Shares are repurchased and no outstanding options granted under the share option scheme is exercised prior to the EGM, the Company will be allowed under the Repurchase Mandate to purchase a maximum of 53,254,450 Shares.

**(4) Reasons for the Purchase**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as the ability of the Company to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of Shares that will be in issue on the date of the EGM will give the Company additional flexibility. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Shares and/or the earnings per Share of the Company and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

**(5) Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum and articles of association of the Company.

**(6) Effect of Takeovers Code**

At the Latest Practicable Date, and according to the register of substantial shareholders' interest maintained pursuant to the Securities (Disclosure of Interests) Ordinance, each of Enson Group Limited and Joyful Holdings Limited held 60,423,809 Shares representing approximately 11.35% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to purchase shares in the Company which is proposed to be granted at the EGM, the shareholding of each of Enson Group Limited and Joyful Holdings Limited together with their respective associates (as defined in the Listing Rules) in the Company would be increased to approximately 15.09% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Hong Kong Code on Takeovers and Mergers. The Directors have no intention to exercise the Repurchase Mandate to such an extent as would result in the amount of shares of the Company held by the public being reduced to less than 25 per cent.

**(7) Directors, their associates and connected persons**

None of the Directors or, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective associates have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

**(8) General**

No repurchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise) prior to the Latest Practicable Date.

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	<b>Share price</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2001</b>		
May	0.229	0.100
June	0.145	0.120
July	0.115	0.070
August	0.098	0.074
September	0.080	0.042
October	0.072	0.050
November	0.068	0.052
December	0.069	0.054
<b>2002</b>		
January	0.068	0.050
February	0.083	0.050
March	0.120	0.060
April	0.210	0.086

# NOTICE OF EXTRAORDINARY GENERAL MEETING



## 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)*

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Luen Cheong Tai International Holdings Limited (the “Company”) will be held at 10:30 a.m. on 26 June 2002, at Suites 2109-11, 21st Floor, CMG Asia Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions:-

#### SPECIAL RESOLUTION

1. **“THAT**, subject to the approval of the Registrar of Companies in the Cayman Islands, the name of the Company be changed to “Baker Group International Holdings Limited” and the Chinese name of the Company be changed to “倍可集團國際控股有限公司”, or failing the approval of such Chinese name of the Company by the Registrar of Companies in the Cayman Islands, the Chinese name of “倍可集團國際控股有限公司” be adopted for identification purposes only;

#### ORDINARY RESOLUTIONS

2. **“THAT:-**
  - (A) subject to paragraph (C) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (B) the directors of the Company be and are authorised during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as hereinafter defined);
  - (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) and (B), otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares of the Company upon the exercise of subscription rights attached to the warrants issued by the Company or an issue of shares of the Company in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution;

\* for identification purposes only

## NOTICE OF EXTRAORDINARY GENERAL MEETING

(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

3. **“THAT:–**

- (A) subject to paragraph (C) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the directors of the Company of all powers of the Company to purchase such securities subject to and in accordance with all applicable laws, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to purchase its shares at a price determined by the directors of the Company;
- (C) the aggregate nominal amount of share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (A) during the Relevant Period (as hereinafter defined) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution;

## NOTICE OF EXTRAORDINARY GENERAL MEETING

(D) for the purposes of this resolution:–

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”

4. “THAT subject to the passing of the ordinary resolutions numbered 2 and 3 set out in the notice of this meeting, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said resolution numbered 3 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the resolution numbered 2 set out in the notice of this meeting.”

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

Hong Kong, 3 June 2002

*Notes:*

1. Any shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the principal place of business of the Company at Suites 2109-11, 21st Floor, CMG Asia Tower, The Gateway, 15 Canton Road, Kowloon Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
3. Where there are joint registered holders of any share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders present at the meeting personally or by proxy, that one of such persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. A form of proxy for use at the extraordinary general meeting is enclosed herewith.