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BAKER GROUP INTERNATIONAL HOLDINGS LIMITED

(Formerly known as Luen Cheong Tai International Holdings Limited)

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1190)

ANNOUNCEMENT IN RELATION TO

1) TERMINATION OF THE RESTRUCTURING AGREEMENT

2) EXECUTION OF A NEW PRELIMINARY AGREEMENT

AND

3) FURTHER ADJOURNMENT OF COURT HEARING

The Company formally terminated the Restructuring Agreement with the Investor on 28 May 2004.

On 28 May 2004, the Company executed a Preliminary Agreement with the New Investor in relation to the restructuring of the Company. Pursuant to the Preliminary Agreement, an exclusivity period of 28 days from the date of the Preliminary Agreement has been granted to the New Investor, for the Company and the New Investor to negotiate and enter into a formal restructuring agreement. Further announcements in this connection will be made as and when appropriate.

The hearing of the winding up petition presented to the Hong Kong Court has been further adjourned to 9 August 2004.

The release of this announcement does not indicate that the restructuring of the Company will be successfully completed. Trading in the Shares of the Company has been suspended since 9:30 a.m. on Monday, 26 August 2002 and will continue to be suspended until further notice.

Reference is made to the announcement dated 2 January 2004 jointly made by the Company and the Investor (“Announcement”). Unless otherwise stated, terms used in this announcement shall have the same meaning as those defined in the circular of the Company in relation to the Restructuring Proposal dated 29 October 2003.

As stated in the Announcement, with the passing of the 31 December 2003 long stop date, the Restructuring Agreement lapsed. The Company formally terminated the Restructuring Agreement with the Investor on 28 May 2004.

On 28 May 2004, the Company executed a conditional preliminary agreement (“Preliminary Agreement”) with a new investor (“New Investor”) in relation to the restructuring of the Company. Pursuant to the Preliminary Agreement, an exclusivity period of 28 days from the date of the Preliminary Agreement has been granted to the New Investor, for the Company and the New Investor to negotiate and enter into a formal restructuring agreement. Further announcements in this connection will be made in this regard as and when appropriate.

On 31 May 2004, the Hong Kong Court ordered that the hearing of the winding-up petition filed by the Petitioner against the Company be further adjourned to 9 August 2004.

Due to the resignation of Mr. Don Wayne Ebanks, Mr. Richard Fogerty was appointed as a Provisional Liquidators of the Company in the Cayman Islands.

As limited financial resources are available to the Company, this announcement is only published on the Stock Exchange's website. Should the Preliminary Agreement proceed, full compliance with the regulatory requirements including the Listing Rules and the Code, where applicable, are required. **The release of this announcement does not indicate that the restructuring of the Company will be successfully completed. Trading in the Shares of the Company has been suspended since 9:30 a.m. on Monday, 26 August 2002 and will continue to be suspended until further notice.**

For and on behalf of
Baker Group International Holdings Limited
(Formerly known as Luen Cheong Tai International Holdings Limited)
(Provisional Liquidators Appointed)
Mr. Stephen Liu Yiu Keung
Mr. Yeo Boon Ann
Mr. Richard Fogerty
Joint and Several Provisional Liquidators

Hong Kong, 4 June 2004

Pursuant to an order by the Hong Kong Court dated 5 September 2002, the Provisional Liquidators were appointed to the Company and the powers of the Directors have been suspended since then.