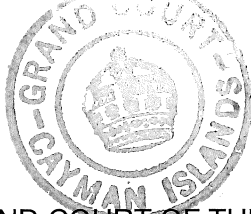


IN THE GRAND COURT OF THE CAYMAN ISLANDS

527  
CAUSE NO: OF 2003

IN THE MATTER OF THE COMPANIES LAW (2003 REVISION)

AND IN THE MATTER OF BAKER GROUP INTERNATIONAL HOLDINGS LIMITED



**PETITION**



TO THE GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of Bank of China (Hong Kong) Limited, a company incorporated with limited liability in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") whose registered office is situate at 6/F Bank of China Tower, No. 1 Garden Road, Central Hong Kong (the "Petitioner"), shows as follows:

1. Baker Group International Holdings Limited (formerly known as Luen Cheong Tai International Holdings Limited) (the "Respondent") is incorporated as an exempted company with limited liability under the laws of the Cayman Islands with its registered office situate at Century Yard, Cricket Square, Hutchings Drive, PO Box 2681 GT, George Town, Grand Cayman, British West Indies.
2. The Respondent established a place of business in Hong Kong in 1998 and is registered as an oversea company pursuant to Part XI of the Hong Kong Companies Ordinance (Chapter 32). The Respondent has its principal place of business at Suites 2109-2111, CMG Asia Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong. The Respondent is a public company listed on the Hong Kong Stock Exchange ("HKSE") and carries on the business of a holding and investment company.

3. The authorised share capital of the Respondent is HK\$100,000,000, divided into 1,000,000,000 Ordinary Shares of HK\$ 0.10 each. The par value of the shares in issue is HK\$ 53,255,450.10.
4. The objects for which the Respondent was established as set out in its Memorandum of Association are unrestricted and the Respondent has full power and authority to carry out any object not prohibited by any law.
5. As at 3 June 2002, the Respondent owed Showa Leasing Company Limited, a company incorporated under the laws of Hong Kong (the "Hong Kong Petitioner"), the sum of HK\$ 3,933,974.95 (with interest continuing to accrue) (approximately US\$ 502,487 at current rates of exchange) in respect of a guarantee (the "Guarantee") given by the Respondent for one of its wholly owned subsidiaries, Finestyle Maritime Services Limited ("Finestyle") in favour of the Petitioner (the "Debt").
6. Pursuant to the Guarantee, the Respondent agreed to pay the Hong Kong Petitioner, on demand, the amount owing to the Hong Kong Petitioner by Finestyle. On 10 April 2002, the Hong Kong Petitioner served a Statutory Demand (the "Demand") pursuant to Section 178(i) of the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance") on the Respondent by serving the Demand on its authorised representatives, requiring the Respondents to pay the Debt to the Hong Kong Petitioner in accordance with the terms of the Demand.
7. The Respondent failed to pay the Debt to the Hong Kong Petitioner within 21 days of the service of the Demand or to secure or compound for the same to the reasonable satisfaction of the Hong Kong Petitioner. Pursuant to Section 178(i) of the Companies Ordinance, it was alleged that the Respondent was deemed to be unable to pay its debts. The Debt remains outstanding.
8. On 3 June 2002, the Hong Kong Petitioner, acting on its own behalf, presented a Winding Up Petition in the High Court of Hong Kong, Court of First Instance (the "Hong Kong Court") under case number HCCW 584/2002 (the "Hong Kong Petition").

9. The Respondent's stock was suspended from trading on the HKSE on four occasions between 5 June 2002 and 22 August 2002. Trading in the shares commenced again on 22 August 2002 but was suspended on 26 August 2002 and has remained suspended since that date with a closing price of HK\$ 0.042. The market capitalisation was approximately HK\$ 22.37 million (approximately US\$ 2,857.325).
10. On 20 August 2002, the Petitioner filed an Ex Parte Summons with the Hong Kong Court for the appointment of provisional liquidators. The Affirmation of Yeung Joi Fol, the Assistant General Manager of the Petitioner, affirmed on 20 August 2002, was filed with the Hong Kong Court in support of that application.
11. On 5 September 2002, the Honourable Madam Justice Kwan of the Hong Kong Court made an Order appointing Stephen Liu Yiu Keung and Yeo Boon Ann of the Hong Kong Insolvency Practice of Ernst & Young Transactions Limited as joint and several provisional liquidators of the Respondent (the "Hong Kong Provisional Liquidators").
12. On 7 October 2002 and 16 June 2003, the hearing of the Hong Kong Petition was adjourned by the Hong Kong Court on the grounds that the Respondent and its Hong Kong Provisional Liquidators were investigating the merits of facilitating a restructuring of the Respondent through schemes of arrangement and re-listing its shares on the HKSE.
13. On 27 May 2003, the Hong Kong Provisional Liquidators, the Respondent and Northern Resources Limited (a company incorporated with limited liability in the British Virgin Islands) (the "Investor"), entered into a restructuring agreement to implement the proposal of the Investor pursuant to which the Investor is to provide funds to be used to compromise the debts of the Respondent through schemes of arrangement (the "Proposal").
14. Pursuant to the Proposal, the Hong Kong Provisional Liquidators now propose to put a scheme of arrangement to (i) the creditors of the Respondent in the Cayman Islands being the Respondent's jurisdiction of incorporation, (ii) the creditors of the Respondent in Hong Kong being the principal place of business of the Respondent and (iii) those other of the Respondent's creditors known to the Hong Kong Provisional Liquidators.

15. As at 10 July 2001, the Respondent owed the Petitioner the sum of HK\$ 17,732,896.24 (approximately US\$ 2,264,882 at current rates of exchange). As at 30 July 2003, following the merger with the Petitioner with other creditors of the respondent, the Respondent owed the Petitioner the sum of HK\$ 39,192,932.15 (approximately US\$ 5,005,802 at current rates of exchange) as a result of loan facilities provided to subsidiaries of the Respondent for which the Respondent has provided guarantees (the "Petitioner's Debt").
16. At various times including on 19 June 2000 and 30 March 2001 and 10 July 2001, the Petitioner made a demand on the Respondent sums due. The Respondent has failed to pay the amounts demanded by the Petitioner and the Petitioner's Debt remains outstanding.
17. The Hong Kong Provisional Liquidators have confirmed that the Respondent is unable to pay the Petitioner's Debt. Accordingly, the Petitioner avers that the Respondent is unable to pay its debts pursuant to Section 95 of the Companies Law (2003 Revision).
18. The Petitioner has presented this Petition to allow the co-ordination of this cross-border process between the Hong Kong Court and the Grand Court of the Cayman Islands and, more specifically, to formalise the appointment of the Hong Kong Provisional Liquidators, together with Don Wayne Ebanks of E&Y Restructuring, Ltd., P.O. Box 1102 GT, 4<sup>th</sup> Floor, Bermuda House, Dr Roy's Drive, George Town, Grand Cayman, British West Indies, as Joint Provisional Liquidators over the Respondent in this jurisdiction.
19. Further and in the alternative, it is just and equitable that the Respondent be wound up on the grounds that it is unable to pay its debts as they fall due and/or it is just and equitable that it be wound up.

YOUR PETITIONER THEREFORE HUMBL Y PRAYS as follows:

1. that, at such time as the Petition is listed for a hearing, if so moved by the Petitioner, the Petition be adjourned or that the Respondent be wound up by the Court under the provisions of Part V of the Companies Law (2003 Revision);
2. that the costs of the Petitioner be taxed and paid out of the assets of the Respondent on a solicitor and client basis; and

3. that such further and/or other relief be granted as this Honourable Court deems appropriate.

DATED the 7 day of August 2003



**WALKERS**

Attorneys-at-Law for the Petitioner

**NOTE:** It is intended to serve this Petition on the Respondent and the Registrar of Companies.

#### ENDORSEMENT

This Petition, having been presented to the Grand Court of the Cayman Islands on the     day of 2003, will be heard at the Grand Court of the Cayman Islands on:

DATE:

TIME:

(or as soon thereafter as the Petition can be heard).

This Petition is presented by Walkers, Attorneys-at-Law of Walker House, Mary Street, P.O. Box 265 GT, George Town, Grand Cayman, for the Petitioner whose address for service is care of its said Attorneys-at-Law.