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LUNG CHEONG INTERNATIONAL HOLDINGS LIMITED
龍昌國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 348)

LOAN GRANTED TO THE COMPANY BY THE CONTROLLING SHAREHOLDER

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Directors announce that the Company has entered into the Loan Agreement with LC Investment pursuant to which LC Investment agreed to grant a loan of HK\$50 million to the Company for partial repayment of the loan granted under the Facility Agreement.

LC Investment, being the controlling shareholder of the Company, is a connected person of the Company. Under the Listing Rules, the provision of financial assistance to the Company by LC Investment constitutes a connected transaction. As the Loan granted by LC Investment to the Company falls within Rule 14A.65(4) of the Listing Rules, the Loan Agreement and the transactions contemplated thereunder shall be exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

LOAN GRANTED BY LC INVESTMENT TO THE COMPANY

On 7 March 2008, the Company and LC Investment entered into the Loan Agreement, the principal terms of which are as follows:

Borrower	:	the Company
Lender	:	Lung Cheong Investment Limited, the controlling shareholder of the Company
Loan amount	:	HK\$50 million
Interest	:	HIBOR plus basis and interest shall be payable on the last business day of each calendar month after the date of drawdown of the Loan
Maturity	:	the last business day in the 6th month from the date of drawdown of the Loan. The Borrower shall be entitled to repay the indebtedness early without penalty
Security	:	Nil

Purpose of the Loan : Repayment of the partial amount of the loan granted under the Facility Agreement

Reference is made to the announcement of the Company dated 21 August 2007 regarding the Facility granted by a syndicate of banks under the Facility Agreement (the “**Announcement**”). As set out in the Announcement and pursuant to the Facility Agreement, if the then outstanding loan under the Facility Agreement is not reduced to less than HK\$120 million at any time after the Facility is fully drawn, the Company has to dispose of the Dongguan Land at a purchase price representing not less than its then current market value or HK\$50 million (whichever is higher) on or before 31 December 2007. If the Dongguan Land cannot be disposed of by 31 December 2007, or if sold at a sale price less than HK\$50 million, the Company will reduce the then outstanding loan under the Facility Agreement by HK\$50 million by its internal resources or a loan from the Major Shareholders on normal commercial terms.

As at the date of this announcement, the Company has not yet disposed of the Dongguan Land. As such, the Company proposed to borrow the Loan from LC Investment pursuant to the Loan Agreement for partial repayment of the outstanding loan under the Facility Agreement.

As the unsecured Loan granted by LC Investment was made for the benefit of the Company for partial repayment of the outstanding amount under the Facility Agreement on normal commercial terms, the Directors (including the independent non-executive Directors) consider that the Loan Agreement and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders.

LC Investment, being the controlling shareholder of the Company by holding approximately 60.82% of the issued share capital of the Company as at the date of this announcement, is a connected person of the Company under the Listing Rules. Under Rule 14A.13(2)(b) of the Listing Rules, the provision of financial assistance to the Company by LC Investment constitutes a connected transaction.

As the Loan granted by LC Investment to the Company was made for the benefit of the Company on normal commercial terms where no security over the assets of the Company is granted in respect of such financial assistance, the Loan Agreement and the transactions contemplated thereunder fall within Rule 14A.65(4) of the Listing Rules and thus shall be exempted from reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Lung Cheong International Holdings Limited, a company incorporated in the Cayman Islands with limited liabilities, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company

“Dongguan Land”	the development site at Lung Cheong Industrial Village Hantang Street, Qiantou Town, Fucheng District, Dongguan City, Guangdong Province, the PRC
“Facility”	the term loan facility of up to HK\$200 million under the Facility Agreement
“Facility Agreement”	the facility agreement entered into between, amongst others, the Company and a syndicate of banks on 21 August 2007
“HIBOR”	Hong Kong Interbank Offered Rate as quoted by Hang Seng Bank Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LC Investment”	Lung Cheong Investment Limited, a company incorporated in the British Virgin Islands with limited liabilities and is beneficially owned by the Major Shareholders as to 70% by Mr. Leung Lun and as to 30% by Mr. Leung Chung Ming
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan of HK\$50 million made or to be made under the Loan Agreement or the principal amount outstanding from time to time of that loan
“Loan Agreement”	the loan agreement entered into between the Company and LC Investment on 7 March 2008;
“Major Shareholders”	Mr. Leung Lun and Mr. Leung Chung Ming, each an executive Director
“PRC”	People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Lung Cheong International Holdings Limited
Wong, Andy Tze On
Executive Director

Hong Kong, 10 March 2008

As at the date of this announcement, the directors of the Company are Mr. Leung Lun, Mr. Leung Chung Ming, Mr. Zhong Bingquan, Ms. Cheng Yun Tai, Mr. Wong, Andy Tze On, Mr. Ye Tian Liu, Mr. Wong Lam, Mr. Ko Peter, Ping Wah and Mr. Lai Yun Hung.