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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)

EXTENSION OF MATURITY DATE FOR REPAYMENT OF LOAN GRANTED TO THE COMPANY BY THE CONTROLLING SHAREHOLDER AND SECURITY PROVIDED BY FERICLE UNDER THE SECOND COLLATERAL INSURANCE ASSIGNMENTS

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

The Directors announce that the Company has entered into the Extension Agreement with LC Investment pursuant to which LC Investment agreed to extend the maturity date for repayment of the Loan for further six months from the original repayment date to 6 March 2009.

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 transactions contemplated under the Extension Agreement falls within Rule 14A.65(4) of the Listing Rules, the Extension Agreement and the transactions contemplated thereunder shall be exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors also announce that, in consideration of Fericle agreeing to continue its provision of security under the Second Collateral Insurance Assignments, the Company agrees to pay all expenses in connection with or incidental to the Second Collateral Insurance Assignments up to the date of release of the Second Collateral Insurance Assignments.

Fericle is beneficially owned as to 70% by Mr. Leung Lun and 30% by Mr. Leung Chung Ming. Accordingly, the security provided by Fericle under the Second Collateral Insurance Assignments constitutes a connected transaction under the Listing Rules. As the transactions under the Second Collateral Insurance Assignments and the Company's agreement to pay the expenses in connection with the Second Collateral Insurance Assignments fall within Rule 14A.65(4) of the Listing Rules, the transactions shall be exempted from reporting, announcement and the 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.

Reference is made to the announcements of the Company dated 21 August 2007 regarding the facility granted by a syndicate of banks under the Facility Agreement (the “**Facility Announcement**”) and 10 March 2008 in relation to the Loan granted to the Company by its controlling shareholder (the “**Loan Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Facility Announcement unless otherwise stated.

EXTENSION OF MATURITY DATE FOR REPAYMENT OF LOAN GRANTED TO THE COMPANY BY LC INVESTMENT UNDER THE LOAN AGREEMENT

Reference is made to the Loan Announcement. The Directors announce that, on 24 September 2008, the Company and LC Investment entered into the Extension Agreement pursuant to which LC Investment agreed to extend the maturity date for repayment of the Loan and all amounts outstanding under the Loan Agreement for further six months from the original repayment date to 6 March 2009. Save for the extension of the maturity date under the Loan Agreement, all other terms of the Loan Agreement remain unchanged and shall continue in full force and effect.

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 the Listing Rules, the provision of financial assistance to the Company by LC Investment contemplated under the Extension Agreement 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 Extension 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. The Directors (including the independent non-executive Directors) consider that the Extension Agreement and the terms thereof are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders.

SECURITY PROVIDED BY FERICLE UNDER THE SECOND COLLATERAL INSURANCE ASSIGNMENTS

As set out in the Facility Announcement and pursuant to the Facility Agreement, the Facility is secured by the Security Documents and once the outstanding amount of the loan made under the Facility or the principal amount outstanding for the time being of that loan is below HK\$120 million, all Securities Documents, including, among others, the Second Collateral Insurance Assignments, shall be released.

Pursuant to the Second Collateral Insurance Assignments, Fericle agrees to assign to the security trustee under the Facility Agreement (for the benefits of the lenders) all its right, title, interests and benefit under the Insurance Policies as a continuing security for all liabilities of the Company and the Guarantors under the Facility, subject to the existing collateral assignments.

In consideration of Fericle's entry into the Second Collateral Insurance Assignments, the Company had agreed to pay all expenses in connection with or incidental to the Second Collateral Insurance Assignments, including the payment of the insurance premium or interest under the Insurance Policies for a term of up to one year from the date of the Facility Agreement.

As at the date hereof, the outstanding loan under the Facility Agreement has not yet been reduced to less than HK\$120 million and the Securities Documents, including the Second Collateral Insurance Assignments, have not yet been released.

Fericle is principally engaged in, among other things, holding of the Insurance Policies and is beneficially owned as to 70% by Mr. Leung Lun and 30% by Mr. Leung Chung Ming. Accordingly, the security provided by Fericle under the Second Collateral Insurance Assignments (where no security over the assets of the Company is granted in respect thereof) constitutes a connected transaction under the Listing Rules. In consideration of Fericle agreeing to continue its provision of security under the Second Collateral Insurance Assignments, the Company agrees to pay all expenses in connection with or incidental to the Second Collateral Insurance Assignments, including the payment of the insurance premium or interest under the Insurance Policies up to the date of release of the Second Collateral Insurance Assignments.

The Directors (including the independent non-executive Directors) consider that the transactions under the Second Collateral Insurance Assignments and the Company's agreement to pay the expenses in connection with the Second Collateral Insurance Assignments are on normal commercial terms, fair and reasonable and are in the interests of the Company and its Shareholders as a whole. Hence, the transactions shall be exempted from reporting, announcement and the 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
“Extension Agreement”	the extension agreement dated 24 September 2008 entered into between the Company and LC Investment

“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 under the Loan Agreement or the principal amount outstanding from time to time of that loan
“Loan Agreement”	the loan agreement dated 7 March 2008 entered into between the Company as borrower and LC Investment as lender
“Major Shareholders”	Mr. Leung Lun and Mr. Leung Chung Ming, each an executive Director
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 24 September 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 O.B.E., J.P., Mr. Ko Peter, Ping Wah and Mr. Lai Yun Hung.