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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)**

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Lung Cheong International Holdings Limited (the “**Company**”) will be held at Unit 11, First Floor, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 31 August 2010 at 3:30 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 March 2010;
2. Each as a separate resolution, to re-elect each retiring Director who is proposed to be re-elected and to authorise the Directors to fix their remuneration;
3. To re-appoint the auditors of the Company and to authorise the Directors to fix their remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (1) subject to paragraph (3) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue or otherwise deal with additional ordinary shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for ordinary shares in the capital of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (2) the approval in paragraph (1) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (3) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) issued or dealt with by the Directors pursuant to the approval in paragraph (1) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of ordinary shares in lieu of the whole or part of a dividend on ordinary shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of ordinary shares upon the exercise of rights of subscription on conversion under the terms of any warrants of the Company or any securities which are convertible into ordinary shares, shall not exceed 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (4) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Company’s articles of association to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of ordinary shares, or offer or issue of warrants, options or other securities giving rights to subscribe for ordinary shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (1) subject to paragraph (2) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all powers of the Company to purchase ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the ordinary shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (2) the aggregate nominal amount of ordinary shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (1) above shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (3) for the purpose of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Company’s articles of association to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT** subject to the passing of resolutions no. 4 and no. 5 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue or otherwise deal with additional ordinary shares pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such amount of ordinary shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of passing the said resolution.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:
- (i) “**THAT** the memorandum of association of the Company be amended in the following manner:
- (a) By deleting the phrase “The Companies Law (1998 Revision)” and substituting therefor with the phrase “The Companies Law (2010 Revision)” for all references to the Companies Law in the memorandum of association;
  - (b) By deleting the phrase “Section 7(4) of the Companies Law (1998 Revision)” in the existing paragraph 4 and substituting therefor with the phrase “Section 7(4) of the Companies Law (2010 Revision)”;
  - (c) By deleting the following words from the beginning of the existing paragraph 6:  
  
“The share capital of the Company is HK\$100,000,000.00 divided into 1,000,000,000 shares of a nominal or par value of HK\$0.10 each”  
  
and substituting therefor with the following words:  
  
“The share capital of the Company is HK\$1,000,000,000.00 divided into 10,000,000,000 ordinary shares of a nominal or par value of HK\$0.10 each”;
  - (d) By deleting the phrase “Section 193 of the Companies Law (1998 Revision)” in the exiting paragraph 7 and substituting therefor with the phrase “Section 174 of the Companies Law (2010 Revision)”.
- (ii) “**THAT** the articles of association of the Company be amended in the following manner:
- (a) By deleting the phrase “The Companies Law (1998 Revision)” and substituting therefor with the phrase “The Companies Law (2010 Revision)” for all references to the Companies Law in the articles of association;

(b) By inserting the following new definitions in Article 2 in alphabetical order:

<b>Corporate Communication</b>	“Corporate Communication” shall mean any document issued or to be issued by the Company for information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;
<b>Company’s website</b>	“Company’s website” shall mean the website of the Company, the address or domain name of which the corporate information (including Corporate Communication) of the Company is hoisted;
<b>electronic</b>	“electronic” shall have the meaning ascribed thereto in the Electronic Transactions Law;
<b>electronic means</b>	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;
<b>Electronic Signature</b>	“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
<b>Electronic Transactions Law</b>	“Electronic Transactions Law” shall mean the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
<b>Published on the Exchange’s website</b>	“published on the Exchange’s website” shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;
<b>Section 8 of the Electronic Transactions Law</b>	Section 8 of the Electronic Transactions Law shall not apply to the Company;

- (c) By deleting the following words from the beginning of the existing Article 3:

“The authorised share capital of the Company at the date of adoption of this Article is HK\$100,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.10 each”

and substituting therefor with the following words:

“The authorised share capital of the Company at the date of adoption of this Article is HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.10 each”;

- (d) By deleting the words “, and that any holder of shares of the class present in person or by proxy may demand a poll” from the end of the existing Article 6(a);
- (e) By deleting the existing Article 15(c) in its entirety and substituting therefor with the following new Article 15(c):

“The register may, on the Company giving at least 14 days’ notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”;

- (f) By deleting the existing Article 28 in its entirety and substituting therefor with the following new Article 28:

**“Notice of call may be served by electronic means or published in newspaper**

28. In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.”;

- (g) By deleting the existing Article 44 in its entirety and substituting therefor with the following new Article 44:

“The registration of transfers may, on the Company giving at least 14 days’ notice by advertisement published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register may, subject to the requirements in Article 15(c), be closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).”;

- (h) By deleting the following words from the beginning of the existing Article 73(a):

“An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days’ notice in writing and any other extraordinary general meeting shall be called by not less than 14 days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given,”

and substituting therefor with the following words:

“An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days’ notice in writing (or such longer period as may from time to time be required under the applicable laws and regulations, including without limitation to the Listing Rules) and any other extraordinary general meeting shall be called by not less than 14 days’ notice in writing (or such longer period as may from time to time be required under the applicable laws and regulations, including without limitation to the Listing Rules). Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.”;

- (i) By deleting the words “, on a poll,” immediately after the words “to appoint a proxy to attend and” in the existing Article 73(c);



- (j) By deleting the existing Article 80 in its entirety and substituting therefor with the following new Article 80:

**“Voting at general meetings**

80. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The result of a poll shall be deemed to be the resolution of a meeting and the Company shall announce the results of the poll in the manner prescribed under the Listing Rules.”;

- (k) By deleting the existing Articles 81(a) and 81(b) in their entirety and substituting therefor the following new Article 81:

**“Poll**

81. A poll shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman directs.”;

- (l) By deleting the existing Article 82 in its entirety and substituting therefor with the following new Article 82:

“Any poll on the election of a Chairman of a meeting or question of adjournment shall be decided at the meeting and without adjournment.”;

- (m) By deleting the existing Article 83 in its entirety and substituting therefor with the following new Article 83:

“In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.”;

- (n) By deleting the existing Article 85 in its entirety and substituting therefor with the following new Article 85:

“Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in such member’s name in the register. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognized clearing house (or its nominee(s)), each proxy is under no obligation to cast all his votes in the same way.”;



- (o) By deleting the words “, whether on a show of hands or on a poll,” immediately after the words “managing his affairs may vote” in the existing Article 88;
- (p) By deleting the words “or demand for a poll” immediately after the words “, reject his vote” in the existing Article 90A;
- (q) By deleting the words “to demand or join in demanding a poll and” immediately after the words “confer authority” in the existing Article 94;
- (r) By deleting the existing Article 124 in its entirety and substituting therefor with the following new Article 124:

“A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board which may be held in any part of the world provided that no such meeting shall be summoned to be held outside Hong Kong without the prior approval of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram or by electronic means at the address or telephone, facsimile or telex number, or electronic mail number or address, from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine.”;

- (s) By deleting the existing Article 167(a) in its entirety and substituting therefor with the following new Article 167(a):

“Except as otherwise provided in these Articles, any notice or document (including a share certificate) may be served by the Company or by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means, including but not limited to electronic mail number or address or website supplied by the member to the Company or by making it available for examination by the member using electronic means, including the posting of such notice or document on the Company’s website or web pages, provided that if any such notice or document is to be sent or made available to any member by using electronic means, the Company or the Board must first have received from the relevant member (a) an express positive confirmation in writing or (b) the member’s deemed consent in the manner prescribed under the Listing Rules that the member wants to receive or to have made available to him such notice or document by the electronic means that the Company or the Board have suggested or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given alone to that joint holder first named in the register and notice so given shall be sufficient notice to all the joint holders.”;

- (t) By deleting the existing Article 168(a) in its entirety and substituting therefor with the following new Article 168(a):

“A member shall be entitled to have notice served on him at any address within Hong Kong. The Company shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. Any member who has not given an express positive confirmation in writing to the Company or is not deemed to have given an express confirmation in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”;

- (u) By inserting the following words “by advertisement published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or” immediately after the words “if the Board sees fit,” in the existing Article 168(b);

- (v) By adding the following sentence at the end of the existing Article 169:

“Any notice or document sent or made available by using electronic means as provided herein shall be deemed to have been served or delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.”;

- (w) By inserting the words “or sent by electronic means” immediately after the words “or sent by post” in the existing Article 172;

- (x) By deleting the existing Article 173 in its entirety and substituting therefor with the following new Article 173:

“The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”.

- (iii) “**THAT** the amended and restated memorandum and articles of association of the Company consolidating all of the proposed amendments referred to in paragraphs (i) and (ii) above and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings in the form produced to the meeting, a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification, be and are hereby approved and adopted as the amended and restated memorandum and articles of association of the Company in substitution for and to the exclusion of all the existing memorandum and articles of association of the Company with immediate effect.”

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

Hong Kong, 30 July 2010

*Notes:*

1. The register of members of the Company will be closed from 26 August 2010 to 31 August 2010 (both dates inclusive), during which period no transfer of shares of the Company will be effected.
2. In order to qualify for the attendance and voting at the general meeting, all transfers accompanied by the relevant shares certificates for registration must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 25 August 2010.
3. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who must be an individual or individuals) to attend and vote instead of him. A proxy need not be a member of the Company.
4. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Concerning resolutions no. 4 and 6 above, approval is being sought from members as a general mandate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to allot, issue or otherwise deal with ordinary shares of the Company up to 20 per cent of the issued ordinary share capital of the Company as at the date of passing of the relevant resolutions.
6. In relation to resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company.

7. The existing board of Directors comprises five executive Directors, namely, Mr. Leung Lun, Mr. Leung Chung Ming, Mr. Zhong Bingquan, Ms. Cheng Yun Tai and Mr. Wong, Andy Tze On, a non-executive Director, namely, Dr. Ko Peter, Ping Wah and three independent non-executive Directors, namely, Mr. Wong Lam, O.B.E., J.P., Mr. Ye Tian Liu and Mr. Lai Yun Hung.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

*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., Dr. Ko Peter, Ping Wah and Mr. Lai Yun Hung.*