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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)

TERMINATION OF NEGOTIATION ON THE PROPOSED TRANSACTIONS

This announcement is made by Lung Cheong International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 31 January 2012 (the “**Announcement**”) in relation to unusual price and trading volume movements. As disclosed in the Announcement, the Company was in the course of negotiations for a series of transactions (the “**Proposed Transactions**”) involving possible issue of new shares and convertible notes to a subscriber and placing of new shares and convertible notes to a number of independent third party(ies).

The Board would like to inform shareholders of the Company that the parties involved in the Proposed Transactions could not reach agreement on major terms in respect of the Proposed Transactions and the negotiation of the Proposed Transactions have therefore been terminated with immediate effect.

By order of the Board
Lung Cheong International Holdings Limited
Leung Lun
Chairman

Hong Kong, 20 April 2012

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. Leung Lun and Mr. Wong, Andy Tze On; and three independent non-executive directors, namely Mr. Wong Lam, O.B.E., J.P., Mr. Ye Tian Liu and Mr. Lai Yun Hung.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* For identification purposes only