

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **VOLUNTARY ANNOUNCEMENT SUPPLEMENTAL AGREEMENT IN RELATION TO THE FORMATION OF JOINT VENTURE COMPANY WITH QINGDAO GOODAYMART LEJIA TRADING CO., LTD.**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 7 August 2014 (after trading hours), Qingdao Oasis, an indirect wholly-owned subsidiary of the Company, and Goodaymart, an indirect wholly-owned subsidiary of Haier Electronics, entered into the Supplemental Agreement, pursuant to which Qingdao Oasis and Goodaymart agreed to, among other things, amend and supplement the terms of the JV Agreement to the effect that upon the establishment of the JV Company, Qingdao Oasis and Goodaymart will own 51% and 49% of the shareholding interest in the JV Company respectively.

The transactions contemplated under the Supplemental Agreement together with the JV Agreement do not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is published by the Company on a voluntary basis.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 22 April 2014 in relation to, among other things, the formation of the joint venture company with Goodaymart (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Board is pleased to announce that on 7 August 2014 (after trading hours), Qingdao Oasis, an indirect wholly-owned subsidiary of the Company, and Goodaymart, an indirect wholly-owned subsidiary of Haier Electronics, entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which Qingdao Oasis and Goodaymart agreed to, among other things, amend and supplement the terms of the JV Agreement to the effect that upon the establishment of the JV Company, Qingdao Oasis and Goodaymart will own 51% and 49% of the shareholding interest in the JV Company respectively. Major amended terms under the Supplemental Agreement are set out below.

\* *For identification purposes only*

## **THE SUPPLEMENTAL AGREEMENT**

### **Date:**

7 August 2014

### **Parties:**

- (1) Qingdao Oasis; and
- (2) Goodaymart.

As at the date of this announcement, Goodaymart is an indirect wholly-owned subsidiary of Haier Electronics (Hong Kong stock code: 1169).

As at the date of this announcement, Haier Electrical Appliances, a substantial shareholder of the Company, is wholly owned by Haier Investment. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, and based on the latest disclosure of interest in shareholding of Haier Electronics published on the website of the Stock Exchange in April 2014, Haier Electronics is owned as to approximately 12.93% by Haier Investment; as to approximately 45.78% by Qingdao Haier Co., Ltd. and its wholly owned subsidiary, namely, Haier Shareholdings (Hong Kong) Limited. Qingdao Haier Co., Ltd. is in turn owned as to approximately 19.71% by Haier Corp; and as to approximately 23.13% by Haier Electrical Appliances Co Ltd, a company which is owned as to approximately 51.20% by Haier Corp and as to approximately 48.80% by Haier Investment.

On the basis of the aforesaid shareholding interest available to the Company, and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, Haier Electronics is not considered as an associate of Haier Electrical Appliances, and save as disclosed herein, Goodaymart and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **Establishment of the JV Company**

Qingdao Oasis and Goodaymart have incorporated the JV Company in the PRC as a limited company and the share capital of which will be owned as to 51% by Qingdao Oasis and as to 49% by Goodaymart.

### **Capital contribution**

The share capital of the JV Company shall be RMB15,000,000, which shall be contributed as to 51% (equivalent to RMB7,650,000) by Qingdao Oasis and as to 49% (equivalent to RMB7,350,000) by Goodaymart. All capital contribution shall be contributed in cash. The capital contribution was determined after arm's length negotiation of the JV Parties with reference to the initial capital requirement of the JV Company.

### **Board composition**

The board of directors of the JV Company shall consist of five (5) directors, three (3) of which shall be nominated by Qingdao Oasis and two (2) of which shall be nominated by Goodaymart. The chairman and vice-chairman of the board of directors of the JV Company shall be nominated by Qingdao Oasis and Goodaymart respectively.

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT**

The Directors are of the view that the amendments under the Supplemental Agreement provide a valuable opportunity for the Company to increase its interest in the JV Company and thus enable the Group to exercise more effective control over the business and operations of the JV Company. Upon establishment of the JV Company, the JV Company will become a non-wholly owned subsidiary of the Company and the financial results of the JV Company will be consolidated into the financial results of the Group.

The transactions contemplated under the Supplemental Agreement together with the JV Agreement do not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is published by the Company on a voluntary basis.

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

Hong Kong, 7 August 2014

*As at the date of this announcement, the executive Directors are Mr. Leung Lun, M.H. (Chairman and Chief Executive), Mr. Wong, Andy Tze On and Ms. Fang Fang; and the independent non-executive Directors are Mr. Ye Tian Liu, Mr. Lai Yun Hung and Dr. Ko Peter, Ping Wah.*