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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)

COMPLETION OF PLACING

The Board is pleased to announce that all the conditions precedent of the Placing as set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on 13 June 2012. 500,000,000 Placing Shares with an aggregate of 500,000,000 unlisted Warrants attached have been successfully placed by the Placing Agent to not fewer than six Placees in accordance with the terms and conditions of the Placing Agreement.

Reference is made to the announcement of the Company dated 25 April 2012 (the “**Announcement**”) and the circular of the Company dated 16 May 2012 (the “**Circular**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions precedent of the Placing as set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on 13 June 2012. 500,000,000 Placing Shares with an aggregate of 500,000,000 unlisted Warrants attached have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$0.15 per Placing Share and Issue Price of HK\$0.01 per Warrant in accordance with the terms and conditions of the Placing Agreement.

To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, (i) the Placees and their ultimate beneficial owners (if any) are third parties independent of and are not connected with the Company and its connected persons (as defined under the Listing Rules); and (ii) none of the Placees and their respective associates becomes a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing.

The net proceeds (net of any related expenses borne by the Company) from the Placing amounted to approximately HK\$77 million.

* For identification purposes only

CHANGES IN SHAREHOLDING STRUCTURE

The 500,000,000 Placing Shares represent approximately (i) 16.91% of the issued share capital of the Company immediately before completion of the Placing and (ii) 14.46% of the issued share capital of the Company as enlarged by the issue of the 500,000,000 Placing Shares. The table below sets out the shareholding structure of the Company (i) immediately before completion of the Placing; (ii) upon completion of the Placing and before exercise of the subscription rights attaching to the Warrants; and (iii) upon completion of the Placing and fully exercise of the subscription rights attaching to the Warrants:

	Immediate before completion of the Placing		Upon completion of the Placing and before exercise of the subscription rights attaching to the Warrants		Upon completion of the Placing and fully exercise of the subscription rights attaching to the Warrants	
	<i>Number of Shares held</i>	<i>Approximate shareholding percentage</i>	<i>Number of Shares held</i>	<i>Approximate shareholding percentage</i>	<i>Number of Shares held</i>	<i>Approximate shareholding percentage</i>
Lung Cheong Investment Limited	1,499,082,240 <i>(Note)</i>	50.68%	1,499,082,240 <i>(Note)</i>	43.35%	1,499,082,240 <i>(Note)</i>	37.88%
Public Shareholders						
Other public Shareholders	1,458,675,757	49.32%	1,458,675,757	42.19%	1,458,675,757	36.86%
Places	–	–	500,000,000	14.46%	500,000,000	12.63%
Holder(s) of Warrant(s)	–	–	–	–	500,000,000	12.63%
Total	<u>2,957,757,997</u>	<u>100.00%</u>	<u>3,457,757,997</u>	<u>100.00%</u>	<u>3,957,757,997</u>	<u>100.00%</u>

Note:

Lung Cheong Investment Limited is the existing controlling shareholder of the Company and a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Rare Diamond Limited, a company incorporated in the British Virgin Islands which in turn is owned as to 70% by Mr. Leung Lun, an executive director of the Company and 30% by Mr. Leung Chung Ming, who is the brother of Mr. Leung Lun.

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

Hong Kong, 13 June 2012

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