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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a significant decrease in profit for the six months ended 30 September 2012 as compared to the profit recorded by the Group for the six months ended 30 September 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Lung Cheong International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a significant decrease in profit for the six months ended 30 September 2012 as compared to the profit recorded by the Group for the six months ended 30 September 2011.

Based on the relevant information currently available to the Company, decline in consolidated profit was primarily attributable to the fact that there was a one-off gain on disposal of the Company’s subsidiaries for the six months ended 30 September 2011 which did not occur for the same period in this year and the decrease in sales of the Group for the current period.

As the Company is in the process of finalizing the interim result of the Company for the six months ended 30 September 2012, the information contained in this announcement is only based on the preliminary assessment of the Company's management according to the unaudited accounts of the Group. Details of the Group's performance will be disclosed in its final results announcement for the six months ended 30 September 2012 which is expected to be published on or before 27 November 2012.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 November 2012

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

* For identification purposes only