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LONGKING 龍工
LONGKING HOLDINGS LIMITED
中國龍工控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3339)

PROPOSED BONUS ISSUE OF SHARES

PROPOSED BONUS ISSUE

The Board recommended a Bonus Issue which will be made on the basis of one Bonus Share for every one existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. Such Bonus Shares will rank pari passu in all respect with the Shares.

To qualify for the Bonus Issue, any transfer of Shares must be lodged for registration by 4:30 p.m. on 25 May 2009. The register of members of the Company will be closed from 26 May 2009 to 29 May 2009, both days inclusive, during which period no transfer of Shares will be effected.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Bonus Shares.

GENERAL

A circular containing, among other things, further information on the Bonus Issue together with the notice of the AGM, will be dispatched to the Shareholders as soon as practicable.

PROPOSED BONUS ISSUE

The Board is pleased to announce that it has resolved to recommend a Bonus Issue to the Shareholders in recognition of their continual support. The Bonus Issue is proposed to be made to the Qualifying Shareholders whose names appears on the register of members of the Company on the Record Date. The terms of the Bonus Issue are set out below.

Basis of Bonus Issue

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Issue is proposed to be made on the basis of one Bonus Share for every one existing Share held by the Qualifying Shareholders on the Record Date. On the basis of 1,070,025,000 existing Shares in issue as at the date of this announcement, and assuming that no further Shares will be issued or repurchased before the Record Date, 1,070,025,000 Bonus Shares will be issued pursuant to the Bonus Issue.

Record Date and Closure of Register of Members

The Bonus Shares will be issued to the Qualifying Shareholders. The Directors will seek advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to Overseas Shareholders.

The register of members of the Company will be closed from 26 May 2009 to 29 May 2009, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Ltd. at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 25 May 2009.

Detailed timetable in respect of the Bonus Issue will be set out in the circular to be dispatched to the Shareholders as soon as practicable.

Conditions of the Bonus Issue

The Bonus Issue is conditional, among other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM for approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the Companies Law to effect the Bonus Issue.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

Reasons for the Bonus Issue

The Board believes that the Bonus Issue is a return to the continual support of the Shareholders. In addition, the Board believes that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the Company's shareholder and capital base.

Status of Bonus Shares

The Bonus Shares, upon issued, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

GENERAL

A circular containing, among other things, further information on the Bonus Issue together with a notice convening the AGM, will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“AGM”	the annual general meeting of the Company to be held on Friday, 29 May 2009
“Board”	board of Directors
“Bonus Issue”	issue of one Bonus Shares for every one existing Share to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of Bonus Issue by the Company as described herein
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Lonking Holdings Limited (stock code: 3339), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Listing Committee”	the listing committee of the Stock Exchange
“Overseas Shareholders”	holders of Shares whose addresses as shown on the register of members on the Record Date are outside Hong Kong
“Qualifying Shareholders”	holders of Shares who are entitled to the Bonus Issue, excluding Overseas Shareholders who the Board, after seeking advice from various overseas counsel(s), considers it necessary on the account of legal restrictions or impracticality under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue to them
“Record Date”	29 May 2009, being the date for determining the entitlement to the Bonus Issue

“Share(s)”	existing ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Lonking Holdings Limited
Li San Yim
Chairman

Hong Kong, 8 April 2009

As at the date of this announcement, Mr. Li San Yim, Mr. Qiu Debo, Mr. Luo Jianru, Dr. Mou Yan Qun, Mr. Chen Chao, Mr. Lin Zhong Ming are the executive Directors, Ms. Ngai Ngan Ying and Ms. Fang Deqin are the non-executive Directors and Professor Wang Fanghu, Dr. Qian Shizheng and Mr. Han Xuesong are the independent non-executive Directors.

* *For identification purposes only*