



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE AND CONNECTED TRANSACTION

Offer to acquire all the ordinary shares in Lung Kee Metal Holdings Limited (listed on the Singapore Exchange Securities Trading Limited)

Further to the announcement dated 14th May 2002 in relation to the possible discloseable and connected transaction, the directors of the Company are pleased to announce that the Offer has become unconditional as of 5:00 p.m. on 2nd July 2002.

INTRODUCTION

On 14th May 2002, the directors of the Company made an announcement on the possible discloseable and connected transaction where the Company's wholly-owned subsidiary, Yeekon, intends to make the Offer to acquire all the ordinary shares of LKM. Details of the Offer have been set out in the announcement.

OFFER DECLARED UNCONDITIONAL

The directors of the Company are pleased to announce that OCBC declared in Singapore on 2nd July 2002, for and on behalf of Yeekon that the Offer has become unconditional as of 5:00 p.m. on 2nd July 2002.

LEVEL OF ACCEPTANCES

As of 5:00 p.m. on 2nd July 2002, Yeekon has received valid acceptances pursuant to the options proposal in respect of 11,306,250 Options, representing 100% of the total outstanding Options as at the date of this announcement. Accordingly, the issued share capital of LKM will not be increased further. As of 5:00 p.m. on 2nd July 2002, Yeekon has received valid acceptances of the Offer in respect of 237,507,650 Offer Shares representing approximately 95.47% of the issued share capital of LKM as of the date of this announcement. Included in the valid acceptances of the Offer are acceptances received from parties acting or deemed to be acting in concert with Yeekon, including BVI, Mr. Siu Tit Lung, the chairman of LKM and the Company and Mr. Siu Yuk Lung, the managing director of LKM and the Company and Mr. Mak Koon Chi and Mr. Wai Lung Shing, both directors of LKM and the Company, in respect of 191,500,000 Offer Shares (based on information available to Yeekon as at the date of this announcement).

Prior to 14th May 2002, (i) Yeekon did not own or control and had not agreed to acquire any LKM Shares and (ii) parties acting or deemed to be acting in concert with Yeekon together own, control or had agreed to acquire an aggregate of 191,500,000 LKM Shares (based on enquiries made prior to 14th May 2002 which, in the interests of confidentiality, were limited to only the Company and its wholly-owned subsidiaries and the directors of these companies), representing approximately 77% of the issued share capital of LKM. Since 14th May 2002, neither Yeekon nor any party acting or deemed to be acting in concert with Yeekon had acquired or agreed to acquire any LKM Shares except pursuant to acceptances of the Offer.

FINAL CLOSING DATE OF THE OFFER

The final closing date of the Offer will be extended from 3:30 p.m. on 3rd July 2002 to 3:30 p.m. on 17th July 2002 (the "Final Closing Date"). Yeekon has no intention of extending the Offer beyond the Final Closing Date. Accordingly, the Offer will not be open for acceptance beyond 3:30 p.m. on the Final Closing Date. Any acceptances received after 3:30 p.m. on the Final Closing Date will be rejected.

COMPULSORY ACQUISITION AND DELISTING

Pursuant to the Listing Manual of the SGX-ST, as Yeekon has received acceptances representing more than 90% of the issued share capital of LKM, the SGX-ST will suspend the listing of the LKM Shares on the Main Board of the SGX-ST with effect from 9:00 a.m. on 3rd July 2002 until such time as it is satisfied that at least 10% of the LKM Shares are held by at least 1,000 shareholders who are members of the public. As Yeekon does not intend to undertake any placement of LKM Shares to comply with the SGX-ST shareholding spread requirement, no action will be undertaken to re-instate the listing of the LKM Shares on the Main Board of the SGX-ST.

As Yeekon has already received acceptances of the Offer representing more than 90% of the issued share capital of LKM, Yeekon is entitled to and it intends to, exercise the right of compulsory acquisition of all the LKM Shares held by dissenting shareholders pursuant to the Bermuda Companies Act.

Subsequent to such compulsory acquisition, LKM will become a wholly-owned subsidiary of Yeekon and an application will be made to delist the LKM Shares from the Main Board of the SGX-ST.

SECONDARY LISTING

An application for the secondary listing of and quotation for all the Shares (including the new Shares to be issued pursuant to the Offer) on the official list of the SGX-ST has been made to the SGX-ST. The approval of the secondary listing, which is still pending, and the date of admission of the Company to the official list of the SGX-ST will be determined by the SGX-ST.

INTERPRETATION

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

"Bermuda Companies Act"	The Companies Act 1981 of Bermuda
"BVI"	LKM (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Company"	Lung Kee (Bermuda) Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange of Hong Kong Limited
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"LKM"	Lung Kee Metal Holdings Limited, a company incorporated in Bermuda whose LKM Shares are listed on SGX-ST and an indirect subsidiary of the Company
"LKM Shares"	the ordinary shares of HK\$1.00 each in the capital of LKM
"OCBC"	Oversea-Chinese Banking Corporation Limited, a Singapore-based financial service group whose shares are listed on SGX-ST
"Offer"	the voluntary conditional offer to be made by Yeekon to acquire all the issued and paid-up LKM Shares
"Offer Shares"	the LKM Shares subject to the Offer and for the purpose of the Offer, shall include such new LKM Shares pursuant to the exercise of the Options under the employee share option scheme of LKM
"Option"	the options to subscribe for new LKM Shares granted under the employee share option scheme of LKM
"SGX-ST"	the Singapore Exchange Securities Trading Limited
"Shares"	ordinary share of HK\$0.10 each in the share capital of the Company
"Yeekon"	Yeekon Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company

By Order of the Board of
Lung Kee (Bermuda) Holdings Limited
Wai Lung Shing
Director and Company Secretary

Hong Kong, 2nd July 2002