



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 and 2nd July 2002 in relation to a possible discloseable and connected transaction, the directors of the Company are pleased to announce that the Offer closed at 3:30 p.m. on 17th July 2002.

INTRODUCTION

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

On 2nd July 2002, the directors of the Company announced that OCBC had declared in Singapore on 2nd July 2002, for and on behalf of Yeekon that the Offer had become unconditional as of 5:00 p.m. 2nd July 2002.

CLOSE OF THE OFFER

The directors of the Company are pleased to announce that OCBC has declared in Singapore on 17th July 2002, for and on behalf of Yeekon that the Offer closed at 3:30 p.m. on 17th July 2002.

LEVEL OF ACCEPTANCES AS AT THE FINAL CLOSING DATE

As of 3:30 p.m. on 17th July 2002, Yeekon has received valid acceptances of the Offer in respect of 241,849,650 Offer Shares, in aggregate, representing approximately 97.2% of the issued share capital of LKM as at the date of this announcement. Of the 241,849,650 Offer Shares tendered for acceptances, 239,472,100 Offer Shares have been tendered in respect of the Cash Alternative and the balance of 2,377,550 Offer Shares in respect of the Share cum Cash Offer. Accordingly, 2,377,550 new Shares will be issued to the shareholders of LKM who have elected the Share cum Cash Offer. 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), representing approximately 77% of the issued share capital of LKM as at the date of this announcement.

As of 3:30 p.m. on 17th 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.

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 owned, controlled 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 as at the date of this announcement. Between 14th May 2002 and 3:30 p.m. on 17th July 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.

COMPULSORY ACQUISITION AND DELISTING

As Yeekon has already received acceptances of the Offer representing more than 95% 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

The SGX-ST has granted in-principle approval for the secondary listing of and quotation for all the Shares (including the new Shares to be issued pursuant to the Offer and the compulsory acquisition) on the Main Board of the SGX-ST. Application has been made to the Stock Exchange for the listing of and permission to deal in the new Shares to be issued on the Stock Exchange.

The Shares are expected to commence trading on the Main Board of the SGX-ST on 23rd July 2002.

INTERPRETATION

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

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| "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 |
| "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 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 |
| "Stock Exchange" | The Hong Kong Stock Exchange Limited |
| "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, 17th July 2002