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## LUNG KEE (BERMUDA) HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

### PLACEMENT BY CONTROLLING SHAREHOLDERS

Lung Kee (Bermuda) Holdings Limited (the "Company") has been informed by Siu Tit Lung and Siu Yuk Lung (together, the "Controlling Shareholders") that they have entered into placing arrangements on 16 July 2003 with CLSA Limited to sell a total of up to 35 million shares of the Company at HK\$3.00 per share to several funds. CLSA Limited shall on a best endeavours basis place these shares to funds which are parties independent of and not connected with any of the directors, chief executives or substantial shareholders of the Company or any of their respective associates.

The Company has been informed by the Controlling Shareholders that they have entered into placing arrangements on 16 July 2003 with CLSA Limited to sell a total of up to 35,000,000 shares of the Company (representing about 7.16% of the existing issued share capital of the Company) to several funds. CLSA Limited shall on a best endeavours basis place these shares to funds which are parties independent of and not connected with any of the directors, chief executives or substantial shareholders of the Company or any of their respective associates, at HK\$3.00 per share. Completion will take place on 21 July 2003.

CLSA Limited is independent of and not connected with any of the directors, chief executives or substantial shareholders of the Company or any of their respective associates.

The shareholding of the Controlling Shareholders before and after the disposal is as follows:

<b>Before Disposal</b>		<b>After Disposal</b>	
<b>Number of shares held</b>	<b>%</b>	<b>Number of shares held</b>	<b>%</b>
<u>354,730,030</u>	<u>72.58</u>	<u>319,730,030</u>	<u>65.42</u>

The Controlling Shareholders effected the disposal in order to broaden and strengthen the shareholder base of the Company. Such sale of shares by the Controlling Shareholders will have no material adverse impact on the Company.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board  
**Wai Lung Shing**  
*Director and Company Secretary*