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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Lung Kee (Bermuda) Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

**DISCLOSEABLE AND CONNECTED TRANSACTION
FOR THE DISPOSAL OF INTERESTS IN SKY LUCKY METAL LIMITED
AND SKY LUCKY STEEL LIMITED**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the board of directors of Lung Kee (Bermuda) Holdings Limited is set out on pages 3 to 9 of this circular and a letter from the Independent Board Committee (as defined herein) is set out on page 10 of this circular. A letter from the Independent Financial Adviser (as defined herein) containing its advice to the Independent Board Committee and the independent Shareholders is set out on pages 11 to 17 of this circular.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Agreement”	an agreement in Chinese writing dated 8 September 2006 entered into between LKM (BVI) and Zoto and Mr. Li in respect of the Disposal
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Lung Kee (Bermuda) Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are primarily listed on the Stock Exchange and secondarily listed on The Singapore Exchange Securities Trading Limited
“Completion Date”	the date of completion of the Agreement, which shall be on 6 October 2006 or such other date as agreed between LKM (BVI) and Zoto in writing, provided that the condition to the Agreement has been fulfilled
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration for the Disposal in the amount of HK\$25,800,000 payable by Zoto in cash pursuant to the terms of the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 60% interest in Sky Lucky Metal and 70% interest in Sky Lucky Steel by LKM (BVI) pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising Mr. Liu Wing Ting, Stephen, Dr. Lee Tat Yee and Mr. Lee Joo Hai
“Independent Financial Adviser”	Kingsway Capital Limited, a corporation licensed to conduct type 6 (advising on corporate finance) of the regulated activity under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the independent Shareholders on the Disposal
“Latest Practicable Date”	25 September 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LKM (BVI)”	LKM (BVI) Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands and is an investment holding company holding 60% and 70% interests in Sky Lucky Metal and Sky Lucky Steel respectively as at the Latest Practicable Date

DEFINITIONS

“Mr. Li”	Mr. Li Siu Cheung (李兆祥), a director and a substantial shareholder of Sky Lucky Metal and Sky Lucky Steel and a connected person of the Company at the subsidiary level
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Sky Lucky Metal”	Sky Lucky Metal Limited, a company incorporated in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of the Company which is owned as to (i) 60% by LKM (BVI), (ii) 30% by Mr. Li, and (iii) 10% by Zoto as at the Latest Practicable Date
“Sky Lucky Steel”	Sky Lucky Steel Limited, a company incorporated in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of the Company which is owned as to (i) 70% by LKM (BVI), and (ii) 30% by Mr. Li as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Zoto”	Zoto Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 90% by Mr. Li and as to 10% by the spouse of Mr. Li as at the Latest Practicable Date
“%”	per cent.

LETTER FROM THE BOARD



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

Executive Directors:

Siu Tit Lung (*Chairman*)
Siu Yuk Lung (*Managing Director*)
Mak Koon Chi
Wai Lung Shing
Fung Wai Hing

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-executive Director:

Chan Chun Sing, Colin

*Head office and principal place of
business in Hong Kong:*

2nd Floor
Cheung Kong Electronic Building
4 Hing Yip Street
Kwun Tong
Kowloon
Hong Kong

Independent Non-executive Directors:

Liu Wing Ting, Stephen, JP
Lee Tat Yee
Lee Joo Hai

29 September 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION FOR THE DISPOSAL OF INTERESTS IN SKY LUCKY METAL LIMITED AND SKY LUCKY STEEL LIMITED

1. INTRODUCTION

On 8 September 2006, the Board announced that LKM (BVI) (a wholly-owned subsidiary of the Company) as vendor entered into the Agreement with Zoto as purchaser and Mr. Li as existing shareholder of Sky Lucky Metal and Sky Lucky Steel in relation to the Disposal, which constitutes a connected transaction for the Company under the Listing Rules.

Mr. Li is a director and a substantial shareholder of both Sky Lucky Metal and Sky Lucky Steel and hence a connected person of the Company under the Listing Rules. As at the Latest Practicable Date, Mr. Li has direct and/or indirect control of 40% of the voting rights of Sky Lucky Metal, which is owned as to 30% by Mr. Li and 10% by Zoto (a company which is owned as to 90% by Mr. Li and as to 10% by his spouse). Sky Lucky Steel is an indirect non wholly-owned subsidiary of the Company which is owned as to 70% by LKM (BVI) and 30% by Mr. Li. Accordingly, the signing of the Agreement constitutes a connected transaction for the Company under Rule 14A.16(5) of the Listing Rules.

LETTER FROM THE BOARD

The value of the Consideration under the Agreement is HK\$25,800,000. As the profits ratio (as defined in the Listing Rules) of the Disposal exceeds 5% but is less than 25%, such connected transaction also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board appointed the Independent Board Committee to consider and advise the independent Shareholders on the terms of the Disposal, and the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders on whether the terms of the Disposal are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The purpose of this circular is (i) to provide the Shareholders with further information on the Disposal, (ii) to set out the letter from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders on the terms of the Disposal, and (iii) to give other information on the Company as required by the Listing Rules.

2. THE DISPOSAL

On 8 September 2006, LKM (BVI) (a wholly-owned subsidiary of the Company) as vendor entered into the Agreement with Zoto as purchaser and Mr. Li as existing shareholder of Sky Lucky Metal and Sky Lucky Steel in relation to the Disposal, which constitutes a connected transaction for the Company under the Listing Rules.

Details of the Agreement

Date	: 8 September 2006
Parties	: (1) LKM (BVI) as vendor (2) Zoto as purchaser (3) Mr. Li as existing shareholder of Sky Lucky Metal and Sky Lucky Steel
Assets to be disposed of	: (1) LKM (BVI)'s 60% interest in Sky Lucky Metal, being its entire shareholding interest in Sky Lucky Metal as at the Latest Practicable Date; and (2) LKM (BVI)'s 70% interest in Sky Lucky Steel, being its entire shareholding interest in Sky Lucky Steel as at the Latest Practicable Date.

Sky Lucky Metal is a limited company incorporated in Hong Kong on 3 August 1993 and is owned as to (i) 60% by LKM (BVI), (ii) 30% by Mr. Li, and (iii) 10% by Zoto as at the Latest Practicable Date. Upon completion of the Agreement, Sky Lucky Metal will become owned as to (i) 30% by Mr. Li, and (ii) 70% by Zoto, whereby Sky Lucky Metal will cease to be a subsidiary of the Company.

Sky Lucky Steel is a limited company incorporated in Hong Kong on 17 September 1996 and is owned as to (i) 70% by LKM (BVI), and (ii) 30% by Mr. Li as at the Latest Practicable Date. Upon completion of the Agreement, Sky Lucky Steel will become owned as to (i) 30% by Mr. Li, and (ii) 70% by Zoto, whereby Sky Lucky Steel will cease to be a subsidiary of the Company.

LETTER FROM THE BOARD

Consideration and completion : The Consideration for the Disposal is HK\$25,800,000, payable by Zoto in cash in the following manner:

- (a) HK\$12,000,000, being the first installment of the Consideration, payable by Zoto on the Completion Date;
- (b) HK\$2,760,000, being the second installment of the Consideration, payable by Zoto before 1 January 2007;
- (c) HK\$2,760,000, being the third installment of the Consideration, payable by Zoto before 1 July 2007;
- (d) HK\$2,760,000, being the fourth installment of the Consideration, payable by Zoto before 1 January 2008;
- (e) HK\$2,760,000, being the fifth installment of the Consideration, payable by Zoto before 1 July 2008; and
- (f) HK\$2,760,000, being the balance of the Consideration, payable by Zoto before 31 December 2008.

The Consideration for the Disposal was arrived at after arm's length negotiations between the parties. The parties have agreed to determine the Consideration with reference to the unaudited consolidated net asset value of Sky Lucky Metal as at 31 December 2005 of approximately HK\$67,821,000 and the audited net asset value of Sky Lucky Steel as at 31 December 2005 of approximately HK\$102,000. In July 2006, Sky Lucky Metal declared a cash dividend in the amount of HK\$30,000,000 to its shareholders in accordance with their respective shareholding interests in Sky Lucky Metal as at the date thereof. Such cash dividend has been paid by Sky Lucky Metal to its shareholders on 22 September, 2006, which is before the completion of the Agreement. The Board considers it an appropriate time to make such cash dividend payment before the completion of the Agreement, as it is common commercial practice and in the interests of the Group to receive its entitlement of the profits generated by Sky Lucky Metal, before disposing of its interests in Sky Lucky Metal.

The Agreement is currently expected to be completed on 6 October 2006.

Condition : The Agreement is conditional on a resolution of the independent Shareholders passed at a general meeting or a written approval by the majority Shareholders (i.e. Pan Island Investments Limited, Rickdee Investments Limited and Robin Hill Investments Limited which together hold approximately 59.07% of the issued share capital of the Company) pursuant to the Listing Rules, as the case may be, approving the Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, the condition has been fulfilled.

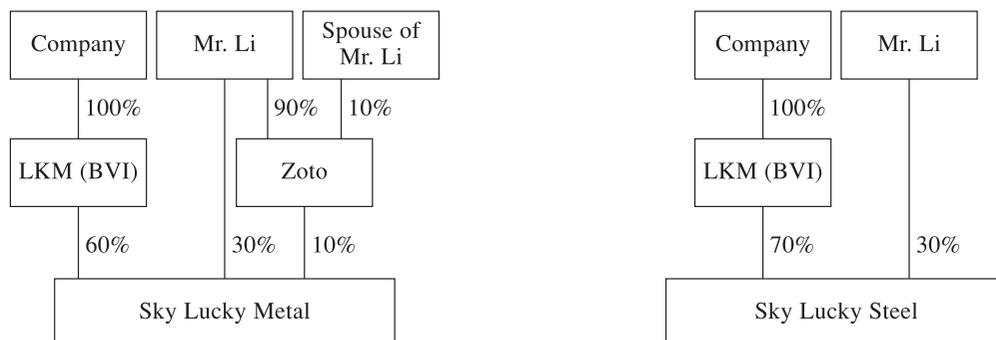
LETTER FROM THE BOARD

Guarantee : Under the Agreement, Mr. Li has irrevocably and unconditionally guaranteed the liabilities, obligations and promises of Zoto under the Agreement.

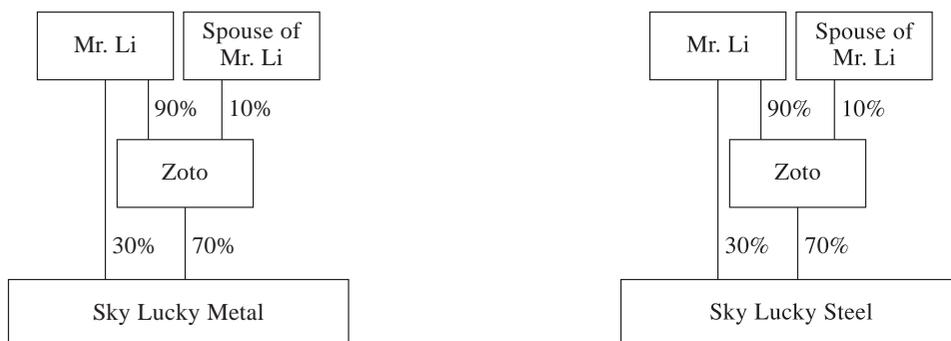
Shareholding Structure

The shareholding structure of Sky Lucky Metal and Sky Lucky Steel before and after completion of the Disposal is summarised as follows:

Before completion of the Disposal



After completion of the Disposal



3. REASONS FOR AND BENEFITS OF THE DISPOSAL

The unaudited consolidated net asset value of Sky Lucky Metal as at 31 December 2005 was approximately HK\$67,821,000. The audited consolidated net profit before tax of Sky Lucky Metal for the year ended 31 December 2004 was approximately HK\$20,555,000 and the unaudited consolidated net profit before tax of Sky Lucky Metal for the year ended 31 December 2005 was approximately HK\$18,349,000, representing a decrease of 10.73%. The audited consolidated net profit after tax of Sky Lucky Metal for the year ended 31 December 2004 was approximately HK\$15,388,000 and the unaudited consolidated net profit after tax of Sky Lucky Metal for the year ended 31 December 2005 was approximately HK\$13,469,000, representing a decrease of 12.47% due to increase in staff costs, depreciation expenses and provision for bad debts of Sky Lucky Metal and increasing production cost in the PRC. There were no extraordinary items for the same periods.

LETTER FROM THE BOARD

Sky Lucky Steel was previously engaged in the trading of mould steel and does not currently carry on any business. As at 31 December 2005, the audited net asset value of Sky Lucky Steel was approximately HK\$102,000. Its audited net loss before and after tax were approximately HK\$13,000 for the year ended 31 December 2004 and approximately HK\$49,000 for the year ended 31 December 2005. There were no extraordinary items for the same periods.

In addition, more foreign automobile manufacturers had set up factories in the PRC and therefore triggered off the continuous growth of the car production in the PRC and maintained a persisting demand of automobile parts and components. The Board believes that the rapid growth of the automobile industry will further boost up the demand for automobile parts and components. In order to capture such business opportunity, the Group has developed and enhanced, and will further develop, its operations in the PRC, including its distribution and logistics network. Based on the revenue contributed by different markets of the Group for the first six months in 2006 as compared to that for the same period in 2005, a substantial growth in revenue was recorded in Eastern China market as compared to that in Southern China market and overseas market. As such, the Board anticipates that markets in the Eastern and Northern China has great potential for further growth.

The focus of the business of Sky Lucky Metal is on the Guangdong region and thus the target customers of which are different from those of the Group. However, the Group takes the view that there will not be substantial growth in the market in the Guangdong region in the foreseeable future. While the Group recorded a growth in audited net profit after tax by 9.3% to HK\$245,917,000 for the year ended 31 December 2005 from HK\$224,990,000 for the year ended 31 December 2004, profit contribution from Sky Lucky Metal to the Group has been decreasing from 2004 to 2005. The profit contribution by Sky Lucky Metal to the Group for each of the two years ended 31 December 2005 was less than 10% and a year-on-year decrease was recorded. The decrease in profit contribution from Sky Lucky Metal to the Group from 2004 to 2005 was mainly due to increase in staff costs, depreciation expenses and provision for bad debts of Sky Lucky Metal and the increasing production cost in the PRC.

Taking into account of (i) the strategy of the Group to focus on the Eastern and Northern China in light of the prospects of parts and components manufacturing derived from the rapid growth of automobile industry in those markets; (ii) the different market focus of Sky Lucky Metal and its decrease in profit contribution to the Group; (iii) the non-operating position of Sky Lucky Steel of which its previous business is not among the core business of the Group; and (iv) there being no other offer received by the Group for its interest in Sky Lucky Metal and Sky Lucky Steel, the Board believes that the Disposal represents a good opportunity for the Group to realize its investment and to streamline its business structure to focus its resources on the development of other market segments, such as markets in the Eastern and Northern China.

The consideration for the Disposal is calculated primarily on the net book value of Sky Lucky Metal and Sky Lucky Steel, therefore, there is no material gain or loss to be expected from the Disposal.

The proceeds from the Disposal will be used as general working capital for the Group.

Upon completion of the Disposal, the Group will cease to have any interest in Sky Lucky Metal or Sky Lucky Steel.

The Directors, including the independent non-executive Directors, consider that the Disposal is on normal commercial terms after arm's length negotiations and that the terms thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

4. FINANCIAL EFFECTS OF THE DISPOSAL

The Consideration for the Disposal was arrived at after arm's length negotiations between the parties, and was calculated primarily on the net book value of Sky Lucky Metal and Sky Lucky Steel, therefore, no material gain or loss is expected by the Group from the Disposal.

Based on the unaudited consolidated net asset value of Sky Lucky Metal as at 31 December 2005 of approximately HK\$67,821,000, LKM (BVI)'s 60% share of net asset value in Sky Lucky Metal, after deduction of the cash dividend in the amount of HK\$30,000,000 by Sky Lucky Metal paid to its shareholders on 22 September 2006, is approximately HK\$22,693,000. Based on the audited net asset value of Sky Lucky Steel as at 31 December 2005 of approximately HK\$102,000, LKM (BVI)'s 70% share of net asset value in Sky Lucky Steel is approximately HK\$71,000.

The Consideration for the Disposal represents a premium of approximately HK\$3,036,000 over LKM (BVI)'s share of net asset value in Sky Lucky Metal and Sky Lucky Steel of approximately HK\$22,764,000 in aggregate as calculated above. As such, the Board considers that the Consideration as determined by reference to the net asset value of Sky Lucky Metal and Sky Lucky Steel is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As a result of the Disposal, Sky Lucky Metal and Sky Lucky Steel will cease to be subsidiaries of the Company and the Group will no longer consolidate the accounts of Sky Lucky Metal into its accounts. However, there will be no material adverse impact on the operating performance of the Group due to (i) the decrease in profit contribution Sky Lucky Metal to the Group from 2004 to 2005; and (ii) the unaudited consolidated total asset value and net asset value of Sky Lucky Metal represents approximately 4.5% and 5.8% of the Group's total asset and net asset value as at 31 December 2005 respectively. The Board considers that the focus of the Group's resources in Eastern and Northern China market will have positive impact on the Group's performance in the long run.

5. LISTING RULES REQUIREMENTS

Mr. Li is a director and a substantial shareholder of both Sky Lucky Metal and Sky Lucky Steel and is thus a connected person of the Company under the Listing Rules. As at the Latest Practicable Date, Mr. Li has direct and/or indirect control of 40% of the voting rights of Sky Lucky Metal, which is owned as to 30% by Mr. Li and 10% by Zoto (a company which is owned as to 90% by Mr. Li and as to 10% by his spouse). Sky Lucky Steel is an indirect non wholly-owned subsidiary of the Company which is owned as to 70% by LKM (BVI) and 30% by Mr. Li. Accordingly, the signing of the Agreement constitutes a connected transaction for the Company under Rule 14A.16(5) of the Listing Rules.

The value of the Consideration under the Agreement is HK\$25,800,000. As the profits ratio (as defined in the Listing Rules) of the Disposal exceeds 5% but is less than 25%, such connected transaction also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Company has obtained from Pan Island Investments Limited, Rickdee Investments Limited and Robin Hill Investments Limited which together holds 366,210,937 Shares (approximately 59.07% in nominal value of the securities giving the right to attend and vote at any general meeting of the Company) written approvals of the transactions under the Disposal. None of the Shareholders is interested in the transactions under the Disposal and, as such, none of them would be required to abstain from voting if a general meeting of the Company is convened to approve the transactions under the Disposal. Pursuant to Rule 14A.43 of the Listing Rules, application has been made by the Company to the Stock Exchange in

LETTER FROM THE BOARD

relation to the granting of a waiver from the requirement to hold a general meeting of Shareholders and permission for the independent Shareholders' approval of the transactions under the Disposal to be given in writing.

Pan Island Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Tit Lung and Mr. Siu Yuk Lung other than Mr. Siu Tit Lung and Mr. Siu Yuk Lung themselves are beneficiaries, holds 249,023,437 Shares. Rickdee Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Tit Lung other than Mr. Siu Tit Lung himself are beneficiaries, holds 58,593,750 Shares. Robin Hill Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Yuk Lung other than Mr. Siu Yuk Lung himself are beneficiaries, holds 58,593,750 Shares.

6. GENERAL

The Group is principally engaged in the manufacturing and marketing of mould bases, metal and parts.

Sky Lucky Metal is principally engaged in the manufacturing and marketing of mould bases. As at the Latest Practicable Date, the only subsidiary of Sky Lucky Metal is 東莞天祥五金製品有限公司 (Dongguan Tin Cheung Metal Products Co. Ltd.*), a company incorporated in the PRC wholly-owned by Sky Lucky Metal which is principally engaged in the manufacturing and marketing of mould bases.

Sky Lucky Steel does not currently carry on any business and was previously engaged in the trading of mould steel.

Zoto is an investment holding company as at the Latest Practicable Date.

7. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser to the Independent Board Committee and the Shareholders, and additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Siu Tit Lung
Chairman

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of recommendation from the Independent Board Committee which has been prepared for the purpose of inclusion in this circular.



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

29 September 2006

To the independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION FOR THE DISPOSAL OF INTERESTS IN SKY LUCKY METAL LIMITED AND SKY LUCKY STEEL LIMITED

We refer to the circular of the Company dated 29 September 2006 (the “Circular”), of which this letter forms a part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise you on the terms of the Disposal. Kingsway Capital Limited has been appointed as the independent financial adviser to advise us and the independent Shareholders on the fairness and reasonableness of the Disposal. Details of its advice, together with the principal factors taken into consideration in arriving at such, are set out in its letter on pages 11 to 17 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

Having considered the terms of the Disposal and taking into account of the independent advice of Kingsway Capital Limited, we consider that the terms of the Disposal are fair and reasonable in so far as the independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
Independent Board Committee

(Sd.) LIU Wing Ting, Stephen, JP
*(Independent Non-executive
Director)*

(Sd.) LEE Tat Yee
*(Independent Non-executive
Director)*

(Sd.) LEE Joo Hai
*(Independent Non-executive
Director)*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter received from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the independent Shareholders in respect of the terms of the Disposal for inclusion in this Circular.



5/F., Hutchison House, 10 Harcourt Road, Central, Hong Kong.
Tel. No: (852) 2877-1830 Fax: (852) 2868-3570

29 September 2006

Lung Kee (Bermuda) Holdings Limited
2nd Floor
Cheung Kong Electronic Building
4 Hing Yip Street
Kwun Tong
Kowloon
Hong Kong

To the Independent Board Committee and the independent Shareholders of
Lung Kee (Bermuda) Holdings Limited

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION FOR THE DISPOSAL OF INTERESTS IN SKY LUCKY METAL LIMITED AND SKY LUCKY STEEL LIMITED

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the terms of the Disposal. Details of the Disposal are set out in a circular (the “**Circular**”) of Lung Kee (Bermuda) Holdings Limited to the Shareholders dated 29 September 2006, of which this letter forms part. Unless otherwise defined, expressions used in this letter have the same meanings as defined in the Circular.

On 8 September 2006, LKM (BVI), a wholly-owned subsidiary of the Company, as vendor entered into the Agreement with Zoto as purchaser and Mr. Li as existing shareholder of Sky Lucky Metal and Sky Lucky Steel in relation to the Disposal at a consideration of HK\$25.80 million (the “**Consideration**”).

Mr. Li is a connected person of the Company under the Listing Rules by being a director and a substantial shareholder of both Sky Lucky Metal and Sky Lucky Steel. Mr. Li has direct and/or indirect control of 40% of the voting rights of Sky Lucky Metal, which is owned as to 30% by Mr. Li and 10% by Zoto (a company which is owned as to 90% by Mr. Li and as to 10% by his spouse). Sky Lucky Steel is an indirect non wholly-owned subsidiary of the Company which is owned as to 70% by LKM (BVI) and 30% by Mr. Li. Accordingly, the entering into of the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations provided to us by the Company and contained in the Circular, and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

true as at the date of the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinion expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have not conducted any independent in-depth investigation into the business and affairs of the Company, Sky Lucky Metal, Sky Lucky Steel, Zoto or any of their subsidiaries or associates, and Mr. Li. We consider that we have performed all the steps as required under Rule 13.80 of the Listing Rules.

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the independent Shareholders in respect of the Disposal, we have considered the following principal reasons and factors:

(i) Background to and reasons for the Disposal

The Group is principally engaged in the manufacturing and marketing of mould bases, metal and parts.

Sky Lucky Metal is principally engaged in the manufacturing and marketing of mould bases in Guangdong region through its only subsidiary, 東莞天祥五金製品有限公司 (Dongguan Tin Cheung Metal Products Co. Ltd.*) which is a company incorporated in the PRC and wholly-owned by Sky Lucky Metal. As set out in the Letter from the Board, the unaudited consolidated net asset value of Sky Lucky Metal as at 31 December 2005 was approximately HK\$67.82 million. The audited consolidated net profit before tax of Sky Lucky Metal for the year ended 31 December 2004 was approximately HK\$20.56 million and the unaudited consolidated net profit before tax of Sky Lucky Metal for the year ended 31 December 2005 was approximately HK\$18.35 million, representing a decrease of 10.75%. The audited consolidated net profit after tax of Sky Lucky Metal for the year ended 31 December 2004 was approximately HK\$15.39 million and the unaudited consolidated net profit after tax of Sky Lucky Metal for the year ended 31 December 2005 was approximately HK\$13.47 million, representing a decrease of 12.48% which, as advised by the Directors, was mainly due to increase in staff costs, depreciation expenses and provision for bad debts of Sky Lucky Metal and the increasing production cost in China. While profit contribution from Sky Lucky Metal to the Group has been decreasing, the Group recorded a growth in audited profit attributable to Shareholders by 9.5% to HK\$240.9 million for the year ended 31 December 2005 from HK\$220.1 million for the year ended 31 December 2004.

Sky Lucky Steel was previously engaged in the trading of mould steel and does not currently carry on any business. As at 31 December 2005, the audited net asset value of Sky Lucky Steel was approximately HK\$102,000. Its audited net loss before and after tax were approximately HK\$13,000 for the year ended 31 December 2004 and approximately HK\$49,000 for the year ended 31 December 2005.

As set out in the 2005 annual report and reiterated in the interim results statements for the six months ended 30 June 2006 of the Company, more foreign automobile manufacturers had set up factories in China and therefore triggered off the continuous growth of the car production in China and maintained a persisting demand of automobile parts and components. In addition, the Board believes that the rapid growth of the automobile industry will further boost up the demand for automobile parts and components in China. In order to capture such business opportunity, the Group has developed and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

enhanced, and will further develop, its operations in China, including its distribution and logistics network. Based on the revenue contributed by different markets of the Group for the first six months in 2006 as compared to that for the same period in 2005, a substantial growth in revenue was recorded in Eastern China market as compared to that in Southern China market and overseas market. As such, the Board anticipates that the Eastern and Northern China market have great potential for further growth.

As set out in the Letter from the Board, the focus of business of Sky Lucky Metal is on the Guangdong region and thus the target customers of which are different from those of the Group. However, the Group is of the view that there will not be substantial growth in Guangdong market in the foreseeable future. In addition, the profit contribution by Sky Lucky Metal to the Group for each of the two years ended 31 December 2005 was less than 10% and a year-on-year decrease was recorded. The unaudited consolidated total asset value and net asset value of Sky Lucky Metal represented approximately 4.5% and 5.8% of the Group's audited total asset value and net asset value as at 31 December 2005 respectively. The contribution by consolidated revenue of Sky Lucky Metal for the year ended 31 December 2004 (audited) and for the year ended 31 December 2005 (unaudited) represented approximately 3.9% and 3.3% of the Group's audited consolidated revenue for the respective years. Although the Group will no longer consolidate the accounts of Sky Lucky Metal as a result of the Disposal, the Board considers that the focus of the Group's resources in Eastern and Northern China market will have positive impact on the Group's performance in the long run.

According to the statistics released by China Association of Automobile Manufacturers, the total production and sales volume of vehicles in China in 2005 represented an increase of about 13% and 14% over that in 2004 respectively. For the first five months in 2006, total production and sales volume of vehicles in China representing a growth of about 32% and 31% over that for the same period in 2005 respectively. In addition, as a result of the rapid development in the second-hand vehicle market in China, there is a substantial demand for automobile parts and components and therefore enhance the growth in the relevant mould base industry in China.

Pursuant to an article published in September 2006 by 中國機械零部件採購網, the development of mould base market in Eastern China is rapid and is estimated to be faster than that in China in average in the future.

In addition, we have sought revenue breakdown in terms of market for the first six months in 2005 and 2006 from the Company. Based on the revenue growth of the Group in Eastern China market, Southern China market and overseas market respectively from the first six months in 2005 to the first six months in 2006, together with the market statistics and news abovementioned, we agree with the Directors' view that (i) the growth potential of automobile market and therefore automobile parts and components market, in particular, in Eastern China is substantial; (ii) the growth potential in Eastern China market is higher in the foreseeable future as compared to that in Southern China market, including Guangdong, and overseas market.

The Board believes that the Disposal represents a good opportunity for the Group to realise its investment, streamline its business structure and focus its resources on the development of other market segments, in particular, the Eastern and Northern China. The Consideration is intended to be used by the Group as general working capital.

Taking into account of (i) the strategy of the Group to focus on the Eastern and Northern China in light of the prospects of parts and components manufacturing industry derived from the rapid growth of automobile industry in those markets; (ii) different market focus and decrease in profit

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contribution from Sky Lucky Metal to the Group; and (iii) non-operating position of Sky Lucky Steel of which the previous business is not among the core business of the Group, we consider that the Disposal is in line with the core business and strategy of the Group.

(ii) The Agreement

LKM (BVI) agreed to dispose, and Zoto agreed to purchase, the entire 60% interest of LKM (BVI) in Sky Lucky Metal; and the entire 70% interest of LKM (BVI) in Sky Lucky Steel. Sky Lucky Metal is a limited company incorporated in Hong Kong on 3 August 1993 and is owned as to (i) 60% by LKM (BVI), (ii) 30% by Mr. Li, and (iii) 10% by Zoto. Upon completion of the Agreement, Sky Lucky Metal will become owned as to (i) 30% by Mr. Li, and (ii) 70% by Zoto, whereby Sky Lucky Metal will cease to be a subsidiary of the Company. Sky Lucky Steel is a limited company incorporated in Hong Kong on 17 September 1996 and is owned as to (i) 70% by LKM (BVI) and (ii) 30% by Mr. Li. Upon completion of the Agreement, Sky Lucky Steel will become owned as to (i) 30% by Mr. Li and (ii) 70% by Zoto, whereby Sky Lucky Steel will cease to be a subsidiary of the Company.

Consideration

Pursuant to the Agreement, the Consideration of HK\$25.80 million is payable by Zoto in cash in the following manner:

- (a) HK\$12,000,000, being the first installment, on the Completion Date;
- (b) HK\$2,760,000, being the second installment, before 1 January 2007;
- (c) HK\$2,760,000, being the third installment, before 1 July 2007;
- (d) HK\$2,760,000, being the fourth installment, before 1 January 2008;
- (e) HK\$2,760,000, being the fifth installment, before 1 July 2008; and
- (f) HK\$2,760,000, being the balance, before 31 December 2008.

Basis of the Consideration

As set out in the letter from the Board, the Consideration was arrived at after arm's length negotiations between the parties, and was calculated primarily based on the net asset value of Sky Lucky Metal and Sky Lucky Steel, taking into account the total amount of cash (including interim dividend and proceeds of the consideration) to be received by the Group as a whole as a result of the Disposal.

- (a) *Net asset value analysis*

Based on the unaudited consolidated net asset value as at 31 December 2005, the LKM (BVI)'s 60% share of net asset value in Sky Lucky Metal, after deduction of cash dividend of HK\$30 million to be paid before completion of the Agreement is approximately HK\$22.69 million. Based on the audited net asset value as at 31 December 2005, the LKM (BVI)'s 70% share of net asset value in Sky Lucky Steel was approximately HK\$71,400.

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The Consideration of HK\$25.8 million represents a premium of approximately HK\$3.04 million over LKM (BVI)'s share of net asset value in Sky Lucky Metal and Sky Lucky Steel of approximately HK\$22.76 million in aggregate as calculated above. As such, the Board consider that the Consideration as determined by reference to the net asset value of Sky Lucky Metal and Sky Lucky Steel is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(b) *Price-to-earning (P/E) analysis*

In order to assess the fairness and reasonableness of the Consideration, we have also looked into P/E of the Company, Sky Lucky Metal and Sky Lucky Steel as a whole and their peers which are listed on the main board of the Stock Exchange of which the principal business include the manufacture and distribution of moulding-related products. To our best knowledge, we have identified 4 companies listed on the main board of the Stock Exchange (the "Peers").

Name of company	Stock code	Principal business	Market	Latest	Historical
			capitalisation	published	
			as at	the Latest	
			the Latest	full year net	
			Practicable	profit after	P/E
			Date ("A")	tax ("B")	(=A/B)
			(Note 1)	(Note 1)	(=A/B)
			HK\$ million	HK\$ million	times
The Company	255	Manufacture and marketing of mould bases, metal and parts	2,356.0	240.9	9.8
Chen Hsong Holdings Limited	57	Manufacture and sale of plastic injection moulding machines and related products	2,641.7	272.5	9.7
EVA Precision Industrial Holdings Limited	838	Design and fabrication of metal stamping moulds, manufacture of metal stamping components	1,002.0	83.2	12.0
VS International Group Limited	1002	Manufacture and sale of plastic moulded products and parts	243.4	45.3	5.4
				High	12.0
				Low	5.4
				Average	9.2
LKM (BVI)'s share of — Sky Lucky Metal and Sky Lucky Steel to be disposed of	—		25.8 (Note 2)	8.1 (Note 3)	3.2

Note:

1. Source: Bloomberg
2. The figure of market capitalisation is the Consideration under the Disposal.

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3. The figure of net profit represents the aggregate of (1) 60% share of unaudited consolidated net profit after tax for the year ended 31 December 2005 of Sky Lucky Metal amounting to approximately HK\$8.1 million and (2) 70% share of audited net loss after tax for the year ended 31 December 2005 of Sky Lucky Steel amounting to approximately HK\$34,300.

As illustrated in the table above, the average P/E among the Company and the Peers is about 9.2 times. Taken into account of the following factors, we are of the view that the P/E of 3.2 times implied by the Consideration is justifiable:

- (i) the decrease in profit contribution from Sky Lucky Metal to the Group from 2004 to 2005 which, as advised by the Directors, was mainly due to increase in staff costs, depreciation expenses and provision for bad debts of Sky Lucky Metal and the increasing production cost in China as abovementioned;
- (ii) Neither Sky Lucky Metal nor Sky Lucky Steel is a listed company and thus liquidity risk of each of them is generally assumed to be higher than that of their peers which are listed;
- (iii) an interim dividend of HK\$30 million, which constituted the majority of cash of Sky Lucky Metal, has been paid to its shareholders as to 60% to the Group and 40% to the minority shareholders on 22 September 2006 which is before the completion of the Agreement. As advised by the Directors, such large amount of dividend was one of the factors considered by the Group in arriving at the Consideration. Sky Lucky Metal did not pay any dividend for the year ended 31 December 2004 and paid a dividend of HK\$5 million only for the year ended 31 December 2005.

Given the net asset value analysis and P/E analysis above, we are of the view that the Consideration is fair and reasonable so far as the Company and Shareholders are concerned. We also noted that the Consideration will be paid by installment by the end of 31 December 2008. Given that (i) the amount of Consideration is considered fair and reasonable as discussed above; (ii) about 68% of the Consideration will be received by the Group in cash within a year; and (iii) the proceeds are intended to be used as general working capital for the Group while, as advised by the Directors, the Group does not have immediate cash requirement in the near future, we are of the view that the payment terms of the Agreement is acceptable.

Completion

The Agreement is currently expected to be completed on 6 October 2006 or such other date as agreed between parties to the Agreement. As stated in the announcement of the Company dated 8 September 2006, the only condition of the Agreement, being the passing of the resolution by independent Shareholders of the Company, has been fulfilled by a written approval obtained from its majority shareholders of the Company pursuant to the Listing Rules.

(iii) Financial impacts of the Disposal

As confirmed by the Directors, given that a dividend of HK\$30 million has been paid before completion of the Agreement and the Consideration is expected to have a slight premium over LKM (BVI)'s share of net asset value of Sky Lucky Metal and Sky Lucky Steel in aggregate, there will be no material adverse effect on net asset value of the Group and the Group will have no material gain or loss as a result of the Disposal.

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The cash proceeds from the Disposal will be used as general working capital. As advised by the Directors, they do not expect any material impact on the gearing of the Group as represented by the total liability to total asset as a result of the Disposal. We consider such additional general working capital is beneficial to the Shareholders.

RECOMMENDATION

The Company has obtained from its majority Shareholders, Pan Island Investments Limited, Rickdee Investments Limited and Robin Hill Investments Limited which together hold approximately 59.07% of the issued share capital of the Company, written approval of the Agreement and the transactions thereunder pursuant to the Listing Rules.

Having considered the above principal factors and reasons, we consider that the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the independent Shareholders to vote in favour of the resolution in respect of the Disposal and that the Independent Board Committee advises the independent Shareholders accordingly.

Yours faithfully,
For and on behalf of
Kingsway Capital Limited
Chu Tat Hoi
Director

* *For identification purpose only*

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF DIRECTORS' INTEREST

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the shares, underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules, were as follows:

Directors' interests in the Company

Name of Director	Capacity	Number of Shares held		Total interests	Percentage of the Company's issued share capital
		Personal interests	Other interests		
Siu Tit Lung (Notes 1, 2 and 4)	Beneficial owner and founder of discretionary trust	37,291,444	307,617,187	344,908,631	55.63%
Siu Yuk Lung (Notes 1, 3 and 4)	Beneficial owner and founder of discretionary trust	37,291,444	307,617,187	344,908,631	55.63%
Mak Koon Chi	Beneficial owner	2,843,750	—	2,843,750	0.46%
Wai Lung Shing	Beneficial owner	2,843,750	—	2,843,750	0.46%
Fung Wai Hing	Beneficial owner	1,457,031	—	1,457,031	0.24%
Liu Wing Ting, Stephen	Beneficial owner	150,000	—	150,000	0.02%
Chan Chun Sing, Colin	Beneficial owner	150,000	—	150,000	0.02%
Lee Tat Yee	Beneficial owner	150,000	—	150,000	0.02%

Notes:

- Messrs. Siu Tit Lung and Siu Yuk Lung jointly held 32,631,288 Shares and each owned a further 4,660,156 Shares registered in their own names.
- Rickdee Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Tit Lung other than Mr. Siu Tit Lung himself are beneficiaries, held 58,593,750 Shares.
- Robin Hill Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Yuk Lung other than Mr. Siu Yuk Lung himself are beneficiaries, held 58,593,750 Shares.
- Pan Island Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Messrs. Siu Tit Lung and Siu Yuk Lung other than Messrs. Siu Tit Lung and Siu Yuk Lung themselves are beneficiaries, held 249,023,437 Shares.

Directors' interests in associated corporations of the Company

Name of director	Nature of interests	Name of associated corporation	Number of Shares held	Percentage of issued share capital of the class
Siu Tit Lung	Personal	Lung Kee International Limited	1,000,000 non-voting deferred shares	49.99%
	Personal	Lung Kee Metal Limited	5,000,000 non-voting deferred shares	49.99%
Siu Yuk Lung	Personal	Lung Kee International Limited	1,000,000 non-voting deferred shares	49.99%
	Personal	Lung Kee Metal Limited	5,000,000 non-voting deferred shares	49.99%

All interests disclosed above represent long positions in shares and underlying shares of the Company or its associated corporations.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in the Listing Rules.

3. DIRECTORS' INTERESTS IN CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (b) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Group as a whole.

- (c) As at the Latest Practicable Date, none of the Directors nor the Independent Financial Adviser had any direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2005, the date to which the latest published audited consolidated financial statements of the Company were made up.

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons or corporations (not being Directors or chief executive of the Company), had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

<u>Name of Shareholder</u>	<u>Capacity</u>	<u>Number of Shares/ underlying Shares held</u>	<u>Percentage of Company's issued share capital</u>
Pan Island Investments Limited	Beneficial owner	249,023,437	40.16%
Rickdee Investments Limited	Beneficial owner	58,593,750	9.45%
Robin Hill Investments Limited	Beneficial owner	58,593,750	9.45%
Commonwealth Bank of Australia (<i>Note</i>)	Interest of controlled corporation	54,427,608	8.78%

Note: Commonwealth Bank of Australia had an interest of 54,427,608 Shares, through its wholly-owned subsidiaries, namely, Colonial First State Group Ltd, Colonial Holding Company (No. 2) Pty Limited, Colonial Holding Company Pty Ltd, Colonial Ltd, The Colonial Mutual Life Assurance Society Ltd, First State Investments (UK Holdings) Limited, First State Investment Management (UK) Limited and SI Holdings Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

5. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group is engaged in any litigation or arbitration proceedings of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened by or against the Company or any member of the Group.

6. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report of the Company for the six months ended 30 June 2006 and in the announcement of the Company dated 4 August 2006, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2005 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any business which competes or may compete, either directly or indirectly with any business of the Group.

8. EXPERT

- (a) The following is the qualification of the expert which has given opinion or advice which are contained in this circular:

Name	Qualifications
Kingsway Capital Limited	a corporation licensed to conduct type 6 (advising on corporate finance) of the regulated activity under the SFO

- (b) As at the Latest Practicable Date, the Independent Financial Adviser was not interested beneficially or non-beneficially in any shares in the Company or any of its subsidiaries or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in the Company or any of its subsidiaries.
- (c) The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of the text of its letter and references to its name, in the form and context in which they respectively appear.

9. GENERAL

- (a) The qualified accountant of the Company and the secretary of the Company is Mr. Wai Lung Shing. Mr. Wai is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company is situated at 2nd Floor, Cheung Kong Electronic Building, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited situated at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. The share transfer agent of the Company in Singapore is M & C Services Private Limited situated at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906.
- (d) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the head office and principal place of business of the Company situated at 2nd Floor, Cheung Kong Electronic Building, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours up to and including 11 October 2006:

- (a) the Agreement dated 8 September 2006;
- (b) the audited accounts of Sky Lucky Metal and Sky Lucky Steel for the two years ended 31 December 2004 and 2005;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in this circular;
- (d) the letter from the Independent Board Committee, the text of which is set out in the circular; and
- (e) the written consent referred to in the paragraph headed “Expert” of this appendix.