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

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

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This circular, for which the directors of **Lung Kee (Bermuda) Holdings Limited** collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Group. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

**PROPOSALS FOR
ADOPTION OF NEW SHARE OPTION SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME,
GENERAL MANDATES TO PURCHASE ITS OWN SHARES AND
TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page will have the same respective meanings as those defined in the section headed “**Definitions**” in this circular.

A letter from the Board is set out at pages 4 to 9 of this circular.

A notice convening the AGM to be held at Victoria Room, 2nd Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on Monday, 7 May 2012 at 3:00 p.m. is set out on pages 22 to 26 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 20th Floor, Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or adjournment thereof (as the case may be).

Hong Kong, 2 April 2012

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by resolution of the Shareholders in general meeting
“AGM”	the annual general meeting of the Company to be convened and held at Victoria Room, 2nd Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on 7 May 2012 at 3:00 p.m. or, where the context so admits, any adjournment thereof
“AGM Notice”	the notice dated 2 April 2012 convening the AGM as set out on pages 22 to 26 of this circular
“Board”	the board of Directors or a duly authorized committee thereof for the time being
“Business Day(s)”	day(s) (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Bye-law(s)”	bye-law(s) of the Company
“Company”	Lung Kee (Bermuda) Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda
“Director(s)”	director(s) of the Company for the time being
“Exercise Period”	a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with this Scheme
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms of the New Share Option Scheme
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by the Company at its general meeting on 9 September 2002 for the employees (including executive Directors) of the Company and its subsidiaries
“Grantee(s)”	any Participant who accepts an offer in accordance with the terms of the New Share Option Scheme or (where the context permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee

DEFINITIONS

“Group”	the Company, its subsidiaries and/or its associated companies from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	23 March 2012, 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
“New Share Option Scheme”	the share option scheme in its present or any amended form proposed to be adopted by the Company at the AGM, a summary of the principal terms of the rules of which is set out in Appendix I to this circular
“Option(s)”	right(s) to subscribe for Shares pursuant to the terms of the New Share Option Scheme
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“Participant”	(i) any executive or non-executive Directors of the Group or any employees of the Group; (ii) any discretionary objects of a discretionary trust established by any employees, executive or non-executive Directors of the Group; (iii) any consultants and professional advisers to the Group; (iv) any chief executives or substantial shareholders of the Company; (v) any associates of director, chief executive or substantial shareholder of the Company; and (vi) any employees of substantial shareholder of the Company, as absolutely determined by the Board
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company (or of such nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal in Shares as defined in paragraph 7 of the Letter from the Board contained in this circular

DEFINITIONS

“Share Repurchase Mandate”	the proposed general mandate to be granted to the Directors to repurchase Shares as defined in paragraph 6 of the Letter from the Board contained in this circular
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	a company/companies which is/are for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong) or the Companies Act or the local companies law, act and/or ordinance where the subject company was incorporated)
“Takeovers Code”	Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent

LETTER FROM THE BOARD



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

Executive Directors:

Mr. Siu Tit Lung (*Chairman*)
Mr. Siu Yuk Lung (*Managing Director*)
Mr. Mak Koon Chi
Mr. Wai Lung Shing
Mr. Fung Wai Hing
Mr. Ting Chung Ho

Independent Non-Executive Directors:

Mr. Liu Wing Ting, Stephen, *JP*
Dr. Lee Tat Yee
Mr. Lee Joo Hai

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and

Principal Place of Business:

20th Floor
Crocodile Center
79 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

2 April 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
ADOPTION OF NEW SHARE OPTION SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME,
GENERAL MANDATES TO PURCHASE ITS OWN SHARES AND
TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Existing Share Option Scheme was adopted by the Company on 9 September 2002 and will expire on 8 September 2012. In order for the Company to attract, retain and motivate talented Participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time, the Board proposes that the New Share Option Scheme for the Participants be approved and adopted at the AGM and the Existing Share Option Scheme be terminated.

LETTER FROM THE BOARD

At the annual general meeting of the Company held on 9 May 2011, resolutions were passed giving general mandates to the Directors to allot, issue and deal with Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the Share Repurchase Rules. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to allot, issue and deal with Shares and to repurchase Shares at the AGM.

The purpose of this circular is (i) to provide you with information regarding the New Share Option Scheme, (ii) to provide you with details regarding the proposed renewal of the general mandates to allot, issue and deal with Shares and to repurchase Shares, (iii) re-election of retiring Directors and (iv) to seek your approval of the Ordinary Resolutions relating to the above matters at the AGM.

Under the listing rules of the SGX-ST, as the Company has only a secondary listing in Singapore, the Company is not required to comply with the continuing listing obligations of the SGX-ST, save that the Company shall, *inter alia*, release all information and documents in the English language to the SGX-ST at the same time as they are released to the Stock Exchange.

2. ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

At the AGM, the Ordinary Resolutions Nos. 11 and 12 will be proposed that the New Share Option Scheme be approved and adopted and the Existing Share Option Scheme be terminated. A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix I hereto. The New Share Option Scheme will take effect, subject to the fulfillment of all conditions precedent as referred to in paragraph 3 below, on the date of its adoption at the AGM. The Existing Share Option Scheme will terminate immediately upon all the conditions for the adoption of the New Share Option Scheme having been fully satisfied.

As at the Latest Practicable Date, the issued share capital of the Company comprised 631,287,303 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the number of Shares issuable pursuant to the New Share Option Scheme on the date of its adoption will be 63,128,730 Shares.

3. CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) passing of the Ordinary Resolution No. 11 to adopt the New Share Option Scheme by the Shareholders in general meeting and to authorize the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- (b) passing of the Ordinary Resolution No. 12 to terminate the Existing Share Option Scheme by the Shareholders in general meeting; and
- (c) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the New Share Option Scheme.

LETTER FROM THE BOARD

Upon satisfaction of the above conditions, the Board will have the right to grant to the Participants Options to subscribe for Shares, which when aggregated with Shares to be granted under any other share option schemes of the Company, shall represent up to 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme, unless the Company obtains a fresh approval from its Shareholders to refresh the 10% limit. The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

4. EXPLANATION OF THE TERMS OF THE NEW SHARE OPTION SCHEME

In Appendix I hereto, you will find a summary of the principal terms of the rules of the New Share Option Scheme. By offering Options to the Participants in such flexible terms under the New Share Option Scheme, in particular, the Exercise Price will be determined on a fair basis, such Participants may exercise their Options at anytime within the Exercise Period to acquire a monetary gain or ownership interest in the Company which may in turn provide a further incentive to the Participants to better serve the Group.

5. VALUE OF THE OPTIONS

Since the New Share Option Scheme is yet to be approved by the Shareholders, the Board had not yet determined the time frame on the granting of the Options under the New Share Option Scheme and the number of Shares for which any Grantee may subscribe upon exercise of an Option. Accordingly, the Board considers that it is premature and inappropriate to state the value of the Options for the time being in this circular.

6. GENERAL MANDATE TO PURCHASE ITS OWN SHARES

At the AGM, the Ordinary Resolution No. 9 will be proposed to approve a fresh general mandate to be given to the Directors to exercise the powers of the Company to purchase at any time until the next annual general meeting of the Company or such earlier date on which the authority given under this resolution is revoked or varied by ordinary resolution of the Shareholders in general meeting, on the basis that no further Shares are issued or repurchased prior to the AGM, a maximum of 63,128,730 Shares, being Shares up to a maximum of 10% of the share capital of the Company in issue at the date of passing the relevant resolution (the “**Share Repurchase Mandate**”).

An explanatory statement as required under the Listing Rules to provide the requisite information is set out in the Appendix II hereto.

LETTER FROM THE BOARD

7. GENERAL MANDATE TO ISSUE SHARES

Ordinary Resolutions Nos. 8 and 10 will also be proposed at the AGM respectively granting to the Directors a general mandate to allot, issue and deal with, on the basis that no further Shares are issued or repurchased prior to the AGM a maximum of 126,257,460 Shares, being Shares not exceeding 20% of the share capital of the Company in issue at the date of passing the relevant resolution until the next annual general meeting of the Company or such earlier date on which the authority given under this resolution is revoked or varied by ordinary resolution of the Shareholders in general meeting (the “**Share Issue Mandate**”), and adding to such general mandate so granted to the Directors any Shares repurchased by the Company under the Share Repurchase Mandate, provided that such extended amount shall not exceed 10% of the share capital of the Company in issue at the date of passing the relevant resolution.

8. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. Siu Tit Lung, Mr. Siu Yuk Lung, Mr. Mak Koon Chi, Mr. Wai Lung Shing, Mr. Fung Wai Hing and Mr. Ting Chung Ho; and the independent non-executive Directors are Mr. Liu Wing Ting, Stephen, Dr. Lee Tat Yee and Mr. Lee Joo Hai.

Pursuant to Bye-law 87(1) and Bye-law 169(2) of the Bye-laws, Mr. Siu Yuk Lung, Mr. Wai Lung Shing and Mr. Fung Wai Hing shall retire from office by rotation at the AGM and shall be eligible for re-election. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix III hereto.

9. ANNUAL GENERAL MEETING

Resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the AGM, including re-election of retiring Directors, and special business to be considered at the AGM, being ordinary resolutions proposed to approve the adoption of the New Share Option Scheme, the termination of the Existing Share Option Scheme, the Share Repurchase Mandate, the Share Issue Mandate and adding to such general mandate so granted to the Directors any Shares repurchased by the Company under the Share Repurchase Mandate.

The AGM Notice is set out on pages 22 to 26 of this circular. A form of proxy for use at the AGM is also enclosed herewith. Shareholders are advised to read the AGM Notice and complete the form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 20th Floor, Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, should you so wish.

10. RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or by a duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (c) by a Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Pursuant to the Listing Rules, any vote of members at a general meeting must be taken by poll. Accordingly, the Chairman will demand all resolutions set out in the notice of the AGM to be decided by poll, and will explain at the AGM the detailed procedures for conducting a poll.

11. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 May 2012 to 7 May 2012, both days inclusive, during which period no share transfer will be effected. In order to qualify for attending and voting at the AGM, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 2 May 2012.

Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 2 May 2012 will be entitled for attending and voting at the AGM.

The register of members of the Company will be closed from 14 May 2012 to 15 May 2012, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 11 May 2012.

Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 11 May 2012 will be entitled for the proposed final dividend.

LETTER FROM THE BOARD

12. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the rules of the New Share Option Scheme will be available for inspection at the head office and principal place of business of the Company during normal business hours on any weekday up to and including the date of the AGM.

13. RECOMMENDATION

The Directors believe that the adoption of the New Share Option Scheme in replacement of the Existing Share Option Scheme, the Share Repurchase Mandate, the Share Issue Mandate and re-election of retiring Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the resolutions relating to such matters to be proposed at the AGM. As at the Latest Practicable Date, no Shareholder is required to abstain from voting under the Listing Rules in respect of any of the resolutions to be proposed at the AGM.

14. GENERAL INFORMATION

The Chinese version of this circular, the AGM Notice and the form of proxy for use at the AGM, is an unofficial translation of their respective English texts prepared for reference only. In case of discrepancy between the two versions, the English texts shall prevail over their respective Chinese texts.

Yours faithfully,
Siu Tit Lung
Chairman

As at the date of this circular, the executive directors of the Company are Mr. Siu Tit Lung (Chairman), Mr. Siu Yuk Lung, Mr. Mak Koon Chi, Mr. Wai Lung Shing, Mr. Fung Wai Hing and Mr. Ting Chung Ho; and the independent non-executive directors of the Company are Mr. Liu Wing Ting, Stephen, Dr. Lee Tat Yee and Mr. Lee Joo Hai.

The following is a summary of the principal terms of the rules of the New Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix:

(1) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is for the Company to attract, retain and motivate talented Participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time.

(2) PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF PARTICIPANTS

The Board may, at its discretion, invite any Participant to take up Options. In determining the basis of eligibility of each Participant, the Board would mainly take into account of the experience of the Participant on the Group's business, the length of service of the Participant with the Group or the length of business relationship the Participant has established with the Group and such other factors as the Board may at its discretion consider appropriate.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to (d) below, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme, unless the Company obtain a fresh approval from the Shareholders pursuant to (b) below.
- (b) Subject to (d) below, the Company may seek approval of its Shareholders in general meeting for refreshing the 10% limit set out in (a) above, such that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme or any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit.
- (c) Subject to (d) below, the Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the 10% limit, provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought.
- (d) Notwithstanding any other provisions of the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules).

(4) MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- (a) The maximum entitlement for any one Participant is that the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (b) Any further grant of Options to a Participant in excess of the 1% limit shall be subject to Shareholders' approval in general meeting with such Participant and his associates (with the meaning as ascribed under the Listing Rules) abstaining from voting. The number of Shares subject to the Options to be granted and the terms of the Options to be granted to such Participant shall be fixed before Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.
- (c) Any grant of Options to a Participant who is a Director, chief executive or substantial Shareholder (all with the meaning as ascribed under the Listing Rules) of the Company or their respective associates (with the meaning as ascribed under the Listing Rules) must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the Grantee).
- (d) Where the Board proposes to grant any Option to a Participant who is a substantial Shareholder (with the meaning as ascribed under the Listing Rules) or an independent non-executive Director, or any of their respective associates (with the meaning as ascribed under the Listing Rules), would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such proposed grant of Options must be approved by the Shareholders in general meeting with all connected persons (with the meaning as ascribed under the Listing Rules) of the Company abstaining from voting (except where any connected person may vote against the relevant resolution). In such a case, the Company shall send a circular to the Shareholders containing all those terms as required under the Listing Rules. For the avoidance of doubt, any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

- (e) Subject to the provisions of the New Share Option Scheme and the Listing Rules, the Board may, when making an offer of grant of an Option, impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

(5) PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the Exercise Period after the Option has been granted by the Board. The Exercise Period is a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised, such period to expire not later than 10 years after the date of the grant of the Option.

(6) MINIMUM PERIOD OF HOLDING AN OPTION AND PERFORMANCE TARGET

Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option, there is neither any performance targets that need to be achieved by the Grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

(7) AMOUNT PAYABLE ON ACCEPTANCE OF OPTION

Offer of an Option shall be deemed to have been accepted by the Grantee and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within 28 days from the date of the offer. The Exercise Price is calculated in accordance with paragraph (8) below.

(8) EXERCISE PRICE

The Exercise Price will be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Option is granted, which date must be a Business Day;
- (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date on which an Option is granted; and
- (c) the nominal value of a Share.

(9) RIGHTS ATTACHING TO THE SHARES UPON EXERCISE OF OPTIONS

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the memorandum of association and the Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

(10) DURATION OF THE NEW SHARE OPTION SCHEME

Subject to the termination provisions set out in paragraph (14) below, the New Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

(11) LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Exercise Period;
- (b) the expiry of the periods referred to in paragraphs (18) and (19) herein, where applicable;
- (c) subject to the Supreme Court of Bermuda not making an order prohibiting the offeror to acquire the remaining Shares in the offer, the expiry of the period referred to in paragraph (22) herein;
- (d) subject to the scheme of arrangement for reconstruction or amalgamation becoming effective, the expiry of the period referred to in sub-paragraph 7.3(d) of the New Share Option Scheme;
- (e) the date on which the Grantee ceases to be an employee, director, consultant, professional adviser or chief executive of the relevant company or substantial shareholder of the Company (as the case may be) by reason of the termination of his employment, directorship, office or appointment on the grounds that he has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, in the event of which a resolution of the board of directors or governing body of the relevant company or substantial shareholder of the Company (as the case may be) to the effect that the employment, directorship, office or appointment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph (e) shall be conclusive;
- (f) the close of two Business Days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- (g) the date on which a Grantee commits a breach of his obligations as set out in paragraph (15) below; or
- (h) the date on which the Option is cancelled by the Board as provided in paragraph (13) below.

(12) EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE

- (a) Subject to paragraphs (3) and (4) above, the maximum number of Shares referred to in paragraphs (3) and (4) above will be adjusted, in such manner as the auditors of the Company shall certify to be fair and reasonable, in the event of any alteration to the capital of the Company whether by way of consolidation, subdivision or otherwise howsoever.

- (b) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital, such corresponding alterations (if any) certified in writing by the auditors for the time being of the Company to be in their opinion as fair and reasonable will be made in the number of Shares subject to the Option so far as unexercised, and/or the Exercise Price, and/or the limits as set out in paragraph (3) above, provided that such alterations shall give a Grantee the same proportion of the issued share capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers in relation to share option schemes) as that to which he is previously entitled, but so that no such alteration shall be made the effect of which would enable a Share to be issued at less than its nominal value.

(13) CANCELLATION OF OPTIONS GRANTED

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which the Option is cancelled by the Board as provided above.

(14) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect.

(15) TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which a Grantee commits a breach of the foregoing.

(16) ALTERATION OF THE NEW SHARE OPTION SCHEME

The provisions of the New Share Option Scheme may be altered in any respect by resolution of the Board except that the definitions of “Grantee”, “Exercise Period” and “Participant” in sub-paragraph 1.1 of the New Share Option Scheme, the provisions of paragraphs and sub-paragraphs 4.1 (please refer to paragraph 10 of this Appendix for further details), 5.1 (please refer to paragraph 10 of this Appendix), 5.2 (which stipulates that no offer of the grant of an Option shall be made after a price sensitive event has occurred until such price sensitive information has been published in accordance with the Listing Rules), 5.3 (which sets out the required procedures in relation to the making by the Board of an offer of the grant of an Option to a Participant), 6 (please refer to paragraph 8 of this Appendix for further details), 7 please refer to paragraphs 6, 18, 19, 20, 21 and 22 of this Appendix for further details), 8 (please refer to paragraph 11 of this Appendix for further details), 9 (please refer to paragraph 3 of this Appendix for further details), 10 (please refer to paragraph 4 of this Appendix for further details), 11 (please refer to paragraph 12 of this Appendix for further details) and 14 (which details have been set out in this paragraph 16 of this Appendix) of the New Share Option Scheme and all such other matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants without the prior approval of the Shareholders in general meeting.

(17) CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (a) the passing of the Ordinary Resolution No.11 to adopt the New Share Option Scheme by the shareholders in general meeting and to authorize the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- (b) the passing of the Ordinary Resolution No. 12 to terminate the Existing Share Option Scheme by the Shareholders in general meeting; and
- (c) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the New Share Option Scheme.

(18) RIGHTS ON CEASING EMPLOYMENT OR DIRECTORSHIP

If the Grantee ceases to be a Participant for any reason other than on his death or the termination of his employment, directorship, office or appointment on one or more of the grounds specified in paragraph (20) below, the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within the period of three months (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office, appointment or directorship in the relevant company, as the case may be. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

(19) RIGHTS ON DEATH

If the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his employment, directorship, office or appointment under paragraph (20) below arises, the personal representative(s) of the Grantee shall be entitled to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent not already exercised) within a period of six months or such longer period as the Board may determine from the date of death. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

(20) RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP BY DISMISSAL

An Option shall lapse automatically (to the extent not already exercised) on the date on which the Grantee ceases to be an employee, director, consultant, professional adviser or chief executive of the relevant company or substantial shareholder of the Company (as the case may be) by reason of the termination of his employment, directorship, office or appointment on the grounds that he has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect to pay debt, or has become insolvent, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity of honesty.

(21) RIGHTS ON VOLUNTARY WINDING UP

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the Shareholders' meeting, give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, not later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

(22) RIGHTS ON GENERAL OFFER BY WAY OF TAKEOVER

In the event a general offer by way of take-over is made to all the Shareholders and the terms and conditions of such offer have, within four months after the making of the offer on that behalf by the offeror, been approved by the holders of not less than nine-tenths in value of the Shares whose transfer is involved (other than Shares already held at the date of the offer by, or by a nominee for, the offeror or its subsidiary), and the offeror has, pursuant to the Companies Act, at any time within two months beginning with the date on which such approval is obtained, given notice to any dissenting shareholder that it desires to acquire the Shares, the Grantee (or his legal personal representative(s)) may by notice in writing to the Company within 21 days of such notice exercise the Option to its full extent or to the extent specified in such notice. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

(23) OTHER TERMS

The Company confirms that none of the Directors will be trustees of the New Share Option Scheme and accordingly, none of the Directors will have any direct or indirect interest in such trustees.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Share Repurchase Mandate.

(1) LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions. The shares proposed to be purchased by the company are fully paid up.

(2) SHAREHOLDERS' APPROVAL

All proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

(3) EXERCISE OF THE SHARE REPURCHASE MANDATE

As at the Latest Practicable Date, there were 631,287,303 Shares in issue.

Subject to the passing of the Ordinary Resolutions Nos. 8 and 9 in the notice of the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 63,128,730 Shares, being 10% of the issued share capital of the Company at the date of passing the resolution.

(4) REASONS FOR THE REPURCHASE OF SHARES

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

(5) FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-laws and any other applicable laws. It is envisaged that the funds required for any repurchase would be derived from those funds of the Company legally permitted to be utilized in this connection, including capital paid up on the Shares to be repurchased, funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares and any premium payable on a repurchase shall be provided out of funds of the Company otherwise available for dividend or distribution or sums standing to the share premium account of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the latest published audited consolidated accounts contained in the Annual Report for the year ended 31 December 2011 in the event that Share Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares had traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
March	5.40	5.00
April	5.51	5.25
May	5.34	4.94
June	5.19	4.86
July	4.97	4.73
August	4.90	4.20
September	4.73	3.93
October	4.20	3.80
November	4.15	3.65
December	3.75	3.53
2012		
January	3.99	3.63
February	4.10	3.90
March (up to the Latest Practicable Date)	4.19	3.76

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the applicable laws and regulations of Bermuda and the Memorandum of Association and the Bye-laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorized to make repurchases of Shares.

TAKEOVERS CODE

If as a result of repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code and Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Singapore Code**"). Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and Rule 14 of the Singapore Code.

As at the Latest Practicable Date, Mr. Siu Tit Lung and Mr. Siu Yuk Lung together with their respective associates are beneficially interested in 409,762,537 Shares (inclusive of underlying Shares pursuant to share options granted to each of Mr. Siu Tit Lung and Mr. Siu Yuk Lung respectively) representing approximately 64.91% of the issued share capital of the Company.

In the event that the Share Repurchase Mandate is exercised in full and the present shareholdings remain the same, the interests of Mr. Siu Tit Lung and Mr. Siu Yuk Lung and their associates in the Company would be increased to approximately 72.12% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code and under Rule 14 of the Singapore Code. The Directors have no intention to exercise the Share Repurchase Mandate to such an extent. The Directors are not aware of any consequences, which will arise under the Takeovers Code and the Singapore Code as a result of any repurchases to be made under the Share Repurchase Mandate.

SHARES PURCHASED BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Shares (whether on the Stock Exchange or on the SGX-ST) in the six months preceding the Latest Practicable Date.

Pursuant to the Listing Rules, the details of the Directors who will retire at the AGM according to the Bye-laws and will be proposed to be re-elected at the AGM are provided below.

MR. SIU YUK LUNG

Mr. Siu Yuk Lung, aged 58, has been an executive director and the managing director of the Company since December 1992 and is a co-founder of the Group. He is a director of certain subsidiaries of the Company. He is also a director of Pan Island Investments Limited, the substantial shareholder of the Company. Save as disclosed above, Mr. Siu did not hold any directorships in other listed public companies in the last three years or any positions with the Company or other members of the Group.

Mr. Siu has many years of experience in metal trading and mould base manufacturing. He has, since 1995, been serving as a member of the Executive Committee of the Hong Kong Mould Association. He is also an honorary citizen of Heyuan City, Guangdong Province in the People's Republic of China.

Pursuant to the service agreement entered into between the Company and Mr. Siu, the appointment shall be terminated by either the Company or Mr. Siu giving to the other not less than 6 months' notice in writing to determine the same. Mr. Siu's directorship with the Company is also subject to the retirement by rotation pursuant to the Bye-laws. Mr. Siu is entitled to a remuneration of HK\$6,480,000 per annum and a discretionary bonus which is determined by reference to his performance and operating results of the Group. He is the younger brother of Mr. Siu Tit Lung. As at the Latest Practicable Date, Mr. Siu is interested in 404,302,381 Shares, including 150,000 underlying Shares pursuant to share options, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 64.04% of the issued share capital of the Company.

Save as disclosed above, there is no information relating to Mr. Siu that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Directors are not aware of any other matters relating to his re-election that need to be brought to the attention of the Shareholders.

MR. WAI LUNG SHING

Mr. Wai Lung Shing, aged 50, has been an executive director of the Company since December 1992. He is the company secretary of the Company. He is also a director and a company secretary of certain subsidiaries of the Company. Save as disclosed above, Mr. Wai did not hold any directorships in other listed public companies in the last three years or any positions with the Company or other members of the Group.

Mr. Wai graduated from the Hong Kong Polytechnic University with a Bachelor of Arts (Hons.) Degree in Accountancy and from the University of Warwick, United Kingdom with a Master of Business Administration Degree. He is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, United Kingdom and The Hong Kong Institute of Directors. He is also a member of the Institute of Chartered Accountants in England and Wales. He has extensive experience in accounting, finance and management with both international accounting firms and commercial organisations.

Pursuant to the service agreement entered into between the Company and Mr. Wai, the appointment shall be terminated by either the Company or Mr. Wai giving to the other not less than 6 months' notice in writing to determine the same. Mr. Wai's directorship with the Company is also subject to the retirement by rotation pursuant to the Bye-laws. Mr. Wai is entitled to a remuneration of HK\$1,944,000 per annum and a discretionary bonus which is determined by reference to his performance and operating results of the Group. He is independent of and not connected with any Director, senior management or substantial or controlling Shareholder. As at the Latest Practicable Date, Mr. Wai is interested in 4,343,750 Shares, including 500,000 underlying Shares pursuant to share options, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 0.69% of the issued share capital of the Company.

Save as disclosed above, there is no information relating to Mr. Wai that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Directors are not aware of any other matters relating to his re-election that need to be brought to the attention of the Shareholders.

MR. FUNG WAI HING

Mr. Fung Wai Hing, aged 59, has been an executive director of the Company since August 1997. He is a director of certain subsidiaries of the Company. Save as disclosed above, Mr. Fung did not hold any directorships in other listed public companies in the last three years or any positions with the Company or other members of the Group.

Mr. Fung graduated from the University of Birmingham, United Kingdom with a Master of Science Degree in Industrial Management, and from The University of Hong Kong with a Master of Business Administration Degree. He is a past president of the Institute of Industrial Engineers (Hong Kong Chapter). He is the Honorary President of the Hong Kong Diecasting and Foundry Association, a member of the Steering Committee of the Industrial Centre of the Hong Kong Polytechnic University, and a fellow of The Hong Kong Institute of Directors. He has extensive experience in the trading business.

Pursuant to the service agreement entered into between the Company and Mr. Fung, the appointment shall be terminated by either the Company or Mr. Fung giving to the other not less than 6 months' notice in writing to determine the same. Mr. Fung's directorship with the Company is also subject to the retirement by rotation pursuant to the Bye-laws. Mr. Fung is entitled to a remuneration of HK\$1,560,000 per annum and a discretionary bonus which is determined by reference to his performance and operating results of the Group. He is independent of and not connected with any Director, senior management or substantial or controlling Shareholder. As at the Latest Practicable Date, Mr. Fung is interested in 2,957,031 Shares, including 500,000 underlying Shares pursuant to share options, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 0.47% of the issued share capital of the Company.

Save as disclosed above, there is no information relating to Mr. Fung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Directors are not aware of any other matters relating to his re-election that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING

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LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Lung Kee (Bermuda) Holdings Limited (the “**Company**”) will be held at Victoria Room, 2nd Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on Monday, 7 May 2012 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements of the Company and the reports of the directors and auditor of the Company for the year ended 31 December 2011.
2. To approve and declare a final dividend of the Company for the year ended 31 December 2011.
3. To determine the maximum number of directors of the Company for the time being be 15.
4. To re-elect and appoint directors of the Company.
5. To authorize the board of directors of the Company to fix the remuneration of directors of the Company.
6. To authorize the board of directors of the Company to appoint any person as a director of the Company either to fill a casual vacancy on the board of directors of the Company or as an addition to the existing board of directors of the Company so long as the number of directors of the Company so appointed shall not exceed 15 or such other maximum number as may be determined from time to time by members of the Company in general meeting at their discretion.
7. To re-appoint auditor of the Company and authorize the board of directors of the Company to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“**THAT:**

- (A) subject to paragraph (C) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this Resolution shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantee as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (D) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
 - (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the directors of the Company to the holders of Shares, or any class of Shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

9. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“**THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (A) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
 - (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

10. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“**THAT** subject to the passing of Ordinary Resolutions Nos. 8 and 9 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“**Shares**”) pursuant to Ordinary Resolution No. 8 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 9 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution.”

11. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“**THAT:**

(A) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of options to be granted under the share option scheme of the Company, a copy of which has been produced to this meeting marked “**A**” and signed by the chairman of this meeting for the purpose of identification (the “**Share Option Scheme**”), the Share Option Scheme be and is hereby approved and adopted; and

(B) the directors of the Company be and are hereby authorized to grant options to the eligible persons under the Share Option Scheme and to allot and issue Shares upon the exercise of any options granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Share Option Scheme.”

12. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“**THAT** the existing share option scheme of the Company adopted by the Company on 9 September 2002 be and is hereby terminated and that such termination shall become effective when the Share Option Scheme takes effect upon fulfillment of all the conditions as set out in the Share Option Scheme.”

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

Hong Kong, 2 April 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or if he holds two or more shares more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the head office and principal place of business of the Company at 20th Floor, Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. The register of members of the Company will be closed from 3 May 2012 to 7 May 2012, both days inclusive, during which period no share transfer will be effected. In order to qualify for attending and voting at this annual general meeting, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 2 May 2012.
5. Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 2 May 2012 will be entitled for attending and voting at this annual general meeting.
6. The register of members of the Company will be closed from 14 May 2012 to 15 May 2012, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 11 May 2012.
7. Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 11 May 2012 will be entitled for the proposed final dividend.
8. Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, any vote of members at a general meeting must be taken by poll. Accordingly, the Chairman will demand poll voting for all the resolutions set out in the notice of the annual general meeting.

As at the date of this announcement, the executive directors of the Company are Mr. Siu Tit Lung (Chairman), Mr. Siu Yuk Lung, Mr. Mak Koon Chi, Mr. Wai Lung Shing, Mr. Fung Wai Hing and Mr. Ting Chung Ho; and the independent non-executive directors of the Company are Mr. Liu Wing Ting, Stephen, Dr. Lee Tat Yee and Mr. Lee Joo Hai.