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LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 255)

Website: <http://www.irasia.com/listco/hk/lkm>

POSITIVE PROFIT ALERT

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

Based on the currently available information, the Board wishes to inform the Shareholders and potential investors of the Company that the amount of the 2016 Net Profit is expected to record a substantial increase of 50% or more, as compared with the net profit for the year ended 31 December 2015.

The Board expects that the announcement of the audited consolidated results of the Group for the year ended 31 December 2016 will be published in March 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealings in the shares of the Company.

This announcement is made by the board of directors (the “**Board**”) of Lung Kee (Bermuda) Holdings Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Following the review of the currently available information which includes, but without limitation to, the unaudited management accounts of the Group for the eleven months ended 30 November 2016, the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the amount of the consolidated net profit attributable to the owners of the Company for the year ended 31 December 2016 (the “**2016 Net Profit**”) is expected to record a substantial increase of 50% or more, as compared with the net profit for the year ended 31 December 2015. The substantial increase in the amount of the 2016 Net Profit is attributable to the following principal factors:

- (1) the increase in the gross profit margin of products because of the improvement in the cost and production efficiency of the business of the Group;

- (2) the performance of Hangzhou Lung Kee Metal Products Co., Ltd., a subsidiary of the Company incorporated in the People's Republic of China (the "PRC"), have been improved compared with the same period in the previous year; and
- (3) the reclassification adjustment of translation reserve upon deregistration of a PRC subsidiary.

The Company is finalising the consolidated final results of the Group for the year ended 31 December 2016. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to the Board. The audited consolidated final results of the Group may be subject to adjustments following further review by the Board, discussions with the auditors of the Company and completion of the required auditing procedures.

The Board expects that the announcement of the audited consolidated results of the Group for the year ended 31 December 2016 will be published in March 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealings in the shares of the Company.

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

Hong Kong, 10 January 2017

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