



利記控股有限公司 Lee Kee Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 637)

PRICE-SENSITIVE INFORMATION ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES

The Board wishes to remind the shareholders of the Company and investors that the results of the Group for the first six months ended 30 June, 2007 is significantly lower than that for the first half of 2006. This is principally due to the fact that the Company did not make any material gain in inventory holding with respect to non-ferrous metal products supplied by the Group (mainly SHG zinc and zinc alloy) during six months ended 30 June, 2007. The Board also noticed that the operating environment for the Group is becoming more competitive and the Group faces intense competition from local non-ferrous metal suppliers and producers in the People's Republic of China.

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of Directors (the "Board") of Lee Kee Holdings Limited (the "Company", together with its subsidiaries shall collectively be referred to as the "Group") wishes to remind the shareholders of the Company and investors that the Group's results for the first half of 2007 is significantly lower than that for the first half of 2006. This is principally due to the fact that the Group did not make any material gain in inventory holding with respect to non-ferrous metal products supplied by the Group (mainly SHG zinc and zinc alloy) during six months ended 30 June, 2007. As mentioned in the Company's prospectus dated 21 September, 2006, the Group normally maintains a strategic level of inventory with turnover of around 35 to 45 days and is generally able to realise a higher margin on the Group's products under first-in, first-out accounting system when worldwide non-ferrous metal prices increase. The Group charges higher prices to its customers when the worldwide non-ferrous prices increase which results in higher profit margin. This has been the case for each of the financial years ended 2005 and 2006 which resulted in an increase in gross profit margins for the relevant periods. The Company did not make any material inventory holding gain for the first half of 2007 as prices of SHG zinc and zinc alloy (comprising a substantial portion of the products supplied by the Group) were volatile and on an overall downward trend during the period.

The Board also noticed that the operating environment for the Group is becoming more competitive and the Group faces intense competition from local non-ferrous metal suppliers and producers in the People's Republic of China. The Group has taken immediate measures to address the competition issue and is in the course of reviewing its strategy to adjust to such market environment. In particular, the Group has expedited its development plan to diversify to upstream and downstream sectors. The Company will make further announcements in respect of the progress and status of such development plan as and when appropriate, and will comply with all applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, if applicable.

Further details of the Group's results and performance will be disclosed when the interim results for the six months ended 30 June, 2007 is announced.

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The Group is principally engaged in the sourcing and distribution of non-ferrous metals, primarily zinc alloy and zinc, nickel and nickel-related products, aluminium alloy and aluminium, and other electroplating chemicals. The Group also provides related value-added and ancillary services from procurement of raw metal materials to after-sales services.

As at the date of this announcement, the Directors of the Company are Mr. CHAN Pak Chung, Ms. CHAN Yuen Shan, Clara, Ms. MA Siu Tao, Mr. NG Tze For, Mr. William Tasman WISE*, Mr. CHUNG Wai Kwok, Jimmy**, Mr. LEUNG Kwok Keung** and Mr. HU Wai Kwok**.

By Order of the Board
CHAN Pak Chung
Chairman

* Non-executive Director

** Independent non-executive Directors

Hong Kong, 20th July 2007