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UNITED METALS HOLDINGS LIMITED
科鑄技術集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2302)

**CHANGE OF EXECUTIVE DIRECTOR, CHAIRMAN
AND CHIEF EXECUTIVE OFFICER**

The board of directors (‘the “Board”’) of United Metals Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) announces that Mr. Thomas Lau, Luen-hung (“Mr. Thomas Lau”) has resigned as an executive director and the Chairman of the Company with effect from 15th December, 2006.

The Board further announces that Mr. Tsang Chiu Wai (“Mr. Tsang”), an executive director of the Company, would take up the office as Chairman and cease to be the Chief Executive Officer of the Company with effect from 15th December, 2006 and that Mr. Kong Cheuk Luen, Trevor (“Mr. Kong”), an executive director of the Company, was re-designated from the office of the Chief Operating Officer to the Chief Executive Officer of the Company with effect from 15th December, 2006.

The Board announces that Mr. Thomas Lau, has resigned as an executive director and the Chairman of the Company with effect from 15th December, 2006.

The reason given by Mr. Thomas Lau for his resignation is that he was involved in an inquiry by the Insider Dealing Tribunal of Hong Kong (the “Tribunal”). According to the report of the Tribunal dated 8th September, 2006 (the “Report”), the Tribunal has found the dealings in listed securities of Asia Orient Holdings Limited undertaken by Mr. Thomas Lau between 14th and 20th September, 1999 constituted insider dealing. On 14th December, 2006, the Tribunal made orders against Mr. Thomas Lau pursuant to which, amongst other things, Mr. Thomas Lau shall not, without the leave of the Court of First Instance of Hong Kong, be a director of the Company, or Chinese Estates Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited), for a period of 12 months commencing from 22nd December, 2006.

As at 15th December, 2006, Mr. Thomas Lau is deemed to have an interest in 69,468,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), representing approximately 31.58% of the issued share capital of the Company. Save as disclosed above, Mr. Thomas Lau has confirmed that he has no disagreement with the Board and he is not aware of any matter relating to his resignation that needs to be brought to the attention of holders of securities of the Company. The Board also believes that the resignation of Mr. Thomas Lau would not cause any adverse impact to the Group’s daily operations and management.

The Board further announces that Mr. Tsang, an executive director of the Company, would take up the office as Chairman and cease to be the Chief Executive Officer of the Company with effect from 15th December, 2006.

Mr. Tsang, aged 56, is an executive director of the Company and became the Chairman of the Company on 15th December, 2006. Mr. Tsang was a co-founder of the Group. He is responsible for the overall management and corporate strategies on production and technical know-how of the Group. Mr. Tsang also serves as director of various subsidiaries of the Company. Mr. Tsang does not hold any directorships in other listed public companies in the last three years preceding 15th December, 2006.

Mr. Tsang graduated from the University of Hong Kong with a Bachelor of Science Degree in 1974. After completion of his Master of Business Administration Degree in the University of Windsor, Canada, in 1977, Mr. Tsang joined an international oil company in Hong Kong and gained valuable experience in corporate planning and finance. Mr. Tsang is also a member of the North American Die Casting Association.

Save as disclosed above, Mr. Tsang does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company.

As at 15th December, 2006, Mr. Tsang was deemed to be interested in 60,042,000 shares of the Company pursuant to Part XV of the SFO, representing approximately 27.29% of the issued shares of the Company. These 60,042,000 shares are held by Standard Beyond Limited, a company beneficially owned by Mr. Tsang. Saved as disclosed above, Mr. Tsang did not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

The Board also announces that Mr. Kong, an executive director of the Company, was re-designated from the office of the Chief Operating Officer to the Chief Executive Officer of the Company with effect from 15th December, 2006.

Mr. Kong, aged 50, joined the Group in September 2002. As of 15th December, 2006, he would serve as the Chief Executive Officer of the Company. He is responsible for the overall management of the financial, sales and marketing functions of the Group. Mr. Kong also serves as director of various subsidiaries of the Company. Mr. Kong does not hold any directorships in other listed public companies in the last three years preceding 15th December, 2006.

Mr. Kong graduated with a Bachelor of Commerce Degree from University of Saskatchewan, Canada in 1980. During his past years of experience, he had successfully deployed several key projects such as computerization of production system, certification of ISO 9001 quality system, construction of new 150,000 square feet plant facility and restructuring of a world class manufacturing team.

Save as disclosed above, Mr. Kong does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company.

As at 15th December, 2006, Mr. Kong was deemed to be interested in 33,141,000 shares of the Company pursuant to Part XV of the SFO, representing approximately 15.06% of the issued shares of the Company. These 33,141,000 shares are held by Absolute Above Limited, a company beneficially owned by Mr. Kong. Saved as disclosed above, Mr. Kong did not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Each of Mr. Tsang and Mr. Kong has an existing service contract with the Company for an initial term of three years commencing from 11th December, 2002 to 10th December, 2005, which term shall continue thereafter unless and until terminated by not less than 6 months’ notice in writing served by either party on the other. Each of Mr. Tsang and Mr. Kong is entitled to a salary under their respective service contracts of HK\$168,000 per month payable in consideration of their performance of duties and a bonus equivalent to their average monthly salary in respect of each completed year of their service as at 31st December (or calculated on a pro-rata basis if they have not completed 12 months’ service thereunder or the service contract is terminated prior to 31st December of the relevant calendar year) and, subject to the discretion of the Board having regard to the operating results of the Group and their

* For identification only

performance, a management bonus provided that the aggregate amount of the management bonuses payable to all executive directors in respect of any financial year shall not exceed 10% of the audited consolidated net profit of the Group (after taxation and minority interests but before extraordinary items for the relevant financial year and the payment of such bonuses as shown in the Group's audited consolidated accounts).

Under their service contracts, the Company shall provide each of Mr. Tsang and Mr. Kong with a staff quarter either by way of providing free accommodation of a flat or house or by reimbursing the rent actually paid by them provided that the amount of any rent payable by the Company or any members of the Group or reimbursed to each of them by the Company shall not exceed HK\$50,000 per month and any amount in excess shall be borne by them. Both of Mr. Tsang and Mr. Kong are subject to the provisions of retirement by rotation and re-election under the Articles of Association of the Company. Both Mr. Tsang and Mr. Kong confirmed that there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and that they are not aware of any other matters that need to be brought to the attention of the shareholders of the Company.

Save as disclosed above, there are no other matters in relation to the aforesaid changes that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere appreciation to Mr. Thomas Lau for his invaluable contribution made to the Company during his tenure.

By Order of the Board
Siu Po-sim, Katherine
Company Secretary

Hong Kong, 15th December, 2006

As at the date of this announcement (upon the above change of directorship), the Board of Directors of the Company comprises, Mr. Tsang Chiu Wai, and Mr. Kong Cheuk Luen, Trevor as executive directors; Mr. Wong Wing Sing as non-executive director; and Mr. Lee Tho Siem, Mr. Wang Jianguo, and Dr. Loke Yu alias Loke Hoi Lam as independent non-executive directors.

“Please also refer to the published version of this announcement in The Standard.”