

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Kee Shing (Holdings) Limited

奇盛(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 174)

**POSSIBLE CHANGE OF CONTROL OF THE COMPANY,
GROUP REORGANISATION AND DISTRIBUTION IN SPECIE
RESUMPTION OF TRADING**

The Beneficial Sellers entered into a non-binding MOU on 11 June 2010 (as supplemented on 14 June 2010) with the Purchaser regarding the Possible Disposal of an aggregate 69.02% interests in the Company, which may result in a change of control (as defined in the Takeovers Code) of the Company.

Subject to the entering into of the Formal Agreement, the Beneficial Sellers will put forward the Proposal to the Company involving a reorganisation of the assets of the Group such that except the commercial properties on Mainland China, certain investment securities and certain amount of cash, all assets of the Group will be transferred to Newco, and all the issued shares of Newco will be distributed in specie to the shareholders of the Company.

The Possible Disposal and the Proposal are subject to the entering into of the Formal Agreement and may or may not materialise. There is currently no certainty that any general offer for Shares will be made. Shareholders and the investing public are urged to exercise extreme caution when dealing in the Shares.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 June 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 15 June 2010.

Kee Shing (Holdings) Limited (the “Company”) wishes to announce that it was informed by Leung Shu Wing (the “First Seller”), Leung Miu King and Yuen Tin Fan, Francis (together, the “Beneficial Sellers”) that they entered into a non-binding memorandum of understanding on 11 June 2010 (as supplemented on 14 June 2010) (the “MOU”) with an independent third party (the “Purchaser”) regarding the possible disposal of an aggregate of 307,495,075 shares of the Company (“Shares”) (representing about 69.02% of the issued share capital of the Company) by the First Seller, Leung Miu King, Tien Fung Hong Group Limited and Snowdon International Limited (together, the “Sellers”) to the Purchaser (the “Possible Disposal”), subject to, among other things, the execution of a legally binding agreement (the “Formal Agreement”) between the Sellers and the Purchaser on or before 29 June 2010 or such later date as may be agreed in writing by the parties to the MOU.

The board of directors of the Company has been advised by the Beneficial Sellers that the Beneficial Sellers and the Purchaser have agreed in principle, subject to the signing of the Formal Agreement, the Beneficial Sellers shall put forward a proposal (the “Proposal”) to the Company involving, among other things, a reorganisation (the “Reorganisation”) of the assets of the Company and its subsidiaries (the “Group”) such that except the commercial properties on Mainland China, certain investment securities and certain amount of cash, all assets of the Group will be transferred to a newly formed wholly owned subsidiary of the Company (“Newco”); and all the issued shares of Newco will be distributed in specie to the shareholders of the Company (the “Distribution”). Following the Reorganisation, the Purchaser shall acquire the controlling stake in the Company held by the Sellers, resulting in a change of control (as defined in the Takeovers Code) of the Company and triggering the obligation of the Purchaser to make an unconditional mandatory general offer (the “Mandatory Offer”) for all Shares not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it. The First Seller and/or his family members would also make a voluntary general offer to the shareholders of Newco after the Distribution to acquire all the shares of Newco not already owned or agreed to be acquired by the Sellers and parties acting in concert with them.

Pursuant to the MOU, the proposed consideration (the “Consideration”) for the entire 307,495,075 Shares subject to the Possible Disposal shall be HK\$474,184,324 (or approximately HK\$1.542 per Share), adjusted by the market value of the investment securities retained in the Group upon completion of the Formal Agreement. The Purchaser has confirmed that if the Mandatory Offer is made, the offer price will not be lower than HK\$1.542 per Share.

Shareholders and potential investors should note that there is currently no certainty that any general offer for Shares will be made.

After the signing of the MOU, the Purchaser and its appointed representatives and professional advisers shall be given the opportunity to conduct due diligence review on the Group. It is intended that completion of the Formal Agreement is conditional upon, among others:

- (i) the passing of all necessary resolutions by the independent shareholders of the Company at a general meeting approving the Reorganisation and the Distribution;
- (ii) completion of the Reorganisation; and
- (iii) all necessary consents or approvals from third parties or government or regulatory authorities required to give effect to the Reorganisation and the Distribution having been obtained by the Group.

Shareholders should note that the terms and conditions of the Possible Disposal and the Proposal are subject to further negotiations and the Formal Agreement has not been entered into as at the date of this announcement. Shareholders will be informed of any further development as and when necessary and on a monthly basis until announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Disposal and the Proposal.

The Possible Disposal and the Proposal are subject to the entering into of the Formal Agreement and may or may not materialise. Shareholders and potential investors should note that there is currently no certainty that any general offer for Shares will be made. Shareholders and the investing public are urged to exercise extreme caution when dealing in the Shares.

Securities in the Company

As at the date of this announcement, the Company has a total of 445,500,000 ordinary shares of HK\$0.05 each in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after the Possible Disposal if materialises:

	As at the date of this announcement		Immediately after the Possible Disposal	
	Number of Shares	Percentage	Number of Shares	Percentage
Leung Shu Wing (<i>Note 1</i>)	184,691,075	41.46%	–	–
Leung Miu King (<i>Note 2</i>)	21,050,000	4.72%	–	–
Tien Fung Hong Group Limited (<i>Note 3</i>)	26,984,000	6.06 %	–	–
Snowdon International Limited (<i>Note 4</i>)	74,770,000	16.78%	–	–
Sub total	307,495,075	69.02%	–	–
Purchaser and its concert parties	–	–	307,495,075	69.02%
Public shareholders	138,004,925	30.98%	138,004,925	30.98%
Total	<u>445,500,000</u>	<u>100%</u>	<u>445,500,000</u>	<u>100%</u>

Notes:

1. Mr. Leung Shu Wing is the Chairman and an executive director of the Company.
2. Ms. Leung Mui King is the Managing Director and an executive director of the Company.
3. Tien Fung Hong Group Limited is owned 60% by Mr. Yuen Tin Fan, Francis, a non-executive director of the Company.
4. Snowdon International Limited is wholly owned by DBMG Trust Company Limited, a trustee of the TF Yuen Trust, which was founded by Mr. Yuen Tin Fan, Francis, a non-executive director of the Company.

Dealings disclosure

The associates (as defined in the Takeovers Code) of the Company are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive (as defined in the Takeovers Code) in its dealings enquires. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

Suspension and resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 June 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 15 June 2010.

By order of the Board
Kee Shing (Holdings) Limited
Leung Shu Wing
Chairman

Hong Kong, 14 June 2010

As at the date of this announcement, the executive directors of the Company are Mr. Leung Shu Wing (Chairman), Ms. Leung Miu King, Marina (Managing Director), Mr. Wong Chi Kin and Mr. Wong Choi Ying; the non-executive director of the Company is Mr. Yuen Tin Fan, Francis; and the independent non-executive directors of the Company are Mr. Wong Kong Chi, Mr. Lai Chung Wing, Robert and Mr. Chan Wing Lee.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.