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遠洋地產控股有限公司

Sino-Ocean Land Holdings Limited

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)
(Stock Code: 03377)

Merit Gala Limited

(Incorporated in BVI with limited liability)



Kee Shing (Holdings) Limited

奇盛(集團)有限公司

(Incorporated in Hong Kong with Limited Liability)

(Stock Code: 174)

Financial adviser to Sino-Ocean Land (Hong Kong) Limited (a wholly-owned subsidiary of SINO-OCEAN LAND HOLDINGS LIMITED)



BNP PARIBAS

CORPORATE & INVESTMENT BANKING

BNP Paribas Capital (Asia Pacific) Limited

Financial adviser to Merit Gala Limited



Optima Capital Limited

- (I) GROUP REORGANISATION OF KEE SHING (HOLDINGS) LIMITED**
(II) POSSIBLE UNCONDITIONAL VOLUNTARY CASH OFFER FOR SHARES IN KEE SHING INVESTMENT (BVI) LIMITED BY OPTIMA CAPITAL ON BEHALF OF MERIT GALA
(III) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER FOR SHARES IN KEE SHING (HOLDINGS) LIMITED BY BNP PARIBAS CAPITAL ON BEHALF OF SINO-OCEAN (A WHOLLY-OWNED SUBSIDIARY OF SINO-OCEAN LAND)
(IV) PROPOSED CHANGE OF COMPANY NAME
AND
(V) RESUMPTION OF TRADING IN SHARES OF KEE SHING (HOLDINGS) LIMITED

The Group Reorganisation

At the request of the Beneficial Sellers, the Kee Shing Board proposes to place before the Kee Shing Shareholders a proposal for the Group Reorganisation which, if approved and implemented, will result in,

- (i) Kee Shing continuing as a public listed company with its subsidiaries engaged in the business of properties investment and securities investment;
- (ii) all other subsidiaries carrying on trading business will be transferred to KSL which will engage in the business of trading of chemicals and metals; and
- (iii) the KSL Shares held by Kee Shing will, following the injection of the Distributed Business into KSL, be distributed in specie to the Kee Shing Shareholders whose names appear on the register of members of Kee Shing on the Record Date on the basis of one KSL Share for each Kee Shing Share.

The distribution in specie of the KSL Shares will be effected by way of distribution from the distributable profits of Kee Shing of an amount equivalent to the carrying value of KSL Group, which will be ascertained immediately prior to completion of the Group Reorganisation. There is no intention to apply for the listing of the KSL Shares on the Stock Exchange or any other stock exchange.

The Group Reorganisation is conditional on, among other things, the approval of the Independent Shareholders being obtained and the fulfilment or waiver of all the conditions precedent to completion of the Agreement (other than those relating to the implementation and completion of the Group Reorganisation).

Possible unconditional voluntary cash offer for the KSL Shares

Subject to completion of the Group Reorganisation and the Agreement, Optima Capital will, on behalf of Merit Gala, make the KSL Offer to the shareholders of KSL to acquire all the VGO KSL Shares on the following basis:

For every KSL Share. HK\$0.192 in cash

The principal terms of the KSL Offer are set out under the section headed “Possible unconditional voluntary cash offer for the KSL Shares” below. Optima Capital, the financial adviser to Merit Gala, is satisfied that sufficient financial resources are available to Merit Gala to satisfy full acceptance of the KSL Offer.

The Agreement and possible unconditional mandatory cash offer for the Kee Shing Shares

The Kee Shing Board has been informed by the Beneficial Sellers that the Sellers entered into the Agreement with Sino-Ocean on 29 June 2010, pursuant to which and subject to, among other things, obtaining of all necessary consents and approvals for the Group Reorganisation, Sino-Ocean agreed to acquire 307,495,075 Kee Shing Shares (representing approximately 69.02% of the existing issued share capital of Kee Shing) from the Sellers for an aggregate consideration of HK\$474,184,324 (subject to adjustment under the Agreement), equivalent to approximately HK\$1.542 per Kee Shing Share.

Subject to Completion, BNP Paribas Capital will, on behalf of Sino-Ocean, make an unconditional mandatory cash offer to all Independent Shareholders to acquire all issued Kee Shing Shares (other than those Kee Shing Shares already held or agreed to be acquired by the Sino-Ocean Concert Group), on the following basis:

For every Kee Shing Share HK\$1.542 in cash
(which may be subject to upward
adjustment with reference
to the Adjusted Price)

The principal terms of the Kee Shing Offer are set out under the section headed “Possible unconditional mandatory cash offer for the Kee Shing Shares” below. BNP Paribas Capital is satisfied that there are sufficient financial resources available to Sino-Ocean to satisfy the amount of funds required for full acceptance of the Kee Shing Offer.

THE MAKING OF THE KSL OFFER AND THE KEE SHING OFFER IS SUBJECT TO A NUMBER OF CONDITIONS AND IS A POSSIBILITY ONLY. AS SUCH OFFERS MAY OR MAY NOT PROCEED, INVESTORS AND KEE SHING SHAREHOLDERS ARE URGED TO EXERCISE CAUTION WHEN DEALING IN THE KEE SHING SHARES.

Proposed change of name of Kee Shing

It is proposed that the name of Kee Shing be changed from “Kee Shing (Holdings) Limited (奇盛 (集團) 有限公司)” to “Gemini Property Investments Limited (盛洋地產投資有限公司)” after Completion.

General

The Circular containing, among other things, details of the Group Reorganisation, the proposed name change of Kee Shing, the financial information of the Kee Shing Group, the pro forma financial information of the Retained Group and the KSL Group upon completion of the Group Reorganisation, the recommendation from the Independent Board Committee and the advice from the independent financial adviser on the Group Reorganisation together with a notice of the EGM is expected to be sent to the Kee Shing Shareholders on or before 6 September 2010 in order to allow sufficient time for the preparation of financial information of the Kee Shing Group for inclusion in the Circular.

At the request of Kee Shing, trading in the Kee Shing Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 June 2010 pending the release of this announcement. An application has been made by Kee Shing to the Stock Exchange for resumption of trading in the Kee Shing Shares with effect from 9:30 a.m. on 8 July 2010.

Reference is made to the announcement of Kee Shing dated 14 June 2010 in relation to the memorandum of understanding entered into between the Beneficial Sellers and Sino-Ocean regarding, among others, the possible sale and purchase of an aggregate of about 69.02% of the issued share capital of Kee Shing and the Group Reorganisation.

THE GROUP REORGANISATION

As at the date of the Agreement and this announcement, the Sellers hold an aggregate of 307,495,075 Kee Shing Shares, representing approximately 69.02% of the entire issued share capital of Kee Shing. At the request of the Beneficial Sellers, the Kee Shing Board proposes to place before the Kee Shing Shareholders a proposal for the Group Reorganisation. Pursuant to the Group Reorganisation, Kee Shing and its retained subsidiaries will concentrate on its property and securities investment business. All other subsidiaries carrying on trading business will be held by KSL. The KSL Shares held by Kee Shing will, following the injection of the Distributed Business into KSL, be distributed in specie to the Kee Shing Shareholders whose names appear on the register of members of Kee Shing on the Record Date on the basis of one KSL Share for each Kee Shing Share. Kee Shing will continue to be a public listed company.

Mechanics of the Group Reorganisation

The Group Reorganisation will be effected by KSL acquiring from the Kee Shing Group all the assets other than those related to the Retained Business (the “Asset Reorganisation”). The assets to be transferred will include businesses, which transfer is expected to be in the form of acquisition of the entire issued share capitals of the relevant subsidiaries carrying on the Distributed Business by the KSL Group from the Retained Group. As part of the Group Reorganisation, certain inter-group balances between members of the Retained Group and members of the KSL Group will be settled before completion of the Group Reorganisation. The various intergroup balances to be settled, assigned or capitalised shall be determined with reference to the relevant amounts of such balances in the management accounts of the relevant companies as at the date of completion of the Group Reorganisation.

In consideration of the transfer of the assets of the Distributed Business, KSL will issue such number of KSL Shares to Kee Shing so that the total number of KSL Shares then in issue will be equal to the number of Kee Shing Shares in issue on the Record Date. Kee Shing will then distribute all the issued KSL Shares in specie to the Kee Shing Shareholders whose names appear on the register of members of Kee Shing on the Record Date on the following basis:

For each Kee Shing Share held one KSL Share

The distribution in specie of the KSL Shares will be effected by distribution from the distributable profits of Kee Shing of an amount equivalent to the carrying value of the KSL Group, which will be ascertained immediately prior to completion of the Group Reorganisation. Completion of the Agreement (and consequently the making of Kee Shing Offer and the KSL Offer) is conditional upon, inter alia, completion of the Asset Reorganisation and is expected to take place at the same time of the distribution in specie of the KSL Shares pursuant to the Group Reorganisation. Further information in this regard will be included in the Circular.

Pursuant to the Group Reorganisation, all the KSL Shares in issue on the Record Date upon completion of the Group Reorganisation will be distributed to the Kee Shing Shareholders whose names appear on the register of members of Kee Shing on the Record Date. However, if the KSL Offer proceeds, the certificates of the KSL Shares will only be posted to the Kee Shing Shareholders who do not accept the KSL Offer after the close of the KSL Offer in order to avoid confusion and to enhance efficiency. Details of the KSL Offer are set out under the section headed “Possible Unconditional Voluntary Cash Offer for the KSL Shares” below.

The KSL Shares will rank pari passu in all respects with each other. There is no intention to apply for the listing of the KSL Shares on the Stock Exchange or any other stock exchange.

Conditions of the Group Reorganisation

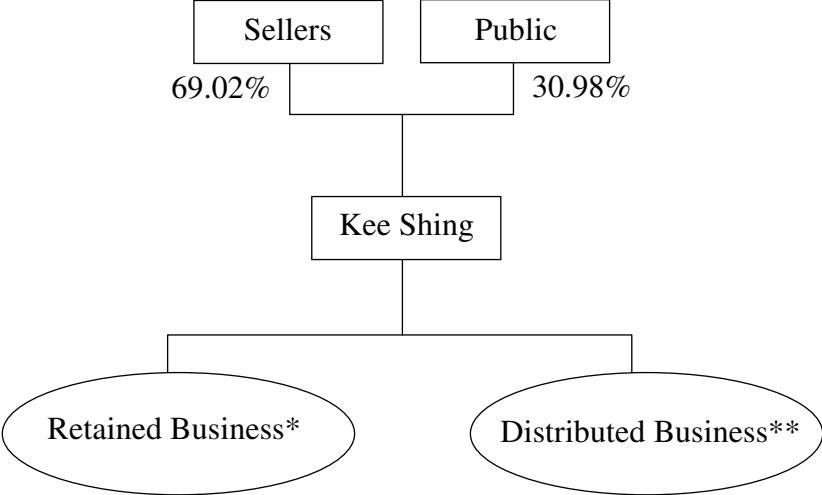
The Group Reorganisation will be conditional upon, among other things,

- (1) the passing of the necessary resolution(s) to approve the Group Reorganisation by the Independent Shareholders;
- (2) the fulfilment or waiver of all the conditions precedent to completion of the Agreement (other than those relating to the implementation and completion of the Group Reorganisation); and
- (3) all necessary consents or approvals from third parties or government or regulatory authorities required to give effect to the Group Reorganisation having been obtained by the Kee Shing Group.

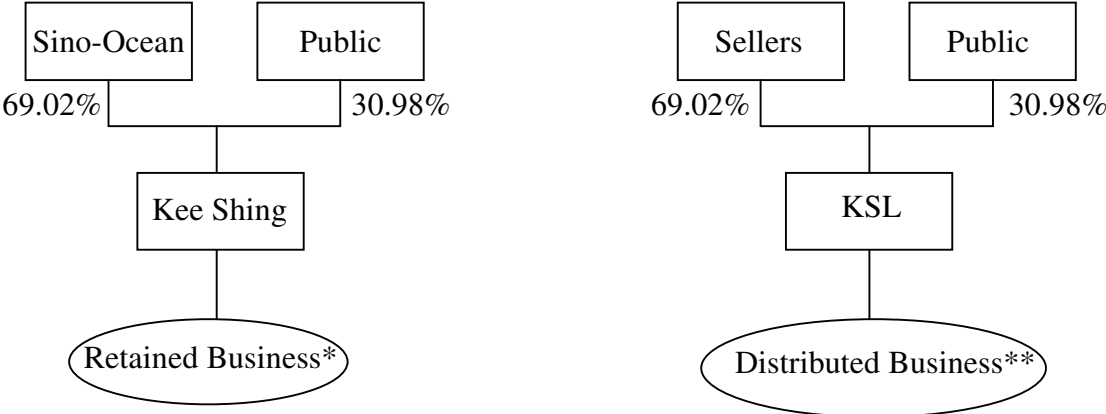
The Sellers Concert Group, its associates and their respective parties acting in concert with them will abstain from voting on the resolution(s) approving the Group Reorganisation. As at the date of this announcement, the Sellers Concert Group holds an aggregate of 339,109,075 Kee Shing Shares, of which 184,691,075 Kee Shing Shares are held by Mr. Leung, 21,050,000 Kee Shing Shares by Ms. Leung, 26,984,000 Kee Shing Shares by Tien Fung Hong Group Limited, 74,770,000 Kee Shing Shares by Snowdon International Limited, 21,564,000 Kee Shing Shares by Mr. Leung Chung Ping and 10,050,000 Kee Shing Shares by Ms. Leung Miu Kam. As at the date of this announcement, Kee Shing has no outstanding convertible securities, warrants, options or derivatives which are convertible into or which confer rights to require the issue of Kee Shing Shares. As at the date of this announcement, the Sino-Ocean Concert Group and its associates do not own or control (directly or indirectly) any Kee Shing Shares. In the event that the Sino-Ocean Concert Group and its associates acquire any Kee Shing Shares prior to the EGM, the Sino-Ocean Concert Group and its associates will abstain from voting on the resolution(s) approving the Group Reorganisation. Save for the aforesaid, to the best of the knowledge, information and belief of the Kee Shing Directors and having made all reasonable enquiries, no other Kee Shing Shareholder is required to abstain from voting on the resolution(s) approving the Group Reorganisation. The resolution(s) to consider and approve the Group Reorganisation will be taken by poll.

Group structure before and after the Group Reorganisation

The chart below shows in summary the group structure of Kee Shing as at the date of this announcement and immediately before the implementation of the Group Reorganisation (assuming no other changes since the date of this announcement):



The chart below shows in summary the group structure of Kee Shing and KSL immediately after the implementation of the Group Reorganisation and completion of the Agreement (assuming no other changes since then):



*Retained Business:
 (i) property investment division: acquisition and disposal of properties and provision of leasing and agency services; and
 (ii) securities investment division: managing a portfolio of listed and unlisted securities in Hong Kong, the United States and Japan.

**Distributed Business:
 Trading division: trading of electroplating materials, paint and coating chemicals and stainless steel

Shareholding structure of Kee Shing

The table below shows the shareholding structure of Kee Shing (i) as at the date of this announcement; and (ii) immediately upon completion of the Group Reorganisation and the Agreement, on the basis of the public information available to Kee Shing as at the date of this announcement and after the Kee Shing Directors having made reasonable enquiries, and on the assumption that there is no change in shareholding except pursuant to the Agreement:

	As at the date of this announcement		Immediately upon completion of the Group Reorganisation and the Agreement	
	Number of Shares	Percentage	Number of Shares	Percentage
Leung Shu Wing (<i>Notes 1 & 5</i>)	184,691,075	41.46%	–	–
Leung Miu King (<i>Notes 2 & 5</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%	–	–
Sellers	307,495,075	69.02%	–	–
Other parties acting in concert with Mr. Leung (<i>Note 5</i>)	31,614,000	7.10%	31,614,000	7.10%
Sino-Ocean Concert Group	–	–	307,495,075	69.02%
Other public shareholders (<i>Note 5</i>)	106,390,925	23.88%	106,390,925	23.88%
Total	445,500,000	100%	445,500,000	100%
All public shareholders (<i>Note 5</i>)	138,004,925	30.98%	138,004,925	30.98%

Notes:

1. Mr. Leung Shu Wing is the Chairman and an executive director of Kee Shing.
2. Ms. Leung Miu King is the Managing Director and an executive director of Kee Shing.
3. Tien Fung Hong Group Limited is owned 60% by Mr. Yuen, a non-executive director of Kee Shing, 20% by Mr. Leung Chung Ping and 20% by Ms. Leung Miu Kam.

4. Snowdon International Limited is wholly-owned by Deutsche Bank International Trust Co. Limited, a trustee of the T F Yuen Trust, which was founded by Mr. Yuen, a non-executive director of Kee Shing.
5. The other parties acting in concert with Mr. Leung include Mr. Leung Chung Ping and Ms. Leung Miu Kam. Mr. Leung Shu Wing is the father of Ms. Leung Miu King, Mr. Leung Chung Ping and Ms. Leung Miu Kam. Mr. Leung Chung Ping and Ms. Leung Miu Kam are not directors or substantial shareholders of Kee Shing and so are treated as public shareholders of Kee Shing.

Financial information of the Kee Shing Group

The following information is extracted from Kee Shing Group's audited consolidated income statements for the two years ended 31 December 2008 and 2009:

	For the year ended	
	31 December	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	964,715	1,782,553
Profit (loss) before taxation	95,941	(87,146)
Income tax expenses	(10,262)	(1,812)
Profit (loss) for the year		
– attributable to equity holders of Kee Shing	79,711	(89,227)
– Minority interest	5,968	269
	85,679	(88,958)
	<u>85,679</u>	<u>(88,958)</u>
Earnings (losses) per Kee Shing Share		
– Basic	HK17.89 cents	(HK20.03 cents)
	<u>HK17.89 cents</u>	<u>(HK20.03 cents)</u>

The following information is extracted from the audited consolidated balance sheet of the Kee Shing Group as at 31 December 2009:

	As at 31 December 2009 <i>HK\$'000</i>
Non-current assets:	
Investment properties	377,997
Property, plant and equipment	26,338
	<hr/>
	404,335
Current assets	509,035
Current liabilities	(224,618)
	<hr/>
Net current assets	284,417
Non-current liabilities:	
Deferred tax liabilities	(18,348)
Total equity	670,404
Less: Minority interest	(34,306)
	<hr/>
Total equity attributable to the equity holders of Kee Shing	<u>636,098</u>

On the basis of 445,500,000 Kee Shing Shares in issue as at 31 December 2009, the audited consolidated net assets of the Kee Shing Group attributable to the equity holders of Kee Shing amounts to HK\$636,098,000, or HK\$1.428 per Kee Shing Share as at that day.

Based on the unaudited combined accounts of the Retained Group and the KSL Group as at 31 December 2009 as contained in the audited consolidated accounts of the Kee Shing Group and adjusted for the dividend of HK\$0.06 per Kee Shing Share paid in June 2010, the unaudited net asset value attributable to shareholders of the Retained Group as at 31 December 2009 amounted to approximately HK\$503 million and the unaudited net asset value attributable to shareholders of the KSL Group amounted to approximately HK\$106 million, representing approximately HK\$1.13 per Kee Shing Share for the Retained Group and approximately HK\$0.24 per Kee Shing Share for the KSL Group.

As explained in the paragraph headed “Mechanics of the Group Reorganisation” above, the Group Reorganisation will involve the settlement, assignment and/or capitalisation of intergroup balances in certain members of the KSL Group. Accordingly, the net asset values of the Retained Group and the KSL Group upon completion of the Group Reorganisation are expected to be different from that described above. The pro forma financial information of the Retained Group and the KSL Group assuming completion of the Group Reorganisation will be included in the Circular.

Reasons for the Group Reorganisation

After arm’s length negotiations, Sino-Ocean has conditionally agreed to acquire the controlling stake in Kee Shing from the Sellers provided that the Kee Shing Group will only concentrate on the property and securities investment business. In order to facilitate completion of the Agreement, the Beneficial Sellers have requested the Kee Shing Board to place before the Kee Shing Shareholders a proposal for the Group Reorganisation. If Kee Shing were to dispose of the Distributed Business to Mr. Leung or Ms. Leung instead of implementing the Group Reorganisation, the Independent Shareholders will not be given the flexibility to realise or retain their investments in the Distributed Business to be undertaken by the KSL Group.

The Kee Shing Directors (excluding all independent non-executive Kee Shing Directors who will form their view after considering the advice of the independent financial adviser) consider that the Group Reorganisation, the KSL Offer and the Kee Shing Offer together provide alternatives for the Kee Shing Shareholders either to divest all their investments in Kee Shing at a premium over the market price of Kee Shing Shares or to retain some or all of their investments through holding interests in Kee Shing, KSL or both companies.

Save for the proposed distribution in specie of the KSL Shares pursuant to the Group Reorganisation, Kee Shing has not formulated any future dividend policy.

POSSIBLE UNCONDITIONAL VOLUNTARY CASH OFFER FOR THE KSL SHARES

Assuming no Kee Shing Shares will be issued after the date of this announcement, upon completion of the Group Reorganisation, Kee Shing will have 445,500,000 Kee Shing Shares in issue and on this basis, 445,500,000 KSL Shares will be distributed to the Kee Shing Shareholders whose names appear on the register of members of Kee Shing on the Record Date. Based on the shareholding structure of Kee Shing as at the date of this announcement and assuming no other changes since the date of this announcement, upon completion of the Group Reorganisation, Mr. Leung and Ms. Leung will be directly interested in a total of 205,741,075 KSL Shares, representing approximately 46.18% of the total share capital of KSL then in issue. The Merit Gala Group together with the rest of the Sellers Concert Group and parties acting in concert with any of them will be interested in a total of 339,109,075 KSL Shares, representing approximately 76.12% of the total share capital of KSL then in issue.

Given that the KSL Shares will not be listed on the Stock Exchange or any other stock exchange upon completion of the Group Reorganisation, Mr. Leung and Ms. Leung consider it is appropriate to provide the Independent Shareholders an opportunity to realise their investments in KSL by making the KSL Offer. Subject to completion of the Group Reorganisation and the Agreement, Optima Capital will, on behalf of Merit Gala, make an unconditional voluntary cash offer to the shareholders of KSL to acquire all the VGO KSL Shares on the terms to be set out in the composite offer and response document in relation to the KSL Offer and the accompanying form of acceptance and transfer on the following basis:

For every KSL Share HK\$0.192 in cash

The making of the KSL Offer is a possibility only and may or may not proceed. In the event that the KSL Offer is made, it will be unconditional in all respects.

The KSL Shares subject to the KSL Offer will be acquired by Merit Gala with the right to receive all dividends and distributions declared, paid or made on or after the date of the issue of the KSL Shares and free from all third party rights.

Since 26 January 2010, being the date of incorporation of KSL, and up to the date of this announcement, save for the subscription of two KSL Shares by Kee Shing on its incorporation, KSL has not issued any shares, securities, options, derivatives or warrants which are convertible into or which confers rights to require the issue of KSL Shares or any other securities carrying conversion or subscription rights into KSL Shares.

Since KSL is a company incorporated in the BVI and its register of members is located there, no transfer duty is payable on any transfer of the KSL Shares.

The offer price for the KSL Shares has been determined after taking into account factors including (i) the estimated consolidated net asset value attributable to shareholders of the KSL Group upon completion of the Group Reorganisation of HK\$106 million with reference to the unaudited consolidated net asset value of the KSL Group based on the audited consolidated balance sheet of the Kee Shing Group as at 31 December 2009 (adjusted for the dividend paid in June 2010) and the intended settlement, assignment and/or capitalisation of intergroup balances among the Retained Group and the KSL Group; (ii) the estimated Kee Shing Offer price of HK\$1.542 per Kee Shing Share; (iii) the prevailing market prices of Kee Shing Shares as further described in the section headed “Comparison of the combined offer price under the KSL Offer and the Kee Shing Offer with market price” below; and (iv) the closing price of HK\$1.3 per Kee Shing Share as quoted on the Stock Exchange on the First Last Trading Day.

On the basis that 445,500,000 KSL Shares are expected to be in issue upon completion of the Group Reorganisation and the offer price of HK\$0.192 per KSL Share under the KSL Offer, the KSL Offer values the entire issued share capital of KSL at approximately HK\$85.54 million. Based on 445,500,000 Kee Shing Shares in issue as at the date of this announcement and assuming there is no change in the shareholding of Kee Shing since the date of this announcement up to the Record Date, the Merit Gala Group will be interested in 205,741,075 KSL Shares (representing approximately 46.18% of the share capital of KSL then in issue) upon completion of the Group Reorganisation and accordingly, 239,758,925 KSL Shares (representing approximately 53.82% of the share capital of KSL expected to be in issue) will be subject to the KSL Offer. Such KSL Shares are valued at approximately HK\$46.03 million based on the offer price of HK\$0.192 per KSL Share under the KSL Offer.

Pursuant to the Agreement, each of Tien Fung Hong Group Limited and Snowdon International Limited has severally undertaken to Mr. Leung that they will accept the KSL Offer. Such undertaking is legally-binding under the Agreement and so it is irrevocable unless the parties to the Agreement agree otherwise.

Merit Gala will finance the consideration required to meet acceptances of the KSL Offer by the cash deposit held by Ms. Leung. Optima Capital, the financial adviser to Merit Gala, is satisfied that sufficient financial resources are available to Merit Gala to satisfy full acceptance of the KSL Offer.

Merit Gala intends to avail itself of any compulsory acquisition or redemption provisions under the applicable laws in the BVI and the relevant provisions of the Takeovers Code. In the event that upon closing of the KSL Offer, the Merit Gala Group receives acceptances of the KSL Offer total 90% or more of the disinterested KSL Shares (i.e. KSL Shares other than those owned by Merit Gala and parties acting in concert with it), Merit Gala intends to direct KSL to redeem the KSL Shares not already owned by the Merit Gala Group pursuant to section 176 of the BVI Business Companies Act.

As at the date of this announcement, the board of directors of KSL comprises Mr. Leung and Ms. Leung, who are also Kee Shing Directors.

As at the date of this announcement, KSL is wholly-owned by Kee Shing and accordingly, the Sellers Concert Group and parties acting in concert with any of its members, through their respective shareholding interests in Kee Shing, are indirectly interested in an aggregate of 76.12% of the issued share capital of KSL. Save for the aforesaid and their entitlements to receive KSL Shares pursuant to the Group Reorganisation, the Sellers Concert Group does not hold any securities of KSL and there is no other existing holding of voting rights and rights over KSL Shares (a) which the Sellers Concert Group owns or over which it has control or direction; or (b) in respect of which the Sellers Concert Group holds any convertible securities, warrants or options. None of the Sellers Concert Group or any parties acting in concert with any of its members had dealt in the relevant securities of KSL during the six-month period immediately preceding 14 June 2010, being the date of commencement of the offer period as defined in the Takeovers Code, and up to the date of this announcement. As at the date of the announcement, the Sino-Ocean Concert Group does not hold any relevant securities of KSL. The Sino-Ocean Concert Group had not dealt in the relevant securities of KSL during the six-month period immediately preceding 14 June 2010 and up to the date of this announcement.

Other arrangements

As at the date hereof,

- (i) other than Tien Fung Hong Group Limited and Snowdon International Limited which have severally undertaken to Mr. Leung that they will accept the KSL Offer, Merit Gala and parties acting in concert with it have not received any irrevocable commitment to accept the KSL Offer;
- (ii) there is no outstanding derivative in respect of relevant securities in KSL which has been entered into by Merit Gala or any of the parties acting in concert with it;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the KSL Shares and which might be material to the KSL Offer;
- (iv) save for the entering into of the Agreement, there is no agreement or arrangement to which Merit Gala or any of the parties acting in concert with it is a party which relates to circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the KSL Offer; and
- (v) there is no relevant securities in KSL which Merit Gala or any of the parties acting in concert with it has borrowed or lent.

Information on Merit Gala

Merit Gala is a company incorporated in the BVI and is beneficially owned as to 50% by Mr. Leung and 50% by Ms. Leung. Its principal activity is investment holding.

Intention of Merit Gala regarding KSL

KSL was incorporated in the BVI with limited liability on 26 January 2010 and has not carried on any business since its incorporation. Upon completion of the Group Reorganisation, KSL's principal activity will be investment holding and its subsidiaries will be principally engaged in the Distributed Business. It is the intention of Merit Gala that the KSL Group will not conduct any business other than the Distributed Business or acquire any other material assets other than those assets related to the Distributed Business which would be inherited from the Group Reorganisation, unless prior approval from its shareholders has been obtained. The board of directors of KSL does not have any intention to dispose of any major assets of the KSL Group upon completion of the KSL Offer. It is the intention of Merit Gala that it will not inject any material asset into KSL or propose the board of directors of KSL to authorise the disposal of any material assets or make material changes to the principal business of the KSL Group.

Interests of the shareholders of KSL will be safeguarded by the constitutional documents of KSL, which will contain provisions comparable to the rules governing connected transactions and notifiable transactions contained in the Listing Rules, so that certain transactions will be subject to independent shareholders' approval and independent advice. In particular, (a) no material related party transactions may be entered into by the KSL Group unless they are subject to the approval of the disinterested shareholders of KSL by way of ordinary resolution in general meeting, the notice convening which is accompanied by a circular containing the advice of an independent financial adviser, or are transactions on normal commercial terms in the ordinary and usual course of business of KSL Group; and (b) any transaction involving disposal or acquisition of assets with an aggregate value of more than 25% of the value of the total assets of the KSL Group as shown in the latest audited accounts may not be entered into unless approved by the shareholders of KSL in general meeting. In addition, no KSL Shares will be issued for cash unless they are first offered to all shareholders in proportion to their respective shareholdings in KSL. Detailed information on the constitutional documents of KSL will be included in the Circular. If KSL remains a public company upon close of the KSL Offer, it will appoint three independent non-executive directors and will still be subject to the provisions of the Takeovers Code. Further announcement will be made in this regard as and when appropriate.

No listing application will be made for the KSL Shares on the Stock Exchange or any other stock exchange.

THE AGREEMENT

Date

29 June 2010

Parties

- (i) Mr. Leung, Ms. Leung, Tien Fung Hong Group Limited and Snowdon International Limited (together as the sellers);
- (ii) Mr. Yuen (as the guarantor for the obligations of Tien Fung Hong Group Limited and Snowdon International Limited under the Agreement); and
- (iii) Sino-Ocean (as the purchaser).

Subject matter of the sale and purchase

Pursuant to the Agreement, Sino-Ocean agreed to acquire and the Sellers agreed to sell the Sale Shares, being an aggregate of 307,495,075 Kee Shing Shares, representing approximately 69.02% of the issued share capital of Kee Shing as at the date of the Agreement. As at the date of the Agreement and the date of this announcement, 184,691,075 Kee Shing Shares are beneficially owned by Mr. Leung, 21,050,000 Kee Shing Shares are beneficially owned by Ms. Leung, 26,984,000 Kee Shing Shares are held by Tien Fung Hong Group Limited (which is owned as to 60% by Mr. Yuen), 74,770,000 Kee Shing Shares are held by Snowdon International Limited (which is owned by Deutsche Bank International Trust Co. Limited, a trustee of the T F Yuen Trust, which was founded by Mr. Yuen).

The Sale Shares will be sold free from any charges, liens, encumbrances, equities, claims and adverse interests whatsoever, together with all rights attaching to the Sale Shares (including but not limited to the right to receive all dividends and distributions paid or declared on or after the Completion Date, but excluding the right to the distribution in specie pursuant to the Group Reorganisation).

Consideration

The consideration for the Sale Shares is HK\$474,184,324 (subject to adjustment), equivalent to approximately HK\$1.542 per Sale Share. As at the date of the Agreement, the Kee Shing Group holds a portfolio of investment securities which include equity securities listed in Hong Kong or overseas and mutual funds. The consideration for the Sale Shares shall be adjusted with reference to the value of the Portfolio retained in the Retained Group on the Valuation Date and the net cash proceeds which may be obtained by a realisation or disposal of any of such investment securities in the Portfolio before the Valuation Date:

- (1) if the Portfolio Value is more than HK\$60,000,000 (the "Reference Value"), adding to the consideration 69.02246% of a sum equal to the excess of the Portfolio Value over the Reference Value; or

- (2) if the Portfolio Value is less than the Reference Value, deducting from the consideration 69.02246% of a sum equal to the excess of the Reference Value over the Portfolio Value.

The Reference Value was agreed by the parties to the Agreement for reference only in the determination of the initial consideration and did not reflect the current market value of the Portfolio. As at 31 May 2010, the total value of the Portfolio was about HK\$103 million. It should be noted that the total value of the Portfolio fluctuates according to the market values of its component investments from time to time. For the purpose of the Agreement, the Portfolio Value is to be determined as at the third business day immediately preceding the Completion Date.

The consideration is payable in the following matter:

- (1) a deposit of HK\$50,000,000 has been paid by Sino-Ocean upon the signing of the Agreement and has been placed into an escrow account held by an escrow agent which shall be released to the Sellers upon Completion; and
- (2) the remaining balance of the consideration will be paid by Sino-Ocean to the respective Sellers on the Completion Date.

The consideration has been arrived at after arm's length negotiations among the parties, having taken into account the unaudited net asset value of the Retained Group as at 31 December 2009 of approximately HK\$1.13 per Kee Shing Share and the market performance of the Kee Shing Shares.

Conditions

Completion of the Agreement is subject to and conditional upon the satisfaction of the following conditions:

- (1) the passing of the necessary resolutions by the Independent Shareholders at a general meeting of Kee Shing approving the Group Reorganisation pursuant to the requirements of the Companies Ordinance, the Takeovers Code and the Listing Rules;
- (2) the Asset Reorganisation having been completed in accordance with applicable laws, the Takeovers Code and the Listing Rules (with evidence provided to Sino-Ocean to Sino-Ocean's reasonable satisfaction);
- (3) (if required) consents having been obtained from the Stock Exchange and the SFC for Kee Shing to carry out the Group Reorganisation (with evidence provided to Sino-Ocean to Sino-Ocean's reasonable satisfaction);

- (4) all necessary consents or approvals from third parties or government or regulatory authorities required to give effect to the Group Reorganisation having been obtained by the Kee Shing Group, including but not limited to approvals from the Kee Shing Group's bankers and other shareholders of non wholly-owned subsidiaries and associated companies of Kee Shing;
- (5) all guarantees, securities and indemnities (if any) given by the Sellers or any of their associates (as defined in the Listing Rules) in respect of the liabilities or obligations of the Retained Group having been released or discharged by such party or parties in whose favour such guarantees, securities and indemnities have been given and the evidence of such release and discharge having been provided to Sino-Ocean to Sino-Ocean's reasonable satisfaction;
- (6) all guarantees, securities and indemnities given by the KSL Group in respect of the liabilities or obligations of the Retained Group having been released or discharged by such party or parties in whose favour such guarantees, securities and indemnities have been given and the evidence of such release and discharge having been provided to Sino-Ocean to Sino-Ocean's reasonable satisfaction;
- (7) all guarantees, securities and indemnities given by the Retained Group in respect of the liabilities or obligations of the KSL Group or the Sellers or any of their associates (as defined in the Listing Rules) having been released or discharged by such party or parties in whose favour such guarantees, securities and indemnities have been given and the evidence of such release and discharge having been provided to Sino-Ocean to Sino-Ocean's reasonable satisfaction;
- (8) the trading of the Kee Shing Shares on the Stock Exchange not having been suspended for a period longer than 20 consecutive trading days, save for any temporary suspension required by relevant regulatory authorities for approving the announcements and circulars in connection with the transactions contemplated under the Agreement;
- (9) the listing of the Kee Shing Shares not having been cancelled or withdrawn prior to Completion;
- (10) neither the Stock Exchange nor the SFC having indicated that the trading of the Kee Shing Shares on the Stock Exchange will be suspended, cancelled or withdrawn after Completion, whether or not for reasons related to or arising from the transactions contemplated under the Agreement;

- (11) there being no outstanding material breach of any representation and warranties given by the Sellers under the Agreement which has not been remedied by the Sellers to Sino-Ocean's reasonable satisfaction prior to Completion and which caused, causes or may cause material adverse effect on the financial position, business, assets or operations of the Retained Group as a whole;
- (12) no events having occurred which caused, causes or may cause (i) material adverse effect on the financial position, business, assets or operations of the Retained Group as a whole or (ii) material adverse effect on the ability of the Sellers to perform or comply with their respective material obligations, undertakings or covenants under the Agreement;
- (13) there being no applicable laws which shall, or which shall reasonably be expected to, forbid, restrict or impose conditions or restrictions on completion of the transactions contemplated under the Agreement; and
- (14) there being no ongoing, pending or threatened legal proceedings which shall with reasonable grounds forbid, restrict or impose conditions or restrictions on or in any way challenge the transactions contemplated under the Agreement.

Sino-Ocean may waive any of the conditions (other than conditions (1) to (3), (5) and (6)) at its absolute discretion at or before 12:00 noon (Hong Kong time) on the Long-Stop Date. The Sellers may waive conditions (5) or (6) at their absolute discretion at or before 12:00 noon (Hong Kong time) on the Long-Stop Date.

Completion

Completion for the sale and purchase of the Sale Shares shall take place on the Completion Date, which is the fifth business day after fulfilment or waiver (as the case may be) of the conditions referred to above.

Change of name of Kee Shing

Mr. Leung has undertaken to Sino-Ocean to use all reasonable endeavours to procure the passing of the necessary resolutions by the Kee Shing Shareholders at a general meeting of Kee Shing for approving a conditional change of name of Kee Shing before Completion and such change of name will be effective only after Completion. Sino-Ocean has undertaken to procure Kee Shing International Limited (a member of the Retained Group) to complete a name change within 90 days after Completion so that its name will not include any wordings of "Kee Shing" or "奇盛", and Mr. Leung has agreed to provide reasonable assistance for completing such change of name. Sino-Ocean undertakes to the Sellers that after completion of the change of name, Sino-Ocean and the Retained Group will not use any name that includes the wordings of "Kee Shing" or "奇盛", nor will Sino-Ocean and the Retained Group appropriate any wordings involving "Kee Shing" or "奇盛" for any commercial use.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER FOR THE KEE SHING SHARES

Upon Completion, the Sino-Ocean Concert Group will own approximately 69.02% of the existing issued share capital of Kee Shing and will be required under the Takeovers Code to make an unconditional mandatory cash offer to the Independent Shareholders to acquire all the issued Kee Shing Shares (other than those Kee Shing Shares already held or agreed to be acquired by the Sino-Ocean Concert Group). Currently, Kee Shing has 445,500,000 Kee Shing Shares in issue.

As at the date of the Agreement, Kee Shing did not have any outstanding options, derivatives or warrants which are convertible into or which confers rights to require the issue of Kee Shing Shares or other securities carrying conversion rights or subscription rights into Kee Shing Shares.

Principal terms of the Kee Shing Offer

Subject to Completion, BNP Paribas Capital will, on behalf of Sino-Ocean, make an unconditional mandatory cash offer to all Independent Shareholders to acquire all issued Kee Shing Shares (other than those Kee Shing Shares already held or agreed to be acquired by the Sino-Ocean Concert Group), on the following basis:

**For each Kee Shing Share HK\$1.542 in cash
(which may be subject to upward
adjustment with reference
to the Adjusted Price)**

As mentioned in the paragraph headed “Consideration” above, the consideration for the Sales Shares is subject to adjustment with reference to the Portfolio Value pursuant to the Agreement. In the event that the Adjusted Price is higher than HK\$1.542, the offer price for each Kee Shing Share under the Kee Shing Offer will be adjusted upward to an amount equal to the Adjusted Price. However, if the Adjusted Price is lower than or equal to HK\$1.542, the offer price for each Kee Shing Share under the Kee Shing Offer will be HK\$1.542. Further announcement will be made in this regard when the offer price per Kee Shing Share is finalised. Details of the Portfolio Value, the adjustment (if any) made to the consideration for the Sale Shares and the offer price under the Kee Shing Offer will be provided in the composite document to be despatched in connection with the Kee Shing Offer.

It should be noted that the total value of the Portfolio fluctuates according to the market values of its component investments from time to time. The offer price for the Kee Shing Shares under the Kee Shing Offer may or may not be adjusted upward. Shareholders and investors are advised to exercise caution in dealing with the Kee Shing Shares.

If (a) the Adjusted Price is less than HK\$1.542; and (b) Sino-Ocean makes the Kee Shing Offer at HK\$1.542 per Kee Shing Share, Mr. Leung shall indemnify Sino-Ocean, within 7 business days after close of the Kee Shing Offer, an amount equal to the number of Kee Shing Shares acquired by Sino-Ocean (excluding however Kee Shing Shares acquired from parties presumed to be acting in concert with Sino-Ocean under the Takeovers Code) pursuant to the Kee Shing Offer times the amount of HK\$1.542 in excess of the Adjusted Price (the “Indemnity”).

Comparison of value

Assuming no adjustment is made to the consideration for the Sale Shares or the offer price under the Kee Shing Offer, the offer price of HK\$1.542 per Kee Shing Share is the price paid by Sino-Ocean for each Sale Share under the Agreement after being rounded down to the nearest one thousandth cent. The offer price of HK\$1.542 per Kee Shing Share represents a premium of approximately 36.5% over the unaudited consolidated net asset value of the Retained Group attributable to owners of Kee Shing of approximately HK\$1.13 per Kee Shing Share as at 31 December 2009. Such offer price (which is the minimum price to be paid by Sino-Ocean for the acquisition of the Retained Group) as compared to the following closing prices of Kee Shing Shares (which reflect the value of the whole Kee Shing Group) represents:

- (i) a premium of approximately 18.6% over the closing price of HK\$1.3 per Kee Shing Share as quoted on the Stock Exchange on the First Last Trading Day;
- (ii) a premium of approximately 10.3% over the average closing price of approximately HK\$1.398 per Kee Shing Share for the five consecutive trading days up to and including the First Last Trading Day;
- (iii) a premium of approximately 34.7% over the average closing price of approximately HK\$1.145 per Kee Shing Share for the thirty consecutive trading days up to and including the First Last Trading Day; and
- (iv) a discount of approximately 9.3% to the closing price of HK\$1.7 per Kee Shing Share as quoted on the Stock Exchange on the Second Last Trading Day.

Total consideration for the Kee Shing Offer

As at the date of this announcement, there are 445,500,000 Kee Shing Shares in issue. Based on the minimum offer price under the Kee Shing Offer of HK\$1.542 for each Kee Shing Share, the 138,004,925 Kee Shing Shares subject to the Kee Shing Offer are valued at approximately HK\$212,803,594 and the entire issued share capital of Kee Shing will be valued at HK\$686,961,000.

Financial resources

The amount of funds required for the acquisition of the Sale Shares and the full acceptance of the Kee Shing Offer by Sino-Ocean is financed by its internal resources. BNP Paribas Capital is satisfied that there are sufficient financial resources available to Sino-Ocean to satisfy the amount of funds required for the full acceptance of the Kee Shing Offer.

Conditions of the Kee Shing Offer

The Kee Shing Offer will only be made if the Agreement is completed and, if made, will be unconditional. Completion of the Agreement is conditional upon the fulfillment of the conditions referred to in the paragraph headed “Conditions” in the section headed “The Agreement” above.

Effect of accepting the Kee Shing Offer

By accepting the Kee Shing Offer, the relevant Independent Shareholders will sell their Kee Shing Shares and all rights attached to them as at the date of acceptance, including the rights to receive all dividends and distribution declared, made or paid on or after the Completion Date (except their right to receive the KSL Share(s) pursuant to the Group Reorganisation).

Payment

Payment in cash in respect of acceptance of the Kee Shing Offer will be made as soon as possible but in any event within 10 days of the date of which the relevant documents of title are received by Sino-Ocean or its agent acting on its behalf to render each such acceptance complete and valid.

Stamp duty

Stamp duty at a rate of HK\$1.00 for every HK\$1,000 or part thereof of the amount payable in respect of relevant acceptances payable by the Independent Shareholders who accept the Kee Shing Offer will be deducted from the amount payable to the relevant Independent Shareholders.

Other arrangements

As at the date hereof,

- (i) save for the rights to acquire the Sale Shares pursuant to the Agreement, there is no other existing holding of voting rights and rights over Kee Shing Shares (a) which the Sino-Ocean Concert Group owns or over which it has control or direction; or (b) in respect of which the Sino-Ocean Concert Group holds any convertible securities, warrants or options;

- (ii) none of Sino-Ocean Land, Sino-Ocean, their respective directors or any parties acting in concert with them holds any Kee Shing Shares and other relevant securities of Kee Shing;
- (iii) save for the entering into of the Agreement, the Sino-Ocean Concert Group had not dealt in the relevant securities of Kee Shing during the six-month period immediately preceding 14 June 2010 and up to the date of this announcement;
- (iv) the Sino-Ocean Concert Group has not received any irrevocable commitment to accept the Kee Shing Offer;
- (v) there is no outstanding derivative in respect of securities in Kee Shing which has been entered into by the Sino-Ocean Concert Group;
- (vi) save for the Indemnity as set under the paragraph headed “Principal terms of the Kee Shing Offer” above, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of Sino-Ocean and the Kee Shing Shares and which might be material to the Kee Shing Offer;
- (vii) save for the entering into of the Agreement, there is no agreement or arrangement to which the Sino-Ocean Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Kee Shing Offer; and
- (viii) there is no relevant securities in Kee Shing which the Sino-Ocean Concert Group has borrowed or lent.

BACKGROUND OF SINO-OCEAN AND ITS INTENTION REGARDING KEE SHING

Information on Sino-Ocean and Sino-Ocean Land

Sino-Ocean is an investment holding company incorporated under the laws of Hong Kong and is a wholly-owned subsidiary of Sino-Ocean Land.

Sino-Ocean Land is an investment holding company incorporated under the laws of Hong Kong whose shares are listed on the Main Board of the Stock Exchange. Its subsidiaries are mainly engaged in the real estate development, construction, reparation and decoration, property investment, property management and hotel operation businesses. The Sino-Ocean Group is one of the largest real estate developers in Beijing.

To the best of the knowledge, information and belief of the Kee Shing Directors and having made all reasonable enquiries, Sino-Ocean and its holding company, Sino-Ocean Land, are third parties independent of the Kee Shing Group and its connected persons (as defined in the Listing Rules).

Intention of the Sino-Ocean Group

Upon completion of the Group Reorganisation, Kee Shing will retain a footprint of investment portfolio including two properties. It is the intention of the Sino-Ocean Group to acquire a controlling stake in Kee Shing and use it as a stand-alone platform for property-related business notwithstanding the Kee Shing Offer.

Further announcement will be made as and when there is a change in the composition of the Kee Shing Board pursuant to the requirements of the Listing Rules and the Takeovers Code.

Reasons for the Kee Shing Offer

The Kee Shing Offer is made pursuant to Rule 26.1 of the Takeovers Code.

The directors of Sino-Ocean Land wish to ensure that Kee Shing Shareholders are able, should they wish to do so, to retain their interest in Kee Shing as an entity which would continue to have a separate listing. In addition, the directors of Sino-Ocean Land also consider that the Kee Shing Offer will raise the investment profile of Kee Shing. The directors of Sino-Ocean Land believe that, after completion of the Kee Shing Offer, Kee Shing would be in a better position to leverage its relationship with the Sino-Ocean Group to access the equity capital markets to raise funds for future business expansion which would allow it to participate in more sizeable property projects; and in turn, this will ultimately improve the shareholder base of Kee Shing and the liquidity of its shares.

Maintaining the listing status of Kee Shing

The Stock Exchange has indicated that, if upon closing of the Kee Shing Offer, less than 25% of the issued share capital of Kee Shing is held in the hands of the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Kee Shing Shares; or (ii) there are too few Kee Shing Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Kee Shing Shares on the Stock Exchange. Accordingly, it should be noted that upon the close of the Kee Shing Offer, there may be insufficient public float for the Kee Shing Shares and therefore trading in the Kee Shing Shares may be suspended until a sufficient level of public float is attained. Kee Shing Shareholders and investors should exercise caution when dealing in the Kee Shing Shares.

The Stock Exchange will also closely monitor all future acquisitions or disposals of assets by Kee Shing. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require Kee Shing to issue a circular to the Kee Shing Shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of Kee Shing. The Stock Exchange also has the power to aggregate a series of transactions of Kee Shing and any such transactions may result in Kee Shing being treated as if it were new listing applicant and will subject to the requirements for new listing application as set out in the Listing Rules.

The Sino-Ocean Group intends that Kee Shing will remain listed on the Stock Exchange upon completion of the Kee Shing Offer. Sino-Ocean will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued Kee Shing Shares will be held by the public as required by the Listing Rules (or such other percentage as may be required from time to time) as soon as possible upon close of the Kee Shing Offer

COMPARISON OF THE COMBINED OFFER PRICE UNDER THE KSL OFFER AND THE KEE SHING OFFER WITH MARKET PRICE

The combined consideration under the KSL Offer and the Kee Shing Offer (assuming the minimum Kee Shing Offer price of HK\$1.542 per Kee Shing Share) is equivalent to HK\$1.734 per Kee Shing Share and represents:

- (i) a premium of approximately 21.4% over the audited consolidated net asset value of the Kee Shing Group attributable to owners of Kee Shing of approximately HK\$1.428 per Kee Shing Share as at 31 December 2009;
- (ii) a premium of approximately 33.4% over the closing price of HK\$1.3 per Kee Shing Share as quoted on the Stock Exchange on the First Last Trading Day;
- (iii) a premium of approximately 24.0% over the average closing price of approximately HK\$1.398 per Kee Shing Share for the five consecutive trading days up to and including the First Last Trading Day;
- (iv) a premium of approximately 51.4% over the average closing price of approximately HK\$1.145 per Kee Shing Share for the thirty consecutive trading days up to and including the First Last Trading Day; and
- (v) a premium of approximately 2.0% over the closing price of HK\$1.7 per Kee Shing Share as quoted on the Stock Exchange on the Second Last Trading Day.

In the Circular, the minimum Kee Shing Offer price of HK\$1.542 per Kee Shing Share will be compared to the pro forma net asset value of the Retained Group per Kee Shing Share upon completion of the Group Reorganisation, and the KSL Offer price of HK\$0.192 per KSL Share will be compared to the pro forma net asset value of the KSL Group per KSL Share.

PROPOSED CHANGE OF NAME OF KEE SHING

It is proposed that the name of Kee Shing be changed from “Kee Shing (Holdings) Limited (奇盛 (集團) 有限公司)” to “Gemini Property Investments Limited (盛洋地產投資有限公司)” after Completion.

The proposed change of name of Kee Shing is subject to:

- (i) the passing of a special resolution by the Kee Shing Shareholders at the EGM; and
- (ii) completion of the Agreement.

The change of name of Kee Shing shall take effect from the date on which the certificate of change of name is issued by the Registrar of Companies in Hong Kong. Kee Shing will, subject to the satisfaction of the foregoing conditions, carry out the necessary filing procedures with the Registrar of Companies in Hong Kong.

Reason for the change of name

The change of name of Kee Shing is proposed to reflect the change in control of the Retained Group.

Effect of the change of name

The proposed change of name of Kee Shing will not affect any rights of the Kee Shing Shareholders. All existing share certificates in issue in the name of “Kee Shing (Holdings) Limited (奇盛(集團)有限公司)” will, after the change of name becoming effective, continue to be evidence of title to the Kee Shing Shares under its new name and will be valid for trading, settlement and delivery for the same number of the Kee Shing Shares in the new name of Kee Shing on the Stock Exchange. Accordingly, there will not be any arrangement for free exchange of existing share certificates for new share certificates under the new name of Kee Shing. Once the change of name has become effective, new share certificates of Kee Shing will be issued in the new name of Kee Shing and the Kee Shing Shares will be traded on the Stock Exchange in its new name.

Kee Shing will make a further announcement on the effective date of the change of name of Kee Shing and the new stock short name of the Kee Shing Shares.

GENERAL

The Independent Board Committee comprising all the independent non-executive Kee Shing Directors has been formed to make recommendation to the Independent Shareholders on the Group Reorganisation and the Kee Shing Offer. Mr. Yuen, a non-executive director of Kee Shing, is not included in the Independent Board Committee given his interest in the Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in connection therewith. Further announcement will be made in relation to the appointment of the independent financial adviser.

The Circular containing, among other things, details of the Group Reorganisation, proposed name change of Kee Shing, financial information of the Kee Shing Group, the pro forma financial information of the Retained Group and the KSL Group upon completion of the Group Reorganisation, the recommendation from the Independent Board Committee and the advice from the independent financial adviser on the Group Reorganisation together with a notice of the EGM is expected to be sent to the Kee Shing Shareholders on or before 6 September 2010 in order to allow sufficient time for the preparation of financial information of the Kee Shing Group for inclusion in the Circular.

Rule 8.2 of the Takeovers Code provides that an offer document should normally be posted by or on behalf of the offeror within 21 days of the date of announcement of the offer. Accordingly, the offer documents in relation to the Kee Shing Offer and the KSL Offer should be posted within 21 days of the date of this announcement. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of an offer is subject to the prior fulfilment of a pre-condition and the pre-condition cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. As the making of the Kee Shing Offer and the KSL Offer is subject to completion of the Group Reorganisation and the Agreement, applications will be made by each of Sino-Ocean and Merit Gala for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the relevant offer documents to within seven days of completion of the Group Reorganisation and the Agreement. The composite offer and response document of Kee Shing will contain details of the Kee Shing Offer (accompanied by the acceptance and transfer forms) and incorporate the letter of recommendation from the Independent Board Committee and the letter of advice from the independent financial adviser on the Kee Shing Offer. The composite offer and response document of KSL will contain details of the KSL Offer (accompanied by the acceptance and transfer form), information on Merit Gala and incorporate the letter of advice from the independent financial adviser. Completion of the Agreement is conditional upon, inter alia, completion of the Asset Reorganisation and is expected to take place at the same time of the distribution in specie of the KSL Shares pursuant to the Group Reorganisation, after which the Kee Shing Offer and the KSL Offer will be made at the same time. The expected timetable of the Kee Shing Offer and the KSL Offer will be included in the relevant composite documents.

THE MAKING OF BOTH THE KSL OFFER AND THE KEE SHING OFFER IS SUBJECT TO A NUMBER OF CONDITIONS AND IS A POSSIBILITY ONLY. AS THE OFFERS MAY OR MAY NOT PROCEED, INVESTORS AND KEE SHING SHAREHOLDERS ARE URGED TO EXERCISE CAUTION WHEN DEALING IN THE KEE SHING SHARES.

SUSPENSION AND RESUMPTION OF TRADING

At the request of Kee Shing, trading in the Kee Shing Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 June 2010 pending the release of this announcement. An application has been made by Kee Shing to the Stock Exchange for resumption of trading in the Kee Shing Shares with effect from 9:30 a.m. on 8 July 2010.

DEALING DISCLOSURE

The associates (as defined in the Takeovers Code) of Kee Shing, KSL, Merit Gala and Sino-Ocean are reminded to disclose their dealings in the securities of Kee Shing 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.

Intermediates are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediates will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“acting in concert”	has the meanings ascribed to it in the Takeovers Code
“Adjusted Price”	adjusted consideration per Sale Share as a result of the adjustment of the consideration with reference to the Portfolio Value pursuant to the Agreement
“Agreement”	the agreement dated 29 June 2010 entered into among the Sellers as vendors, Mr. Yuen as guarantor and Sino-Ocean as purchaser relating to the sale and purchase of the Sale Shares
“associate”	has the meaning as defined in the Listing Rules

“Beneficial Sellers”	Mr. Leung, Ms. Leung and Mr. Yuen
“BNP Paribas Capital”	BNP Paribas Capital (Asia Pacific) Limited, a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities for the purposes of the SFO and the financial adviser to Sino-Ocean
“BVI”	the British Virgin Islands
“Circular”	a circular of Kee Shing containing, among others, details of the Group Reorganisation, proposed change of company name, a notice convening the EGM, the recommendation from the Independent Board Committee and the advice from the independent financial adviser on the Group Reorganisation to be despatched to Kee Shing Shareholders
“Completion”	completion of the Agreement
“Completion Date”	the date of Completion
“Distributed Business”	all business other than the Retained Business which will be carried on by the KSL Group upon completion of the Group Reorganisation, including the business of trading of chemicals and metals
“EGM”	the extraordinary general meeting of Kee Shing to be convened to consider the Group Reorganisation and the proposed change of company name
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“First Last Trading Day”	11 June 2010, being the last day on which the Kee Shing Shares were traded on the Stock Exchange prior to the suspension in trading of the Kee Shing Shares pending the publication of the announcement of Kee Shing dated 14 June 2010 in relation to the memorandum of understanding entered into between the Beneficial Sellers and Sino-Ocean regarding possible sale and purchase of the Sale Shares

“Group Reorganisation”	the proposed group reorganisation of Kee Shing which, if approved and implemented, will result in (i) Kee Shing continuing as a public listed company concentrating on the Retained Business; (ii) all the assets of the Kee Shing Group other than those related to the Retained Business will be transferred to KSL, which will engage in the Distributed Business; and (iii) the Kee Shing Shareholders receiving by way of distribution in specie the KSL Shares on the basis of one KSL Share for every Kee Shing Share
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Kee Shing Board comprising all the independent non-executive Kee Shing Directors, namely Mr. Wong Kong Chi, Mr. Lai Chung Wing, Robert and Mr. Chan Wing Lee, formed to give recommendations to the Independent Shareholders on the Group Reorganisation and the Kee Shing Offer
“Independent Shareholders”	(i) in the case of the Group Reorganisation, Kee Shing Shareholders other than members of the Sellers Concert Group, their respective associates and parties acting in concert with any of them; and (ii) in the case of the Kee Shing Offer, Kee Shing Shareholders other than Sino-Ocean Concert Group
“Kee Shing”	Kee Shing (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 174)
“Kee Shing Board”	the board of Kee Shing Directors
“Kee Shing Director(s)”	the director(s) of Kee Shing
“Kee Shing Group”	Kee Shing and its subsidiaries

“Kee Shing Offer”	the possible unconditional mandatory cash offer to be made by BNP Paribas Capital on behalf of Sino-Ocean to acquire all the Kee Shing Shares not already held or agreed to be acquired by the Sino-Ocean Concert Group at a price of HK\$1.542 per Kee Shing Share (subject to adjustment under the Agreement) in cash, ex entitlement to the distribution in specie of the KSL Shares pursuant to the Group Reorganisation
“Kee Shing Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of Kee Shing
“Kee Shing Shareholder(s)”	holder(s) of Kee Shing Share(s)
“KSL”	Kee Shing Investment (BVI) Limited, a company incorporated in the BVI with limited liability
“KSL Group”	KSL and its subsidiaries upon completion of the Group Reorganisation
“KSL Offer”	the possible unconditional voluntary cash offer to be made by Optima Capital on behalf of Merit Gala to acquire all the KSL Shares (including those held by Tien Fung Hong Group Limited, Snowdon International Limited, Mr. Leung Chung Ping and Ms. Leung Miu Kam) not already held by or agreed to be acquired by Merit Gala and parties acting in concert with it
“KSL Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of KSL
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long-Stop Date”	30 November 2010 or such later date as may be agreed in writing by the Sellers and Sino-Ocean
“Merit Gala”	Merit Gala Limited, a company incorporated in the BVI with limited liability and is beneficially owned as to 50% by Mr. Leung and 50% by Ms. Leung
“Merit Gala Group”	Merit Gala, Mr. Leung and Ms. Leung
“Mr. Leung”	Mr. Leung Shu Wing, the chairman of the Kee Shing Board

“Mr. Yuen”	Mr. Yuen Tin Fan, Francis, a non-executive director of Kee Shing
“Ms. Leung”	Ms. Leung Miu King, Marina, the Managing Director and an executive director of Kee Shing
“Optima Capital”	Optima Capital Limited, a licensed corporation under the SFO permitted to carry out types 1, 4 and 6 regulated activities for the purposes of the SFO and the financial adviser to Merit Gala
“Portfolio”	certain investments and securities to be retained in the Retained Group pursuant to the Agreement
“Portfolio Value”	the value of certain investments and securities which remain in the Retained Group as at the Valuation Date
“PRC”	the People’s Republic of China
“Record Date”	the record date to be fixed to determine entitlements to the distribution in specie of the KSL Shares by Kee Shing
“relevant securities”	has the meanings ascribed to it under Note 4 to Rule 22 of the Takeovers Code
“Retained Business”	the business to remain in the Kee Shing Group upon completion of the Group Reorganisation, including property investment and securities investment business
“Retained Group”	Kee Shing and its subsidiaries other than the members of the KSL Group upon completion of the Group Reorganisation
“Sale Shares”	the aggregate of 307,495,075 Kee Shing Shares agreed to be acquired by Sino-Ocean pursuant to the Agreement
“Second Last Trading Day”	29 June 2010, being the last day on which the Kee Shing Shares were traded on the Stock Exchange prior to the suspension in trading of the Kee Shing Shares pending the publication of this announcement
“Sellers”	Mr. Leung, Ms. Leung, Tien Fung Hong Group Limited and Snowdon International Limited

“Sellers Concert Group”	Mr. Leung, Ms. Leung, Mr. Yuen, Tien Fung Hong Group Limited, Snowdon International Limited, Mr. Leung Chung Ping, Ms. Leung Miu Kam and parties acting in concert with any of them
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Sino-Ocean”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Sino-Ocean Land
“Sino-Ocean Concert Group”	Sino-Ocean, Sino-Ocean Land and parties acting in concert with any of them within the meaning of the Takeovers Code
“Sino-Ocean Group”	Sino-Ocean Land and its subsidiaries
“Sino-Ocean Land”	Sino-Ocean Land Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3377)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Valuation Date”	the third business day immediately preceding the Completion Date
“VGO KSL Shares”	KSL Shares to be held by Kee Shing Shareholders, other than Mr. Leung and Ms. Leung and parties acting in concert with them (which for this purpose shall exclude Tien Fung Hong Group Limited, Snowdon International Limited, Mr. Leung Chung Ping and Ms. Leung Miu Kam)

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

By order of the board
**SINO-OCEAN LAND HOLDINGS
LIMITED**
Adrian Sum
Company Secretary

By order of the board
MERIT GALA LIMITED
Leung Shu Wing
Director

By order of the board
KEE SHING (HOLDINGS) LIMITED
Leung Shu Wing
Chairman

Hong Kong, 7 July 2010

As at the date of this announcement, the directors of Sino-Ocean Land are as follows:

Executive directors:

Mr. Li Ming
Mr. Wang Xiaoguang
Mr. Chen Runfu

Independent Non-executive directors:

Mr. Tsang Hing Lun
Mr. Gu Yunchang
Mr. Han Xiaojing
Mr. Zhao Kang

Non-executive directors:

Ms. Liu Hui
Mr. Liang Yanfeng
Mr. Wang Xiaodong

As at the date of this announcement, the directors of Merit Gala are as follows:

Mr. Leung Shu Wing
Ms. Leung Miu King, Marina

As at the date of this announcement, the directors of Kee Shing are as follows:

Executive directors:

Mr. Leung Shu Wing (*Chairman*)
Ms. Leung Miu King, Marina
(*Managing Director*)
Mr. Wong Chi Kin
Mr. Wong Choi Ying

Independent Non-executive directors:

Mr. Wong Kong Chi
Mr. Lai Chung Wing, Robert
Mr. Chan Wing Lee

Non-executive director:

Mr. Yuen Tin Fan

The directors of Sino-Ocean Land jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to Merit Gala, the Sellers Concert Group and the Kee Shing Group and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those expressed by Merit Gala, the Sellers Concert Group and the Kee Shing Group 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 statement in this announcement misleading.

The directors of Merit Gala jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to the Sino-Ocean Group and the Kee Shing Group and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those expressed by the Sino-Ocean Group and the Kee Shing Group 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 statement in this announcement misleading.

The directors of Kee Shing jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to the Sino-Ocean Group, Merit Gala and the Sellers Concert Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those expressed by the Sino-Ocean Group, Merit Gala and the Sellers Concert Group 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 statement in this announcement misleading.