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## **KEE SHING (HOLDINGS) LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
(Stock code: 174)

### **DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES BY SUBSIDIARY**

On 25 October 2006, Pacific Apex, a wholly-owned subsidiary of the Company, disposed of the Sale Shares (representing approximately 16.48% of the issued share capital of Asia Commercial) to Century Hero, an Independent Third Party, for a consideration of HK\$37,400,000 to be satisfied in cash. Following the Disposal, the Group will have no further interest in the shares of Asia Commercial.

Based on the “five-tests” calculation set out in rule 14.07 of the Listing Rules, the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%. The Disposal therefore constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

A circular containing, among other things, further information in relation to the Disposal, will be sent to the Shareholders as soon as practicable.

#### **THE DISPOSAL**

Date of the Disposal	:	25 October 2006
Parties	:	(1) Pacific Apex (as vendor) (2) Century Hero (as purchaser). Century Hero and its ultimate beneficial owner are Independent Third Parties
Assets disposed	:	55,000,000 ordinary shares of Asia Commercial, representing approximately 16.48% of the issued share capital of Asia Commercial  Following the Disposal, the Group will have no further interest in the shares of Asia Commercial

Completion of the Disposal : The Disposal is expected to be completed on 27 October 2006

### **CONSIDERATION**

The consideration for the Disposal is HK\$37,400,000 and is expected to be satisfied in cash on 27 October 2006.

The consideration for the Disposal is determined on an arm's length basis with reference to the audited consolidated net asset value of Asia Commercial as at 31 March 2006 attributed to the Sale Shares.

### **INFORMATION ON CENTURY HERO AND ASIA COMMERCIAL**

Century Hero is a limited liability company incorporated in the British Virgin Islands. It is an investment holding company.

Asia Commercial is a limited liability company incorporated in Bermuda whose shares are listed on the Stock Exchange (stock code: 104). Asia Commercial and its subsidiaries are principally engaged in trading and retailing of watches, property investment and sale and design of contract software programmes. Asia Commercial has been accounted for as an associate in the accounts of the Company.

As at 31 March 2006, the audited consolidated net asset value of Asia Commercial attributed to the Sale Shares was approximately HK\$28,012,596. The audited consolidated net profits of Asia Commercial before and after taxation and extraordinary items attributed to the Sale Shares for the financial year ended 31 March 2006 amounted to HK\$1,225,355 and HK\$854,700 respectively. For the financial year ended 31 March 2005, the audited consolidated net profits of Asia Commercial before and after taxation and extraordinary items attributed to the Sale Shares amounted to HK\$828,660 and HK\$674,893 respectively.

### **REASONS AND BENEFITS FOR THE DISPOSAL**

The Company acquired the Sale Shares in 1996. The consideration for the disposal of the Sale Shares represents a premium of approximately HK\$10,178,000 over the carrying value of the Sale Shares as recorded in the audited consolidated accounts of the Company for the year ended 31 December 2005. The Directors consider that it is in the best interest of the Group to take this opportunity to realize its investment in Asia Commercial through the Disposal.

The net proceeds from the Disposal of approximately HK\$37,000,000 will be used as working capital of the Group.

The Directors consider that the terms of the Disposal are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **DISCLOSEABLE TRANSACTION**

Based on the “five-tests” calculation set out in rule 14.07 of the Listing Rules, the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%. The Disposal constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

A circular containing, among other things, further information in relation to the Disposal will be sent to the Shareholders as soon as practicable.

## **GENERAL**

Pacific Apex is an investment holding company and a wholly-owned subsidiary of the Company.

The Company is an investment holding company and the Group is principally engaged in trading in electroplating chemicals and metals, property investment and securities investment.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Asia Commercial”	Asia Commercial Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange;
“Century Hero”	Century Hero International Limited, a limited liability company incorporated in the British Virgin Islands;
“Company”	Kee Shing (Holdings) Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Sale Shares by Pacific Apex to Century Hero;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Pacific Apex”	Pacific Apex International Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
“Sale Shares”	55,000,000 ordinary shares of Asia Commercial, representing approximately 16.48% of the issued share capital of Asia Commercial and the entire shareholding in Asia Commercial of Pacific Apex prior to the Disposal;
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.05 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

As at the date of this announcement, the board of Directors consists of the following persons:

*Executive Directors:*

Leung Shu Wing (*Chairman*)  
 Leung Miu King  
 Wong Chi Kin  
 Wong Choi Ying

*Non-Executive Director:*

Yuen Tin Fan, Francis

*Independent Non-Executive Directors:*

Wong Kong Chi  
 Lai Chung Wing, Robert  
 Chan Wing Lee

By order of the board of Directors

**Kee Shing (Holdings) Limited**

**Leung Shu Wing**

*Chairman*

Hong Kong, 25 October 2006

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