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**Hong Sheng Group Limited**  
*(incorporated in the British Virgin Islands  
with limited liability)*

**S & D International Development Group Limited**  
*(incorporated in the Cayman Islands  
with limited liability)*  
**(Stock code: 8148)**

## **JOINT ANNOUNCEMENT**

### **(i) COMPLETION OF THE S&P AGREEMENT AND (ii) UNCONDITIONAL MANDATORY GENERAL OFFER**

**Joint financial advisers to Hong Sheng Group Limited**

**Nuada Limited**  
*Corporate Finance Advisory*



**大華證券(香港)有限公司**  
**GRAND CATHAY SECURITIES (HONG KONG) LIMITED**

**Independent financial advisor to the independent board committee of  
S & D International Development Group Limited**

**VEDA | CAPITAL**  
**智略資本**

#### **Completion of the S&P Agreement**

The Board and the Offeror are pleased to announce that Completion of the S&P Agreement took place on 26 May 2008.

After Completion, the Offeror and parties acting in concert with it owns an aggregate of 136,545,828 Shares, representing approximately 68.27 % of the issued share capital of the Company as at the date of this announcement and is required under Rule 26.1 of the Takeovers Code to make an unconditional mandatory cash offer for all the issued Shares not already owned by the Offeror and parties acting in concert with it.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended since 22 March 2007 pending release of an announcement relating to information of public float of the Company and will remain suspended until further notice.

Reference is made to the joint announcement dated 21 May 2008 (the “**Announcement**”) of the Offeror and the Company in relation to, among other things, the Offer. Unless the context otherwise requires, capitalized terms and phrases used herein shall have the same meanings as those defined in the Announcement.

## **COMPLETION OF THE S&P AGREEMENT**

The Board and the Offeror are pleased to announce that completion of the S&P Agreement (the “**Completion**”) took place on 26 May 2008. The Sale Shares (which were free from Encumbrance and with all rights attached to them on 26 May 2008) were acquired by the Offeror at a total consideration of HK\$37,000,000.

The Deposit had been paid to the Vendor on 14 May 2008, while the Part Payment had been paid to the Vendor at Completion. The Balance will be paid within (i) two Business Days from the date of despatch of the Offer Circular; or (ii) the date falling four months after the Completion Date (whichever is earlier), and such sum shall be settled by the release of the remaining balance of the Escrow Money (together with interests accrued thereon).

## **UNCONDITIONAL MANDATORY GENERAL OFFER**

After Completion, the Offeror and parties acting in concert with it owns an aggregate of 136,545,828 Shares, representing approximately 68.27% of the total issued share capital of the Company. Accordingly, the Offeror and parties acting in concert with it are required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and its concert parties) pursuant to Rule 26.1 of the Takeovers Code.

Terms of the Offer, information on the Offeror, shareholding of the Company before and after Completion are set out in the Announcement. Shareholders are advised to read the Announcement in conjunction with this announcement so as to understand more about the Offer.

## GENERAL INFORMATION

Pursuant to the Takeovers Code, the Offeror and its concert parties are required to despatch an offer document in relation to the Offer. The Offeror and the Company intend to combine the offer document and the Company's board circular, and despatch such composite document to the Shareholders, setting out, inter alia, the terms of the Offer, information on the Group, the letter from the independent board committee of the Company containing its recommendation and advice to the Independent Shareholders in respect of the Offer and the letter from the independent financial adviser containing its recommendation and advice to the independent board committee of the Company in respect of the Offer, together with forms of acceptance and transfer, within 21 days after the date of the Announcement or such later date as the Executive may approve.

As at the date of this announcement, trading in the Shares on the Stock Exchange was suspended since 22 March 2007 pending release of an announcement relating to information of public float of the Company and will remain suspended until further notice.

By Order of the board of  
**Hong Sheng Group Limited**  
**Cheung Yuping**  
*Director*

By Order of the Board of  
**S & D International Development Group Limited**  
**Tinna Chan Yee**  
*Executive Director*

Hong Kong, 26 May 2008

*As at the date of this announcement, the Board comprises Mrs. Tinna Chan Yee, Mrs. Sana Bakhtiar Ahmed, Mr. Henry Dicker Yee and Mr. Tan Shu Jiang being executive Directors; and Mr. Chan Cheong Yee, Mr. Ronald Garry Hopp and Mr. Yip Tai Him being independent non-executive Directors.*

*As at the date of this announcement, the board of the Offeror comprises of Mr. Cheung Yuping, Ms. Cai Dongmei, and Mr. Yu Shu Kuen.*

*The directors of the Offeror jointly and severally accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than that expressed by the 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 of the statements (other than that in relation to the Group) in this announcement misleading.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Offeror) 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 of the statements (other than that in relation to the Offeror) in this announcement misleading.*

*This announcement will remain on the page of “Latest Company Announcements” on the GEM website for at least 7 days from the date of its posting.*