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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

**(1) RESULTS OF UNCONDITIONAL MANDATORY GENERAL OFFER
BY**

**GRAND CATHAY SECURITIES (HONG KONG) LIMITED
ON BEHALF OF**

HONG SHENG GROUP LIMITED

**FOR ALL ISSUED SHARES OF HK\$0.01 EACH IN
S & D INTERNATIONAL DEVELOPMENT GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY
HONG SHENG GROUP LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

AND

(2) SUSPENSION OF TRADING

CLOSE OF THE OFFER AND LEVEL OF ACCEPTANCES

The Offer closed on 4 July 2008 and the Offer was not revised or extended.

Up to the latest time for acceptances of the Offer at 4:00 p.m. (Hong Kong time) on Friday, 4 July 2008, Grand Cathay, for and on behalf of the Offeror, received valid acceptances of the Offer in respect of 6,126,137 Shares, representing approximately 3.06% of the total issued Shares and voting rights of the Company as at the date of this announcement.

PUBLIC FLOAT

Pursuant to the GEM Listing Rules, the Company is required to maintain the public float which is a minimum prescribed percentage of 25% of the issued Shares to be in the hands of the public. Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 22 March 2007. On 18 May 2007, the Company further issued an announcement in relation to the high concentration of shareholding and insufficient public float.

Upon the close of the Offer, 15,732,488 Shares (representing approximately 7.86% of the issued share capital and voting rights of the Company) remain to be held by the public who are independent of the directors, chief executive, management shareholders or substantial shareholder of the Company or its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules). Accordingly, as at the date of this announcement, the Company fails to comply with the public float requirement under Rule 11.23 of the GEM Listing Rules.

SUSPENSION OF TRADING

The Stock Exchange has requested the Company to submit a viable resumption proposal to address the issues pertaining to the suspension and demonstrate that the Company has a sufficient level of operations and management expertise on the business pursuits to warrant the continued listing of the Shares. Further, given the circumstances of the Company, the proposal must demonstrate the Company's compliance with the GEM Listing Rules and all applicable laws and regulations, including restoration of the public float. The Company is required to (i) address concerns raised by the auditors of the Company through the qualification of their audit report on the financial statements of the Company published after suspension of the Company since 22 March 2007; and (ii) demonstrate that the Company has in place adequate financial reporting system and internal control procedures to enable the Company to meet its continuing obligations under the GEM Listing Rules. In particular, the Company should appoint an independent accounting firm to perform a review of the internal control system of the Group and take remedial actions to rectify any control failings or weaknesses, if any, identified by the independent accounting firm. The Company has yet to provide the information as required by the Stock Exchange. Trading in the Shares will continue to be suspended until further notice.

Reference is made to the composite offer and response document jointly issued by the Offeror and the Company dated 13 June 2008 (the "Composite Offer Document"). Unless the context otherwise requires, capitalized terms and phrases used herein shall have the same meanings as those defined in the Composite Offer Document.

CLOSE OF THE OFFER AND LEVEL OF ACCEPTANCES

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Up to the latest time for acceptances of the Offer at 4:00 p.m. (Hong Kong time) on Friday, 4 July 2008, Grand Cathay, for and on behalf of the Offeror, received valid acceptances of the Offer in respect of 6,126,137 Shares, representing approximately 3.06% of the total issued Shares and voting rights of the Company as at the date of this announcement.

Remittances in respect of the amount due to the accepting Offer Shareholders whose acceptance of the Offer is valid, less the relevant sellers' ad valorem stamp duty payable by them in respect of the Shares tendered by them under the Offer for acceptance, have been or will be despatched to them by ordinary post at their own risks as soon as possible but in any event within 10 days of the date of receipt of the requisite documents by the Registrar.

SHAREHOLDINGS

Immediately prior to the commencement of the offer period on 21 May 2008, the Offeror and the parties acting in concert with it did not hold, control or direct any Shares and rights over the Shares. Upon Completion of the S&P Agreement on 26 May 2008, the Offeror and the parties acting in concert with it held in aggregate of 136,545,828 Shares, representing approximately 68.27% of the issued share capital and the entire voting rights of the Company.

Taking into account the valid acceptances in respect of 6,126,137 Shares under the Offer, as at the date of this announcement, the Offeror and parties acting in concert with it held 142,671,965 Shares in aggregate, representing approximately 71.34% of the issued share capital and the entire voting rights of the Company.

During the offer period commencing on 21 May 2008 and up to and including the date of this announcement, save for the 136,545,828 Shares acquired upon Completion of the S&P Agreement and the 6,126,137 Shares acquired under the acceptance of the Offer, the Offeror and parties acting in concert with it had not dealt for value in or acquired or agreed to acquire any Shares or rights over the shares of the Company.

SHAREHOLDING STRUCTURE

Upon the close of the Offer, the shareholding structure of the Company is as follows:

Name	Number of Shares interested in upon the close of the Offer	Approximate percentage of issued capital
The Offeror and parties acting in concert with it (<i>Note 1</i>)	142,671,965	71.34%
Simplex Technology Investment (Hong Kong) Co. Limited (<i>Note 2</i>)	16,896,363	8.45%
Yan Li Li	10,600,000	5.30%
Hung Chao Hong	9,097,283	4.55%
Dignet Investment Limited	5,001,901	2.50%
Public Shareholders	15,732,488	7.86%
Total	<u>200,000,000</u>	<u>100.00%</u>

Notes:

1. The entire issued share capital of the Offeror is beneficially and ultimately owned as to 51% by Mr. Cheung Yuping and as to 49% by Ms. Cai Dongmei.
2. The interest in the Shares are held through Simplex Technology Investment (Hong Kong) Co. Limited, the entire issued share capital of which was beneficially owned by Jiaoda Industrial Group. The registered capital of Jiaoda Industrial Group was owned as to 96.735% by Shanghai Jiao Tong University and 3.265% by Shanghai Jiaoda Enterprise Management Centre* (上海交大企業管理中心), an entity wholly owned by Shanghai Jiao Tong University.

* for identification purpose only

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SUSPENSION OF TRADING

The Stock Exchange has requested the Company to submit a viable resumption proposal to address the issues pertaining to the suspension and demonstrate that the Company has a sufficient level of operations and management expertise on the business pursuits to warrant the continued listing of the Shares. Further, given the circumstances of the Company, the proposal must demonstrate the Company's compliance with the GEM Listing Rules and all applicable laws and regulations, including restoration of the public float. The Company is required to (i) address concerns raised by the auditors of the Company through the qualification of their audit report on the financial statements of the Company published after suspension of the Company since 22 March 2007; and (ii) demonstrate that the Company has in place adequate financial reporting system and internal control procedures to enable the Company to meet its continuing obligations under the GEM Listing Rules. In particular, the Company should appoint an independent accounting firm to perform a review of the internal control system of the Group and take remedial actions to rectify any control failings or weaknesses, if any, identified by the independent accounting firm. The Company has yet to provide the information as required by the Stock Exchange. Trading in the Shares will continue to be 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, 4 July 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 their 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 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 and parties acting in concert with it) 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 statements (other than that in relation to the Offeror and parties acting in concert with it) 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 and on the Company’s website at www.sddevelop.com.