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KECK SENG INVESTMENTS (HONG KONG) LIMITED
激成投資(香港)有限公司

(incorporated in Hong Kong with limited liability)

Website: www.keckseng.com.hk

(Stock Code: 00184)

DISCLOSEABLE TRANSACTION
ACQUISITION OF INVESTMENT INTERESTS IN A PROPERTY IN JAPAN

The Board is pleased to announce that on 4 June 2010, Acacio, a non-wholly owned subsidiary of the Company, has acquired investment interests in the Property from the Seller at a consideration of ¥2,178,000,000 (before tax) (equivalent to approximately HK\$182,952,000). The Acquisition is expected to be completed on 8 June 2010.

As the applicable percentage ratios of the Company in respect of the Acquisition (on an aggregated basis with the Previous Acquisition) exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. Accordingly, the Company is required to make an announcement in respect of the Acquisition under Rule 14.34 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 4 June 2010, Acacio, a non-wholly owned subsidiary of the Company, has acquired investment interests in the Property from the Seller at a consideration of ¥2,178,000,000 (before tax) (equivalent to approximately HK\$182,952,000). The Acquisition is expected to be completed on 8 June 2010.

ACQUISITION OF INVESTMENT INTERESTS IN A PROPERTY IN JAPAN

On 4 June 2010, Acacio acquired investment interests in the Property from the Seller at a consideration of ¥2,178,000,000 (before tax) (equivalent to approximately HK\$182,952,000) through a sale and purchase agreement entered into between the Operator and the Seller on the same date. This sale and purchase agreement will come into effect on 8 June 2010. The consideration was determined after arm's length negotiations between Acacio and the Seller, and will be satisfied in cash on or before 8 June 2010. The consideration will be financed by the capital injection to Acacio made by the Company and Meadpoint, which own 97% and 3% respectively of the shareholding interest in Acacio, on a pro-rata basis. The Company intends to finance its portion of the current funding requirements by internal resources.

The investment interests in the Property will be held under an arrangement known as Tokumei-Kumiai (anonymous partnership). The legal title to the Property will be held by a trustee which is a licensed trust bank in Japan, whereas the beneficial ownership will be vested with the Operator. The Operator is owned and managed independently of the Company and Acacio, and the relationship between Acacio and the Operator is governed by an agreement between them, under which the Operator shall on behalf of Acacio conduct the business of acquiring, holding, receiving income from, managing and dealing with the acquired property(ies). The Operator will engage an asset manager to oversee the management of the Property. The Operator will make quarterly cash distributions to the investors, out of the net rental income arising from its holding of the Property.

There are two investors under the Tokumei-Kumiai arrangement, Acacio (which will be entitled to 99.78% of the distributions) and the asset manager engaged by the Operator (which will be entitled to 0.22% of the distributions). Acacio is not a Qualified Institutional Investor under the Japanese law and therefore for this purpose, a second investor, i.e. the asset manager, was introduced, which will contribute ¥5,000,000 (approximately HK\$420,000) to the investment, representing 0.22% of the total investment amount against the investment amount of Acacio.

The aforesaid holding structure was adopted in order to enable the investment in the Property to enjoy tax benefits available under Japanese law and to enable the Operator to meet the Qualified Institutional Investor exemption under the Financial Instrument and Exchange Act of Japan, which would exempt the Operator from the registration requirements the Operator would otherwise have to meet. The Company has been advised that such holding structure is commonly adopted by foreign investors in their real estate investments in Japan. As the Operator will make cash distributions to the investors out of the net rental income arising from its holding of the Property, such tax benefits available to the Operator will in turn benefit Acacio and the Company by reason of the reduction in the tax payable and the resulting increase in net rental income.

Meadpoint and the asset manager engaged by the Operator will be entitled to receive and share a fixed fee which is calculated by reference to the purchase price of the Property, in addition to an incentive fee which is based on the investment income generated from the holding of the Property and a disposition fee based on the sale price of the Property (in the case of a sale in the future).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller, the Operator, the asset manager engaged by the Operator, and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons and are not connected persons of the Company.

INFORMATION ON THE PROPERTY

The Property is a 12-storey freehold multi-family apartment building built in 2005. It is located in Chuo-ku, one of the five central wards of Tokyo and within a two-minute walk to the Suitengumae station, which is on the Tokyo Metro Hanzomon Subway Line. It is a four-minute subway ride from the Suitengumae station to Marunouchi, Tokyo's premier business center, and an eight-minute ride to Ginza, one of the most prestigious shopping districts in Japan.

According to a valuation conducted by Savills Japan, an independent valuer engaged by the Company, the value of the Property as of 30 April 2010 is ¥2,640,000,000 (equivalent to approximately HK\$221,760,000). The valuation was based on the direct capitalisation and discounted cash flow approach.

According to the management accounts of the Property, the pre-tax operating profit attributable to the Property was ¥162,077,182 (equivalent to approximately HK\$13,614,483) and ¥147,077,235 (equivalent to approximately HK\$12,354,487) respectively for the years ended 31 December 2008 and 2009. As the management accounts provided by the Seller do not contain information on interest, taxes, depreciation and amortization expenses, these items have not been taken into account in the calculation of the net profit disclosed in this paragraph.

COMPLETION OF THE ACQUISITION

The completion of the Acquisition is expected to occur on 8 June 2010.

A penalty which equals to 10% of the purchase price of the Property shall be paid by the party which fails to complete the transaction. However, should there be a total destruction of the Property by an act of God (e.g. fire, earthquake, etc.), or a partial destruction of the Property which has not been repaired or restored in a manner that is reasonably acceptable to Acacio, Acacio shall be entitled to choose not to complete the Acquisition without incurring the said penalty.

INFORMATION ON THE GROUP, ACACIO, MEADPOINT AND THE SELLER

The principal activities of the Group are hotel and club operations, property investment and development and the provision of management services. The Company's principal activity is investment holding.

Acacio is a single purpose company incorporated in the British Virgin Islands for the purpose of an investment program to make investments in multifamily residential properties in the Tokyo metropolitan area. The Company and Meadpoint hold 97% and 3% interest in Acacio respectively.

Meadpoint is a private real estate investment management firm incorporated in Singapore.

The Seller is a company which holds real estate properties in Japan.

REASONS FOR THE TRANSACTIONS

The Directors consider the Acquisition as a move to capitalize on the Group's experience in the property investment sector at a time of the economic cycle in Japan which allows the Acquisition to be conducted at a reasonable capital cost and at an attractive yield. The Directors believe that the Acquisition also enables the Group to strengthen its existing property investment portfolio.

The Directors consider that the Acquisition and the terms of the relevant agreements are entered into upon normal commercial terms following arm's length negotiations among the parties and that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As disclosed in the Company's announcement dated 25 February 2010, Acacio acquired investment interests in a 12-storey freehold multi-family apartment building located in Chuo-ku, Tokyo, Japan from the Seller at a consideration of ¥1,735,667,782 (before tax) (equivalent to approximately HK\$147,531,761). According to Rule 14.22 and 14.23 of the Listing Rules, the Acquisition and the Previous Acquisition are aggregated for the purpose of classifying the Acquisition.

As the applicable percentage ratios of the Company in respect of the Acquisition (on an aggregated basis with the Previous Acquisition) exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. Accordingly, the Company is required to make an announcement in respect of the Acquisition under Rule 14.34 of the Listing Rules.

DEFINITIONS

“Acacio”	Acacio Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 97% by the Company and 3% by Meadpoint
“Acquisition”	the acquisition of the investment interests in the Property by Acacio
“Board”	the board of Directors
“Company”	Keck Seng Investments (Hong Kong) Limited, a company incorporated in Hong Kong under the Companies Ordinance (Cap. 32), the shares of which are listed on the Stock Exchange

“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meadpoint”	Meadpoint Pte. Ltd., a company incorporated in Singapore with limited liability
“Operator”	a company incorporated in Japan acting as the operator of the investment by Acacio, further details of whose roles and responsibilities are set out in this announcement
“Previous Acquisition”	the acquisition by Acacio of a freehold multi-family apartment building located in Chuo-ku, Tokyo, Japan, details of which are set out in the announcement of the Company dated 25 February 2010
“Property”	a 12-storey freehold multi-family apartment building located in Chuo-ku, Tokyo, Japan, built in 2005
“Seller”	New City Real Estate Trading VI Yugen Kaisha
“Shareholders”	the holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“¥”	Japanese Yen

% per cent.

In this announcement, Japanese Yen (¥) has been translated into HK\$ at the rate of ¥100 = HK\$8.40 for reference purpose only.

By Order of the Board
Keck Seng Investments (Hong Kong) Limited
HO Kian Guan
Executive Chairman

Hong Kong, 4 June 2010

As at the date of this announcement, the Board comprises Mr HO Kian Guan, Mr HO Kian Hock, Mr TSE See Fan Paul, Mr CHAN Lui Ming Ivan, Ms YU Yuet Chu Evelyn, Mr HO Chung Tao and Mr HO Chung Hui (whose alternate is Mr HO Chung Kain) as executive directors, Mr HO Kian Cheong as non-executive director, and Dr CHAN Yau Hing Robin, Mr KWOK Chi Shun Arthur and Ms WANG Poey Foon Angela as independent non-executive directors.