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TAI SHING

Tai Shing International (Holdings) Limited

泰盛國際(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 18 July 2016, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place a total of 19,870,313 new Shares, to not less than six independent Placees, at a price of HK\$0.57 per Placing Share.

The 19,870,313 Placing Shares under the Placing represent approximately 20% of the existing issued share capital of the Company of 99,351,565 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of 119,221,878 Shares as enlarged by the Placing Shares. Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

The Placing Price of HK\$0.57 per Placing Share represents (i) a discount of 10.9% to the closing price of the Shares of HK\$0.64 quoted on the Stock Exchange on 18 July 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 19.5% to the average closing price of the Shares of HK\$0.708 quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 July 2016, being the date immediately preceding the date of the Placing Agreement.

* For identification purposes only

The gross proceeds from the Placing will be approximately HK\$11.3 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$10.9 million. Such net proceeds from the Placing will be used for general working capital and repayment of debt of the Group.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the EGM held on 29 January 2016.

Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate.

The Placing is conditional upon, among other things, the Listing Division of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. Furthermore, pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

The Board announced that on 18 July 2016, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place a total of 19,870,313 new Shares, to not less than six independent Placees, at a price of HK\$0.57 per Placing Share.

THE PLACING AGREEMENT

- Date:** 18 July 2016 (after trading hours)
- Issuer:** The Company
- Placing Agent:** China Times Securities Limited. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.
- The Placees:** The Placees, being any individual(s), institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement, who and whose ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons.

The Placing is on a fully underwritten basis. The Placing Shares will be placed to not less than six independent Placees. It is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) immediately after the Placing.

Number of Placing Shares

The 19,870,313 Placing Shares under the Placing represent approximately 20% of the existing issued share capital of the Company of 99,351,565 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of 119,221,878 Shares as enlarged by the Placing Shares.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.57 per Placing Share represents (i) a discount of 10.9% to the closing price of the Shares of HK\$0.64 quoted on the Stock Exchange on 18 July 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 19.5% to the average closing price of the Shares of HK\$0.708 quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 July 2016, being the date immediately preceding the date of the Placing Agreement.

The net placing price for the Placing is approximately HK\$0.549 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent with reference to current market conditions, prevailing market prices and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and is in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent

The Placing Agent will receive a placing commission calculated as 3% of the amount equal to the Placing Price multiplied by the number of the Placing Shares. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size of the Placing and the then current market condition. The Directors are of the view that the placing commission payable under the Placing accords with the market and is fair and reasonable.

Placing Period

The Placing Agent undertakes during the Placing Period to procure, not less than six Placees to subscribe for the Placing Shares at the Placing Price.

Condition of the Placing Agreement

Completion of the Placing Agreement is conditional upon the Listing Division of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares. If the condition is not fulfilled on or prior to 17 August 2016 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Application will be made by the Company to the Listing Division of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any significant change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any material breach of the warranties, representations and undertakings given by the Company in Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in the Announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with Placing Agreement save in respect of any antecedent breach of any obligation under Placing Agreement.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate.

Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate. The 19,870,313 Placing Shares to be allotted and issued will fully utilise the General Mandate.

Completion of the Placing

Completion of the Placing shall take place at 12:00 noon on the second Business Day on which the condition of the Placing has been satisfied (or such other date as the Company and the Placing Agent shall agree).

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in system development, professional services, money lending business and proprietary trading business.

Upon the full placement of the 19,870,313 Placing Shares, the gross proceeds raised from the Placing will be approximately HK\$11.3 million. After taking into account the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$10.9 million, representing a net price of approximately HK\$0.549 per Placing Share. Such net proceeds from the Placing will be used for general working capital of the Group.

The Company can take this opportunity to (i) broaden the capital and shareholder base; and (ii) enhance the capital strength of the Company. Accordingly, the Board considers that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company's equity fund raising activities over the past 12-month period immediately preceding the date of this announcement are set out below:—

Date of event	Fund raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds
23 July 2015 and 29 July 2015	Placing of 216,644,771 new Shares under general mandate	HK\$17,600,000	For general working capital of the Group	HK\$17.6 million was used in general working capital including (i) HK\$12.7 million for repayment of debt; (ii) approximately HK\$1.6 million was used for proprietary trading business; and (iii) the remaining balance of HK\$3.3 million was used for payment of general and administrative expenses.
16 November 2015 and 19 November 2015	Placing of 135,724,862 new Shares under general mandate	HK\$12,900,000	For general working capital and repayment of debt of the Group	Used as intended. Mostly used in repayment of debt.

Save for the fund raising activities disclosed above, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company immediately upon Completion of the Placing are set out as below, for illustration purposes:

	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Placees (not less than six Placees)	–	–	19,870,313	16.67%
Other public Shareholders	99,351,565	100.00%	99,351,565	83.33%
	<u>99,351,565</u>	<u>100.00%</u>	<u>119,221,878</u>	<u>100.00%</u>

GENERAL

Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. Furthermore, pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following expressions used in this announcement have the following meanings:–

“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays or public holidays) on which banks generally are open for business in Hong Kong
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement

“Completion Date”	the second Business Day following the satisfaction of the condition of the Placing Agreement or such other date as the Company and the Placing Agent may agree
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 29 January 2016
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended from time to time
“General Mandate”	the general mandate to issue and allot Shares granted by the Shareholders to the Directors at the EGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (Parties)”	third party (parties) independent of and not connected with the Company and its connected persons
“Listing Division”	has the meaning ascribed thereto in the GEM Listing Rules
“Placees”	any individuals, institutional or professional investors procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	private placing of 19,870,313 new Shares by the Placing Agent at the Placing Price under General Mandate pursuant to the terms of the Placing Agreement
“Placing Agent”	China Times Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 18 July 2016 (after trading hours) in respect of the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 5:00 p.m. on the Second Business Day prior to the Completion Date, unless terminated earlier pursuant to the terms of the Placing Agreement)
“Placing Price”	HK\$0.57 per Placing Share
“Placing Shares”	19,870,313 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
Tai Shing International (Holdings) Limited
Lau Kelly
Executive Director

Hong Kong, 18 July 2016

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Tam Kwok Leung (*Chief Executive Officer*)

Mr. Lau Kelly

Mr. Leung Chung Nam

Non-executive Director:

Ms. Jim Ka Man

Independent non-executive Directors:

Dr. Wan Ho Yuen, Terence

Ms. Yeung Mo Sheung, Ann

Mr. Hau Chi Kit

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at <http://www.equitynet.com.hk/8103/>.