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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)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CAPITAL REORGANISATION

PROPOSED SHARE CONSOLIDATION

The Company intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Shares of HK\$0.1 each into one (1) Consolidated Share of HK\$1 each.

The Share Consolidation is conditional upon, amongst other things, the approval by the Shareholders at the EGM.

PROPOSED CAPITAL REORGANISATION

Immediately after the Share Consolidation becoming effective, the Company proposes to effect the Capital Reorganisation comprising:

- (i) the nominal value of each issued Consolidated Share will be reduced from par value of HK\$1 each to par value of HK\$0.001 each by cancellation of the paid-up capital to the extent of HK\$0.999 on each issued Consolidated Share;
- (ii) the credit arising from such capital reduction described in paragraph (i) above will be applied to set-off the accumulated losses of the Company; and
- (iii) a subdivision whereby each authorised but unissued Consolidated Share of par value of HK\$1 each will be subdivided into one thousand (1,000) Adjusted Shares of par value of HK\$0.001 each.

The Capital Reorganisation is conditional upon, inter alia, the approval by the Shareholders at the EGM and approval of the Adjustment Proposal by the Court.

GENERAL

An EGM will be convened for the Shareholders to, among other things, consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation and the special resolution in respect of the Capital Reorganisation.

As no Shareholder has a material interest in the Share Consolidation and Capital Reorganisation, no Shareholder will be required to abstain from voting on the resolutions to approve the Share Consolidation and Capital Reorganisation.

A circular containing, among other things, further details of (i) the Share Consolidation; (ii) the Capital Reorganisation; and (iii) notice convening the EGM, will be despatched to the Shareholders on or before 11 December 2015.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation pursuant to which every ten (10) issued and unissued Shares of HK\$0.1 each be consolidated into one Consolidated Share of HK\$1 each.

As at the date of this announcement, the share capital of the Company consists of 871,492,033 Shares in issue and the aggregate nominal value of the issued share capital of the Company is approximately HK\$87.15 million.

As at the date of this announcement, the Company has outstanding convertible bonds due 1 April 2016 in the total outstanding principal amount of HK\$10,000,000 which entitle the holders to subscribe an aggregate of 28,571,428 Shares upon exercise of the conversion rights attaching to the Convertible Bonds.

As at the date of this announcement, the Company has 54,161,192 granted and outstanding share options with exercisable period ended 3 September 2025 and 67,862,431 granted and outstanding share options with exercisable period ended 15 November 2025.

Save for disclosed in the aforementioned, there are no options, warrants or other securities convertible into or giving rights to subscribe for Shares or Consolidated Shares (as the case may be).

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM to be convened by the Company; and
- (ii) the Listing Division of the Stock Exchange granting the listing of and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation.

Assuming the above conditions are fulfilled, it is expected that the Share Consolidation will become effective on the next Business Day following the date on which the relevant resolution approving the Share Consolidation is passed.

Share capital structure of the Company

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Share Consolidation becomes effective, the share capital structure of the Company will be as follows:

	Prior to the Share Consolidation becoming effective	Immediately following Share Consolidation becoming effective
Nominal value of each Share/Consolidated Share	HK\$0.1	HK\$1
Number of authorized Shares/Consolidated Shares	2,000,000,000	200,000,000
Authorized share capital	HK\$200,000,000	HK\$200,000,000
Number of Shares/Consolidated Shares in issue	871,492,033	87,149,203
Issued and fully-paid share capital	HK\$87,149,203.30	HK\$87,149,203.30

Status of the Consolidated Shares

The Consolidated Shares shall rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company.

Effect of the Share Consolidation

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders as a whole. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the shares of the Company. It is expected that the Share Consolidation would bring about corresponding upward adjustments in the trading price of the Consolidated Shares (i.e. based on the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the date of this announcement, the trading price of the Consolidated Share will be HK\$1.09 per Consolidated Share) on the Stock Exchange and the Board believes that it may attract more investors and extend the shareholders base of the Company. The Board therefore considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of Consolidated Shares arising from the Share Consolidation, the Company has appointed Freeman Securities Limited to stand in the market to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Consolidated Shares from 9:00 a.m. on Tuesday, 19 January 2016 to 4:00 p.m. on Thursday, 11 February 2016 (both days inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Ms. Hong Ming Kiu, May of the Freeman Securities Limited of Room 1601, 16/F., China United Centre, 28 Marble Road, North Point, Hong Kong by phone at (852) 3513 8002 or by fax at (852) 2815 6728 during this period.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

Listing application

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 Consolidated Shares in issue and any new Consolidated Shares which may fall to be issued pursuant to (i) the exercise of the subscription rights attached to the share options granted and may be granted under the Share Option Scheme and (ii) the exercise of the conversion rights attaching to the Convertible Bonds, upon the Share Consolidation becoming effective.

Free exchange of Share certificates

Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for the Shares, to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for exchange from Tuesday, 5 January 2016 to Monday, 15 February 2016 (both dates inclusive), at the expense of the Company for share certificates of the Consolidated Shares. Thereafter, share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate of the Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever number of share certificates cancelled/issued is higher.

The existing share certificates will be valid for trading and settlement up to 4:00 p.m. on Thursday, 11 February 2016, being the latest time for trading in board lot of 2,000 Consolidated Shares in the form of existing share certificates (or such other date which will be announced by the Company) and will continue to be good evidence of legal title after the Share Consolidation has become effective and may be exchanged for share certificates of the Consolidated Shares at any time in accordance with the foregoing. The new share certificates for the Consolidated Shares will be issued in red colour in order to distinguish them from the existing orange colour of the share certificates for the Shares.

PROPOSED CAPITAL REORGANISATION

Immediately following the Share Consolidation, the Company proposes to effect the Capital Reorganisation comprising:

- (i) the nominal value of each issued Consolidated Share will be reduced from par value of HK\$1 each to par value of HK\$0.001 each by cancellation of the paid-up capital to the extent of HK\$0.999 on each issued Consolidated Share;
- (ii) the credit arising from such capital reduction described in paragraph (i) above will be applied to set-off the accumulated losses of the Company; and
- (iii) a subdivision whereby each authorised but unissued Consolidated Share of par value of HK\$1 each will be subdivided into one thousand (1,000) Adjusted Shares of par value of HK\$0.001 each.

The steps referred to above in paragraphs (i) and (ii) are referred to as the Adjustment Proposal.

Conditions of the capital reorganization

The Capital Reorganisation (which will be effected in accordance with the Articles of Association of the Company and the Companies Law) is conditional upon:

- (i) the passing of a special resolution to approve the Capital Reorganisation by Shareholders at the EGM;
- (ii) sanctioning of the Adjustment Proposal by the Court;
- (iii) compliance with any conditions imposed by the Court; and
- (iv) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue upon the Capital Reorganisation becoming effective.

The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled.

Timing

The Adjustment Proposal is subject to the Court's approval. The Capital Reorganisation will become effective after the Court's approval and registration of the order of the Court confirming the reduction of issued share capital and the minutes approved by the Court at the Registrar of Companies in the Cayman Islands, which is expected to take approximately 4 to 6 months from the date hereof.

Share capital structure of Capital Reorganisation

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becoming effective, the share capital structure of the Company will be as follows:

	Immediately before the Capital Reorganisation becoming effective	Immediately after the Capital Reorganisation becoming effective
Nominal value of each Share/Adjusted Share	HK\$1	HK\$0.001
Number of authorized Shares/Adjusted Shares	200,000,000	200,000,000,000
Authorized share capital	HK\$200,000,000	HK\$200,000,000
Number of Shares/Adjusted Shares in issue	87,149,203	87,149,203
Issued and fully-paid share capital	HK\$87,149,203.30	HK\$87,149.20

The size of each board lot of the Adjusted Shares will remain the same as that of the Shares, being 20,000 Adjusted Shares per board lot.

Status of the Adjusted Shares

The Adjusted Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any changes in the relative rights of the Shareholders.

Effect of the Capital Reorganisation

Assuming no Shares will be repurchased by the Company and no further Shares are issued until the effective date of the Capital Reorganisation, based on 87,149,203 Adjusted Shares then in issue, a total credit of approximately HK\$87 million will arise in the books of the Company as a result of the Adjustment Proposal which will be applied to set off any accumulated losses of the Company as at the effective date of the Capital Reorganisation.

Save for applying the credit sum arising from the Capital Reorganisation towards cancelling the accumulated losses of the Company and the expenses to be incurred in relation to the Capital Reorganisation, the Directors consider that the Capital Reorganisation will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

Listing application

Application will be made by the Company to the Listing Division of the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation.

Free exchange of Adjusted Share certificates

Subject to Capital Reorganisation becoming effective, Shareholders may submit share certificates for the Shares, to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for exchange from Tuesday, 26 April 2016, to Thursday, 26 May 2016 (both days inclusive) (or such other date which will be announced by the Company), at the expense of the Company for share certificates of the Adjusted Shares. Thereafter, share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate of the Shares cancelled or each new share certificate issued for the Adjusted Shares, whichever number of share certificates cancelled/issued is higher.

The existing share certificates will continue to be good evidence of legal title after the Share Reorganisation has become effective and may be exchanged for share certificates of the Adjusted Shares at any time in accordance with the foregoing. The new share certificates for the Adjusted Shares will be issued in yellow colour in order to distinguish them from the existing red colour of the share certificates for the Shares.

Reasons for the Capital Reorganisation

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

The Board considers that the proposed Capital Reduction and Share Subdivision will enable the nominal value of the Shares to be reduced from HK\$1 each to HK\$0.001 each. The credit arising from the Capital Reduction will be applied towards cancelling the accumulated losses of the Company as at the effective date of the Capital Reduction. Also, the Board considers that the Capital Reorganisation will give greater flexibility to the Company to raise funds through the issue of Adjusted Shares in the future given that the Company is not permitted to issue new Adjusted Shares below their nominal value. As such, the Board considers that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the proposed Share Consolidation and Capital Reorganisation set out below is indicative only.

Hong Kong Times

Expected date of despatch of the Circular in relation to Friday, 11 December 2015
Share Consolidation and Capital Reorganisation
and notice of EGM

Latest time for lodging proxy forms for the EGM 9:00 a.m. on Saturday, 2 January 2016

Expected time and date of the EGM 9:00 a.m. on Monday, 4 January 2016

Publication of poll results of the EGM Monday, 4 January 2016

The following events are conditional on the fulfilment of the conditions for the implementation of Share Consolidation

Effective date of Share Consolidation Tuesday, 5 January 2016

Dealing in Consolidated Shares commences 9:00 a.m. on Tuesday, 5 January 2016

First day of free exchange of existing share certificates for Tuesday, 5 January 2016
new share certificates

Original counter for trading in board lots of 20,000 Shares Tuesday, 5 January 2016
temporarily closes

Temporary counter for trading in board lots of 9:00 a.m. on Tuesday, 5 January 2016
2,000 Consolidated Shares (in the form of existing
share certificates) opens

Original counter for trading in Consolidated Shares 9:00 a.m. on Tuesday 19 January 2016
in board lots of 2,000 Consolidated Shares
(in the form of new share certificates for
Consolidated Shares) re-opens

Parallel trading in Consolidated Shares (in the form of existing . . 9:00 a.m. on Tuesday 19 January 2016
share certificates and new share certificates) commences

Designated broker starts to stand in the market to provide 9:00 a.m. on Tuesday 19 January 2016
matching services for the odd lots of Consolidated Shares

Parallel trading in Consolidated Shares (in the form of 4:00 p.m. on Thursday, 11 February 2016 existing share certificates and new share certificates) ends

Temporary counter for trading in board lots of 2,000 4:00 p.m. on Thursday, 11 February 2016 Consolidated Shares (in the form of existing share certificates) closes

Designated broker ceases to stand in the market to 4:00 p.m. on Thursday, 11 February 2016 provide matching services for the odd lots of Consolidated Shares

Last day for free exchange of existing share certificates for Monday, 15 February 2016 new share certificates for Consolidated Shares

The following events are conditional on the results of the EGM and the approval from the Court and therefore the dates are tentative:

Expected date of registration of a copy of the court order After 4:00 p.m. on Monday, confirming the Capital Reduction and the minutes 25 April 2016 but before 9:00 a.m. approved by the Court pursuant to the Companies law^{note 3} on Tuesday, 26 April 2016

Expected effective date of the Capital Reduction and After 4:00 p.m. on Monday, the Share Subdivision 25 April 2016 but before 9:00 a.m. on Tuesday, 26 April 2016

First day for free exchange of the share certificates for 9:00 a.m. on Tuesday, 26 April 2016 the Consolidated Shares for new share certificates for Adjusted Shares

Last day for free exchange of the share certificates for the 4:30 p.m. on Thursday, 26 May 2016 Consolidated Shares for new share certificates for Adjusted Shares

Notes:

1. All times and dates in this timetable refer to Hong Kong local times and dates unless otherwise stated.
2. Dates or times specified in this announcement for events in the timetable for (or otherwise in relation to) the Capital Reduction and the Share Subdivision are indicative only and may be excluded or varied due to the timetable and availability of the Court, additional time required for compliance with the regulatory requirements in the Cayman Islands and/or with any requirements imposed by the Court or varied by the Company. Any change to the expected timetable for the Capital Reduction and the Share Subdivision will be published as and when appropriate.
3. The expected date of registration of a copy of the court order confirming the Capital Reduction and the minutes approved by the Court pursuant to the Companies law is to be around 4-6 months from the date of EGM.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation and the special resolution in respect of the Capital Reorganisation. A circular containing, among other things, further details of (i) the Share Consolidation; (ii) the Capital Reorganisation; and (iii) notice convening the EGM, will be despatched to the Shareholders on or before 11 December 2015.

As no Shareholder has a material interest in the Share Consolidation and Capital Reorganisation, no Shareholder will be required to abstain from voting on the resolutions to approve the Share Consolidation and Capital Reorganisation.

POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND SHARE OPTIONS UPON SHARE CONSOLIDATION AND SHARE REORGANISATION BECOMING EFFECTIVE

As a result of Share Consolidation and the Share Reorganisation, adjustments may need to be made to the exercise price and other rights (if any) pursuant to the terms of the Convertible Bonds and Share Option Scheme of the Company if necessary. The auditors or an approved financial adviser of the Company will be appointed to certify the necessary adjustments, if any, to the conversion prices of the Convertible Bonds and number of conversion shares and the exercise prices and number of Shares which may be subscribed pursuant to the Options. Further announcement will be made by the Company in this regard as and when appropriate.

DEFINITIONS

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

“Adjustment Proposal”	the proposed reduction of the nominal value of each issued Consolidated Share from par value of HK\$1.00 to par value of HK\$0.001 by canceling the paid-up capital to the extent of HK\$0.999 on each issued Consolidated Share and application of the credit arising from such capital reduction to set-off the accumulated losses of the Company
“Adjusted Share(s)”	new ordinary share(s) of HK\$0.001 each in the issued and unissued share capital of the Company upon the Capital Reorganisation becoming effective
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors

“Business Day”	a day (other than Saturday and Sunday) on which the Stock Exchange is open for business of dealings in securities
“Capital Reduction”	the proposed reduction of the nominal value of each issued Consolidated Share from par value of HK\$1 each to par value of HK\$0.001 each by cancellation of the paid-up capital to the extent of HK\$0.999 on each issued Consolidated Share
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company by way of (i) the Adjustment Proposal; and (ii) the Share Subdivision as referred in this announcement
“Companies Law”	The Companies Law, Cap. 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Consolidated Share(s)”	issued and unissued share(s) of par value of HK\$1.00 each in the share capital of the Company immediately following the Share Consolidation and prior to the Adjustment Proposal
“Convertible Bonds”	the outstanding convertible bonds due 1 April 2016 in the total outstanding principal amount of HK\$10,000,000
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation and the special resolution in respect of the Capital Reorganisation
“Existing Share(s)”	existing ordinary share(s) with par value of HK\$0.1 each in the issued and unissued capital of the Company prior to the Share Consolidation and Capital Reorganisation
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its Subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Division”	has the meaning ascribed thereto in the GEM Listing Rules
“Registrar”	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Share(s)”	existing ordinary share(s) with par value of HK\$0.1 each in the issued and unissued capital of the Company prior to the Share Consolidation and Capital Reorganisation
“Shareholder(s)”	the holder(s) of Existing Share(s) or the Adjusted Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each into one (1) Consolidated Share of par value of HK\$1.00 each
“Share Option Scheme”	the share option scheme adopted by the Company on 12 November 2014
“Share Subdivision”	the proposed subdivision of each authorised but unissued Consolidated Share of par value of HK\$1 each into one thousand (1,000) Adjusted Shares of par value of HK\$0.001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board of
Tai Shing International (Holdings) Limited
Tam Kwok Leung
Executive Director

Hong Kong, 20 November 2015

* *For identification purpose only*

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

Executive Directors:

Dr. Chew Chee Wah (*Chairman*)
Mr. Tam Kwok Leung (*Chief Executive Officer*)
Ms. Ju Lijun
Mr. Zhang Jinshu
Mr. Luk Chi Shing
Mr. Lee Yiu Tung

Non-executive Directors:

Mr. Dai Yuanxin
Ms. Xiao Yongzhen

Independent non-executive Directors:

Mr. Chan Yee Sze
Mr. Koh Kwing Chang
Mr. Lui Wai Ming
Mr. Lai Chi Leung

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/>.