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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)**

### **DISCLOSEABLE TRANSACTION IN RESPECT OF THE ACQUISITION OF 19% EQUITY INTEREST IN THE TARGET COMPANY**

On 6 October 2015 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors pursuant to which the Purchaser agreed to acquire and the Vendors agreed to dispose the Sale Shares (representing 19% of the existing issued share capital of the Target Company) of the Target Company at the Consideration of HK\$17,328,000.

The Target Company and its subsidiaries (collectively known as “Target Group”) is principally engaged in the provision of hardware and software development related to automobile in Hong Kong, PRC, Macau and Taiwan.

#### **GEM LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempted from shareholders’ approval requirement under the GEM Listing Rules.

#### **THE ACQUISITION AGREEMENT**

On 6 October 2015 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors in relation to the sale and purchase of the Sales Shares. Major terms of the Acquisition Agreement are set out as below:

**Date:** 6 October 2015 (after trading hours)

\* For identification purpose only

**Purchaser:** Sage Choice Inc., a company incorporated in the Republic of Vanuatu and a wholly-owned subsidiary of the Company

**Vendors:** Sharp Aim Limited, a company incorporated in the Republic of Vanuatu and New Jersey Inc., a company incorporated in the Republic of Vanuatu

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendors are independent third parties and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

### **Assets to be acquired**

Pursuant to the Acquisition Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares of the Target Company free from all encumbrances.

The Sale Shares involve 19 ordinary shares of US\$1.00 each of the Target Company, representing 19% of the existing issued share capital of the Target Company.

### **Consideration**

The Consideration for the sale and purchase of the Sale Shares of the Target Company shall be HK\$17,328,000, which shall be satisfied by the Purchaser to the Vendor in full by cash on or before 30 October 2015.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor after having taken into account, amongst other things, (i) the valuation on the Target Group of approximately HK\$96.24 million as prepared by an independent valuer; and (ii) the reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" in this announcement.

### **Conditions Precedent**

(1) Completion shall be conditional in all respects upon:-

- (a) the Purchaser being satisfied with the results of the due diligence review;
- (b) if applicable, the obtaining of all consents from any relevant government or regulatory authorities or third parties which are necessary in connection with the execution and performance of this agreement and any of the transactions contemplated hereunder;
- (c) the vendor warranties remaining true and accurate, and not misleading, in all material respects as at Completion; and
- (d) no material adverse change having occurred.

Conditions (1)(a), (c) and (d) above may be waived by the Purchaser at its sole discretion in whole or in part.

- (2) In the event that all the conditions are not fulfilled (or waived, if applicable) and remain unfulfilled on or before 13 October 2015 (or such later date as may be agreed by the parties in writing), all rights, obligations and liabilities of the parties hereunder shall cease and determine and none of the parties shall have any claim against the other save and except any antecedent breach.

## Completion

Completion shall take place on or before the 5th business day after the date on which the last of the conditions is fulfilled (or waived), or such other date as the parties may agree in writing.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the Republic of Vanuatu with limited liability and is authorised to issue a maximum of 100,000 ordinary shares of US\$1 each, of which 100 ordinary shares have been issued and fully paid-up. The Target Company is an investment holding company and its major assets are the equity interest in its subsidiaries.

Acting through its wholly owned subsidiary – Zuver Tuning Limited, the Target Company is principally engaged in offering a wide range of automobile parts under its own brand “ZUVER” such as suspension system, brake caliper system, alloy wheels, air intake system, air exhaust system, tire pressure sensor, automotive performance software and hardware and fuel saving device. Products are currently offered at auto parts shops located in Hong Kong, Macau, Taiwan and PRC.

In addition to offering high quality products, the Target Company also develops smartphone application for drivers and a mobile car trading platform.

	<b>(Unaudited)</b> <b>For the three months ended</b> <b>30 June 2015</b> <i>HK\$</i>	<b>(Unaudited)</b> <b>For the year ended</b> <b>31 March 2015</b> <i>HK\$</i> <i>(Note)</i>
Net (loss)/profit before taxation	(119,953)	103,218
Net (loss)/profit after taxation	(119,953)	103,218

*Note:* The Target Group has started its operations since the third quarter of 2014.

The total assets of the Target Group as at 30 June 2015 according to its unaudited management accounts were approximately HK\$2.8 million.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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

The Directors are of the view that the Acquisition provides a prime opportunity for the Group to step outside the existing principal businesses and enter into the automobile hardware and software industry. The Group is expected to be benefited from diversifying its income stream and expects to increase the Shareholders' value and benefit the Company and the Shareholders as a whole.

The Acquisition does not create additional debt burden to the Group as the consideration for the Sale Shares is to be satisfied by internal resources of the Group.

In view of the above reasons, the Directors consider that the terms and conditions of the Acquisition are negotiated at arm's length basis and on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expression shall have the following meaning when used herein:

“Acquisition”	the proposed purchase of Sale Share by the Purchaser from the Vendor as contemplated under the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 6 October 2015 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM Board of the Stock Exchange (stock code: 8103)
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement

“Consideration”	HK\$17,328,000, being the consideration of the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“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
“Purchaser”	Sage Choice Inc., a company incorporated in the Republic of Vanuatu and a wholly-owned subsidiary of the Company
“Sale Share(s)”	19 shares in the share capital of the Target Company in the name of and beneficially owned by the Vendor, representing 19% of the entire issued shares of the Target Company
“Share(s)”	share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Galaxy Automotive MS Inc., a company incorporated in the Republic of Vanuatu with limited liability
“Target Group”	the Target Company and its subsidiaries
“Vendors”	Sharp Aim Limited and New Jersey Inc., to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Vendors are independent third parties and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“%”	per cent.

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

Hong Kong, 6 October 2015

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  
Ms. Zhang He  
Mr. Lee Yiu Tung

*Non-executive Directors:*

Dr. Pan Jin  
Mr. Dai Yuanxin  
Ms. Xiao Yongzhen

*Independent non-executive Directors:*

Mr. Chan Yee Sze  
Ms. Hu Yun  
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 publication and is available for reference on the website of the Company at [www.equitynet.com.hk/8103/](http://www.equitynet.com.hk/8103/).*