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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 DISPOSAL OF A 51% SUBSIDIARY

On 28 March 2013, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement with the Purchaser pursuant to which the Vendor has agreed to sell to the Purchaser the 51% equity interest in the Target at the total consideration of RMB20 million in cash.

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

THE AGREEMENT

Date: 28 March 2013

Parties:

1. 鑫約福(上海)貿易有限公司 (Fullmark (Shanghai) Trading Company Limited) as vendor;
2. 王輝 (Wang Hui) as purchaser.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be disposed

Under the Agreement, the Vendor has agreed to sell to the Purchaser the Equity Interest, being 51% of the equity interest in the Target.

* For identification purpose only

Consideration

The Consideration of RMB20 million shall be paid to the Vendor in the following manner:

- (a) RMB5 million in cash to be paid within 20 days from the date of the Agreement;
- (b) RMB5 million in cash to be paid within 60 days from the date of the Agreement;
- (c) RMB10 million in cash to be paid upon completion.

Basis of Consideration

The Consideration of RMB20 million was determined after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the unaudited net assets of the Target as at 31 March 2012 of approximately RMB4.4 million; (ii) the carrying value of the Equity Interest as at 31 March 2012 of approximately HK\$30.4 million and (iii) the prospects of the Target's business as discussed under the section "Reasons for Disposal" below.

Completion

Completion of the Agreement shall take place upon completion of the registration of the transfer of the Equity Interest from the Vendor to the Purchaser at the relevant PRC government authorities.

INFORMATION ON THE TARGET

The Target is a non-wholly owned subsidiary of the Company of which 51% is owned by the Vendor and 49% by an Independent Third Party. The Target is principally engaged in the provision of insurance brokerage service in Qingdao, PRC and its surrounding area.

Set out below is the financial information of the Target for the year ended 31 March 2011 and 31 March 2012:

	For the year ended 31 March 2011	For the year ended 31 March 2012
	<i>RMB</i>	<i>RMB</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Loss before taxation	(1)	(105,372)
Loss after taxation	(1)	(105,372)
Net assets	4,544,189	4,438,817

REASONS FOR THE DISPOSAL

The Group is principally engaged in the provision of systems development including maintenance and installation as well as consulting service, provision of professional services including information technology engineering and technical support services and licensing of information management systems targeted at insurance intermediaries.

Since the acquisition of the Target, the Group has aggressively engaged in integrating and implementing the Group's proprietary information management system with the Target's antiquated system. However during the system migration and integration there was a period of downtime which was unavoidable hence the delay in retrieval of clients data. The insurance intermediaries business being service oriented and of a very competitive nature. A significant amount of time and potential anchor clients were lost and disagreement arose between the shareholders of the Target. In order to protect the interest of the Company from further deterioration in the value of the Target's business, the Company decided to dispose of the Equity Interest at a reasonable price.

The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

After completion of the Disposal, the Target will cease to be a subsidiary of the Company and the financial results of the Target will not be consolidated into the accounts of the Group.

Based on (i) the carrying value of the Equity Interest as at 31 March 2012 of approximately HK\$30.4 million, (ii) the net proceeds of approximately RMB19.5 million (after payment of relevant expenses) from the Disposal, it is expected that the Group will recognize a loss of approximately HK\$6 million as a result of the Disposal. However, Shareholders should note that the actual financial effects of the Disposal will be affected by (i) the share of loss of the Target; and (ii) the effect of translation reserve, immediately upon completion of the Disposal.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal of approximately RMB19.5 million will be used for general working capital purpose and potential investment opportunities.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Disposal”	the disposal of the Equity Interest pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 28 March 2013 made between the Vendor and the Purchaser relating to the sale and purchase of the Equity Interest
“Board”	the Board of directors of the Company
“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Consideration”	the sum of RMB20 million payable by the Purchaser to the Vendor pursuant to the Agreement
“Directors”	the directors of the Company
“Equity Interest”	the 51% equity interest in the Target held by the Vendor
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an independent third party who is not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
“PRC”	The People’s Republic of China
“Purchaser”	王輝 (Wang Hui)
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholders”	holders of ordinary shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	上海景福保險經紀有限公司 (Shanghai Jingfu Insurance Brokerage Company Limited) (formerly known as 青島博達保險經紀有限公司), a limited liability company established in the PRC
“Vendor”	鑫約福(上海)貿易有限公司(Fullmark (Shanghai) Trading Company Limited), a limited liability company established in the PRC and a wholly owned subsidiary of the Company

The English translation of Chinese names is included for information purpose only and should not be regarded as their official English translation.

By Order of the Board of
Tai Shing International (Holdings) Limited
Liu Bo
Chairman

Hong Kong, 2 April 2013

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

Executive Directors:

Mr. Liu Bo (*Chairman*)
Mr. Han Fangfa
Ms. Ju Lijun
Ms. Huang MiaoChan
Mr. Zhang Jinshu

Non-executive Director:

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

Independent non-executive Directors:

Mr. Chan Yee Sze
Mr. Xu Jingbin
Ms. Hu Yun
Mr. Tan Heming

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.