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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



Heng Shan Securities Limited

PLACING AGREEMENT

After trading hours on 4 October 2012, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to procure not less than six Places, on a best effort basis, for the subscription of up to 63,000,000 Shares at the Placing Price of HK\$0.20 per Placing Share. The maximum number of the Placing Shares represents (i) approximately 10.92% of the Company's existing issued share capital of 576,938,145 Shares; and (ii) approximately 9.84% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Completion is subject to the fulfillment of the conditions precedent in the Placing Agreement as set out in the sub-paragraph headed "Conditions of the Placing" below.

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

The Board is pleased to announce that after trading hours on 4 October 2012, the Company and the Placing Agent entered into the Placing Agreement. A summary of the principal terms of the Placing Agreement are set out below.

* For identification purpose only

PLACING AGREEMENT

Date: 4 October 2012

Parties: The Company and the Placing Agent

Number of Placing Shares to be placed:

Up to 63,000,000 Shares, representing (i) approximately 10.92% of the Company's existing issued share capital of 576,938,145 Shares and (ii) about 9.84% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Placing agent: Heng Shan Securities Limited

The Placing Agent and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

The Placing Agent will be entitled to receive a placing commission of 3% on the aggregate Placing Price of the Placing Shares actually placed by the Placing Agent under the Placing Agreement, which was arrived at after arm's length negotiation between the Company and the Placing Agent.

Placees

The Placing Agent agreed to place the Placing Shares, on a best effort basis, to not less than six Placees who will not be connected with or acting in concert with any of the directors, substantial shareholders and chief executive of the Company, or any of its subsidiaries and their respective associates or any parties acting in concert with any of them.

Placing Price:

HK\$0.20 per Share, representing a discount of approximately 0.99% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on 4 October 2012, and a discount of approximately 0.30% to the average closing price of HK\$0.2006 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 3 October 2012.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

Ranking of the Placing Shares

The Placing Shares 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.

Conditions of the Placing

Completion is conditional upon (i) the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares and (ii) each of the Company and the Placing Agent having obtained all necessary consents and approvals in relation to the Placing from the relevant authorities, if applicable.

If any of the above condition cannot be fulfilled on or before three months from 4 October 2012 (or such later date as the Company and the Placing Agent may agree), the Placing Agreement shall cease and determine and none of the parties to the Placing Agreement shall have any claim against any other party in respect of the Placing.

Termination

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

- (a) 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
- (b) there is any material breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (c) 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
- (d) any statement contained in this 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 the 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 the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement as stated above, 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 the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion

Completion will take place at 12:00 noon on the fourth business day after the fulfillment of the conditions set out in the Placing Agreement (or such other date and/or time as may be agreed by the Company and the Placing Agent).

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

Shareholding structure of the Company before and after the Placing

The following table illustrates (i) the shareholding structure of the Company as at the date of this announcement and (ii) the shareholding structure of the Company immediately following the Placing (assuming there will not be any change in the issued share capital of the Company from the date of this announcement to the Completion and 63,000,000 Shares have been placed under the Placing):

	Existing shareholding		Shareholding immediately after the issue of the Placing Shares	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding (Note 4)
Mr. Chan Yun Sang (Note 1)	200,000	0.03%	200,000	0.03%
Mr. Ip Ho Ming (Note 2)	10,000	0.00%	10,000	0.00%
The Places under the Placing	—	—	63,000,000	9.84%
Other public	576,728,145	99.96%	576,728,145	90.12%
Total	<u>576,938,145</u>	<u>100.00%</u>	<u>639,938,145</u>	<u>100.00%</u>

Notes:

- Mr. Chan Yun Sang is an executive Director.
- These Shares are held by the spouse of Mr. Ip Ho Ming who is an executive Director. Mr. Ip is deemed to be interested in these Shares for the purpose of Part XV of the SFO.
- The aggregate percentage may not add up to 100% due to rounding.

Mandate to issue the Placing Shares:

The Placing Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 6 September 2012. The Directors were authorised to allot and issue up to 63,387,629 Shares pursuant to the General Mandate. Up to the date of this announcement, the Directors have not issued any Shares under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any approval by the shareholders of the Company.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Placing Shares.

REASONS OF THE PLACING

Assuming 63,000,000 Placing Shares are placed by the Placing Agent, the gross proceeds and net proceeds from the Placing to be received by the Company will be HK\$12.6 million and approximately HK\$11.8 million respectively. On such basis, the net price to the Company of each Placing Share is approximately HK\$0.19. The Directors consider various ways of raising funds and consider that the Placing represents an opportunity to enlarge the equity base of the Company. The Directors intend to utilise the net proceeds from the Placing to finance future investments and/or for future business development and/or as general working capital.

The Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The following table summarises the fund raising activities of the Group for the 12 months immediately preceding the date of this announcement:

Date of first announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
8 July 2012	Placing of new shares	Approximately HK\$28.75 million	No more than HK\$15 million for financing the Potential Acquisition, particularly being a refundable deposit, set out in the Company's announcement dated 4 July 2012.	HK\$15 million was used for financing the Potential Acquisition, HK7 million as software development, HK\$3 million for general working capital for existing business operations of the Group and HK\$3.75 million will be used for general overheads and expenses as well as professional fees.

Date of first announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
			The balance of approximately HK\$13.75 million for general working capital for both existing and prospective business operations of the Group and for maintaining the liquidity of the Group in the course of the Group's business expansion and development, of which approximately HK\$8 million will be used for general overheads and expenses, approximately HK\$4 million for research and development and approximately HK\$1.75 million for professional fees.	
19 April 2012	Placing of convertible notes	Approximately HK\$14.7 million	General working capital of the Group	Approximately HK\$8 million used as research development and consultancy, HK\$2 million as general overheads and expenses and HK\$1.5 million as professional fees and the balance of approximately HK\$ 3.2 million held as bank deposit
18 January 2012	Placing of unlisted warrants	Approximately HK\$0.75 million	General working capital of the Group	Used as general overheads and expenses
23 November 2011	Placing of new shares	Approximately HK\$2.39 million	To finance future investments and/or for future business development and/or as general working capital	Used as general overheads and expenses and professional fees

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“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”	the completion of the Placing
“Completion Date”	the date of the Completion
“connected person”	has the meaning set out in the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 6 September 2012 to allot or otherwise deal with the unissued Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Placee(s)”	the place(s) to be procured by the Placing Agent under the Placing
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Heng Shan Securities Limited, a company incorporated in Hong Kong
“Placing Agreement”	a placing agreement between the Company and the Placing Agent dated 4 October 2012 in relation to the Placing
“Placing Price”	HK\$0.20 per Placing Share

“Placing Shares”	a maximum of 63,000,000 new Shares
“Potential Acquisition”	the possible acquisition by the Company of a majority equity interest in the Target Group engaging in selling air tickets and travel products online, the details of which were set out in the Company’s announcement dated 4 July 2012
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	a group of companies including 深圳市淘淘通航空服務有限公司 (Shenzhen Taoaoto Air Services Co., Ltd.), a company incorporated in the PRC
“%”	per cent.

By order of the Board
Tai Shing International (Holdings) Limited
Liu Bo
Chairman and executive Director

Hong Kong, 4 October 2012

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

Executive Directors:

Mr. Liu Bo (*Chairman*)
Mr. Chan Yun Sang
Mr. Han Fangfa
Ms. Ju Lijun
Ms. Huang MiaoChan
Mr. Ip Ho Ming
Ms. Wong Sau Wai Serena

Non-executive Directors:

Dr. Pan Jin
Mr. Dai Yuanxin

Independent non-executive Directors:

Mr. Tang Sze Lok
Mr. Xu Jingbin
Ms. Hu Yun

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.

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