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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

Placing Agent



華泰金融控股(香港)有限公司

HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

On 6 July 2012 after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to not less than six independent Placées for up to 260,000,000 new Shares at a price of HK\$0.115 per Placing Share, for and on behalf of the Company.

The Placing is conditional upon (i) the passing of a resolution by the Shareholders at the general meeting of the Company to approve the Placing Agreement and issuance of the Placing Shares and (ii) the Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal in, the Placing Shares. If such conditions are not fulfilled, the Placing will not proceed.

The net proceeds from the Placing of approximately HK\$28.75 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used as to no more than HK\$15 million for financing the possible acquisition set out in the Company's announcement dated 4 July 2012 and the balance for general working capital of the Group.

An EGM will be held to consider and, if thought fit, passing the resolutions to approve the Placing Agreement and issue of the Placing Shares.

A circular containing, among other things, further details of the Placing Agreement and the Placing together with the notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

* For identification purpose only

THE PLACING AGREEMENT

- Date: 6 July 2012.
- Placing Agent: Huatai Financial Holdings (Hong Kong) Limited. To the best of the Company's information and belief, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.
- Placees: The Placing Shares will be placed to not less than six Placees (who will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no Placee will become a substantial Shareholder (as such term is defined in the GEM Listing Rules) immediately following completion of the Placing.
- Number of Placing Shares: Up to 260,000,000 new Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 82.03% of the entire issued share capital of the Company of 316,938,145 Shares as at the date of this announcement and approximately 45.07% of the Company's entire issued share capital as enlarged by the Placing. The nominal value of the Placing Shares is HK\$13,000,000.00.
- Placing Price: HK\$0.115 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on GEM. The Placing Price represents:
- (a) a discount of approximately 17.86% to the closing price of HK\$0.14 per Share as quoted on the GEM on 6 July 2012, being the date of the Placing Agreement;
 - (b) a discount of approximately 18.32% to the average closing price of approximately HK\$0.1408 per Share as quoted on the GEM for the last 5 full trading days of the Shares immediately before 6 July 2012 being the date of the Placing Agreement.
- The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$28.75 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.1106.

Placing Commission: The Placing Agent will receive a placing commission of 3% on the gross proceeds of the Placing. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate.

The Directors consider that the placing commission is fair and reasonable based on the current market conditions.

Ranking of Placing Shares: The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue an allotment of the Placing Shares.

Conditions to the Placing: The Placing is conditional upon the following conditions:

- (i) the passing of a resolution by the Shareholders at the general meeting of the Company to approve the Placing Agreement and issue of the Placing Shares; and
- (ii) the Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal in, the Placing Shares.

If the above conditions are not fulfilled on or before 31 December 2012 (or such other time and date as the Placing Agent and the Company shall agree in writing), all rights, obligations and liabilities of the parties under the Placing Agreement shall cease and determine and neither parties shall have any claim against the others save for any antecedent breach.

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

Completion of the Placing: Completion shall take place on the third business days following satisfaction of all the conditions set out above.

Termination:

The Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if

- (i) any event occurring or matter arising on or after the date of the Placing Agreement and prior to the completion date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations contained in the Placing Agreement untrue or incorrect and such would have an adverse impact or effect on the Placing; or
- (ii) there develops, occurs or comes into force: or
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the opinion of the Placing Agent and in its reasonable opinion may materially and adversely affect the business or financial condition or prospects of the Group as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (iii) there is any adverse change in the business or in the financial or trading position of the Group taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

EFFECT OF THE PLACING ON SHAREHOLDING

The shareholdings in the Company immediately before the completion of the Placing and immediately after completion of the Placing is and will be as follows:

Shareholders	As at the date hereof		Immediately after completion of the Placing	
	No. of Shares	%	No. of Shares	%
Chan Yun Sang (<i>note</i>)	200,000	0.06	200,000	0.03
Ip Ho Ming (<i>note</i>)	10,000	0.00	10,000	0.00
Chiu Wai Shing	35,544,000	11.21	35,544,000	6.16
Other Shareholders	281,184,145	88.72	281,184,145	48.74
Places	0	0.00	260,000,000	45.07
Total	<u>316,938,145</u>	<u>100.00</u>	<u>576,938,145</u>	<u>100.00</u>

Note:

Mr. Chan Yun Sang and Mr Ip Ho Ming are executive Directors of the Company.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF THE PROCEEDS

As disclosed in the Company's announcement dated 4 July 2012, the Company is negotiating for the possible acquisition of a majority equity interest in a target group engaging in selling air tickets and travel products online. The Directors consider that the Placing represents a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company to finance the possible acquisition and for its business operation. The Directors consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$1.15 million in connection with the Placing. The net proceeds of approximately HK\$28.75 million from the Placing will be used as to no more than HK\$15 million for financing the possible acquisition, particularly being a refundable deposit, set out in the Company's announcement dated 4 July 2012 and the balance for general working capital of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summaries the capital raising activities of the Group for the 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
19 April 2012	Placing of convertible notes	Approximately HK\$14.7 million	General working capital of the Group	Approximately HK\$11.5 million used as intended and the balance held as bank deposit
18 January 2012	Placing of unlisted warrants	Approximately HK\$0.75 million	General working capital of the Group	Used as intended
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 working capital

GENERAL

An EGM will be held to consider and, if thought fit, passing the resolutions to approve the Placing Agreement and issue of the Placing Shares.

A circular containing, among other things, further details of the Placing Agreement and the Placing together with the notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

As far as the Directors are aware of, no Director or Shareholder has a material interest in the Placing and no Shareholder is required to abstain from voting at the EGM.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the Placing Agreement and the issue of the Placing Shares
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
“Placee”	any person(s) or entity(ies) whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Huatai Financial Holdings (Hong Kong) Limited

“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 6 July 2012 in relation to the Placing
“Placing Price”	HK\$0.115 per Placing Share
“Placing Shares”	a maximum of 260,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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
Liu Bo
Executive Director

Hong Kong, 8 July 2012

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

Executive Directors:

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

Non-executive Director:

Dr. Pan Jin

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.

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.