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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 PLACING OF UNLISTED WARRANTS

Placing Agent

VINC 

Grand Vinco Capital Limited

(wholly owned subsidiary of Vinco Financial Group Limited)

PROPOSED PLACING OF UNLISTED WARRANTS

On 18 January 2012 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company had appointed the Placing Agent as its agent to place, on a best effort basis, Warrants conferring the right to subscribe up to HK\$10,902,200 in aggregate for the Shares at an issue price of HK\$0.02 per Warrant.

Each Warrant will carry the right to subscribe for one Share at an initial subscription price of HK\$0.19 per Share, subject to adjustment. The subscription right will be exercisable during a period of three years from the date of creation and issue of the Warrants.

No application will be made for the listing of the Warrants. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants.

Completion of the Placing Agreement is subject to the satisfaction of the conditions precedent as set out below. As the Placing Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL

A circular of the Company containing, among other matters, details of the Placing, the terms of the Warrants and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

* For identification purpose only

PROPOSED PLACING OF UNLISTED WARRANTS

Placing Agreement

1. *Date*

18 January 2012

2. *Issuer*

The Company

3. *Placing Agent and basis of placing*

Grand Vinco Capital Limited has been appointed to act, on a best-effort basis, as placing agent of the Company for the Placing. The Placing Agent will receive a placing commission of HK\$100,000, which is arrived at after arm's length negotiations between the parties to the Placing Agreement. The Directors are of the view that the placing commission is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

4. *The Warrants*

Number of Warrants and underlying Shares:

A total number of up to 57,380,000 Warrants conferring the right to subscribe for up to HK\$10,902,200 in aggregate for Shares (i.e. up to 57,380,000 Shares).

Exercise of the subscription rights of the 57,380,000 Warrants in full will require the Company to allot and issue 57,380,000 Shares. Such Shares represent (i) approximately 18.10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.33% of the existing issued share capital of the Company as enlarged by the allotment and issue of Shares upon the exercise of the subscription rights attaching to the Warrants in full assuming there will not be any change in the issued share capital of the Company prior to such allotment and issue.

Status:

The Warrants will be constituted by way of deed poll to be executed by the Company. The Warrants will rank pari passu in all respects among themselves.

Issue price:

HK\$0.02 per Warrant payable in cash.

Subscription price and right:	<p>Each Warrant will carry the right to subscribe for one Share at an initial subscription price of HK\$0.19 per Share, subject to adjustment upon occurrence of certain events, including:</p> <ul style="list-style-type: none"> (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision; (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund); (iii) a capital distribution (as described in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such; (iv) an offer or grant being made by the Company to the Shareholders by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 80% of the market price (calculation as provided in the Instrument); (v) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share is less than 80% of the market price (calculation as provided in the Instrument), or the terms of any such issue being altered so that the said total effective consideration is less than 80% of the market price; (vi) an issue being made by the Company wholly for cash of Shares (other than pursuant to any employee share option scheme) at a price less than 80% of the market price (calculation as provided in the Instrument); and (vii) a cancellation of any Shares repurchased by the Company (other than on the Stock Exchange or any stock exchange recognised for such purpose) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the subscription price.
Lot size and minimum subscription:	<p>Issued in board lot of HK\$1,900 of subscription rights of the Warrants or its integral multiples and the minimum amount of Warrants required to be subscribed for by any one Placee shall be one board lot of Warrants.</p>

Subscription period:	The subscription rights attaching to the Warrants may be exercised at any time from the date of issue of the Warrants until 4:00 p.m. (Hong Kong time) on the day falling on the day immediately preceding the third anniversary of the date of issue of the Warrants (or, if such third anniversary is not a business day, the business day immediately preceding such day).
Rights of Shares on exercise of Warrants:	The Shares that fall to be issued upon the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue on the exercise date except that they will not be entitled to any rights or entitlement to dividends or other rights or distributions the record date for which precedes the exercise date.
Transferability:	The Warrants can be freely transferred provided that any transfer of the Warrants to any connected person shall be subject to the requirements that the Stock Exchange may impose from time to time.
Call:	If at any time Warrants which have not been exercised carry rights to subscribe for Shares are equal to or less than HK\$1,090,220, the Company may, on giving not less than three months' notice, require the holder(s) of the Warrant(s) either to exercise their subscription rights or to allow them to lapse. On expiry of such notice, all unexercised Warrant(s) will be automatically cancelled.

5. *Basis of pricing of the Warrants*

The issue price is HK\$0.02 per Warrant.

The aggregate of the issue price of HK\$0.02 per Warrant and the initial subscription price of HK\$0.19 per Warrant is HK\$0.21. This represents (i) a discount of about 4.55% over the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on 18 January 2012, being the date of the Placing Agreement, and (ii) a premium of about 10.53% over the average closing price of HK\$0.19 per Share as quoted on the Stock Exchange for the last five trading days up to the trading day immediately prior to the date of the Placing Agreement.

The initial subscription price and the aggregate of it with the issue price were determined with reference to the prevailing market price of the Shares and were negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

6. *Use of proceeds*

The principal activities of the Group are 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.

Assuming that all of the 57,380,000 Warrants are placed with Placee(s) by the Company, the gross proceeds and the net proceeds derived from the issue of the Warrants, which are estimated to HK\$1.15 million and approximately HK\$0.75 million, are intended to be used by the Company as general working capital.

The Company will receive additional approximately HK\$10.9 million gross proceeds upon exercise in full of the subscription rights to be attached to the Warrants (assuming that 57,380,000 Warrants have been issued by the Company). The Company intends to use such proceeds as general working capital of the Group.

The net price of each Share to be issued upon the exercise of the Warrants, taking into account of the issue price of HK\$0.02 per Warrant after deducting the expenses and based on the full exercise of the Warrants, will be approximately HK\$0.20.

7. *Reasons for the Placing*

The Directors consider that the Placing is an appropriate means of raising additional working capital for the Company because it will not have an immediate dilutive effect on the shareholding of the existing Shareholders. In addition, apart from the net proceeds that will be raised immediately upon the Placing, the Company will be provided with additional working capital upon the exercise of the subscription rights to be attached to the Warrants.

8. *Independence of Placees*

The Placing Agent will place the Warrants with not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties.

9. *Mandate to allot and issue the Shares*

The Warrants and the new Shares to be issued upon the exercise of the Warrants will be issued by the Company under a specific mandate to be sought from the Shareholders at the EGM.

10. *Application for listing*

No application will be made for the listing of the Warrants. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants.

The Company confirmed that the Placing complies with Rules 21.02(1) and (2) of the GEM Listing Rules. The Company will make further announcement(s) upon completion of the Placing.

11. *Conditions of the Placing and completion*

Completion of the Placing is conditional upon:

- (i) the passing of the necessary resolution by the Shareholders to approve the allotment and issue of the Shares falling to be issued upon the exercise of the subscription rights attaching to the Warrants at the EGM;
- (ii) the Stock Exchange granting approval of the issue of the Warrants (if required) and granting or agreeing to grant the listing of, and permission to deal in, all the Shares falling to be issued on the exercise of the subscription rights attaching to the Warrants either unconditionally or subject to conditions to which the Placing Agent (acting reasonably) accepts; and
- (iii) the Company having received the gross proceeds of Placing in clear funds.

If any of the above conditions is not fulfilled by 5:00 p.m. on 31 March 2012 (Hong Kong time) (or such later time or date as the Company and the Placing Agent may agree), the Placing Agreement will terminate and the Placing will not proceed.

The Warrants will be created and issued to the Placees on the third business day (or such other day as may be agreed between the Company and the Placing Agent) after the day on which the Placing Agent is notified by the Company about the fulfillment of the above conditions.

12. *Changes to the shareholding as a result of the Placing*

(i) The existing shareholding structure of the Company; and (ii) the shareholding structure of the Company immediately after the exercise in full of the subscription rights attaching to the Warrants (assuming 57,380,000 Warrants have been placed and assuming that there will not be any change in the issued share capital of the Company (other than as a result of the allotment and issue of the Shares as a result of the exercise of the subscription rights attaching to the Warrants)) are as follows:

	Existing shareholding		Immediately after the exercise in full of the subscription rights to be attached to the Warrants	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Mr. Chan Yun Sang (<i>Note</i>)	200,000	0.06%	200,000	0.05%
Placees	—	—	57,380,000	15.33%
Other public	316,738,145	99.94%	316,738,145	84.62%
Total:	316,938,145	100%	374,318,145	100%

Note:

Mr. Chan Yun Sang is an executive Director.

13. *Fund raising activities of the Company in the 12 months immediately preceding the date of this announcement*

On 28 April 2011, the Company announced that it had entered into a placing agreement with Kingsway Financial Services Group Limited dated 27 April 2011. Pursuant to such placing agreement, the Company has allotted and issued a total of 393,500,000 shares of HK\$0.005 each of the Company on 18 May 2011. The net proceeds received by the Company from such placing amounted to approximately HK\$61.2 million and were intended to be used to finance future investments and/or for future business development and/or as general working capital. Approximately HK\$25 million of such net proceeds have been utilized for payment of deposit for the acquisition of 51% equity interest in 青島博達保險經紀有限公司 (unofficial English translation being Qingdao Boda Insurance Brokerage Company Limited), the details of which are disclosed in the announcements of the Company dated 23 May 2011, 24 June 2011 and 15 July 2011. The remaining net proceeds have been utilized as general working capital.

On 23 November 2011, the Company announced that it had entered into a placing agreement with Metro Capital Securities Limited dated 23 November 2011. Pursuant to such placing agreement, the Company has allotted and issued a total of 12,820,000 Shares on 1 December 2011. The net proceeds received by the Company from such placing amounted to approximately HK\$2.39 million and were intended to be used to finance future investments and/or for future business development and/or as general working capital. As at the date of this announcement, all the net proceeds have been utilized as general working capital.

Save for the above fund raising exercises, the Company has not conducted any equity fund raising exercise in the past 12-month period immediately before the date of this announcement.

Completion of the Placing Agreement is subject to the satisfaction of the conditions precedent as set out above. As the Placing Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL

A circular of the Company containing, among other matters, details of the Placing, the terms of the Warrants and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable. As far as the Directors are aware, no Shareholder has a material interest in the Placing and is required to abstain from voting at the EGM.

DEFINITIONS

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

“associate(s)”	having the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“connected person(s)”	having the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider, among other matters, the ordinary resolution to be proposed to approve the issue and allotment of the Shares upon exercise the rights attached to the Warrants
“GEM”	the Growth Enterprise Market operated by 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
“Independent Third Party(ies)”	party or parties independent of and not connected with the Company and its connected persons and their respective associates
“Instrument”	the deed poll constituting the Warrants to be executed by the Company upon completion of the Placing
“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Warrants
“Placing”	the offer by way of a placing of the Warrants in registered form to independent professional, institutional and other investors on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (Stock Code: 8340) and a licensed corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement for the placing of the Warrants dated 18 January 2012 entered into between the Company and the Placing Agent
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of the Company of HK\$0.05 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	unlisted warrants to be issued by the Company at an issue price of HK\$0.02, each entitles the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$0.19, subject to adjustment, at any time for a period of three years commencing from the date of allotment and issue of the Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Tai Shing International (Holdings) Limited
Chan Yun Sang
Chairman and executive Director

Hong Kong, 18 January 2012

As at the date hereof, 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

Non-executive Director:

Dr. Pan Jin

Independent non-executive Directors:

Mr. Tang Sze Lok

Mr. Chan Wai Kwong, Peter

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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication.