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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: ACQUISITION OF 51% EQUITY INTEREST IN QINGDAO BODA

On 24 June 2011 (after trading hours), Fullmark SH, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement in respect of the Acquisition at the Consideration of HK\$33,000,000.

The Acquisition contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

Reference is made to the announcement of the Company dated 23 May 2011 in relation to the entering into of the MOU between the Vendor and the Company regarding the Acquisition.

The Board is pleased to announce that Fullmark SH, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement in respect of the Acquisition. Principal terms of the Sale and Purchase Agreement are set out below:

THE SALE AND PURCHASE AGREEMENT

Date

24 June 2011 (after trading hours)

Parties

Purchaser : Fullmark SH, an indirect wholly-owned subsidiary of the Company

Vendor : Fei Luxi (費露熙). To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the Vendor is a third party independent of the Company and connected persons of the Company.

** For identification purpose only*

Assets to be acquired

The Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Interest at the Consideration of HK\$33,000,000. The Sale Interest represents 51% of the entire equity interest of Qingdao Boda.

Consideration

The Consideration for the Sale Interest is HK\$33,000,000 which shall be paid/payable by the Company to the Vendor as follows:

- (a) as to HK\$25,000,000 by applying the Earnest Money as fully refundable deposit and part payment of the Consideration;
- (b) as to HK\$7,960,059.88 by the Company allotting and issuing the Consideration Shares (being 49,196,909 new Shares), to be credited as fully paid at HK\$0.1618 per Consideration Share, to the Vendor within three days after the Completion Date; and
- (c) as to HK\$39,940.12 in cash (“**Remaining Cash Consideration**”) to be paid by the Purchaser to the Vendor within three days after the Completion Date.

Such price of HK\$0.1618 per Consideration Share represents:

- (i) a premium of approximately 1.76% to the closing price of HK\$0.159 per Share as quoted on the Stock Exchange on 24 June 2011, being the date of the Sale and Purchase Agreement;
- (ii) the same as the average closing price of approximately HK\$0.1618 per Share as quoted on the Stock Exchange for the last five trading days up to and including 24 June 2011; and
- (iii) a premium of approximately 0.31% to the average closing price of approximately HK\$0.1613 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 24 June 2011.

The Consideration Shares to be issued will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the extraordinary general meeting held on 19 April 2011. The Directors were authorised to allot and issue up to 439,696,909 Shares pursuant to such general mandate and prior to the entering into of the Sale and Purchase Agreement, the Directors have utilised such general mandate to allot 393,500,000 Shares. As such, as at the date of this announcement, the Company has unused general mandate to issue up to 49,196,909 new Shares.

The Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among others, the business prospects of the insurance industry in the PRC as a whole and that of Qingdao Boda.

The Group funded the Earnest Money and will fund the Remaining Cash Consideration from the net proceeds from the placing of the Company as disclosed in the announcement of the Company dated 28 April 2011. Application will be made to the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

Conditions precedent

Completion shall be conditional upon (i) the Stock Exchange having granted the listing of and permission to deal in the Consideration Shares within 30 days after the date of the Sale and Purchase Agreement; and (ii) the obtaining of all approvals from the relevant authorities within six months from the date of the Sale and Purchase Agreement.

If the above conditions precedent shall not have been fulfilled by the time as stated above, all rights and obligations of the parties under the Sale and Purchase Agreement shall cease and terminate, and the Earnest Money shall be refunded within three days from the relevant date of non-fulfillment by the Vendor to the Purchaser in full.

Completion

Subject to the fulfillment of the conditions precedent set out above, Completion shall take place on the date of issue of the new business licence of Qingdao Boda taking into account of the Sale Interest under the Sale and Purchase Agreement.

If Completion fails to take place within six months from the date of signing of the Sale and Purchase Agreement, the Vendor shall refund the Earnest Money to the Purchaser in full.

INFORMATION ON QINGDAO BODA

Qingdao Boda is a limited liability company established in the PRC on 14 July 2005. The principal business of Qingdao Boda is, among others, the provision of insurance brokerage service in Qingdao and its surrounding area.

Set out below is a summary of certain audited financial information of Qingdao Boda for the two years ended 31 December 2009 and 31 December 2010:

	For the year ended 31 December 2009	For the year ended 31 December 2010
	<i>(RMB)</i>	<i>(RMB)</i>
	<i>(million)</i>	<i>(million)</i>
Turnover	244,806.40	52,303.59
Net (loss)/profit (before taxation and extraordinary items)	63,792.45	(63,806.51)
Net (loss)/profit (after taxation and extraordinary items)	56,448.26	(65,767.90)

The audited total asset value and net asset value of Qingdao Boda as at 31 December 2010 were approximately RMB4.7 million (equivalent to approximately HK\$5.6 million) and approximately RMB4.5 million (equivalent to approximately HK\$5.4 million) respectively.

Upon Completion, Qingdao Boda will become a non wholly-owned subsidiary of the Company and with its accounts to be consolidated with that of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

In view of the increasing recognition of the importance of risk management and the rising demand for insurance in the PRC, the Directors consider that the Acquisition provides an opportunity for the Group to participate in the insurance market in the PRC and will further enhance the investment portfolio and future earnings of the Group.

The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Acquisition contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Interest
“Board”	the board of Directors
“Company”	Tai Shing International (Holdings) Limited, the issued shares of which are listed on GEM
“Completion”	the completion of the Acquisition pursuant to the Sale and Purchase Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition
“Consideration Shares”	the new Shares to be issued by the Company as part of the Consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Earnest Money”	HK\$25,000,000, being the earnest money paid by the Company to the Vendor pursuant to the MOU on 23 May 2011
“Fullmark SH” or “Purchaser”	鑫約福(上海)貿易有限公司(unofficial English translation being Fullmark (Shanghai) Trading Company Limited), a limited liability company established in the PRC

“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“MOU”	the memorandum of understanding dated 23 May 2011 entered into between the Vendor and the Company in relation to the Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qingdao Boda”	青島博達保險經紀有限公司 (unofficial English translation being Qingdao Boda Insurance Brokerage Company Limited), a limited liability company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 24 June 2011 entered into between the Company and the Vendor in relation to the Acquisition
“Sale Interest”	51% of the registered capital of Qingdao Boda
“Share(s)”	share(s) of the Company of HK\$0.005 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Fei Luxi (費露熙)

By order of the Board
Tai Shing International (Holdings) Limited
Wong Chung Wai, Eric
Chairman and executive Director

Hong Kong, 24 June 2011

In this announcement, RMB1.00 is taken to be equivalent to HK\$1.20. The conversion rate is for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforementioned or any other rates.

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

Executive Directors:

Mr. Wong Chung Wai, Eric (*Chairman*)

Mr. Chan Yun Sang

Mr. Choi King Lit

Mr. Han Fangfa

Non-executive Director:

Dr. Pan Jun

Independent non-executive Directors:

Mr. Yan Yonghong

Mr. Tang Sze Lok

Mr. Lee Kwok Yung

Mr. Chan Wai Kwong, Peter

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.