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 IN RELATION TO THE PAYMENT OF EARNEST MONEY UNDER THE MEMORANDUM OF BROAD TERMS IN RELATION TO THE POSSIBLE ACQUISITION OF A CONTROLLING INTEREST IN A GOAL MINE LOCATED IN GUIZHOU, THE PRC AND ADVANCE TO AN ENTITY

Reference is made to the Company's announcement dated 20 April 2011.

The Board wishes to announce that on 17 May 2011, the Proposed Purchaser and the Proposed Vendor entered into the Addendum, whereby the Proposed Purchaser has agreed to pay within seven calendar days from the date of the Addendum to the Proposed Vendor the Earnest Money.

The payment of the Earnest Money constitutes a discloseable transaction and an advance to an entity for the Company and is subject to notification and announcement requirements under the GEM Listing Rules.

The Board wishes to emphasize that the Proposed Acquisition may or may not materialize and Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 20 April 2011 ("**Memorandum Announcement**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Memorandum Announcement unless otherwise defined.

The Board wishes to announce that on 17 May 2011, the Proposed Purchaser entered into an addendum ("**Addendum**") to the Memorandum with the Proposed Vendor to provide for the payment of HK$25,000,000 ("**Earnest Money**") to the Proposed Vendor within seven calendar days from the date of the Addendum as an interest-free refundable earnest money for the Proposed Acquisition, and as part payment of the consideration if the definitive agreement to be signed by the parties in relation to the Proposed Acquisition ("**Definitive Agreement**") is entered into between the Proposed Purchaser and the Proposed Vendor. The Earnest Money was paid by the Company to the Proposed Vendor upon signing of the Addendum.

* *For identification purpose only*

THE ADDENDUM

Date

17 May 2011

Parties

(i) the Company, as the proposed purchaser but is entitled to nominate its nominee to take up the interests in the Target; and

(ii) the Proposed Vendor, as proposed seller. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Proposed Vendor and its ultimate beneficial owners are Independent Third Parties.

Application of the Earnest Money:

In the event that the Definitive Agreement is entered into by the Proposed Purchaser and the Proposed Vendor prior to the date on which the Exclusivity Period expires, the Earnest Money shall be applied towards to reduce the Proposed Purchaser's obligation to pay an equivalent amount of the cash portion of the consideration payable by the Proposed Purchaser under the Definitive Agreement.

In the event that the Definitive Agreement is not entered into by the parties prior to the expiration of the Exclusivity Period, the Proposed Vendor shall, within three calendar days after the last day of the Exclusivity Period, pay to the Proposed Purchaser a sum which is equal to the Earnest Money.

In the event that the final consideration agreed between the parties and as stipulated in the Definitive Agreement does not comprise any cash portion, the Proposed Vendor shall, within three calendar days after the entering into of the Definitive Agreement, pay to the Proposed Purchaser a sum which is equal to the Earnest Money and in the event that the cash portion comprised in the final consideration agreed between the parties and as stipulated in the Definitive Agreement is less than the Earnest Money, the Proposed Vendor shall, within three calendar days after the entering into of the Definitive Agreement, pay to the Proposed Purchaser a sum which is equal to the difference between the Earnest Money and the amount of the cash portion comprised in the final consideration.

DIRECTORS' VIEWS AND REASONS FOR THE ADDENDUM

The terms of the Addendum were arrived at after arm's length negotiations between the Proposed Purchaser and the Proposed Vendor. The payment of the Earnest Money has been funded from internal resources of the Company and its subsidiaries (collectively, the "**Group**"). The Directors consider that the payment of the Earnest Money pursuant to the Addendum is on normal commercial terms and the terms of the Addendum are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The payment of the Earnest Money by the Proposed Purchaser represents the Proposed Purchaser's gesture to show its interest to proceed with the Proposed Acquisition. **The Directors wish to emphasize that up to the date of this announcement, no detailed terms of the Proposed Acquisition, including the amount of the consideration and how it shall be satisfied, have been agreed upon by the Proposed Purchaser and the Proposed Vendor.**

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.

It has been the Company's long term goal to maximize Shareholders' value. In view of the intense market competition for the Group's existing business particularly for the security and surveillance division, the Company has been exploring business opportunities to expand the Groups' operations and enhance its earnings. In this regard, the Directors consider that the Proposed Acquisition represents an opportunity for the Group to expand its investment portfolio into gold mining.

IMPLICATIONS UNDER THE GEM LISTING RULES

The payment of the Earnest Money constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under the GEM Listing Rules. Given that the amount of the Earnest Money exceeds 8% of the assets ratio of the Company as defined under Rule 19.07(1) of the GEM Listing Rules, the payment of the Earnest Money also constitutes an advance to an entity and the Company is required to make the relevant disclosures under Rule 17.17 of the GEM Listing Rules.

The Board wishes to emphasize that notwithstanding the payment of the Earnest Money, the Proposed Acquisition may or may not materialize and Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 May 2011

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 Jin

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.