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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 IN RELATION TO
THE ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING
IN RESPECT OF THE POSSIBLE ACQUISITION OF
FAME THRIVE LIMITED
AND
ADVANCE TO AN ENTITY**

Reference is made to the Company's announcement dated 30 December 2010.

The Board wishes to announce that on 6 May 2011, the Company and the Prospective Seller entered into the Addendum, whereby the Company has agreed to pay within seven calendar days from the date of the Addendum to the Prospective Seller 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 emphasise that the Possible Acquisition may or may not materialise and Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement of the Company dated 30 December 2010 ("**MOU Announcement**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the MOU Announcement.

The Board wishes to announce that on 6 May 2011, the Company entered into an addendum ("**Addendum**") to the Memorandum of Understanding with the Prospective Seller to provide for the payment of HK\$20,000,000 ("**Earnest Money**") to the Prospective Seller within seven calendar days from the date of the Addendum as an interest-free refundable earnest money for the Possible Acquisition, and as part payment of the consideration if the Formal Acquisition Agreement is entered into between the Company and the Prospective Seller. The Earnest Money was paid by the Company to the Prospective Seller upon signing of the Addendum.

* For identification purpose only

ADDENDUM

Date: 6 May 2011

Parties:

- (i) the Company, as purchaser; and
- (ii) the Prospective Seller, as seller. The Prospective Seller is an investment holding company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Prospective Seller and its ultimate beneficial owners are Independent Third Parties.

Application of the Earnest Money:

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

In the event that the Formal Acquisition Agreement is not entered into by the parties prior to the expiration of the Exclusivity Period, the Prospective Seller shall, within three calendar days after the last day of the Exclusivity Period, pay to the Company 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 Formal Acquisition Agreement does not comprise any cash portion, the Prospective Seller shall, within three calendar days after the entering into of the Formal Acquisition Agreement, pay to the Company 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 Formal Acquisition Agreement is less than the Earnest Money, the Prospective Seller shall, within three calendar days after the entering into of the Formal Acquisition Agreement, pay to the Company 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 Company and the Prospective Seller. 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 Company represents the Company's gesture to show its interest to proceed with the Possible Acquisition. **The Directors wish to emphasise that up to the date of this announcement, no detailed terms of the Possible Acquisition, including the amount of the consideration and how it shall be satisfied, have been agreed upon by the Company and the Prospective Seller.**

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.

As stated in the MOU Announcement, 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 Possible 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. More information about the Target Company is set out in the MOU Announcement.

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 emphasise that notwithstanding the payment of the Earnest Money, the Possible Acquisition may or may not materialise and Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 6 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.

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