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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 UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

Placing Agent



KingswayGroup

Kingsway Financial Services Group Limited

PLACING AGREEMENT

After trading hours on 27 April 2011, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to procure not less than six Placees, on a best effort basis, for the subscription of up to 439,690,000 Shares at the Placing Price of HK\$0.161 per Placing Share. The maximum number of the Placing Shares represent (i) approximately 20.00% of the Company's existing issued share capital of 2,198,484,547 Shares; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Completion of the Placing is conditional upon the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 28 April 2011 pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 29 April 2011.

** For identification purpose only*

The Board is pleased to announce that after trading hours on 27 April 2011, the Company and the Placing Agent entered into the Placing Agreement. A summary of the principal terms of the Placing Agreement are set out below.

PLACING AGREEMENT

Date:

27 April 2011

Parties:

The Company and the Placing Agent

Number of Placing Shares to be placed:

Up to 439,690,000 Shares, representing (i) approximately 20.00% of the Company's existing issued share capital of 2,198,484,547 Shares and (ii) about 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Placing agent:

Kingsway Financial Services Group Limited

The Placing Agent, its directors and substantial shareholders (as defined under the GEM Listing Rules) are independent of and not connected with the Company and its connected persons.

The Placing Agent will be entitled to receive a placing commission of 3% on the aggregate Placing Price of the Placing Shares actually placed by the Placing Agent under the Placing Agreement, which was arrived at after arm's length negotiation between the Company and the Placing Agent.

Placees

The Placing Agent agreed to place the Placing Shares, on a best effort basis, to not less than six Placees who are (i) independent of and not connected with the Company, its connected persons and their respective associates; and (ii) not connected persons of the Company and their respective associates.

Placing Price:

HK\$0.161 per Share, representing a discount of 8% to the closing price of HK\$0.175 per Share as quoted on the Stock Exchange on 27 April 2011, and a discount of approximately 7.15% to the average closing price of HK\$0.1734 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 26 April 2011.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

Ranking of the Placing Shares

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Condition of the Placing

Completion of the Placing is conditional upon the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

If the above condition cannot be fulfilled by 27 May 2011 (or such later time and date as the Company and the Placing Agent may agree), the Placing Agreement shall cease and determine and none of the parties to the Placing Agreement shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Termination

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 9:00 a.m. on the completion date of the Placing if any of the following event develops, occurs or comes into force and such event, in the reasonable opinion of the Placing Agent, would materially and adversely affect the success of the Placing:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

The Placing Agent shall also have the right to terminate the Placing Agreement if at or prior to 9:00 a.m. on the completion date of the Placing:

- (a) the Company commits any material breach of or omits in any material respect to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or

- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties on the part of the Company contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate and the Placing Agent reasonably determines that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

In the event that the Placing Agent terminates the Placing Agreement as stated above, all obligations of the Placing Agent shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place on the fourth business day after the fulfillment of the conditions set out in the Placing Agreement (or such other date as may be agreed by the Company and the Placing Agent).

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Shareholding structure of the Company before and after the Placing

The following table illustrates (i) the shareholding structure of the Company as at the date of this announcement; and (ii) the shareholding structure of the Company immediately following the Placing (assuming there will not be any change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the allotment and issue of the Placing Shares):

	Existing shareholding		Shareholding immediately after the issue of the Placing Shares	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding (Note 4)
Mr Wong Chung Wai Eric (Note 1)	2,000,000	0.09%	2,000,000	0.08%
Mr Chan Yun Sang (Note 2)	2,000,000	0.09%	2,000,000	0.08%
Galaxy Asset Management (H.K.) Ltd. (Note 3)	238,670,000	10.86%	238,670,000	9.05%
The Places under the Placing	—	—	439,690,000	16.67%
Other public shareholders	1,955,814,547	88.96%	1,955,814,547	74.14%
Total	<u>2,198,484,547</u>	<u>100.00%</u>	<u>2,638,174,547</u>	<u>100.00%</u>

Notes:

1. Mr. Wong Chung Wai, Eric is an executive Director.
2. Mr. Chan Yun Sang is an executive Director.
3. Galaxy Fund I and Galaxy Fund II (which are managed by the same fund manager, Galaxy Asset Management (H.K.) Ltd.) in aggregate, were interested in 238,670,000 Shares, comprising 110,000,000 Shares held by Galaxy Fund I and 128,670,000 Shares held by Galaxy Fund II.
4. The aggregate percentage may not add up to 100% due to rounding.

Mandate to issue the Placing Shares:

The Placing Shares will be issued pursuant to the General Mandate granted to the Directors at the extraordinary general meeting of the Company held on 19 April 2011. The Directors were authorised to allot and issue up to 439,696,909 Shares pursuant to the General Mandate. Up to the date of this announcement, the Directors have not issued any Shares under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any approval by the shareholders of the Company.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Placing Shares.

REASONS OF THE PLACING

Assuming 439,690,000 Placing Shares are placed by the Placing Agent, the gross proceeds and net proceeds from the Placing to be received by the Company will be approximately HK\$70.8 million and approximately HK\$68.4 million respectively. On such basis, the net price to the Company of each Placing Share is approximately HK\$0.156. The Directors consider that the Placing represents an opportunity to enlarge the equity base of the Company and is beneficial to the Group. The Directors intend to utilise the net proceeds from the Placing to finance future investments and/or for future business development and/or as general working capital.

The Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

On 23 April 2010, the Company announced the Wide Source Placing and the Wide Source Subscription. Pursuant to the Wide Source Subscription, the Company has allotted and issued a total of 130,000,000 Shares. The net proceeds from the Wide Source Subscription amounted to approximately HK\$33.27 million which was intended to be used to finance future investments and/or for future business development. Out of such net proceeds, HK\$27 million of which has been utilized for acquiring the entire issued share capital of High Pacific Limited, details of which are disclosed in the announcement of the Company dated 2 July 2010 and the remaining net proceeds have been used as general working capital of the Group.

On 28 April 2010, the Company announced that it had entered into the GM Placing Agreement. On 5 May 2010, the Company further announced a supplemental agreement had been entered in which the total number of Shares to be issued under the GM Placing Agreement had been reduced from 130,000,000 Shares to 30,000,000 Shares. Pursuant to the GM Placing Agreement, the Company has allotted and issued a total of 30,000,000 Shares. The net proceeds received by the Company from the GM Placing amounted to approximately HK\$7.63 million which is intended to be used to finance future investments and/or for future business development. Out of such net proceeds, HK\$5 million of which has been utilized for acquiring 20% of the registered capital of 上海萬全保險經紀有限公司 (Shanghai Wanquan Insurance Brokers Limited), details of which are disclosed in the announcement of the Company dated 11 February 2011. The remaining net proceeds will be utilized as intended.

On 5 May 2010, the Company announced that it had entered into the Subscription Agreements. Pursuant to the Subscription Agreements, the Company has allotted and issued a total of 100,000,000 Subscription Shares. The net proceeds received by the Company from the Subscriptions amounted to approximately HK\$26 million which is intended to be used to finance future investments and/or for future business development. As at the date of this announcement, such net proceeds has not been utilized.

On 20 September 2010, the Company announced that it had entered into a placing agreement with Sun Hung Kai Investment Services Limited dated 17 September 2010. Pursuant to such placing agreement, the Company has allotted and issued a total of 76,520,000 Shares. The net proceeds received by the Company from such placing amounted to approximately HK\$20.2 million which is intended to be used to finance future investments and/or for future business development. As at the date of this announcement, such net proceeds has not been utilized.

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.

SUSPENSION AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 28 April 2011 pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 29 April 2011.

DEFINITIONS

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

“associates”	has the meaning ascribed to it 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 and the issued Shares of which are listed on GEM
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Directors”	the directors of the Company

“Galaxy Fund I”	Galaxy China Special Situations Fund SPC, for and on behalf of its Segregated Portfolio, Galaxy China Special Situations Segregated Portfolio 1
“Galaxy Fund II”	Galaxy China Deep Value Fund
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 19 April 2011 to allot or otherwise deal with the unissued Shares up to 20% of the issued share capital as at the date of such extraordinary general meeting
“GM Placing”	the placing of 30,000,000 new Shares by VC Brokerage, details of which are set out in the announcements of the Company dated 28 April 2010 and 5 May 2010
“GM Placing Agreement”	the placing agreement between the Company and VC Brokerage dated 28 April 2010 (as varied and supplemented by a supplemental agreement dated 5 May 2010) in relation to the GM Placing
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Placing
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Kingsway Financial Services Group Limited, a company incorporated in Hong Kong
“Placing Agreement”	a placing agreement between the Company and the Placing Agent dated 27 April 2011 in relation to the Placing
“Placing Price”	HK\$0.161 per Placing Share
“Placing Shares”	a maximum of 439,690,000 new Shares
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively Subscription I and Subscription II
“Subscription I”	the subscription of 40,000,000 Subscription Shares by Galaxy Fund I pursuant to the Subscription Agreement I
“Subscription II”	the subscription of 60,000,000 Subscription Shares by Galaxy Fund II pursuant to the Subscription Agreement II

“Subscription Agreements”	collectively the Subscription Agreement I and the Subscription Agreement II
“Subscription Agreement I”	the subscription agreement dated 5 May 2010 and entered into between the Company, Galaxy Fund I and VC Brokerage in relation to the Subscription I, details of which are set out in the announcement of the Company dated 5 May 2010
“Subscription Agreement II”	the subscription agreement dated 5 May 2010 and entered into between the Company, Galaxy Fund II and VC Brokerage in relation to the Subscription II, details of which are set out in the announcement of the Company dated 5 May 2010
“Subscription Shares”	new Shares allotted and issued to Galaxy Fund I and Galaxy Fund II upon completion of the Subscriptions
“VC Brokerage”	VC Brokerage Limited, a company incorporated in Hong Kong
“Wide Source”	Wide Source Group Ltd., a company wholly owned by Mr. Luk Yat Hung, a former executive Director
“Wide Source Placing”	the placing of 130,000,000 Shares beneficially owned by Wide Source at the price of HK\$0.265 per Share pursuant to a placing agreement between Wide Source, the Company and VC Brokerage dated 23 April 2010, details of which are set out in the announcement of the Company dated 23 April 2010
“Wide Source Subscription”	the subscription for 130,000,000 Shares by Wide Source pursuant to a subscription agreement between the Company and Wide Source dated 23 April 2010, details of which are set out in the announcement of the Company dated 23 April 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 28 April 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.