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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

On 11 February 2011, the Purchaser entered into the Sale and Purchase Agreement for the acquisition of the Sale Shares, representing 20% of the registered capital of the Target Company, at the Consideration of HK\$30,000,000, to be satisfied as to HK\$5,000,000 in cash and as to HK\$25,000,000 by the allotment and issue of the Consideration Shares by the Company credited as fully paid at HK\$0.175 per Consideration Share. Completion of the sale and purchase of the Sale Shares shall be conditional upon the conditions precedent set out below being fulfilled (or (where applicable) waived by the Purchaser).

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

Application will be made to the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

The Board is pleased to announce that the Purchaser has entered into the Sale and Purchase Agreement for the sale and purchase of the Sale Shares, representing 20% of the registered capital of the Target Company. Principal terms of the Sale and Purchase Agreement are set out below:

THE SALE AND PURCHASE AGREEMENT

Date

11 February 2011

Parties

Purchaser : The Company.

Vendor : 王雨莎 (Wang Yu Sha). 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 Shares for the Consideration of HK\$30,000,000. The Sale Shares represent 20% of the registered capital of the Target Company.

Conditions Precedent

Completion of the sale and purchase of the Sale Shares shall be conditional upon the following conditions being fulfilled (or (where applicable) waived by the Purchaser);

- (a) the Purchaser having confirmed within fourteen (14) business days from the date of the Sale and Purchase Agreement (or such other date as the Vendor and the Purchaser may agree) that it is satisfied at its sole and absolute discretion with the results of the due diligence review to be conducted under the Sale and Purchase Agreement;
- (b) all warranties remaining true and accurate; and
- (c) the Stock Exchange having granted the listing of and permission to deal in the Consideration Shares.

The conditions precedent (other than (c)) can be waived by the Purchaser. If the conditions precedent shall not have been fulfilled (or (where applicable) waived by the Purchaser) on or before 4:00 p.m. on the Longstop Date, all rights and obligations of the parties thereunder shall cease and terminate, and no party shall have any claim against the other for any costs or losses (save in respect of any antecedent breaches of the Sale and Purchase Agreement and the Deposit (as defined below) shall be refunded forthwith by the Vendor to the Purchaser in full).

Consideration

The Consideration for the Sale Shares is HK\$30,000,000 which shall be payable by the Company to the Vendor as follows:

- (a) as to HK\$5,000,000 (“**Deposit**”) to the Vendor as fully refundable deposit and part payment of the Consideration upon the signing of the Sale and Purchase Agreement; and
- (b) as to HK\$25,000,000 by the Company allotting and issuing the Consideration Shares (being 142,857,140 new Shares), to be credited as fully paid at HK\$0.175 per Consideration Share to the Vendor upon Completion.

Such price of HK\$0.175 per Consideration Share represents:

- (i) a premium of approximately 0.6% to the closing price of HK\$0.174 per Share as quoted on the Stock Exchange on 11 February 2011, being the date of the Sale and Purchase Agreement;
- (ii) approximately the same as the average closing price of approximately HK\$0.1752 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 11 February 2011; and
- (iii) a premium of approximately 3% to the average closing price of approximately HK\$0.1701 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 11 February 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 annual general meeting held on 4 August 2010 in respect of 313,140,000 Shares. As at the date of this announcement, the Company has unused general mandate to issue up to 236,620,000 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 the Target Company.

The Group will fund the Deposit from its internal resources. Application will be made to the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

Completion

Subject to the fulfillment (or (where applicable) waiver by the Purchaser) of the conditions precedent set out above, Completion shall take place on the date of issue of the new business licence in the name of the Target Company taking into account of the Sale Shares under the Sale and Purchase Agreement (or such other date as the Purchaser and the Vendor may agree).

If Completion fails to take place, or can reasonably be expected not to take place, by 4:00 p.m. on 30 April 2011 or such other agreed time between the parties, except due to the default of the Purchaser, the Vendor shall on demand refund the Deposit, without interest, to the Purchaser in full but without prejudice to any other right the Purchaser may have against the Vendor.

The Vendor has undertaken in the Sale and Purchase Agreement to use her best endeavour to procure the Target Company to approve for so long as the Purchaser or its nominee maintains not less than 20% shareholding in the Target Company, the Purchaser or its nominee shall be entitled to nominate one (1) director to the Target Company.

INFORMATION ON THE TARGET COMPANY

Information of the Target Company

The Target Company is a company established in the PRC with limited liability on 28 May 2010, with a registered capital of RMB 10 million. It engages in insurance agent business, and its scope of business includes provision of insurance plans, handling insurance applications, selection of insurance companies, reinsurance agent business, risk analysis and risk management and consulting services, and other business specified by the China Insurance Regulatory Commission.

Based on the information provided by the Vendor, as at the date of the Sale and Purchase Agreement, the Target Company has commenced its insurance agent business, and has initiated discussion with a number of financial institutions with a view of entering into cooperation understanding regarding cooperation in the insurance related business.

Set out below is the unaudited financial information of the Target Company from the date of establishment to 31 December 2010 prepared according to the generally accepted accounting principles in the PRC and provided to the Purchaser:

	RMB	HK\$
Turnover (<i>Note</i>)	—	—
Loss before taxation	(1,620,349.20)	(1,912,012.06)
Loss after taxation	(1,620,349.20)	(1,912,012.06)

Note: The Target Company had only commenced business in the second half of 2010, but no turnover had been generated during the relevant period.

	As at 31 December 2010	
	RMB	HK\$
Total assets	8,678,356.80	10,240,461.02
Equity attributable to equity holders	8,379,650.80	9,887,987.94

Upon Completion and the appointment of a director to the board of the Target Company, the Target Company will become an associated company of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group are the provision of systems development and integration services, the sale of software and hardware products and provision of professional services.

It has been the Company's long term goal to maximize Shareholder's 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 Group's operations and enhance its earnings. In this regard, the Company considers that there are good business prospects for the system provision, integration and software development market within the insurance and insurance brokering business sectors in the PRC as a result of the increased demand for update and efficient back and front office support systems and software to cater for the expansion in insurance products and services. Accordingly, the Directors consider that the Acquisition will provide an opportunity for the Group to expand its scope of IT consultancy services by participating in the insurance market in the PRC, which is expected to have a rising demand, through the Target Company.

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 Shares
“Approvals”	any consent, approval, authorisation, sanction, permission, order, registration, filing, clearance, qualification, licence, permit, certificate or declaration
“Board”	the board of Directors
“Company” or “Purchaser”	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
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition
“Consideration Shares”	the 142,857,140 new Shares to be allotted and issued by the Company as part payment of the Consideration
“Director(s)”	the director(s) of the Company
“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 People’s Republic of China
“Longstop Date”	30 April 2011 (or such later date as the Vendor and the Purchaser may agree in writing)
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 11 February 2011 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Sale Shares”	20% of the registered capital of the Target Company as at Completion

“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.005 each in the share capital of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	上海萬全保險經紀有限公司(Shanghai Wanquan Insurance Brokers Limited*), a company established in the PRC with limited liability on 28 May 2010
“Vendor”	王雨莎 (Wang Yu Sha)

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.18. The translation rates are for illustrative purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rates or at all.

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

Hong Kong, 11 February 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. Ng Chi Wing

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 of the Company 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.

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