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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)**

## **MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

### **Memorandum of Understanding dated 30 December 2010**

The Board is pleased to announce that on 30 December 2010, the Company and the Prospective Seller entered into the Memorandum of Understanding in respect of the Possible Acquisition. Pursuant to the Memorandum of Understanding, the final consideration for the Possible Acquisition has not yet been determined and may be satisfied by the Company (i) in cash; (ii), and/or by issuing of new Shares; (iii), and/or by issuing convertible notes by the Company; or (iv), or a combination of any of the above (i), (ii) and/or (iii), or such any other forms of payment to be agreed by the Prospective Seller and the Company in the Formal Acquisition Agreement.

Save for the provisions relating to exclusivity, confidentiality, Due Diligence Review and governing law and jurisdiction, the terms of the Memorandum of Understanding are not legally binding on the parties.

The Memorandum of Understanding may or may not lead to the entering into of the Formal Acquisition Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Formal Acquisition Agreement materializes, the transaction contemplated thereunder may constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

\* *For identification purpose only*

## THE MEMORANDUM OF UNDERSTANDING DATED 30 DECEMBER 2010

The Board is pleased to announce that on 30 December 2010, the Company and the sole beneficial owner of the Target Company (“**Prospective Seller**”) entered into the Memorandum of Understanding in respect of the Possible Acquisition.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Prospective Seller is an Independent Third Party.

### **Principal terms of the Memorandum of Understanding**

Subject to the entering into of the Formal Acquisition Agreement, the Prospective Seller and the Company have principally come to a preliminary understanding to, among other things, the following under the Memorandum of Understanding:

1. The final consideration for the Possible Acquisition has not yet been determined but is expected to be not less than HK\$150 million, and may be satisfied by the Company (or its nominee) to the Prospective Seller (i) in cash; (ii), and/or by issuing of new Shares; (iii), and/or by issuing convertible notes by the Company; or (iv), or a combination of any of the above (i), (ii) and/or (iii), or such any other forms of payment to be agreed by the Prospective Seller and the Company in the Formal Acquisition Agreement.
2. Pursuant to a reorganisation to be undertaken by, amongst other companies (“**Reorganisation**”), Dongda Brokerage and a wholly-owned subsidiary of the Target Company to be incorporated in the PRC will enter into certain co-operation arrangement in relation to the business operation of Dongda Brokerage (“**Co-operative Arrangement**”).
3. Closing of the Possible Acquisition is conditional upon (i) the completion the Reorganisation; (ii) the Company being satisfied with the form and substance of the Co-operative Arrangement; and (iii) the parties having entered into the Formal Acquisition Agreement and the conditions precedent stated therein having been satisfied or waived (to the extent such conditions precedent are capable of being waived).
4. The Company shall be entitled to carry out due diligence review (“**Due Diligence Review**”) on the Target Company and Dongda Brokerage, which shall commence from the date of the Memorandum of Understanding and be completed as soon as reasonably practicable on or before 31 May 2011 (or such later date as the parties may agree). In order to facilitate the Due Diligence Review, the Prospective Seller shall procure that, upon reasonable written request by the Company and/or the persons authorised by the Company, the Company and/or the persons authorised by the Company will be given all such information relating to the Target Company and Dongda Brokerage and such access to the premises and all books, title deeds, records, accounts and other documentation of the Target Company and Dongda Brokerage as the Company may reasonably request in writing.

Save for the provisions relating to exclusivity, confidentiality, Due Diligence Review and governing law and jurisdiction, the terms of the Memorandum of Understanding are not legally binding on the parties.

## **Information of the Target Company**

The Target Company is incorporated in the British Virgin Islands with limited liability. The Target Company will implement the Reorganisation whereby it will, directly or indirectly, establish a wholly-foreign owned enterprise in the PRC and such wholly-foreign owned enterprise will enter into the Co-operation Arrangement with Dongda Brokerage. Dongda Brokerage, a company established in the PRC, provides property and life insurance professional insurance brokers services (such as engineering insurance, cargo transportation insurance liability insurance and group life insurance) and reinsurance brokers service.

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.

As disclosed in the Company's circular dated 30 September 2010 in relation to the acquisition of Fullmark Management Limited, pursuant to an exclusive co-operation agreement dated 31 March 2010 made between Fullmark SH and Dongda Brokerage, Fullmark SH and Dongda Brokerage have agreed to co-operate to develop the licensing business of the InsureLink System for a term of 10 years. Details of such co-operation agreement and the InsureLink System are set out in the Company's circular dated 30 September 2010.

## **Exclusivity**

The Prospective Seller has agreed that during the period from the date of entering into of the Memorandum of Understanding and up to 12:00 a.m. on 30 June 2011 or such later date as the parties may agree in writing (“**Exclusivity Period**”), the Prospective Seller would enter into exclusive negotiations with the Company regarding the Possible Acquisition and the transactions contemplated in the Memorandum of Understanding and the Prospective Seller, whether by herself or through other third parties, shall not discuss with any other third parties in relation to the same.

In the event that all the terms of the Formal Acquisition Agreement shall not be agreed upon between the parties within the Exclusivity Period, any parties to this Memorandum may terminate the arrangements in the Memorandum forthwith by immediate notice.

## **GENERAL**

The Memorandum of Understanding may or may not lead to the entering into of the Formal Acquisition Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Formal Acquisition Agreement materializes, the transactions contemplated thereunder may constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## TERMS USED IN THIS ANNOUNCEMENT

“Board”	the board of Directors
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Dongda Brokerage”	東大保險經紀有限責任公司 (unofficial translation being Dongda Insurance Brokerage Company Limited), a company established in the PRC
“Formal Acquisition Agreement”	the formal sale and purchase agreement to be entered into between the Prospective Seller and the Company (or its nominee) with respect to the Possible Acquisition
“Fullmark SH”	鑫約福(上海)貿易有限公司 (unofficial translation being Fullmark (Shanghai) Trading Company Limited), an indirectly wholly-owned subsidiary of the Company established in the PRC
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party who is not connected person of the Company (as defined in the GEM Listing Rules) and is independent of the Company and connected persons of the Company
“Memorandum of Understanding”	the Memorandum of Understanding dated 30 December 2010 entered into between the Prospective Seller and the Company in relation to the Possible Acquisition
“Possible Acquisition”	the proposed acquisition of a controlling stake in the issued share capital in the Target Company by the Company (or its nominee)
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Fame Thrive Limited (名旺有限公司), a company incorporated in the British Virgin Islands with limited liability, the entire share capital of which is legally and beneficially owned by the Prospector Seller
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 30 December 2010

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

*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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