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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)

**SUPPLEMENTAL AGREEMENT TO THE AGREEMENT
IN RELATION TO THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL IN AND SHAREHOLDER'S LOAN TO
FULLMARK MANAGEMENT LIMITED**

AND

THIRD SUPPLEMENTAL AGREEMENT TO THE SERVICE AGREEMENT

THE SUPPLEMENTAL ACQUISITION AGREEMENT

Reference is made to the announcement dated 14 June 2010 and the announcement dated 5 August 2010 issued by the Company in relation to, among others, the Acquisition.

On 28 September 2010, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Supplemental Acquisition Agreement, pursuant to which the Purchaser and the Vendor have agreed to amend and clarify certain terms of the Agreement.

THE THIRD SUPPLEMENTAL SERVICE AGREEMENT

Reference is made to the announcements of the Company dated 24 February 2010, 23 April 2010 and 15 June 2010 respectively in relation to the conditional grant of the Option by the Company to Mr. Wong pursuant to the Service Agreement.

On 28 September 2010, the Company and Mr. Wong entered into the Third Supplemental Service Agreement, pursuant to which the Company and Mr. Wong had agreed to extend the last day of the Relevant Period to 30 November 2010 for fulfillment of the conditions precedent to the grant of the Option.

GENERAL

A circular containing, among others, details of the Agreement as amended by the Supplemental Acquisition Agreement, details of the grant of the Option and a notice of the EGM is expected to be despatched to the Shareholders on or around 30 September 2010.

* For identification purpose only

Reference is made to the announcement dated 14 June 2010 (“**Acquisition Announcement**”) and the announcement dated 5 August 2010 issued by the Company in relation to, among others, the acquisition of the entire issued share capital in and shareholder’s loan to Fullmark Management Limited.

Reference is also made to the announcements of the Company dated 24 February 2010, 23 April 2010 and 15 June 2010 respectively in relation to the conditional grant of the option (“**Option**”) by the Company to Mr. Wong Chi Keung (“**Mr. Wong**”) to subscribe 60,000,000 shares of the Company (“**Option Shares**”).

Capitalised terms used herein shall have the same meanings as those defined in the Acquisition Announcement unless the context otherwise requires.

THE SUPPLEMENTAL ACQUISITION AGREEMENT

On 28 September 2010, the Purchaser and the Vendor entered into a supplemental agreement (“**Supplemental Acquisition Agreement**”) to amend and clarify the following terms and conditions of the Agreement:

- (a) the Vendor clarifies that Fullmark SH owns only 24.9% in the equity interests of Dongda Agency instead of 24.99%;
- (b) in relation to the settlement of the Consideration, HK\$70 million out of HK\$180 million will remain to be satisfied in cash. However, the payment schedule has been amended as follows:
 - i. HK\$25 million in cash as Deposit, which amount has been paid by the Group pursuant to the Addendum as announced by the Company on 4 March 2010;
 - ii. a further payment of HK\$10 million in cash shall be paid to the Vendor on Completion; and
 - iii. subject to the 2011 NPAT (as hereinafter defined) is met, the balance of HK\$35 million in cash shall be paid to the Vendor within seven Business Days from the date on which the audited accounts of Fullmark SH (under PRC GAAP) for the year ending 31 December 2011 have been received by the Purchaser (“**Remaining Cash Consideration**”);
- (c) the parties confirm that the Consideration Shares shall represent not less than 16.5% of the issued shares of the Company as at the date of Completion;
- (d) the parties agree to extend the Long Stop Date to 30 November 2010 (or such other date as the parties may agree in writing); and
- (e) the Consideration Adjustment mechanism referred to in the Agreement shall be made with reference to the audited consolidated net profit after tax of Fullmark SH (under PRC GAAP) for the year ending 31 December 2011 instead of 31 December 2010.

The full amount of the Remaining Cash Consideration shall only be paid to the Vendor as described above where the 2011 NPAT is met. Where the 2011 NPAT is less than RMB16,500,000 and the Remaining Cash Consideration exceeds the Compensation, the Remaining Cash Consideration shall be reduced by an amount which is equal to the amount of the Compensation and the reduced Remaining Cash Consideration shall be paid within seven Business Days from the date on which the audited accounts of Fullmark SH (under PRC GAAP) for the year ending 31 December 2011 have been received by the Purchaser. Where 2011 NPAT is less than RMB16,500,000 and the Compensation exceeds the Remaining Cash Consideration, the Purchaser is not required to pay any of the Remaining Cash Consideration to the Vendor and the obligation of the Vendor to pay the Compensation shall be reduced by the full amount of the Remaining Cash Consideration.

Save as disclosed above, there is no change to other material terms and conditions of the Agreement.

The reasons for the parties to enter into the Supplemental Acquisition Agreement are as follows:

- (a) Due to an inadvertent oversight, the percentage of equity interests in Dongda Agency owned by Fullmark SH was incorrectly stated as “24.99%” instead of “24.9%” in the Agreement. As such, the Supplemental Acquisition Agreement was entered into to clarify the actual shareholding.
- (b) In order to allow more flexibility in managing its working capital, it is in the interest of the Group and the Shareholders as a whole to defer settlement of part of the Consideration in cash payment of HK\$35 million in the form as a payment after the Completion.
- (c) As a result of the increase in the issued share capital of the Company subsequent to the date of the Agreement, the percentage of the issued shares of the Company represented by the Consideration Shares upon Completion have been reduced.
- (d) As disclosed in the Acquisition Announcement, the original Long Stop Date was 30 September 2010 (or such other dates as the parties may agree in writing). The Board expects that the circular containing, among others, details of the Agreement and a notice of the EGM would be despatched on or around 30 September 2010 and the EGM would only be held after the end of September 2010. Hence, the Board expects that all of the conditions precedent under the Agreement could not be fulfilled on or before the original Long Stop Date of 30 September 2010.
- (e) Pursuant to the Agreement, if the audited consolidated net profit after tax of Fullmark SH (under PRC GAAP) for the year ending 31 December 2010 is less than RMB16.5 million, the Vendor will pay the Purchaser the Compensation. However, in light of the delay in the Completion, the parties to the Agreement have agreed that the Compensation shall be calculated with reference to the full year results of Fullmark SH for the year ending 31 December 2011 (“**2011 NPAT**”).

THE THIRD SUPPLEMENTAL SERVICE AGREEMENT

Pursuant to the service agreement dated 24 February 2010 (“**Service Agreement**”) entered into between the Company and Mr. Wong, the grant of the Option would be subject to the approval of the Stock Exchange and would be conditional upon:

- (a) the Stock Exchange granting the listing of, and permission to deal in, the Option Shares; and
- (b) the obtaining of the approval for the grant of the Option and the allotment and issue of the Option Shares by the Shareholders.

Pursuant to the original term of the Service Agreement as amended by the Second Supplemental Agreement, in the event that any of the conditions referred to above is not fulfilled within 60 days after the date of the Service Agreement (“**Relevant Period**”), the Service Agreement shall lapse and cease to have effect and no party shall have any claim against the other.

As announced in the announcement of the Company dated 23 April 2010, the Company and Mr. Wong entered into a supplemental agreement whereby the Company and Mr. Wong had agreed to extend the last day of the Relevant Period to 30 June 2010. As announced in the announcement of the Company dated 15 June 2010, the Company and Mr. Wong entered into the second supplemental agreement whereby the Company and Mr. Wong had agreed to further extend the last day of the Relevant Period to 30 September 2010.

As the Long Stop Date under the Agreement has been extended to 30 November 2010 pursuant to the Supplemental Acquisition Agreement, on 28 September 2010, the Company and Mr. Wong entered into the third supplemental agreement whereby the Company and Mr. Wong had agreed to further extend the last day of the Relevant Period to 30 November 2010.

Save as disclosed above, there is no change to other terms and conditions of the Service Agreement.

GENERAL

A circular containing, among others, details of the Agreement as amended by the Supplemental Acquisition Agreement, details of the grant of the Option and a notice of the EGM is expected to be despatched to the Shareholders on or around 30 September 2010.

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

Hong Kong, 28 September 2010

As at the date of this announcement, the board of the Company comprises the following directors:

Executive directors:

Mr. Wong Chung Wai, Eric (*Chairman*)

Ms. Li Wenli

Mr. Chan Yun Sang

Mr. Ng Chi Wing

Independent non-executive directors:

Professor Ip Ho Shing, Horace

Mr. Tang Sze Lok

Mr. Yan Yonghong

Mr. Lee Kwok Yung

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.

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