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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



PLACING AGREEMENT

On 17 September 2010 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 313,140,000 Shares at the Placing Price of HK\$0.271 per Placing Share. The maximum number of the Placing Shares represent (i) about 19.92% of the Company's existing issued share capital of 1,571,700,000 Shares; and (ii) about 16.61% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Completion of the Placing is subject to the fulfillment of the conditions precedent in the Placing Agreement as summarized in the sub-paragraph headed "Conditions of the Placing" below.

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 9:30 a.m. on 20 September 2010 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 9:30 a.m. on 21 September 2010.

* For identification purpose only

PLACING AGREEMENT

Date:

17 September 2010 (after trading hours)

Parties:

The Company and the Placing Agent

Number of Placing Shares to be placed:

Up to 313,140,000 Shares, representing (i) about 19.92% of the Company's existing issued share capital of 1,571,700,000 Shares; and (ii) about 16.61% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Placing agent:

Sun Hung Kai Investment Services Limited

The Placing Agent and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

The Placing Agent will be entitled to receive a placing commission of 1.5% on the gross proceeds of the actual number of the Placing Shares being placed, 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 independent of and not connected with the Company, the Directors, chief executive and substantial shareholders (as such term is defined in the GEM Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the GEM Listing Rules).

Placing Price:

HK\$0.271 per Share, representing a discount of approximately 10.0% to the average closing price of HK\$0.301 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 16 September 2010, and a discount of approximately 8.1% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on 17 September 2010, being the last full trading day prior to the publication of this announcement.

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.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Placing Agreement not having been terminated in accordance with its terms.

If any of the above conditions cannot be fulfilled by 5:00 p.m. on 30 October 2010 (or such later time and date as the Company and the Placing Agent may agree), the Placing Agreement shall automatically terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing save for any antecedent breaches of the Placing Agreement.

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 12:00 noon (Hong Kong time) on the completion date of the Placing if any of the following develops, occurs or comes into force:

- (a) there shall have come to the notice of the Placing Agent any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure to perform any of the Company's undertakings in the Placing Agreement;
- (b) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (c) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (d) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the terms of the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement in accordance with the terms of the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

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 within four business days after the fulfillment of the conditions set out in the Placing Agreement.

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 only	
	Number of Shares	Approximate percentage of shareholding (Note 6)	Number of Shares	Approximate percentage of shareholding (Note 6)
Mr. Wong Chung Wai, Eric (Note 1)	2,000,000	0.13%	2,000,000	0.11%
Mr. Chan Yun Sang (Note 2)	2,000,000	0.13%	2,000,000	0.11%
Wide Source (Note 3)	215,424,760	13.71%	215,424,760	11.43%
Resuccess Investment Ltd. (Note 4)	158,900,000	10.11%	158,900,000	8.43%
Galaxy Fund I and Galaxy Fund II (Note 5)	246,300,000	15.67%	246,300,000	13.07%
The Placees under the Placing	—	—	313,140,000	16.61%
Other public	947,075,240	60.26%	947,075,240	50.25%
Total	<u>1,571,700,000</u>	<u>100%</u>	<u>1,884,840,000</u>	<u>100%</u>

Notes:

- Mr. Wong Chung Wai, Eric is an executive Director.
- Mr. Chan Yun Sang is an executive Director.
- The entire issued share capital of Wide Source is beneficially owned by Mr. Luk Yat Hung, a former executive Director.
- Resuccess Investment Ltd. is wholly owned by Tongfang Co. Ltd., the shares of which are listed on the Shanghai Stock Exchange.
- Galaxy Fund I and Galaxy Fund II are managed by the same fund manager, namely Galaxy Asset Management (H.K.) Ltd.
- 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 annual general meeting of the Company held on 4 August 2010. The Directors were authorised to allot and issue up to 313,140,000 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 313,140,000 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\$84.9 million and approximately HK\$83.3 million respectively. On such basis, the net price to the Company of each Placing Share is approximately HK\$0.266. The Directors consider that the Placing represents an opportunity to enlarge the equity base and the shareholders' base of the Company. The Directors intend to utilise the net proceeds from the Placing to finance future investments and/or for future business development.

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 February 2010, the Company announced that it had entered into an agreement for the First Top-up Subscription. Pursuant to such agreement, the Company has allotted and issued a total of 16,380,000 shares of HK\$0.05 each. The net proceeds received by the Company from the First Top-up Subscription amounted to approximately HK\$16.15 million which was intended to be used as general working capital for the Company's business expansion.

On 1 March 2010, the Company announced that it had entered into an agreement for the Second Top-up Subscription. Pursuant to such agreement, the Company has allotted and issued a total of 5,000,000 shares of HK\$0.05 each. The net proceeds received by the Company from the Second Top-up Subscription amounted to approximately HK\$7.75 million which was intended to be used as general working capital for the Company's business expansion.

The net proceeds raised in the First Top-up Subscription and the Second Top-up Subscription have already been utilized for the payment for the deposit pursuant to the Addendum (as defined in the Company's announcement dated 4 March 2010).

On 23 April 2010, the Company announced the Third Placing and the Third Subscription. Pursuant to the Third Subscription, the Company has allotted and issued a total of 130,000,000 Shares. The net proceeds from the Third 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 the has been utilized for acquiring the entire issued share capital of High Pacific Limited. As at the date of this announcement, the remaining net proceeds have not been utilized.

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. As at the date of this announcement, such net proceeds have not been utilized.

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 Shares. The net proceeds received by the Company from the Subscriptions amounted to approximately HK\$25 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 have 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 9:30 a.m. on 20 September 2010 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 9:30 a.m. on 21 September 2010.

DEFINITIONS

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

“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 set out in the GEM Listing Rules
“Directors”	the directors of the Company
“First Top-up Subscription”	the subscription of 16,380,000 shares of HK\$0.05 each pursuant to the top-up subscription agreement dated 23 February 2010 and entered into by the Company and Wide Source, details of which are set out in the Company’s announcement dated 23 February 2010
“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 annual general meeting of the Company held on 4 August 2010 to allot or otherwise deal with the unissued Shares
“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 PRC
“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”	Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong, which is a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a placing agreement between the Company and the Placing Agent dated 17 September 2010 in relation to the Placing
“Placing Price”	HK\$0.271 per Placing Share
“Placing Shares”	a maximum of 313,140,000 new Shares
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Second Top-up Subscription	the subscription of 5,000,000 shares of HK\$0.05 each pursuant to the top-up subscription agreement dated 1 March 2010 and entered into by the Company and Wide Source, details of which are set out in the Company’s announcement dated 1 March 2010
“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 Shares by Galaxy Fund I pursuant to the Subscription Agreement I

“Subscription II”	the subscription of 60,000,000 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 I 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
“Third 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
“Third 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
“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
“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
Director

Hong Kong, 20 September 2010

As at the date of this announcement, the Board 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. 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.

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.