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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 EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



#### **PLACING AGREEMENT**

On 23 April 2010 (after trading hours), the Vendor, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has agreed to place, and the Placing Agent has agreed to procure Places, on a best effort basis, for the purchase of up to 130,000,000 Shares at the Placing Price of HK\$0.265 per Placing Share. The maximum number of the Placing Shares represent (i) about 9.96% of the Company's existing issued share capital of 1,305,700,000 Shares and (ii) about 9.05% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

#### **SUBSCRIPTION AGREEMENT**

On 23 April 2010 (after trading hours), the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor has agreed to subscribe for such number of Subscription Shares which is equivalent to the number of Placing Shares, being a maximum number of 130,000,000 Subscription Shares, at the Subscription Price of HK\$0.265 per Subscription Share.

The Subscription is conditional upon (i) the completion of the Placing; and (ii) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. Under Rule 20.31(3)(d) of the GEM Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Agreement, that is, on or before 7 May 2010. If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the GEM Listing Rules.

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

\* For identification purpose only

## **PLACING AGREEMENT**

### **Date:**

23 April 2010 (after trading hours)

### **Parties:**

The Vendor, the Company and the Placing Agent

### **The Vendor:**

Wide Source Group Ltd, a substantial shareholder of the Company. As at the date of this announcement, the Vendor is the beneficial owner of 215,424,760 Shares, representing approximately 16.50% of the existing issued share capital of the Company.

The entire issued share capital of the Vendor is beneficially owned by Mr. Luk Yat Hung, the chairman of the Board and an executive Director.

### **Number of Placing Shares to be placed:**

Up to 130,000,000 Shares, representing (i) about 9.96% of the Company's existing issued share capital of 1,305,700,000 Shares and (ii) about 9.05% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### **Placing agent:**

VC Brokerage 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 2.70% 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 the Placees who are independent of and not connected with the Company, the Vendor, the Directors, chief executive, substantial shareholders and management shareholders (as those terms are defined in the GEM Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the GEM Listing Rules).

It is expected that there will be not less than six Placees. In the event that the number of the Placees falls below six, information of the Placees will be disclosed in further announcement of the Company in accordance with the GEM Listing Rules. It is a term of the Placing Agreement that save with the prior written consent of the Company, none of the Placees shall become a substantial shareholder of the Company upon completion of the Placing.

**Placing Price:**

HK\$0.265 per Share, representing a discount of approximately 18.46% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 23 April 2010, and a discount of approximately 12.54% to the average closing price of HK\$0.303 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 22 April 2010.

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.

**Rights:**

The Placing Shares will be sold free of any third party rights and together with all dividends and distributions declared, made or paid after the date of the Placing Agreement.

**Completion:**

The Placing is unconditional and completion of the Placing will take place on the second business day ("Closing Date") from the day on which the sale and purchase of the Placing Shares are input into the Automatic Order Matching System as operated by the Stock Exchange.

**Termination:**

If at any time at or prior to 9:30 a.m. (Hong Kong time) on the Closing Date:

- (A) in the opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially adverse to the success of the Placing; or
- (B) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provision of the Placing Agreement; or
- (C) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing;
- (D) any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
- (E) any suspension of dealings in the Shares for any period of three consecutive business days or more (other than as a result of the Placing); or

- (F) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war; or
- (G) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company and/or to the Vendor by giving notice in writing to the Vendor, provided that such notice is received prior to 12:00 noon on the Closing Date.

## **SUBSCRIPTION AGREEMENT**

### **Date:**

23 April 2010 (after trading hours)

### **Parties involved:**

The Company and the Vendor

### **Number of new Shares subscribed for:**

The number of Subscription Shares is equivalent to the number of Placing Shares, being a maximum number of 130,000,000 Subscription Shares (nominal value being HK\$650,000.00).

### **Subscription Price:**

The Subscription Price is HK\$0.265 per Subscription Share. The Subscription Price is the same as the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price.

The Company will pay the costs and expenses of the Subscription, and will repay to the Vendor his costs and expenses of the Placing. Assuming 130,000,000 Subscription Shares are being subscribed by the Vendor, the gross proceeds and net proceeds from the Subscription to be received by the Company will be HK\$34.45 million and approximately HK\$33.27 million respectively. The net price to the Company of each Subscription Share is approximately HK\$0.256.

The Directors are of the view that the Subscription Price is fair and reasonable.

### **Shareholding structure of the Company before and after the Placing and Subscription:**

Save for the Service Option conditionally granted by the Company, the Company has no warrants, options or other convertible securities which are still outstanding as at the date of this announcement.

The following table sets out the shareholding structure of the Company prior to and upon completion of the Placing and the Subscription:

	Existing shareholding		Shareholding immediately after the Placing		Shareholding immediately after the Placing and Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Vendor ( <i>note 1</i> )	215,424,760	16.50	85,424,760	6.54	215,424,760	15.00
Resuccess Investment Ltd. ( <i>note 2</i> )	158,900,000	12.17	158,900,000	12.17	158,900,000	11.07
Galaxy China Special Situations Fund SPC (“Galaxy Fund I”), for and on behalf of its Segregated Portfolio, Galaxy China Special Situations Segregated Portfolio 1 ( <i>note 3</i> )	70,000,000	5.36	70,000,000	5.36	70,000,000	4.88
Galaxy China Deep Value Fund (“Galaxy Fund II”) ( <i>note 3</i> )	74,800,000	5.73	74,800,000	5.73	74,800,000	5.21
The Placees	—	—	130,000,000	9.96	130,000,000	9.05
Other public	<u>786,575,240</u>	<u>60.24</u>	<u>786,575,240</u>	<u>60.24</u>	<u>786,575,240</u>	<u>54.79</u>
<b>Total</b>	<b><u>1,305,700,000</u></b>	<b><u>100.00</u></b>	<b><u>1,305,700,000</u></b>	<b><u>100.00</u></b>	<b><u>1,435,700,000</u></b>	<b><u>100.00</u></b>

Notes:

1. The Vendor is wholly owned by Mr. Luk Yat Hung, the chairman of the Board and an executive Director.
2. Resuccess Investments Ltd. is wholly owned by Tongfang Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange.
3. Galaxy Fund I and Galaxy Fund II are managed by the same fund manager, Galaxy Asset Management (H.K.) Ltd.

**Mandate to issue the Subscription Shares:**

The Subscription Shares will be issued pursuant to the General Mandate granted to the Directors at the extraordinary general meeting of the Company held on 15 April 2010. The Directors were authorised to allot and issue up to 261,140,000 Shares pursuant to the General Mandate. Up to the date of the Announcement, the Directors have not utilised any part of the General Mandate. Accordingly, the issue of the Subscription Shares is not subject to any approval by the shareholders of the Company.

**Ranking:**

The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing issued Shares.

**Conditions of the Subscription:**

The Subscription is conditional upon (i) the completion of the Placing; and (ii) the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

If the conditions are not fulfilled on or prior to 6 May 2010 or such later date as may be agreed between the Company and the Vendor, the Subscription Agreement shall terminate and neither of the parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreement.

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

**Completion:**

Under Rule 20.31(3)(d) of the GEM Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Agreement, that is, on or before 7 May 2010.

If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the GEM Listing Rules.

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

**REASONS OF THE PLACING AND SUBSCRIPTION**

The net proceeds to the Company from the Subscription will be approximately HK\$33.27 million. The Directors consider various ways of raising funds and consider that the Placing and the Subscription represent an opportunity to enlarge the equity base of the Company. The Directors intends to utilise the net proceeds from the Subscription to finance future investments and/or for future business development. Save for the proposed acquisition of Fullmark Management Limited by the Company, details of which are set out in the announcements of the Company dated 11 February 2010 and 4 March 2010, the Company does not have any specific plans of investments or business development at present.

The Directors consider that the terms of each of the Placing Agreement and the Subscription 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 is 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 is 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 utilised for the payment of the deposit pursuant to the Addendum (as defined in the Company's announcement dated 4 March 2010) as at the date of this announcement.

On 24 February 2010, the Company announced that the Company has conditionally granted the Service Option. The net proceeds to be received by the Company upon the exercise of the Service Option in full are estimated to be about HK\$5.9 million and are intended to be used by the Company as general working capital. As at the date of this announcement, the grant of the Service Option has not become unconditional and the Service Option has not been exercised.

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.

## **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 the Vendor, details of which are set out in the Company’s announcement dated 23 February 2010
“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 15 April 2010 to allot or otherwise deal with the unissued Shares
“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 a maximum of 130,000,000 Shares beneficially owned by the Vendor pursuant to the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a company incorporated in Hong Kong
“Placing Agreement”	a placing agreement between the Vendor, the Company and the Placing Agent dated 23 April 2010 in relation to the Placing
“Placing Price”	HK\$0.265 per Placing Share
“Placing Shares”	a maximum of 130,000,000 Shares beneficially owned by the Vendor and to be placed under the Placing
“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 the Vendor, details of which are set out in the Company’s announcement dated 1 March 2010
“Service Option”	the option conditionally granted by the Company to Mr. Wong Chi Keung attached with it the right to subscribe for up to 60,000,000 Shares, details of which are set out in the announcements of the Company dated 24 February 2010 and 23 April 2010 respectively



“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
“Subscription Agreement”	the subscription agreement between the Company and the Vendor dated 23 April 2010 in relation to the Subscription
“Subscription”	the subscription for the Subscription Shares pursuant to the Subscription Agreement
“Subscription Price”	HK\$0.265 per Subscription Shares
“Subscription Shares”	new Shares equivalent to the number of the Placing Shares to be subscribed by the Vendor
“Vendor”	Wide Source Group Ltd, a substantial shareholder of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board  
**Tai Shing International Holdings Limited**  
**Wong Chung Wai, Eric**  
*Director*

Hong Kong, 23 April 2010

*As at the date of this announcement, the Board comprises the following Directors:*

*Executive Directors:*

Mr. Luk Yat Hung (*Chairman*)  
Ms. Li Wenli  
Mr. Wong Chung Wai, Eric  
Mr. Chan Yun Sang  
Mr. Ng Chi Wing

*Independent non-executive Directors:*

Professor Ip Ho Shing, Horace  
Mr. Yan Yonghong  
Mr. Peng Lijun  
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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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