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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

# **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)**

## **GRANT OF OPTION UNDER THE SERVICE AGREEMENT AND RESUMPTION OF TRADING**

### **GRANT OF OPTION UNDER THE SERVICE AGREEMENT**

Prior to the commencement of the trading hours on 24 February 2010, the Company and Mr. Wong entered into the Service Agreement, pursuant to which the Company has conditionally granted to the Grantee the Option, which is exercisable during the Option Period, to subscribe for up to 6,000,000 Shares at the Exercise Price of HK\$1.00 per Option Share.

A circular containing details of the Service Agreement and the Option, together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 24 February 2010 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 25 February 2010.

### **GRANT OF OPTION UNDER THE SERVICE AGREEMENT**

Prior to the commencement of the trading hours on 24 February 2010, the Company and Mr. Wong entered into the Service Agreement, the principal terms of which are set out below.

#### **Parties**

- (1) The Company; and
- (2) Mr. Wong. To the best knowledge, information and belief of the Directors, Mr. Wong is independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

\* *For identification purpose only*

## **The services**

Mr. Wong shall, at the request of the Company, provide business consultancy and general advisory services to the Company in connection with the Proposed Acquisition.

## **Grant of Option**

In consideration for the services of Mr. Wong, the Company has conditionally agreed to grant to Grantee (as nominated by Mr. Wong) the Option to subscribe for up to 6,000,000 Shares at the Exercise Price of HK\$1.00 per Option Share. To the best knowledge, information and belief of the Directors, the Grantee 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).

## **Option Shares**

The maximum number of 6,000,000 Option Shares represent: (i) approximately 5.50% of the existing issued share capital of the Company; and (ii) approximately 5.21% of the existing issued share capital of the Company as enlarged by the issue of the Option Shares.

The number of the Option Shares shall be subject to adjustment in the event that the issued share capital of the Company is altered as a result of any consolidation or sub-division of the share capital of the Company or bonus issue of shares of the Company. Any adjustment to the number of such Option Shares shall be made in accordance with the appendix to the letter dated 5 September 2005 issued by the Stock Exchange to all listed issuers regarding share option schemes.

## **Exercise Price**

The Exercise Price of HK\$1.00 per Option Share was determined after arm's length negotiation between the Company and Mr. Wong and represents a discount of approximately 20.63% to the closing price of HK\$1.26 per Share as quoted on the Stock Exchange on 23 February 2010, being the last trading day prior to the entering into of the Service Agreement and a discount of approximately 10.55% to the average closing price of HK\$1.118 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Service Agreement.

The net price to the Company of each Option Share, which is calculated by dividing the net proceeds from the exercise of the subscription rights attached to the Option by the total number of the Option Shares, is approximately HK\$0.98.

## **Option Period**

The Option Period will commence from the date on which the conditions set out in the paragraph headed "Conditions" below are satisfied and ending on 23 February 2013 (both dates inclusive) and the Option is exercisable subject to the following:

- (a) after the Company's issue of a confirmation in writing to the vendor of the Proposed Acquisition confirming that it is satisfied with the due diligence review in connection with the Proposed Acquisition, Mr. Wong may, prior to the expiry of the Option Period, exercise part of the Option to subscribe for up to 3,000,000 Option Shares at the Option Price; and

- (b) after the Company (or its nominee) has signed a legally binding sale and purchase agreement with the vendor of the Proposed Acquisition in connection with the Proposed Acquisition, Mr. Wong may, (in addition to his right under paragraph (a) above) prior to the expiry of the Option Period, exercise part of the Option to subscribe for up to 3,000,000 Option Shares at the Option Price.

### **Conditions**

The grant of the Option is subject to the approval of the Stock Exchange and is 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.

In the event that any of the conditions referred to above is not fulfilled within 60 days after the date of the Service Agreement, the Service Agreement shall lapse and cease to have any effect and no party shall have any claim against the other.

### **Transfer**

The Option is personal to the Grantee and shall not be transferable or assignable and Mr. Wong and the Grantee shall not in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to the Option or any part thereof or enter into any agreement so to do. Any breach of the foregoing shall entitle the Company to cancel the Option.

### **Ranking of the Option Shares**

The Option Shares, when issued, will rank pari passu in all respects with all other Shares in issue at the date of issue and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of issue.

### **Voting**

The Grantee will not be entitled to attend or vote at any meetings of the Company by reason only of it being the holder of the Option and will not be entitled to receive notice of any meetings of the Company.

### **Mandate**

The Subscription Shares will be issued pursuant to the Specific Mandate.

### **Application for listing**

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

## USE OF PROCEEDS

The net proceeds to be received by the Company upon the exercise of the 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.

## REASONS FOR THE SERVICE AGREEMENT AND THE GRANT OF THE OPTION

As disclosed in the announcement of the Company dated 11 February 2010, the Company has signed a memorandum of understanding for the Proposed Acquisition. The grant of the Option to the Grantee (as nominated by Mr. Wong) serves as remuneration to Mr. Wong to provide the consultancy and advisory services to the Group in connection with the Proposed Acquisition.

The grant of the Option as an incentive will not have any adverse impact on the cashflow of the Group while the shareholder base of the Company will be enlarged and the Company can receive subscription money upon exercise of the Option. The Directors believe that the terms of the Service Agreement (including the grant of the Option and the Exercise Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after the exercise of the Option in full:

	Existing shareholding		Shareholding immediately after exercise of the Option in full (note 3)	
	No. of Shares	%	No. of Shares	%
Wide Source Group Ltd. (note 1)	21,542,476	19.73	21,542,476	18.70
Resuccess Investment Ltd. (note 2)	15,890,000	14.55	15,890,000	13.79
The Grantee	—	—	6,000,000	5.21
Other public	71,757,524	65.72	71,757,524	62.30
<b>Total</b>	<b><u>109,190,000</u></b>	<b><u>100.00</u></b>	<b><u>115,190,000</u></b>	<b><u>100.00</u></b>

### Notes:

1. Wide Source Group Ltd. 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. It takes no account of the issue of new Shares of the Company under a top-up placing, details of which are set out in the announcement of the Company dated 23 February 2010.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

On 2 April 2009, the Company announced a rights issue (two rights shares for every then existing Share) to propose to raise net proceeds of approximately HK\$20 million. However, such rights issue did not become unconditional and lapsed.

On 23 February 2010, the Company announced a best effort top-up placing of 16,380,000 new Shares at the price of HK\$1.01 per Share. The net proceeds from such top-up placing are expected to be approximately HK\$16.15 million which is intended to be used as general working capital for the Company's business expansion. As at the date of this announcement, such top-up placing has not completed.

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.

### **GENERAL**

The Company will convene the EGM for the Shareholders to consider and, if though fit, pass the resolution to approve the grant of the Option and the Specific Mandate.

A circular containing details of the Service Agreement and the Option, together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 24 February 2010, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 25 February 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

“Exercise Price”	HK\$1.00 per Share, subject to adjustments for any consolidation or sub-division of Shares or bonus issue of Shares
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving, among other matters (if any), the grant of the Option and the Specific Mandate
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	Fantasy Top Limited, a company nominated by Mr. Wong to take up the Option
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Mr. Wong”	Mr. Wong Chi Keung
“Option”	the option conditionally granted by the Company to Mr. Wong attached with it the right to subscribe for the Option Shares at the Exercise Price
“Option Period”	the period from the date on which the conditions set out in the paragraph headed “Conditions” below are satisfied and ending on 23 February 2013 (both dates inclusive)
“Option Shares”	up to 6,000,000 Shares to be issued upon the exercise of the subscription rights attaching to the Options which Shares shall rank pari passu in all respects with the Shares in issue at the date of allotment of the Option Shares
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Acquisition”	the possible acquisition of the entire issued share capital of Fullmark Management Limited by the Company, details of which are set out in the announcement of the Company dated 11 February 2010
“Service Agreement”	the service agreement dated 24 February 2010 entered into between the Company and Mr. Wong
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Specific Mandate”	the mandate to allot and issue the Option Shares to be obtained by the Directors at EGM

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Tai Shing International Holdings Limited**  
**Luk Yat Hung**  
*Chairman*

Hong Kong, 24 February 2010

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

*Executive Directors:*

Mr. Luk Yat Hung (*Chairman*)

Ms. Li Wenli

*Independent non-executive Directors:*

Professor Ip Ho Shing, Horace

Mr. Yan Yonghong

Mr. Peng Lijun

Mr. Tang Sze Lok

*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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication.*