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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 February 2010, 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 not less than six Places, on a best effort basis, for the purchase of up to 16,380,000 Shares at the Placing Price of HK\$1.01 per Placing Share. The maximum number of the Placing Shares represent (i) about 15.00% of the Company's existing issued share capital of 109,190,000 Shares and (ii) about 13.04% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

SUBSCRIPTION AGREEMENT

On 23 February 2010, 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 16,380,000 Subscription Shares, at the Subscription Price of HK\$1.01 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 from the date of the Placing Agreement, that is, on or before 9 March 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 February 2010

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 21,542,476 Shares, representing approximately 19.73% of the entire issued share capital of the Company.

Number of Placing Shares to be placed:

Up to 16,380,000 Shares, representing (i) about 15.00% of the Company's existing issued share capital of 109,190,000 Shares and (ii) about 13.04% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

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.

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 agent commission of 1.50% 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.

Price:

HK\$1.01 per Share, representing a discount of approximately 19.8% to the closing price of HK\$1.26 per Share as quoted on the Stock Exchange on 23 February 2010, and a discount of approximately 2.32% to the average closing price of HK\$1.034 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 22 February 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 February 2010

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 16,380,000 Subscription Shares (nominal value being HK\$819,000.00).

Price:

The Subscription Price is HK\$1.01 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. The net price to the Company of each Subscription Share is approximately HK\$9.86.

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:

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>)	21,542,476	19.73	5,162,476	4.73	21,542,476	17.16
Resuccess Investment Ltd. (<i>note 2</i>)	15,890,000	14.55	15,890,000	14.55	15,890,000	12.65
The Placees	—	—	16,380,000	15.00	16,380,000	13.04
Other public	71,757,524	65.72	71,757,524	65.72	71,757,524	57.15
Total	<u>109,190,000</u>	<u>100.00</u>	<u>109,190,000</u>	<u>100.00</u>	<u>125,570,000</u>	<u>100.00</u>

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.

Mandate to issue the Subscription Shares:

The Subscription Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 6 August 2009. The Directors were authorised to allot and issue up to 21,838,000 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 8 March 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 from the date of the Placing Agreement, that is, on or before 9 March 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 TRANSACTIONS

The net proceeds to the Company from the Subscription will be approximately HK\$16.15 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 and provide general working capital for the Company's business expansion.

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

The Company announced on 2 April 2009 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. Save for the said proposed rights issue, the Company has not conducted any equity fund raising exercise in the past twelve-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
“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 6 August 2009 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 16,380,000 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 February 2010 in relation to the Placing
“Placing Price”	HK\$1.01 per Placing Share
“Placing Shares”	a total of 16,380,000 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
“Share(s)”	the ordinary share(s) of HK\$0.05 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 February 2010 in relation to the Subscription
“Subscription”	the subscription for the Subscription Shares pursuant to the Subscription Agreement
“Subscription Price”	HK\$1.01 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.

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

Hong Kong, 23 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 for at least 7 days from the date of its publication.