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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)

- (i) CHANGE IN BOARD LOT SIZE;**
- (ii) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY EXISTING SHARE HELD ON THE RECORD DATE;**
- (iii) APPLICATION FOR THE WHITEWASH WAIVER;**
- AND**
- (iv) RESUMPTION OF TRADING**

Financial adviser to Tai Shing International (Holdings) Limited



Optima Capital Limited

Independent financial adviser to the independent board committee of the Company and the Independent Shareholders



Grand Vinco Capital Limited

Change in board lot size

The Board announces that the board lot size for trading in the Shares will be changed from 5,000 Shares to 20,000 Shares with effect from 30 April 2009.

The Rights Issue

The Company proposes to raise approximately HK\$21.8 million, before expenses, by way of rights issue of 218,380,000 Rights Shares at a price of HK\$0.10 per Rights Share on the basis of two Rights Shares for every existing Share held on the Record Date.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted two Rights Shares in nil paid form for every existing Share held on the Record Date. As at the date of this announcement, the Company does not have any pre-existing obligation to issue Shares or any outstanding share options, derivatives or securities which are convertible or exchangeable into Shares.

** For identification purposes only*

The estimated net proceeds of the Rights Issue is approximately HK\$20.0 million, which is intended to be used for the expansion and development of its business of provision of systems developments, installation and consulting service and additional general working capital of the Group.

As at the date of this announcement, WS is interested in 21,542,476 Shares, representing approximately 19.7% of the existing issued share capital of the Company. Pursuant to the Underwriting Agreement, WS has undertaken to the Company that, subject to the Rights Issue not being terminated, it will remain as the beneficial owner of the 21,542,476 Shares until and including the Record Date and that it will accept and pay or procure the acceptance and payment of 43,084,952 Rights Shares to be provisionally allotted to it or its nominee being its full entitlement under the Rights Issue. Pursuant to the Underwriting Agreement, WS has agreed to fully underwrite the Underwritten Shares on the terms and subject to the conditions set out in the Underwriting Agreement.

If WS terminates the Underwriting Agreement (please see the sub-section headed “Termination of the Underwriting Agreement” in the section headed “Underwriting Agreement” below) or the conditions of the Rights Issue (please see the sub-section headed “Conditions of the Rights Issue” in the section headed “Terms of the Rights Issue” below) are not fulfilled, or waived in whole or in part by WS, the Rights Issue will not proceed. **Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser. Moreover, investors’ attention is drawn to the section headed “Warning of the risks of dealing in the Shares and the nil-paid Rights Shares” below.**

According to the expected timetable, the last day of dealing in the Shares on a cum-rights basis is Monday, 4 May 2009 and the Shares will be dealt with on an ex-rights basis from Tuesday, 5 May 2009. The Record Date for the Rights Issue is Monday, 11 May 2009. The Rights Shares are expected to be dealt with in their nil-paid form from Thursday, 14 May 2009 to Thursday, 21 May 2009 (both dates inclusive). To qualify for the Rights Issue, any transfer of the Shares (together with the relevant share certificates) must be lodged for registration with the Company’s branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by 4:30 p.m. on Wednesday, 6 May 2009.

The Latest Time for Acceptance is expected to be at 4:00 p.m. on Tuesday, 26 May 2009. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both the nil-paid and fully-paid forms.

Application for Whitewash Waiver

In the event that WS is called upon to subscribe for the Underwritten Shares in full pursuant to its obligations under the Underwriting Agreement, the interest of WS and parties acting in concert with it in the voting rights of the Company would increase from approximately 19.7% to approximately 73.2% immediately upon completion of the Rights Issue. Accordingly, the underwriting by WS of the Rights Issue will trigger an obligation for WS and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by WS or parties acting in concert with it.

WS and parties acting in concert with it will make an application for the Whitewash Waiver to the Executive pursuant to Note 1 to the Notes on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders taken by poll at the EGM. WS and its associates and parties acting in concert with any of them (including Mr. Luk Yat Hung) will abstain from voting at the EGM on the proposed resolution approving the Whitewash Waiver. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted by the Executive or if granted, is not approved by the Independent Shareholders, the Rights Issue will not proceed.

GEM Listing Rules implications

The Rights Issue is subject to, inter alia, the approval by the Independent Shareholders. Pursuant to Rule 10.29A of the GEM Listing Rules, the Rights Issue is conditional on, among other things, the approval by the Shareholders at the EGM at which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. As at the date of this announcement, there is no controlling Shareholder and chief executive in the Company. Therefore, WS, Mr. Luk Yat Hung and Ms Li Wenli and their respective associates shall abstain from voting in favour of the resolution in relation to the Rights Issue at the EGM. As at the date of this announcement, Ms. Li Wenli does not have any shareholding interest in the Company.

General

An independent board committee of the Company comprising all independent non-executive Directors has been established to provide recommendation to the Independent Shareholders in connection with the Rights Issue and the Whitewash Waiver. Vinco Capital has been appointed as the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Rights Issue and the Whitewash Waiver. The appointment of Vinco Capital has been approved by the independent board committee of the Company.

The Circular containing, among other things, further details of the Rights Issue and the Whitewash Waiver, a letter of recommendation from the independent board committee of the Company to the Independent Shareholders, a letter of advice from Vinco Capital to the independent board committee of the Company and the Independent Shareholders in relation to the Rights Issue and the Whitewash Waiver and a notice of the EGM, will be despatched by the Company to the Shareholders within 21 days of the date of this announcement.

Suspension and resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 2 April 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 3 April 2009.

CHANGE IN BOARD LOT SIZE

The Board announces that the board lot size for trading in the Shares will be changed from 5,000 Shares to 20,000 Shares with effect from 30 April 2009.

The reason for the change in board lot size is to increase the value of each board lot of the Shares to ensure that the market value per board lot would be more than HK\$2,000 and reduce transaction and registration costs incurred by the Shareholders and investors of the Company. The Board is of the opinion that the change in board lot size is in the interests of the Company and the Shareholders as a whole. The change in board lot size will not result in any change in the relative rights of the Shareholders. The value of the each current board lot, based on the closing price of HK\$0.33 per Share on 1 April 2009 (being the Last Trading Day), is HK\$1,650. Upon the change of board lot size becoming effective, the expected value of each board lot of 20,000 Shares, based on the closing price of HK\$0.33 per Share on the Last Trading Day, is expected to increase to HK\$6,600. Subject to completion of the Rights Issue, the value of the each current board lot, based on the theoretical ex-rights price of approximately HK\$0.177 per Share (based on the closing price of HK\$0.33 per Share on the Last Trading Day), is HK\$885. Upon the change of board lot size becoming effective, the expected value of each board lot of 20,000 Shares, based on the theoretical ex-rights price of approximately HK\$0.177 per Share (based on the closing price of HK\$0.33 per Share on the Last Trading Day), is expected to increase to HK\$3,540.

Effective from 30 April 2009, any new share certificates will be issued in board lot of 20,000 Shares each (except for odd lots or where the Company's share registrar is otherwise instructed). All existing share certificates in board lot of 5,000 Shares each will continue to be evidence of title to such Shares and be valid for transfer, delivery and settlement purposes. Accordingly, no arrangement of free exchange of existing share certificates for new share certificate under the new board lot of 20,000 Shares would be provided. Save and except for the change in the number of the Shares for each board lot, new share certificates will have the same format and colour as the existing share certificates.

In order to alleviate the difficulties arising from the existence of odd lots of the Shares as a result of the change in board lot size, the Company has appointed HKSL to stand in the market to provide matching services for the odd lots of Shares on best effort basis during the period from 30 April 2009 to 21 May 2009 (both days inclusive). Shareholders who wish to take advantage of this matching facility either to dispose of their odd lots Shares or to top up to board lots of 20,000 Shares, may contact Mr. Gary Poon of HKSL at Room 303, 30/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong at telephone number (852) 2579-9890.

Holders of Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. The Shareholders are advised to consult their professional advisers if they are in doubt about the above procedures.

RIGHTS ISSUE

Issue statistics

Basis of Rights Issue:	Two Rights Shares for every existing Share held on the Record Date
Number of existing Shares in issue:	109,190,000 Shares as at the date of this announcement
Number of Rights Shares:	218,380,000 Rights Shares
Enlarged issued share capital upon completion of the Rights Issue:	327,570,000 Shares
Subscription Price:	HK\$0.10 per Rights Share
Underwriter:	WS

Under the Rights Issue, based on the existing issued share capital of the Company and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, a total of 218,380,000 Rights Shares will be provisionally allotted, representing 200% of the existing issued share capital of the Company and approximately 66.7% of the issued share capital of the Company as enlarged by the issue of 218,380,000 Rights Shares.

The Company does not have any pre-existing obligation to issue any Shares or any outstanding share options, derivatives or securities which are convertible or exchangeable into Shares as at the date of this announcement.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and, unless otherwise determined by the Directors, whose addresses as shown on the register of members of the Company on the Record Date must be inside Hong Kong. In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. (Hong Kong time) on Wednesday, 6 May 2009.

The Company will send the Rights Issue Documents, including the Prospectus, the provisional allotment letters and the forms of application for excess Rights Shares to the Qualifying Shareholders. The Company will send the Prospectus only to the Excluded Shareholders (if any) for information purposes. The Excluded Shareholders are the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold

in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The net proceeds of such sale, less expenses, will be paid pro rata to the Excluded Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders. As at the date of this announcement, save for one registered Shareholder whose address is in the BVI, none of the Shareholders' addresses as shown on the register of members of the Company are located outside Hong Kong.

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to overseas Shareholders. If, based on legal opinions provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the overseas Shareholders on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such overseas Shareholders. Summary on the legal opinion regarding the rights of such overseas Shareholders (if any) will be disclosed in the Prospectus.

Closure of register of members

The register of members of the Company is expected to be closed from Thursday, 7 May 2009 to Monday, 11 May 2009, both dates inclusive. No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription Price

HK\$0.10 per Rights Share will be payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 69.7% to the closing price of HK\$0.33 per Share as quoted on the GEM on 1 April 2009, being the Last Trading Day;
- (ii) a discount of approximately 63.5% to the average closing price of HK\$0.274 per Share for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 59.9% to the average closing price of HK\$0.2495 per Share for the 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 43.5% to the theoretical ex-rights price of approximately HK\$0.177 per Share based on the closing price of HK\$0.33 per Share as quoted on the GEM on the Last Trading Day; and
- (v) a discount of approximately 33.3% over the audited consolidated net assets value per Share of approximately HK\$0.15 as at 31 March 2008.

The Subscription Price was arrived at after arm's length negotiation between the Company and WS with reference to the market price of the Shares under the prevailing market conditions. As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. The Directors (excluding independent non-executive Directors whose opinion on the matter will be set forth in the Circular after having been advised by an independent financial adviser in this regard) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable so far as the Company and the Shareholders as a whole are concerned. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.092.

Basis of provisional allotments

Two Rights Shares (in nil-paid form) for every existing Share held by Qualifying Shareholders at the close of business on the Record Date.

Status of the Rights Shares

When allotted, issued and fully paid, the Rights Shares will rank pari passu in all respects with the then existing Shares in issue. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the fully-paid Rights Shares.

Certificates for the Rights Shares and refund cheques

Subject to the fulfillment or waiver of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or before Friday, 5 June 2009 by ordinary post to those entitled thereto at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or about Friday, 5 June 2009 by ordinary post at the risk of the Shareholders.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for (i) Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) preference will be given to applications for less than a board lot of Rights Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse the mechanism; and
- (ii) subject to availability of excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for completion of the relevant registration by 4:30 p.m. on 6 May 2009.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 20,000 (as the Shares will be traded on the GEM in board lots of 20,000 with effect from 30 April 2009). Dealing in the Rights Shares (in both nil-paid and fully-paid forms) on the branch register of members of the Company will be subject to the payment of stamp duty in Hong Kong.

Subject to the grant of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the GEM as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the GEM or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS.

Undertaking of WS

As at the date of the Underwriting Agreement, WS was interested in 21,542,476 Shares, representing approximately 19.7% of the existing issued shares capital of the Company. Pursuant to the Underwriting Agreement, WS has undertaken to the Company that, subject to the Rights Issue not being terminated, it will remain as the beneficial owner of the 21,542,476 Shares until and including the Record Date and that it will accept and pay for or procure the acceptance of and payment for 43,084,952 Rights Shares to be provisionally allotted to it or its nominee being its full entitlement under the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing by the Independent Shareholders at the EGM of an ordinary resolution to approve the Rights Issue by no later than the Posting Date;
- (b) the granting of the Whitewash Waiver to WS and parties acting in concert with it and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (c) the passing by the Independent Shareholders at the EGM by way of poll of an ordinary resolution to approve the Whitewash Waiver by no later than the Posting Date;
- (d) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (e) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance by no later than the Posting Date;
- (f) the posting of the Rights Issue Documents to Qualifying Shareholders on the Posting Date; and
- (g) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

If the above conditions are not satisfied by the date specified in the relevant condition or by 4:00 p.m. on Tuesday, 26 May 2009, or such later date or dates as WS may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise, and the Rights Issue will not proceed.

Neither the Company nor WS may waive the conditions (a) to (f) above. WS may waive the condition (g) above in whole or in part by written notice to the Company.

UNDERWRITING AGREEMENT

The Rights Shares will be fully underwritten by WS in accordance with the terms of the Underwriting Agreement as described below.

Underwriting Agreement

Date: 1 April 2009

Underwriter: Wide Source Group Ltd., a company incorporated in the BVI with limited liability and is ultimately and beneficially owned as to 100% by Mr. Luk Yat Hung, the Chairman and an executive Director. As at the date of this announcement, WS is interested in 21,542,476 Shares, representing approximately 19.7% of the issued share capital of the Company

Number of Underwritten Shares: 175,295,048 Rights Shares (being the difference between the total number of Rights Shares and the provisional entitlement of Rights Shares of WS under the Rights Issue)

Commission: WS will receive a commission in respect of its underwriting of the Rights Issue at 2% of the total subscription price of the Underwritten Shares.

The executive Directors are of the opinion that the terms of the Underwriting Agreement and the amount of commission given to WS are normal and commercial and are fair as compared to the market practice and commercially reasonable as agreed between the parties of the Underwriting Agreement.

WS does not underwrite issue of securities in its normal course of business. The Underwriting Agreement constitutes a connected transaction of the Company under the GEM Listing Rules, but is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.31(3)(c) of the GEM Listing Rules.

Termination of the Underwriting Agreement

WS may terminate the Underwriting Agreement by notice in writing to the Company, served prior to 4:00 p.m. on the third business day after the Latest Time for Acceptance or such other time as may be agreed between WS and the Company if:

- (i) in the reasonable opinion of WS, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of WS materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of WS materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- (ii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of WS makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) the Circular or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the reasonable opinion of WS is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue.

If WS exercises such rights, the Rights Issue will not proceed.

SHAREHOLDING STRUCTURE

The table below depicts the possible shareholding structure of the Company as at the date of this announcement and the possible changes upon completion of the Rights Issue:

	As at the date of this announcement		Immediately upon completion of the Rights Issue on the assumption as set out in Note 2		Immediately upon completion of the Rights Issue on the assumption as set out in Note 3	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
WS and its concert parties <i>(Note 1)</i>	21,542,476	19.7	64,627,428	19.7	239,922,476	73.2
Resuccess Investments Limited <i>(Note 5)</i>	15,890,000	14.6	47,670,000	14.6	15,890,000 <i>(Note 4)</i>	4.9
Other public Shareholders	<u>71,757,524</u>	<u>65.7</u>	<u>215,272,572</u>	<u>65.7</u>	<u>71,757,524</u>	<u>21.9</u>
Total	<u>109,190,000</u>	<u>100.0</u>	<u>327,570,000</u>	<u>100.0</u>	<u>327,570,000</u>	<u>100.0</u>

Notes:

- WS is a company incorporated in the BVI with limited liability and is ultimately and beneficially owned as to 100% by Mr. Luk Yat Hung, a Chairman and an executive Director.
- Assuming all Shareholders take up their respective provisional allotments of the Rights Issue in full.

3. Assuming (i) none of the Shareholders (other than WS who takes up the 43,084,952 Rights Shares provisionally allotted to it) takes up any provisional allotments of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all Shareholders (save for the provisional allotments of 43,084,952 Rights Shares to WS) are taken up by WS pursuant to the Underwriting Agreement.
4. Resuccess Investments Limited will be counted as a public Shareholder on the assumption as set out in Note 3.
5. Resuccess Investments Limited is wholly owned by Tongfang Co. Limited, which is a domestic company incorporated under the laws of the PRC and the shares of which are listed on the Shanghai Stock Exchange.

WS has undertaken to the Company that in the event that it is called upon to perform its underwriting obligations under the Underwriting Agreement and as a result of which, the Company is unable to maintain the prescribed minimum public float as required under the GEM Listing Rules, WS will, after making prior consultation with the Company, take necessary action to restore the prescribed minimum public float of the Company as soon as practicable.

APPLICATION FOR WHITEWASH WAIVER

In the event that WS is called upon to subscribe for the Underwritten Shares in full pursuant to its obligations under the Underwriting Agreement, the interest of WS and parties acting in concert with it in the voting rights of the Company would increase from approximately 19.7% to approximately 73.2% immediately upon completion of the Rights Issue. Accordingly, the underwriting by WS of the Rights Issue will trigger an obligation for WS and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by WS or parties acting in concert with it.

WS and parties acting in concert with it have not acquired any voting rights of the Company and have not dealt in any securities of the Company in the six months prior to the date of this announcement.

WS and parties acting in concert with it will make an application for the Whitewash Waiver to the Executive pursuant to Note 1 to the Notes on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders taken by poll at the EGM. WS and its associates and parties acting in concert with any of them (including Mr. Luk Yat Hung) will abstain from voting at the EGM on the proposed resolution approving the Whitewash Waiver. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted by the Executive or if granted, is not approved by the Independent Shareholders, the Rights Issue will not proceed.

GEM LISTING RULES IMPLICATIONS

The Rights Issue is subject to, inter alia, the approval by the Independent Shareholders. Pursuant to Rule 10.29A(2) of the GEM Listing Rules, the Rights Issue is conditional on, among other things, the approval by the Shareholders at the EGM at which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. As at the date of this announcement, there is no controlling Shareholder and chief executive in the Company. Therefore, WS, Mr. Luk Yat Hung and Ms Li Wenli and their respective associates shall abstain from voting in favour of the resolution in relation to the Rights Issue at the EGM. As at the date of this announcement, Ms. Li Wenli does not have any shareholding interest in the Company.

EXPECTED TIMETABLE

Despatch of the Circular to the Shareholders	Thursday, 23 April 2009
Effective date of the change in board lot size from 5,000 Shares to 20,000 Shares	Thursday, 30 April 2009
Designated broker starts to stand in the market to provide matching services for odd lots	Thursday, 30 April 2009
Last day of dealings in the Shares on a cum-rights basis	Monday, 4 May 2009
Commencement of dealings in the Shares on an ex-rights basis	Tuesday, 5 May 2009
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 6 May 2009
Register of members closes	From Thursday, 7 May 2009 to Monday, 11 May 2009
EGM	Monday, 11 May 2009
Record Date	Monday, 11 May 2009
Announcement of the results of the EGM	Monday, 11 May 2009
Register of members re-opens	Tuesday, 12 May 2009
Despatch of the Rights Issue Documents	Tuesday, 12 May 2009
First day of dealing in nil-paid Rights Shares	Thursday, 14 May 2009
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Monday, 18 May 2009
Last day of dealings in nil-paid Rights Shares	Thursday, 21 May 2009
Designated broker cease to stand in the market to provide matching services for odd lots	Thursday, 21 May 2009
Latest Time for Acceptance	4:00 p.m. on Tuesday, 26 May 2009
Underwriting Agreement becomes unconditional	4:00 p.m. on Monday, 1 June 2009
Announcement of results of the Rights Issue	Wednesday, 3 June 2009
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares to be posted on or before	Friday, 5 June 2009
Certificates for the Rights Shares expected to be despatched on or before	Friday, 5 June 2009
Dealings in fully-paid Rights Shares expected to commence	Tuesday, 9 June 2009

All dates and times set out in the timetable above refer to Hong Kong time.

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and WS. Any consequential changes to the expected timetable will be announced by the Company.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Existing Shares will be dealt with on an ex-rights basis from Tuesday, 5 May 2009. The Rights Shares will be dealt with in their nil-paid form from Thursday, 14 May 2009 to Thursday, 21 May 2009 (both dates inclusive). If prior to 4:00 p.m. Monday, 1 June (or such later date as WS may agree with the Company), WS terminates the Underwriting Agreement (see the sub-section headed “Termination of the Underwriting Agreement” in the section headed “Underwriting Agreement” above) or the conditions of the Rights Issue (see the sub-section headed “Conditions of the Rights Issue” in the section headed “Terms of the Rights Issue” above) cannot be fulfilled or waived in whole or in part by WS, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Thursday, 14 May 2009 to Thursday, 21 May 2009, both days inclusive, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult with their own professional advisers if they are in any doubt.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the subsidiaries of which are principally engaged in the provision of systems development including maintenance and installation as well as consulting service and provision of professional services including information technology engineering and technical support services.

During the past few months, the Group has secured new contracts in relation to the provision of systems developments, installation and consulting services, which is expected to have positive contribution to the Group. Leveraging on its established network and professional expertise, the Group is optimistic about the growth and prospects of such business and intends to focus in and further expand the business by putting more resources in the near future.

The new capital raised by the Rights Issue will facilitate the development of the Group’s business of provision of systems developments, installation and consulting service and provide flexibility for future development of the Group. The estimated net proceeds from the Rights Issue is approximately HK\$20.0 million, which is intended to be used for the expansion and development of its business of provision of systems developments, installation and consulting service and additional general working capital of the Group.

In view of the general tightening of credit in the banking and finance industry, it is difficult for the Group to obtain bank financing under the current market sentiment. In addition, given that the net proceeds from the Rights Issue would enhance the Company’s capital base and would not incur any interest expenses burden to the Group as compared to debt financing, the Directors (excluding the independent non-executive Directors whose view will be formed after taking into account the advice of the independent financial adviser) consider that the Rights Issue is the preferred source of funding for the Group and the Directors believe that to raise fund by way of the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not effected any equity fund raising exercises in the 12 months immediately preceding the date of this announcement.

GENERAL

The Rights Issue and the Whitewash Waiver are subject to the approval by the Independent Shareholders at the EGM in accordance with the requirements of the GEM Listing Rules and the Takeovers Code respectively. WS and its associates and parties acting in concert with it will abstain from voting on the proposed resolutions approving the Rights Issue and the Whitewash Waiver at the EGM. In addition, in compliance with Rule 10.29A(2) of the GEM Listing Rules, the executive Directors and their respective associates will also abstain from voting in favour of the resolution in relation to the Rights Issue and the Whitewash Waiver at the EGM.

An independent board committee of the Company comprising all independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Rights Issue and the Whitewash Waiver. Vinco Capital has been appointed as the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Rights Issue and the Whitewash Waiver. The appointment of Vinco Capital has been approved by the independent board committee of the Company.

The Circular containing, among other things, further details of the Rights Issue and the Whitewash Waiver, a letter of recommendations from the independent board committee of the Company to the Independent Shareholders, a letter of advice from Vinco Capital to the independent board committee of the Company and the Independent Shareholders in relation to the Rights Issue and the Whitewash Waiver and a notice of the EGM, will be despatched by the Company to the Shareholders within 21 days of the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 2 April 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 3 April 2009.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Takeover Code
“associates”	has the same meaning as ascribed to it under the GEM Listing Rules
“Board”	board of Directors
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Circular”	the circular to be despatched to the Shareholders by the Company relating to, among other things, the Rights Issue and the Whitewash Waiver
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, among other things, the Rights Issue and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of Securities and Futures Commission of Hong Kong, or any delegate of the Executive Director
“Excluded Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. The Excluded Shareholders (if any) will be entitled to vote at the EGM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSL”	Hui Kai Securities Limited, a corporation licensed under the SFO to carry out type 1 regulated activity (dealing in securities)
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders (other than WS and its associates and parties acting in concert with any of them (including Mr. Luk Yat Hung), the executive Directors and their respective associates and those who are involved in, or interested in, the Underwriting Agreement)
“Last Trading Day”	1 April 2009, being the last full trading day of the Shares on the GEM prior to the release of this announcement
“Latest Acceptance Date”	26 May 2009 or such other day as may be agreed between the Company and WS, being the latest day for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares

“Latest Time for Acceptance”	4:00 p.m. on 26 May 2009 or such other time as may be agreed between the Company and WS, being the latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares
“PRC”	the People’s Republic of China
“Posting Date”	12 May 2009 or such other date as WS may agree in writing with the Company, being the date of posting of the Rights Issue Documents by the Company to the Qualifying Shareholders
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than those Excluded Shareholders
“Record Date”	11 May 2009, the record date to determine entitlements to the Rights Issue
“Rights Issue”	the issue of 218,380,000 Rights Shares at the Subscription Price on the basis of two Rights Shares for every existing Share held on the Record Date payable in full on acceptance
“Rights Issue Documents”	the Prospectus, the provisional allotment letters and the forms of application for excess Rights Shares
“Rights Share(s)”	new Share(s) to be allotted and issued in respect of the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share
“Takeovers Code”	the Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement entered into between the Company and WS dated 1 April 2009 in relation to the Rights Issue
“Underwritten Shares”	all the Rights Shares, other than WS’s entitlement of 43,084,952 Rights Shares provisionally allotted to it under the Rights Issue
“Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities

“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on the dispensations from Rule 26 of the Takeovers Code in respect of the obligation of WS and parties acting in concert with it to make a mandatory general offer for all the issued shares in the capital of the Company not already owned and/or agreed to be acquired on the date of grant of the waiver by WS and parties acting in concert with it which would otherwise arise as a result of the performance by WS of its underwriting obligation of the Rights Shares under the terms of the Underwriting Agreement
“WS”	Wide Source Group Ltd., a company incorporated in the BVI with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Tai Shing International (Holdings) Limited
Li Wenli
Executive Director

Hong Kong, 2 April 2009

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 will remain on the “Latest Company Announcement” page of the GEM website for at least 7 days from its date of publication.

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 (other than information relating to WS) 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 (other than information relating to WS) misleading; and (3) all opinions (other than information relating to WS) 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 (other than information relating to WS) and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by WS) 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 (other than those relating to WS) in this announcement misleading.

The sole director of WS accepts full responsibility for the accuracy of the information relating to WS contained in this announcement and confirm having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement by WS 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 relating to WS in this announcement misleading.