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# **TAI SHING**

## **Tai Shing International (Holdings) Limited**

**泰盛國際(控股)有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8103)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

#### **Placing Agent**



#### **THE PLACING**

On 3 December 2007, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company agreed to place, through the Placing Agent, an aggregate of 18,195,000 Placing Shares, on a best endeavour basis, to not less than six Placees who and whose ultimate beneficial owners are to be third parties independent of the Company and not connected persons (as defined in the GEM Listing Rules) of the Company at a price of HK\$0.562 per Placing Share.

The Placing Price of HK\$0.562 represents (i) a discount of approximately 19.71% to the closing price of HK\$0.700 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 14.85% to the average closing price per Share of approximately HK\$0.660 as quoted on the Stock Exchange for the last five consecutive trading days of the Shares up to and including the Last Trading Day.

The 18,195,000 Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company of 90,995,000 Shares as at the date of this announcement and (ii) approximately 16.67% of the issued share capital of the Company of 109,190,000 Shares as enlarged by the Placing.

The Placing is conditional upon the conditions as disclosed in the paragraph headed “Conditions of the Placing” under the section headed “The Placing Agreement” in this announcement.

The gross proceeds from the Placing will be approximately HK\$10.23 million. The net proceeds of approximately HK\$9.47 million from the Placing is intended to be used as general working capital of the Group.

### **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on GEM was suspended from 9:48 a.m. on 3 December 2007 at the request of the Company pending release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 4 December 2007.

## **THE PLACING AGREEMENT**

### **Date**

3 December 2007

### **Issuer**

Company

### **Placing Agent**

The Placing Agent has conditionally agreed to place in aggregate 18,195,000 Placing Shares on a best endeavour basis and will receive a placing commission of 2.5% on the gross proceeds of the Placing, which was arrived at after arm’s length negotiations between the Company and the Placing Agent with reference to the market rate. The Directors are of the view that the placing commission is fair and reasonable. The Placing Agent and its ultimate beneficial owners are third parties independent of the Company and not connected persons (as defined in the GEM Listing Rules) of the Company.

## **Placees**

The Placing Agent agreed to place the Placing Shares on a best endeavour basis to not less than six Placees who and whose ultimate beneficial owners are to be third parties independent of the Company and not connected persons (as defined in the GEM Listing Rules) of the Company. Immediately after completion of the Placing, none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules).

## **Placing Price**

The Placing Price of HK\$0.562 represents (i) a discount of approximately 19.71% to the closing price of HK\$0.700 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 14.85% to the average closing price per Share of approximately HK\$0.660 as quoted on the Stock Exchange for the last five consecutive trading days of the Shares up to and including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent and has been determined with reference to the prevailing market price of the Share. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price raised per Placing Share upon completion of the Placing will be approximately HK\$0.521 per Placing Share.

## **The Placing Shares**

The 18,195,000 Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company of 90,995,000 Shares as at the date of this announcement and (ii) approximately 16.67% of the issued share capital of the Company of 109,190,000 Shares as enlarged by the Placing.

## **Ranking of Placing Shares**

The Placing Shares rank *pari passu* among themselves and with Shares in issue as at the date of this announcement.

## **General Mandate**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the issued share capital of the Company as at the date of passing the resolution at the AGM (i.e. 90,995,000 Shares). Up to the date of this announcement, no shares were issued under the General Mandate.

## **Conditions of the Placing**

The Placing is conditional upon:

- (i) the GEM Listing Committee agreeing to grant a listing of, and permission to deal in, the Placing Shares; and
- (ii) there being no occurrence of any force majeure events or any material breach of any Company's warranties set out in the Placing Agreement prior to 12:00 noon on or before the completion date which in the reasonable opinion of the Placing Agent would or might adversely affect the success of the Placing. Force majeure events include any change in national, local, financial, political, industrial, economic, or market conditions if in the reasonable opinion of the Placing Agent any such change would materially prejudicially affect the Placing.

In the event of the above conditions are not fulfilled or waived by the Company by 17 December 2007 (or such later date as may be agreed between the Company and the Placing Agent), all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing save for any antecedent breaches.

## **Completion of the Placing**

Completion of the Placing will take place on the third business day following the fulfillment of all the conditions of the Placing Agreement (with or without any waiver thereof, as the case may be) but not later than 17 December 2007 or such later date as may be agreed between the Company and the Placing Agent.

Further announcement will be made by the Company regarding the results of the Placing.

## REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Placing represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the Placing (including the Placing Price) is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Placing will be approximately HK\$10.23 million. The net proceeds of approximately HK\$9.47 million from the Placing is intended to be used for general working capital of the Group.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has no fund raising activity in the past 12 months immediately before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	%	No. of Shares	%
<b>Shareholders</b>				
Wise Source Group Ltd. and its associates ( <i>note 1</i> )	21,542,476	23.67	21,542,476	19.73
Resuccess Investments Ltd. and its associates ( <i>note 2</i> )	15,890,000	17.46	15,890,000	14.55
Mr. Ho Cho Hang ( <i>note 3</i> )	1,100,000	1.21	1,100,000	1.01
Public				
— Ms. Li Luyuan ( <i>note 4</i> )	7,190,000	7.90	7,190,000	6.58
— Public Shareholders	45,272,524	49.76	45,272,524	41.46
— Places	—	—	<u>18,195,000</u>	<u>16.67</u>
Total	<u>90,995,000</u>	<u>100.00</u>	<u>109,190,000</u>	<u>100.00</u>

*Notes:*

- (1) Wise Source Group Ltd. is ultimately and beneficially owned as to 100% by Mr. Luk Yat Hung, the Chairman and a non-executive Director.

- (2) Resuccess Investments Ltd. is 100% owned by Tongfang Co. Ltd. which, in turn is owned as to 33.06% by Tsinghua Holdings Co., Ltd.
- (3) Mr. Ho Cho Hang is an executive Director.
- (4) An Independent Third Party.

## **INFORMATION ON THE GROUP**

The principal activities of the Group are the provision of system development, sales of software and hardware products and provision of professional services.

## **APPLICATION FOR LISTING**

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Placing Shares.

**As the Placing is conditional, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

Trading in the Shares on GEM was suspended from 9:48 a.m. on 3 December 2007 at the request of the Company pending release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 4 December 2007.

## **DEFINITION**

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“AGM”	the annual general meeting of the Company held on 25 July 2007
“Board”	the board of Directors
“Company”	Tai Shing International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM, among other things, to allot, issue and deal up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person who is independent of and not connected with the Company and its connected persons or their respective associates (as “associates” is defined in the GEM Listing Rules)
“Last Trading Day”	30 November 2007, being the last trading day before the suspension of trading of the Shares on the Stock Exchange on 3 December 2007
“Placing”	the placing of 18,195,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Polaris Capital (Asia) Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 3 December 2007 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.562 per Placing Share
“Placing Share(s)”	an aggregate of 18,195,000 Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.05 in the share capital of the Company
“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 of  
**Tai Shing International (Holdings) Limited**  
**Ho Cho Hang**  
*Executive Director*

Hong Kong, 3 December 2007

*Executive Directors:*

Mr. Ho Cho Hang  
Ms. Li Wenli

*Non-Executive Director:*

Mr. Luk Yat Hung (*Chairman*)

*Independent Non-Executive Directors:*

Mr. Chung Shui Ming, Timpson  
Professor Ip Ho Shing, Horace  
Mr. Yan Yonghong  
Mr. Peng Lijun

*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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website and the Company’s website at [www.taishingintl.com](http://www.taishingintl.com) for at least seven days from the day of its posting.*

\* *for identification purpose only*