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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)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN  
ABSOLUTE GREAT TECHNOLOGY LIMITED  
AND  
SYSTEK RESEARCH LIMITED**

On 24 January 2006, Productive Finance (a wholly owned subsidiary of the Company) and the Purchaser entered into the Absolute Disposal Agreement and Systek Disposal Agreement pursuant to which Productive Finance has agreed to dispose of and the Purchaser has agreed to purchase Productive Finance's entire equity interests in Absolute Great and Systek Research, for a total cash consideration of HK\$160,000. The consideration was arrived at after arm's length negotiation between Productive Finance and the Purchaser.

A circular containing, among other things, details of the Absolute Disposal Agreement and Systek Disposal Agreement will be dispatched to the Shareholders within 21 days after publication of this announcement pursuant to the GEM Listing Rules.

**THE ABSOLUTE DISPOSAL AGREEMENT AND SYSTEK DISPOSAL AGREEMENT  
DATED 24 JANUARY 2006**

**Parties to the Absolute Disposal Agreement and Systek Disposal Agreement**

Vendor: Productive Finance, which is a wholly owned subsidiary of the Company and an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, Productive Finance owns the entire equity interests in Absolute Great and Systek Research.

Purchaser: Mr. Peter Jin, to the best of the Directors' knowledge, is an independent third party who is independent of and not connected with any member of the Group, the Directors, the chief executives, the substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined under the GEM Listing Rules), and is not a connected person of the Company. Mr. Jin operates a business in Shanghai, which is principally engaged in the trading of, inter alia, computer hardware, software and electronic goods.

### Assets to be disposed

The assets to be disposed of are Productive Finance's entire equity interests in Absolute Great and Systek Research. Upon completion of the Absolute Disposal Agreement and Systek Disposal Agreement, each of Absolute Great and Systek Research will cease to be a subsidiary of the Company.

Absolute Great was established in the British Virgin Islands with limited liability. Through its subsidiaries, Absolute Great is principally engaged in the development and trading of software products and provision of training services.

Systek Research was established in the British Virgin Islands with limited liability and is principally engaged in the development and trading of software products through its sole subsidiary.

The following table shows the unaudited consolidated financial information of Absolute Great and Systek Research for the two years ended 31 March 2005 and the nine months ended 31 December 2005:

	Absolute Great			Systek Research		
	For the nine months ended 31 December 2005	For the year ended 31 March 2005	For the year ended 31 March 2004	For the nine months ended 31 December 2005	For the year ended 31 March 2005	For the year ended 31 March 2004
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	435	1,629	2,717	3,255	4,263	5,838
(Loss)/Profit before taxation	17	(28)	(1,239)	24	(217)	1,670
(Loss)/Profit after taxation	17	(28)	(1,352)	(159)	(217)	1,455

In addition, Absolute Great and Systek Research had an unaudited consolidated net assets value of approximately HK\$0.13 million and approximately HK\$0.02 million respectively as at 31 December 2005.

## Financial information of the Group

The following table shows the audited consolidated financial information of the Group for the two years ended 31 March 2005 and the unaudited consolidated financial information of the Group for the six months ended 30 September 2005:

	<b>For the six months ended 30 September 2005</b> <i>(Unaudited)</i> <i>HK\$'000</i>	<b>For the year ended 31 March 2005</b> <i>(Audited)</i> <i>HK\$'000</i>	<b>For the year ended 31 March 2004</b> <i>(Audited)</i> <i>HK\$'000</i>
Turnover	30,218	30,538	18,150
Profit/(Loss) before taxation and minority interests	2,868	153	(6,605)
Profit/(Loss) after taxation and minority interests	1,843	(1,999)	(6,932)
	<b>As at 30 September 2005</b> <i>(Unaudited)</i> <i>HK\$'000</i>	<b>As at 31 March 2005</b> <i>(Audited)</i> <i>HK\$'000</i>	<b>As at 31 March 2004</b> <i>(Audited)</i> <i>HK\$'000</i>
Net assets value	12,193	10,090	1,010

## Consideration

The total consideration for the disposal of Absolute Great and Systek Research is HK\$160,000, which will be satisfied by the Purchaser by cash at the completion of the Absolute Disposal Agreement and the Systek Disposal Agreement. The consideration was arrived at after arm's length negotiation between Productive Finance and the Purchaser and on normal commercial terms with reference to the unaudited consolidated net assets value of Absolute Great and Systek Research and the unsatisfactory financial performance of these companies as stated in the paragraph headed "Assets to be disposed" above. The total consideration for the Disposal represents a premium of approximately 4% over the total unaudited consolidated net assets value of Absolute Great and Systek Research as at 31 December 2005.

Based on the aforesaid, the Directors consider the consideration for the Disposal is fair and reasonable and in the interests of the Shareholders as a whole.

## **Completion**

Each of Absolute Disposal Agreement and Systek Disposal Agreement is not subject to any conditions. The entire consideration of the Disposal will be paid by the Purchaser in cash at completion of the Absolute Disposal Agreement and the Systek Disposal Agreement on the completion date. If the Purchaser fails to pay the consideration at completion as such on the completion date as aforesaid, Productive Finance may (i) rescind the Absolute Disposal Agreement and the Systek Disposal Agreement and institute proceedings to claim damages against the Purchaser or (ii) apply for an order for specific performance with Hong Kong court and, if granted such order by the Hong Kong court, seek to enforce such order against the Purchaser, and, in the meantime, reserve or exert the right to claim further damages against the Purchaser. The Disposal is expected to be completed on the next business day after the publication of this announcement, which is 26 January 2006.

## **REASONS FOR THE DISPOSAL**

The Company is an investment holding company and the subsidiaries of which are principally engaged in the provision of systems development, software and hardware products, professional services and training.

With a view to concentrating its resource in the development of the business of 北京同方電子科技有限公司 (Beijing Tongfang Electronic Science & Technology Company Limited) (“Beijing Tongfang”), which is principally engaged in research, development and provision of integrated management information systems for power plants and for banks in the PRC, and taking into account that the financial performance of each of Absolute Great and Systek Research is not satisfactory in terms of Shareholders’ interests and value as a whole, the Directors consider the Disposal represents an opportunity for the Company to streamline its operation and strengthen the financial position of the Group.

Upon completion of the Disposal, the principal operating subsidiary of the Group will be Beijing Tongfang. The accounts of Beijing Tongfang have been consolidated into the results of the Group since December 2004. Subsequently, in September 2005 and January 2006, the Group further acquired 25% and 35% equity interests in Beijing Tongfang respectively and Beijing Tongfang became an indirect wholly owned subsidiary of the Company. Please refer to the circular of the Company dated 26 August 2005 for the details of the above two acquisitions. According to the 2005 interim report of the Company, the Group recorded a turnover of approximately HK\$30 million and profit attributable to Shareholders of approximately HK\$1.8 million for the six months ended 30 September 2005, which according to the Directors, contributions from Absolute Great and Systek Research were insignificant. Based on the above, the Directors believe that the Group has a sufficient level of operations upon completion of the Disposal in view of the business operation of Beijing Tongfang.

The total consideration for the Disposal is HK\$160,000. After deducting related expenses of approximately HK\$30,000, approximately HK\$130,000 will be available for the Group. It is intended that all of the net proceeds will be used as the general working capital for the

Group. An estimated gain of approximately HK\$7,000 is expected from the Disposal, which is the difference between the consideration of HK\$160,000 and the total unaudited consolidated net assets value of Absolute Great and Systek Research of approximately HK\$153,000 as at 31 December 2005.

Based on the aforesaid, the Board (including the independent non-executive Directors) considers that the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole.

## **GENERAL**

The Disposal constitutes a discloseable transaction for the Company pursuant to Rule 19.06(2) of the GEM Listing Rules. A circular containing, among other things, details of the Absolute Disposal Agreement and Systek Disposal Agreement will be dispatched to the Shareholders within 21 days after publication of this announcement pursuant to the GEM Listing Rules.

## **DEFINITIONS**

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

“Absolute Disposal Agreement”	the agreement dated 24 January 2006 entered into between Productive Finance and the Purchaser in relation to the disposal of Absolute Great by Productive Finance to the Purchaser
“Absolute Great”	Absolute Great Technology Limited, an indirect wholly owned subsidiary of the Company which is incorporated in the British Virgin Islands
“Board”	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 GEM
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the entire equity interests in Absolute Great and Systek Research by Productive Finance to the Purchaser pursuant to the Absolute Disposal Agreement and Systek Disposal Agreement
“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

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	People’s Republic of China
‘Productive Finance’	Productive Finance Limited, a wholly owned subsidiary of the Company which is incorporated in the British Virgin Islands
“Purchaser”	Mr. Peter Jin
“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
“Systek Disposal Agreement”	the agreement dated 24 January 2006 entered into between Productive Finance and the Purchaser in relation to the disposal of Systek Reserach by Productive Finance to the Purchaser
“Systek Research”	Systek Research Limited, an indirect wholly owned subsidiary of the Company which is incorporated in the British Virgin Islands

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

Hong Kong, 25 January 2006

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

*Executive Directors:*

Mr. Luk Yat Hung (*Chairman*)

Mr. Ho Cho Hang

Ms. Li Wenli

*Independent Non-executive Directors:*

Mr. Chung Shui Ming, Timpson

Professor Ip Ho Shing, Horace

Mr. Yan Yonghong

Mr. Peng Lijun

*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: (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.*

*\*For identification purpose only*