

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

On 24 February 2005, the Company entered into the Placing Agreement with the Placing Agent in relation to the appointment of the Placing Agent for the placing of 9,490,000 new Shares at the placing price of HK\$0.21 per Share on a best effort basis to not less than six Placees. All of the Placees and their respective ultimate beneficial owners will be independent third parties not connected and not acting in concert (as defined in the Takeovers Code) with the Company and any of the Directors, chief executive, substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective Associates, and are not connected persons of the Company.

The Placing Shares will be issued under the authority of an existing general mandate granted to the Directors at the annual general meeting of the Company held on 22 July 2004.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the total gross proceeds from the Placing amount to approximately HK\$2.0 million. After deducting related expenses of approximately HK\$0.2 million, approximately HK\$1.8 million will be available for the Group. The net placing price per Placing Share is approximately HK\$0.19 per Share. The Company intends to apply the net proceeds from the Placing for additional general working capital of the Company for its daily operation and possible future expansion.

The Placing Shares represent approximately 14.5% of the existing issued share capital of the Company and approximately 12.6% of the issued share capital of the Company as enlarged by the issue of the Placing Shares, assuming all the Placing Shares are successfully placed by the Placing Agent and there will be no change in the issued share capital of the Company.

On 24 February 2005, the Company entered into, with the Placing Agent, the Placing Agreement in relation to the placing of 9,490,000 new Shares, the aggregate nominal value of which shall amount to HK\$474,500, on a best effort basis.

* *for identification purpose only*

PLACING AGENT

The Placing Agent is an independent third party not connected with the Company and any of the Directors, chief executive, substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective Associates, and is not a connected person of the Company. The Placing Agent will receive a placing commission of 2.5% on the gross proceeds from the Placing.

THE PLACING AGREEMENT DATED 24 FEBRUARY 2005

Placees

The Placing Shares will be placed to not less than six Placees, who are individual, corporate and/or institutional investors. All the Placees and their respective ultimate beneficial owners will be independent of, not connected and not acting in concert (as defined in the Takeovers Code) with the Company and any of the Directors, chief executive, substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective Associates, and are not connected persons of the Company.

Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agrees to place a total of 9,490,000 new Shares, the aggregate nominal value of which shall amount to HK\$474,500, on a best effort basis, representing approximately 14.5% of the existing issued share capital of the Company. Assuming all the Placing Shares are successfully placed by the Placing Agent and there will be no change in the issued share capital of the Company, the Placing Shares will represent approximately 12.6% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The Company will make a further announcement in the event that the number of Placing Shares finally placed is less than 9,490,000.

The Placing Shares will be issued under the authority of an existing general mandate, which has not been utilized since it was granted to the Directors at the annual general meeting of the Company held on 22 July 2004. As at the date of this announcement, the maximum number of new Shares which can be issued under the general mandate is 9,491,000 Shares.

Placing price

The placing price of HK\$0.21 per Placing Share, which was fixed on 24 February 2005, is arrived at after arm's length negotiation and represents:

- a discount of approximately 12.5% to the price of HK\$0.24 per Share as quoted on the Stock Exchange on 24 February 2005, the date on which the terms of the Placing were fixed;
- a discount of approximately 15.3% to the average closing price of HK\$0.248 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 24 February 2005; and

- a premium of approximately 50% over the unaudited net asset value per Share of approximately HK\$0.14 as at 30 September 2004.

Based on the above analysis, the Directors consider the placing price of HK\$0.21 per Placing Share is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of 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 5:00 p.m. on the date of completion 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.

If any of the condition has not been fulfilled by 15 March 2005 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties thereunder 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

Completion of the Placing is to take place on the third business day following the fulfillment of all the conditions stated in the paragraph headed "Conditions of the Placing" above.

Listing and ranking of Placing Shares

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares to be issued under the Placing Agreement. The Placing Shares, when fully paid, will rank pari passu in all respects inter se and with all other Shares in issue as at the date of issue of the Placing Shares.

SHAREHOLDING STRUCTURE

Set out below is a table showing (i) the existing shareholding structure of the Company; and (ii) the Company's shareholding structure immediately upon completion of the Placing, assuming that all the 9,490,000 Placing Shares are successfully placed by the Placing Agent and there will be no other change in the existing issued share capital of the Company:

	As at the date of this announcement		Immediately upon completion of Placing	
	Shares	%	Shares	%
Wide Source Group Ltd. ^{1&2}	21,542,476	32.8	21,542,476	28.7
Li Luyuan	18,160,000	27.7	18,160,000	24.2
Suez Asia Holdings Pte. Ltd. ³	3,412,000	5.2	3,412,000	4.5
Placees	—	—	9,490,000	12.6
Other public shareholders	<u>22,500,524</u>	<u>34.3</u>	<u>22,500,524</u>	<u>30.0</u>
	<u>65,615,000</u>	<u>100</u>	<u>75,105,000</u>	<u>100</u>

Note 1: Shares held by Wide Source Group Ltd. ("Wide Source") represent the corporate interest of Mr. Luk Yat Hung in the Company, who is a Director. Assuming i) all the 9,490,000 Placing Shares are successfully placed by the Placing Agent; ii) there will be no change in the shareholding interest of Wide Source and existing issued share capital of the Company, Wide Source will cease to be the controlling shareholder of the Company upon completion of the Placing.

Note 2: Mr. Ma Bing will be taken to be interested in 21,542,476 Shares as a result of him being beneficially interested in 50% of the issued share capital of Wide Source.

Note 3: Suez Asia Holdings Pte. Ltd. is a private equity investor in Asia holding the said number of Shares in trust.

REASONS FOR THE PLACING 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, software and hardware products, professional services and training.

The Company reported a loss of approximately HK\$0.7 million for the nine months ended 31 December 2004, which was improved by approximately 3% as compared with the same period in last financial year. As disclosed in the third quarterly report of the Company dated 28 January 2005, the Board will continue to improve the financial performance of the Group by simplifying the organization structure, tightly controlling the expenses, executing strategic acquisitions and disposing of unprofitable businesses. The Board considers the Placing as a valuable opportunity for the Group to raise funds for future development while broadening the capital base of the Company.

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the Company will receive gross proceeds upon completion of the Placing of approximately HK\$2.0 million. After deducting related expenses of approximately HK\$0.2 million,

approximately HK\$1.8 million will be available for the Group. The net placing price per Placing Share is approximately HK\$0.19 per Share. It is the intention of the Company to use the net proceeds from the Placing as additional working capital of the Company for its daily operation and possible future expansion.

GENERAL

The following sets out the capital raising activity of the Company for the 12 months immediately before the date of this announcement:

Date	Event¹	Placing Price¹	Net proceeds¹	Intended and actual use of net proceeds
16 March 2004	Placing of 6,000,000 new Shares	HK\$0.48	Approximately HK\$ 2.5 million	The entire net proceeds is used as the general working capital of the Company for its daily operation

Note:

1. Information was extracted from the announcement of the Company dated 13 February 2004

DEFINITIONS

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

“Associates”	has the meaning ascribed thereto under the GEM Listing Rules
“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
“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 People’s Republic of China

“Placing”	the placing of the Placing Shares, on a best effort basis, by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Tai Fook Securities Company Limited, a licensed corporation to carry on regulated activities 1, 3 and 4 for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 24 February 2005 entered into between the Company and the Placing Agent in relation to the Placing, subject to the terms and conditions contained therein
“Placing Shares”	a total of 9,490,000 new Shares, the aggregate nominal value of which shall amount to HK\$474,500
“Placee(s)”	any independent individual, institutional or other professional investor(s) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“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
“Takeovers Code”	Code on Takeovers and Mergers

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

Hong Kong, 24 February 2005

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:

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.