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TAI SHING

Tai Shing International (Holdings) Limited

泰盛國際（控股）有限公司*

(formerly known as Systek Information Technology (Holdings) Limited 訊泰科技（控股）有限公司*)
(incorporated in the Cayman Islands with limited liability)

MAJOR TRANSACTION

PROPOSED PLACING OF NEW SHARES

The Board announces that on 13 February 2004, the Company has entered into the Placing Agreement, whereby it has conditionally agreed to place 6,000,000 new Shares to independent investors through the services of the Placing Agent at the Placing Price.

The Placing Shares represent about 14.47% of the existing issued share capital of the Company and 12.64% of the issued share capital of the Company as enlarged by the Placing. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 22 October 2003.

The Placing Price of HK\$0.48 per Share represents a discount of 20% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 13 February 2004, being the date of the Placing Agreement and a discount of 20% to the average closing price of HK\$0.60 per Share as quoted on the Stock Exchange for the last ten consecutive trading days for Shares up to and including 13 February 2004.

The Board considers that the Placing will strengthen the financial position of the Group. The net proceeds from the Placing are estimated to be about HK\$2.5 million and will be applied for the future expansion, business development and/or general working capital of the Group.

* *for identification purpose only*

IMPLICATION OF THE GEM LISTING RULES

The Placing constitutes a major transaction under the GEM Listing Rules. Application for a waiver from the requirement of convening a meeting of the Shareholders to consider and approve the Placing pursuant to Rule 19.39 of the GEM Listing Rules has been submitted to the GEM Listing Committee on the basis that the interest of Wide Source, being the single largest shareholder of the Company, in the Placing is the same as all the other Shareholders of the Company and the interest in the Shares held by Wide Source will be diluted in the same proportion as other Shareholders as a result of the Placing. Accordingly, Wide Source has no interest in the Placing other than its interest as a Shareholder. Pursuant to Rule 19.39 of the GEM Listing Rules, Wide Source, which owns about 51.97% in the total issued share capital of the Company as at the date of this announcement, has given its written approval for the Placing.

A circular containing details of, inter alia, the Placing and the transactions contemplated under the Placing will be dispatched to Shareholders as soon as possible, and in any event within 21 days after this announcement.

A further announcement in respect of the results of the Placing will be made by the Company in due course.

PLACING AGREEMENT

Date of the Placing Agreement: 13 February 2004

Placing Agent

VC CEF Brokerage Limited, an independent third party not connected with any of the directors, chief executives, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

Independence of placees

The Placing Shares will be placed to not less than six placees who are independent third parties not connected with any of the directors, chief executives, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules). It is expected that the placees will be either (i) professional and institutional investors who generally include brokers, dealers and companies (including fund managers) whose ordinary businesses are dealing in securities and other investment tools; and (ii) corporate entities which regularly invest in securities; and (iii) individual investors.

Basis of Placing

The Placing Agent will place the Placing Shares on a best endeavour basis.

Placing Shares

6,000,000 new Shares, representing about 14.47% of the existing issued share capital of the Company and about 12.64% of the issued share capital of the Company as enlarged by the Placing. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the extraordinary general meeting held on 22 October 2003.

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue, including the right to receive all dividends, bonuses or distributions declared or proposed to be declared or paid, as from the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.48 per Placing Share was arrived at after arm's length negotiations between the Company and the Placing Agent. It represents a discount of 20% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 13 February 2004, being the date of the Placing Agreement and a discount of 20% to the average closing price of HK\$0.60 per Share as quoted on the Stock Exchange for the last ten consecutive trading days for Shares up to and including 13 February 2004.

Conditions of the Placing

The Placing is conditional upon:

1. the GEM Listing Committee of the Stock Exchange granting or agreeing to grant, the listing of, and permission to deal in, all the Placing Shares to be subscribed by the placees.
2. there being no occurrence of the force majeure events or any material breach of the representations and warranties set out in the Placing Agreement prior to 12:00 noon on or before the expected completion date of the Placing which in the reasonable opinion of the Placing Agent would or might adversely affect the success of the Placing. Force majeure events are defined to 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; and
3. the Stock Exchange granting or agreeing to grant the Waiver.

Completion of the Placing

Completion of the Placing shall take place on the third Business Day immediately following the date of fulfillment of all the above conditions with or without any waiver thereof. If any such condition referred to above is not fulfilled, or waived by the Company (with regard to the condition for grant of Waiver only), by 19 March 2004 (or such later time or date as may be agreed by the Company and the Placing Agent), all rights, obligations and liabilities of the parties to and thereunder in the Placing Agreement in relation to the Placing will cease and determine.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, all the Placing Shares to be subscribed by the placees in accordance with the GEM Listing Rules.

DILUTION EFFECTS PURSUANT TO THE PLACING

Upon completion of the Placing, the dilution effects of the shareholding of the Company shall be as follows:

	Before completion of the Placing		Immediately after completion of the Placing	
	No. of Shares	%	No. of Shares	%
Wide Source (<i>Notes 1 & 2</i>)	21,542,477	51.97	21,542,477	45.40
Suez Asia Holdings Pte Ltd. (<i>Note 3</i>)	3,412,000	8.23	3,412,000	7.19
Placees	0	0	6,000,000	12.64
Public	16,500,523	39.80	16,500,523	34.77
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Total	<u>41,455,000</u>	<u>100.00</u>	<u>47,455,000</u>	<u>100.00</u>

Notes:

1. Shares held by Wide Source represent the corporate interest of Mr. Luk Yat Hung in the Company.
2. Mr. Ma Bing will be taken to be interested in 21,542,477 Shares as a result of him being beneficially interested in 50% of the issued share capital of Wide Source which in turn holds 21,542,477 Shares.
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 with its operating subsidiaries principally engaged in (i) the design, development and deployment of internet enabling software solutions and the provision of information technology consulting and e-business innovation services for commercial enterprises in Hong Kong and the United States of America seeking to deploy and improve their use of the internet and e-business applications; (ii) research, development and provision of information-on-demand (“IOD”) system solutions, telecommunication and broadcasting media network solutions and the provision of related products and services, and (iii) distribution of computers and computer-related hardware, medical equipments, domestic appliances, general merchandises and spare parts of automobiles.

The Directors consider that it is in the best interest of the Company to raise capital from the equity market by way of the Placing in order to strengthen the financial position of the Group. 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 shareholders as a whole. The net proceeds from the Placing are estimated to be about HK\$2.5 million and will be applied for the future expansion, business development and/or general working capital of the Group.

IMPLICATION OF THE GEM LISTING RULES

The Placing constitutes a major transaction under the GEM Listing Rules. Application for a waiver from the requirement of convening a meeting of Shareholders to consider and approve the Placing pursuant to Rule 19.39 of the GEM Listing Rules has been submitted to the GEM Listing Committee on the basis that the interest of Wide Source, being the single largest Shareholder of the Company, in the Placing is the same as all the other Shareholders of the Company and the interest in the Shares held by Wide Source will be diluted in the same proportion as other Shareholders as a result of the Placing. Accordingly, Wide Source has no interest in the Placing other than its interest as a Shareholder. Pursuant to Rule 19.39 of the GEM Listing Rules, Wide Source which owns about 51.97% in the issued share capital of the Company as at the date of this announcement has given its written approval of the Placing.

A circular containing details of, inter alia, the Placing and the transactions contemplated under the Placing will be dispatched to Shareholders as soon as possible, and in any event within 21 days after this announcement.

A further announcement in respect of the results of the Placing will be made by the Company in due course.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday) on which banks in Hong Kong are generally open for business
“Company”	Tai Shing International (Holdings) Limited (formerly known as System Information Technology (Holdings) Limited), a company incorporated in the Cayman Islands with limited liability, Shares of which are listed and traded on the GEM
“Directors”	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 the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Placing”	the proposed placing of the Placing Shares under the Placing Agreement
“Placing Agent”	VC CEF Brokerage Limited, a deemed licensed corporation for types 1, 4, 6 and 9 regulated activities under the SFO and the placing agent in relation to the Placing
“Placing Agreement”	the conditional agreement dated 13 February 2004 and entered into between the Company and the Placing Agent
“Placing Price”	HK\$0.48 per Placing Share
“Placing Shares”	6,000,000 new Shares to be placed by the Placing Agent pursuant to the Placing Agreement

“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares from time to time
“Shares”	ordinary share(s) of HK\$0.05 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Waiver”	the waiver being sought by the Company to dispense with the requirement of convening a meeting of Shareholders to consider and approve the Placing pursuant to Rule 19.39 of the GEM Listing Rules
“Wide Source”	Wide Source Group Ltd.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 13 February 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The announcement will remain on the GEM website at <http://www.hkgem.com> at the “Latest Company Announcements” page for 7 days from the date of its publication and on the website of the Company at www.taishingintl.com.