

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the prospectus dated 15 June 2007 (the “**Prospectus**”) issued by Tao Heung Holdings Limited (the “**Company**”).

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## **TAO HEUNG HOLDINGS LIMITED**

**稻香控股有限公司\***

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

**(Stock code: 573)**

### **PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Company announces that UOB Asia partially exercised the Over-allotment Option on 17 July 2007 by requesting the Company to allot and issue 14,460,000 Over-allotment Shares which represents approximately 11.66 per cent. of the initial number of the Offer Shares.

The Over-allotment Shares will be allotted and issued by the Company at the final Offer Price of HK\$3.18 per Share. The Over-allotment Shares will be used to return to Billion Era the Shares borrowed by UOB Asia under the Stock Borrowing Agreement.

The stabilisation period in connection with the Share Offer will end on 20 July 2007. Prior to the end of the stabilisation period, 4,140,000 Over-allotment Shares have not been exercised. The Company will make a further announcement on details of the stabilisation actions upon the end of the stabilisation period.

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Immediately after the allotment and issue of the 14,460,000 Over-allotment Shares, approximately 33.66 per cent. of the enlarged number of Shares in issue will be held by members of the public. Listing of, and permission to deal in, the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Dealings in the Over-allotment Shares are expected to commence on the Main Board at 9:30 a.m. on 20 July 2007.

The shareholding structure of the Company immediately before and after the issue of the 14,460,000 Over-allotment Shares is as follows:

Name of Shareholders	Immediately following completion of the Share Offer (before the Over-allotment Option is exercised)		Immediately after the partial exercise of the Over-allotment Option	
	Number of Shares	%	Number of Shares	%
<b>Non-public Shareholders</b>				
Controlling Shareholders	521,275,881	52.13	521,275,881 (Note)	51.38
Other Directors and connected persons of the Company	49,671,896	4.96	49,671,896	4.90
Perfect Plan	102,053,976	10.21	102,053,976	10.06
<b>Public Shareholders</b>				
Existing Individual Shareholders	202,998,247	20.30	202,998,247	20.01
Shareholders taking up Shares under the Share Offer	<u>124,000,000</u>	<u>12.40</u>	<u>138,460,000</u>	<u>13.65</u>
<b>Total</b>	<u>1,000,000,000</u>	<u>100.00</u>	<u>1,014,460,000</u>	<u>100.00</u>

*Note:* This includes the 18,600,000 Shares borrowed by UOB Asia from Billion Era pursuant to the Stock Borrowing Agreement.

The additional net proceeds from the partial exercise of the Over-allotment Option will be used by the Company in the same manner and in the same proportion as set forth in the section headed “Future plans and proposed use of net proceeds from the Share Offer” in the Prospectus.

By order of the Board of  
**Tao Heung Holdings Limited**  
**CHUNG WAI PING**  
*Chairman*

Hong Kong, 17 July 2007

*As at the date of this announcement, the executive Directors are Mr. CHUNG Wai Ping, Mr. WONG Ka Wing, Mr. CHUNG Ming Fat, Mr. LEUNG Yiu Chun, Ms. WONG Fun Ching and Mr. HO Yuen Wah, the non-executive Directors are Mr. FONG Siu Kwong and Mr. CHAN Yue Kwong, Michael and the independent non-executive Directors are Mr. LI Tze Leung, Professor CHAN Chi Fai, Andrew, Mr. MAK Hing Keung, Thomas and Mr. NG Yat Cheung.*

\* *for identification purposes only*

*“Please also refer to the published version of this announcement in South China Morning Post. It is also available for viewing at the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and at the website of the Company at [www.taoheung.com.hk](http://www.taoheung.com.hk).”*