

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)

### STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Company announces that the stabilisation period in connection with the Share Offer ended on 20 July 2007.

The stabilising actions that have been taken by UOB Asia, as stabilising manager, during the stabilisation period were:

- (1) over-allocations of an aggregate of 18,600,000 Shares in the International Placing;
- (2) borrowing of an aggregate of 18,600,000 Shares by UOB Asia from Billion Era pursuant to the Stock Borrowing Agreement solely to cover over-allocations in the International Placing. Such Shares have been returned and redelivered to Billion Era in accordance with the terms of the Stock Borrowing Agreement on 19 July 2007;
- (3) purchase of an aggregate of 4,140,000 Shares in the price range from HK\$3.10 to HK\$3.17 per Share with the last purchase on 11 July 2007 on the Main Board, representing approximately 3.34 per cent. of the initial number of the Offer Shares before the exercise of the Over-allotment Option; and
- (4) a partial exercise of the Over-allotment Option by UOB Asia on 17 July 2007 in respect of 14,460,000 Shares for the purpose of returning the same to Billion Era under the Stock Borrowing Agreement.

This announcement is made by the Company pursuant to section 9(2) of the Securities and Futures (Price Stabilising) Rules (Chapter 571W of the Laws of Hong Kong) in connection with the stabilising actions taken by UOB Asia, as the stabilising manager, and the end of the stabilisation period on 20 July 2007.

The stabilising actions that have been taken by UOB Asia, as stabilising manager, during the stabilisation period were:

- (1) over-allocations of an aggregate of 18,600,000 Shares in the International Placing;
- (2) borrowing of an aggregate of 18,600,000 Shares by UOB Asia from Billion Era pursuant to the Stock Borrowing Agreement solely to cover over-allocations in the International Placing. Such Shares have been returned and redelivered to Billion Era in accordance with the terms of the Stock Borrowing Agreement on 19 July 2007;

- (3) purchase of an aggregate of 4,140,000 Shares in the price range from HK\$3.10 to HK\$3.17 per Share with the last purchase on 11 July 2007 on the Main Board, representing approximately 3.34 per cent. of the initial number of the Offer Shares before the exercise of the Over-allotment Option; and
- (4) a partial exercise of the Over-allotment Option by UOB Asia on 17 July 2007 in respect of 14,460,000 Shares for the purpose of returning the same to Billion Era under the Stock Borrowing Agreement.

The last purchase made in the course of the stabilisation period on the market was on 11 July 2007 at the price of HK\$3.11 per Share.

The Over-allotment Option has been exercised partially by UOB Asia on 17 July 2007 in respect of an aggregate of 14,460,000 Shares, representing approximately 11.66 per cent. of the initial number of the Offer Shares at the Offer Price of HK\$3.18 per Share (exclusive of brokerage of one per cent., SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%). Details of the partial exercise of the Over-allotment Option are more particularly described in the Company's announcement dated 17 July 2007.

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

Hong Kong, 20 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).”*