

Dated: 14th November 2016

**TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED
LIMITED
(as Company)**

and

**Tian Yuan Finance Limited
(天元金融有限公司)
(as Placing Agent)**

**PLACING AGREEMENT
RELATING TO THE PLACING OF
240,000,000 NEW SHARES IN THE CAPITAL OF
TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED**

THIS PLACING AGREEMENT is made on 14th November 2016

BETWEEN:

- (1) **TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED**, a company incorporated in the Bermuda with limited liability and having registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and principal place of business in Hong Kong situated at Rooms 3601-02, Bank of America Tower, 12 Harcourt Road, Hong Kong (the "**Company**"); and
- (2) **Tian Yuan Finance Limited**, (天元金融有限公司), a limited company licensed under the Securities and Futures Ordinance for Types 1, 4, 6 and 9 regulated activities of 36/F., Bank of America Tower, 12 Harcourt Road, Hong Kong (the "**Placing Agent**").

WHEREAS:

- (A) The Company has at the date of this Agreement an authorised share capital of HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.1 each, out of which 1,200,000,000 Shares have been issued and are fully paid up or credited as fully paid up. All the issued Shares are listed on the Stock Exchange.
- (B) The Placing Agent has agreed to procure subscriptions on a best efforts basis for the Placing Shares upon the terms set out in this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 In this Agreement, including the recitals and schedule hereto, unless the context otherwise requires:

"AGM"	means the annual general meeting of the Company convened on 3 June 2016, at which resolutions were passed by shareholders of the Company to approve, among others, the grant of the General Mandate;
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"Announcement"	means an announcement in the agreed form annexed or contained in the Schedule proposed to be issued on behalf of the Company immediately following the execution of this Agreement;
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"Articles"	means the articles of association for the time being of the Company;
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"Business Day"	means a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and
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any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours;

“CCASS”

means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“Companies (WUMP) Ordinance” means the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Cap. 32, Laws of Hong Kong;

“Completion Date”

means any day falling within five Business Days after the fulfilment of the condition precedent referred to in Clause 2.1 or such other date as the Company and the Placing Agent may agree in writing;

“Force Majeure Occurrence”

means an occurrence beyond the control and without the fault or negligence of the Party affected and which by exercise or reasonable diligence the said Party is unable to prevent or provide against. Without limiting the generality of the foregoing, force majeure occurrences shall include: acts of nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, acts of foreign combatants, terrorists acts, military or other usurped political power or confiscation, nationalization, government sanction or embargo, labour disputes of third parties to this Agreement, or the prolonged failure of electricity or other vital utility service;

“General Mandate”

means the authority approved by the shareholders of the Company at the AGM to authorize the directors of the Company to allot and issue new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM, i.e. 240,000,000 Shares, which will be used to allot and issue the Placing Shares;

“Group”	means the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	means 1 December 2016 or such later date as the Company and the Placing Agent may agree in writing;
“Party(ies)”	reference to “Party” means either the Company or the Placing Agent and reference to “Parties” means the Company and the Placing Agent;
“Placee”	means any professional, institutional or other investor or any of its subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under this Agreement;
“Placing”	means the the proposed placing of 240,000,000 new Shares at the Placing Price under the General Mandate and terms of this Agreement;
“Placing Price”	means HK\$2.0 per Placing Share;
“Placing Shares”	means the new Shares to be placed pursuant to this Agreement;
“Registrar”	means the Hong Kong branch share registrar and transfer office of the Company;
“Share”	means an ordinary share of par value HK\$0.1 of the Company;
“Specified Event”	means an event occurring or matter arising on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of the undertakings, warranties and representations contained in Clause 4.1 untrue or incorrect in any material respect and such would have an adverse impact or effect on the Placing;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and

“HK\$”

means Hong Kong dollars, the lawful currency of Hong Kong.

1.2 In this Agreement, references herein to a “Clause” and the “Schedule” are to a clause of and the schedule to this Agreement.

1.3 In this Agreement, the singular includes the plural and vice versa, words importing gender or the neuter include both genders and the neuter and references to persons include bodies corporate or unincorporated.

1.4 Headings are for ease of reference only.

2. CONDITIONS

2.1 The Placing is conditional upon the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Placing Shares.

2.2 The Company shall use its best endeavours to procure the fulfilment of the condition referred to in Clause 2.1 and in the event such condition is not fulfilled by 5:00 p.m. on the Long Stop Date, all rights, obligations and liabilities of the Parties under this Agreement in relation to the Placing shall cease and determine and neither Party shall have any claim against the other Party in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under this Agreement prior to such termination.

3. PLACING

3.1 Subject to the provisions of this Agreement, the Placing Agent shall on a best efforts basis, as agent of the Company, procure one (1) Placee to subscribe in aggregate for 240,000,000 Placing Shares at the Placing Price. For the avoidance of doubt, the Placing Price shall exclude any brokerage commission, Securities and Futures Commission transaction levy and Stock Exchange trading fee, if any. The Placing Agent is under no obligation in underwriting the Placing Shares and in no circumstances shall the Placing Agent be required to purchase the Placing Shares as principal.

3.2 The Company appoints the Placing Agent as its exclusive agent to procure Placing for the Placing Shares on the terms of this Agreement. Any transaction properly carried out by the Placing Agent in accordance with the terms of this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Company and as its agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, wilful default or negligence on the part of the Placing Agent) to the Company arising from any such transaction or for any alleged insufficiency of the price (other than as a result of non-compliance by the Placing Agent with its obligations under this Agreement) at which the Placing Shares are issued hereunder.

- 3.3 The Company confirms that the foregoing appointment confers on the Placing Agent in accordance with the provisions hereof all powers, authorities and discretion on its behalf which are necessary for, or reasonably incidental to, the Placing and shall ratify and confirm everything which the Placing Agent shall or may lawfully and reasonably do or have done in accordance with the terms of this Agreement.
- 3.4 The Company shall issue and allot the Placing Shares subject to the Articles by utilising the General Mandate granted at the AGM, free and clear from all liens, charges, encumbrances, claims, options and third party rights and with all rights attaching thereto as at the Completion Date, including the right to receive all future dividends and other distributions thereafter declared, made or paid on the Shares.
- 3.5 By no later than 6:00 p.m. on the Long Stop Date (provided always that delivery of the list of the Placees according to this Clause must be given at least one Business Day preceding the Completion Date), the Placing Agent shall deliver to the Registrar a list of the Placees, the number of Placing Shares to be subscribed by each Placee, the names, addresses and denominations (in board lots or otherwise) in which the Placing Shares are to be registered and, where relevant, the CCASS accounts to which Placing Shares are to be credited. Subject to Clause 3.4, the choice of the Placees shall be determined by the Placing Agent at its sole discretion but subject to the requirements of the Listing Rules and any objection the Stock Exchange may have to any particular person or company being a Placee PROVIDED that the Placing Agent undertakes to use its best endeavours to procure that Placing Shares shall only be placed to person(s), firm(s) or company(ies) who and whose ultimate beneficial owners are independent and not connected with nor acting in concert with any of the directors, chief executive, and substantial shareholders of the Company and its subsidiaries and their respective associates (for the purposes of this Clause 3.5, “**chief executive**”, “**substantial shareholder**”, “**connected person**” and “**associates**” shall have the same meaning ascribed thereto respectively under Rule 1.01 of the Listing Rules). For the purpose of the foregoing, the Placing Agent acknowledges that as the date hereof, the substantial shareholders (as defined under the Listing Rules) of the Company are Youfu Investment Co., Ltd (which is solely owned by Mr. Sun Mingwen), Zhisheng Enterprise Investment Co., Ltd (which is solely owned by Ms. He Yeqin) and China Aim Holdings Limited (which is solely owned by Ms. Liu Hui)

4. WARRANTIES AND UNDERTAKINGS

- 4.1 The Company represents, warrants and undertakes to the Placing Agent that:
- (a) the Placing Shares shall be issued and allotted in accordance with the Articles and with all relevant laws of Hong Kong and the Bermuda and will at the Completion Date, be free from all liens, charges, encumbrances and third-party rights of whatsoever nature and together with all rights attaching thereto at the Completion Date and thereafter;
 - (b) subject to the fulfilment of the condition referred to in Clause 2.1, the Company has full power, authority and shareholders’ consent to issue the Placing Shares and does not require the consent thereto of any other party;

- (c) the Company has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legal, valid and binding obligations of, the Company, enforceable against the Company in accordance with its terms;
- (d) to the best knowledge of the Company, there is nothing in connection with the business or in the financial or trading position of the Company taken as a whole which the Placing Agent is unaware of and which will render the Placing unsuccessful or cause non-completion thereof;
- (e) it shall provide to the Placing Agent, at its reasonable request, with all such information known to it and relating to the Company as may be reasonably required by the Placing Agent in connection with the Placing for the purposes of complying with all requirements of applicable laws or of the Stock Exchange or of the Securities and Futures Commission in Hong Kong and to the extent that any such information is confidential in nature, the Placing Agent shall use its best endeavours to procure that such information shall remain confidential unless disclosure of such information is required or requested by applicable laws or of any regulatory body in Hong Kong to which the Placing Agent is subject to regulation;
- (f) it shall provide to the Placing Agent particulars of every significant new factor known to it which is in its reasonable opinion capable of materially affecting assessment of the Placing Shares in the context of the Placing which arises between the date hereof and 9:00 a.m. on the Completion Date;
- (g) so far as it is aware, none of the parties acting in concert with the directors, chief executive or substantial shareholders of the Company or any of their respective associates or associated companies will, or procure nominees to, directly or indirectly, purchase or subscribe for any Placing Shares;
- (h) on or before the Completion Date, the Company shall not issue or allot any new Shares, share options, bonds or securities convertible into Shares other than new Shares that may be converted upon exercise of the outstanding convertible notes and share options or that may be issued pursuant to agreements which have been disclosed in the Company's announcements published prior to the date hereof;
- (i) so far as it is aware, the Company does not have any confidential or inside information that is subject to public disclosure under the Listing Rules (other than an announcement in relation to the Placing) and all the public disclosures made by the Company on the website of the Stock Exchange and their contents are complete, accurate and up-to-date there is no omission of any matter that may render the information contained misleading;
- (j) each member of the Group is duly incorporated and validly existing under the laws of the place of its incorporation with power, legal right, authority, licence and approval (the "**Licences**") to conduct its business in the manner presently conducted and own its properties; and such Licences have not been withdrawn or

suspended and there is no reason why any such Licences should be withdrawn, cancelled, suspended or refused to be renewed;

- (k) to the best knowledge of the Company after having made all reasonable enquiries, no order has been made or petition presented or resolution passed for the winding-up or judicial management or administration of any member of the Group or for the appointment of a provisional liquidator, nor are there any reasonable grounds on which any person would be entitled to have any member of the Group wound-up or placed in judicial management or administration or to have a provisional liquidator appointed for any member of the Group, nor, has any person threatened to present such a petition or convened or threatened to convene a meeting of any member of the Group to consider a resolution to wind it up, nor to the knowledge of the Company, has any step been taken in relation to any member of the Group under the law relating to insolvency or the relief of debtors;
- (l) save as previously disclosed by the Company to the public in writing, there is no litigation, arbitration or other legal proceedings in progress or pending or threatened against any member of the Group and/or any of their respective directors which if decided adversely to the relevant member of the Group would have or have had a material adverse effect on the financial position, earnings, business affairs or business prospects of the Group (taken as a whole) or the Company or which is material in the context of the Placing; and
- (m) to the best knowledge of the Company after having made all reasonable enquiries, there is no order, decree or judgement of any court or governmental agency or regulatory body outstanding or anticipated against the Company, any member of the Group and/or any of their respective directors nor is there any investigation or enquiry by any governmental agency or regulatory body outstanding or anticipated against the Company, any member of the Group and/or any of their respective directors which may have or has had a material adverse effect upon the financial position, earnings, business affairs or business prospects of the Company and/or any member of the Group or which is material in the context of the Placing.

4.2 The Placing Agent represents, warrants and undertakes to the Company that:

- (a) it has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legal, valid and binding obligations of the Placing Agent, enforceable against the Placing Agent in accordance with its terms;
- (b) it has not offered or sold and it shall not, directly or indirectly, offer or sell any Placing Shares or distribute or publish any documents in relation to the Placing in any country or jurisdiction except under circumstances that shall result in compliance with any applicable laws and regulations and all offers and sales of Placing Shares shall be made on such terms;
- (c) the Placing Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meanings of the

Companies (WUMP) Ordinance or in any other place or in any manner in which the securities laws or regulations of any place may be infringed;

- (d) to the best knowledge, information and belief of the Placing Agent (after due and careful enquiries), the Placee(s) who and whose ultimate beneficial owners are independent and not connected with the directors, chief executive, and substantial shareholders of the Company and its subsidiaries and their respective associates (for the purposes of this Clause 4.2(d), chief executive”, “substantial shareholder”, “connected person” and “associates” shall have the same meaning ascribed thereto respectively under Rule 1.01 of the Listing Rules);
- (e) the Placing Agent will make available and promptly supply, or procure the relevant Placee(s) to make available and promptly supply, to the Stock Exchange and the Securities and Futures Commission in Hong Kong or any other regulatory authority all information in relation to the Placee(s) which may be required by the Stock Exchange, the Securities and Futures Commission in Hong Kong and/or any other competent regulatory authority; and
- (f) the Placing Agent will ensure the fulfilment and compliance of all applicable laws and regulations, and of all rules, regulations and guidance of the Stock Exchange and rules, codes and guidance of the Securities and Futures Commission in relation to the Placing.

4.3 The representations and warranties contained in this Clause are deemed to be given as at the date of this Agreement and shall remain in full force and effect notwithstanding the allotment and issue of the Placing Shares to the Placees. Each Party undertakes to notify the other Party of any matter or event coming to its attention prior to the Completion Date which shows any relevant representation or warranty to be or to have been untrue or inaccurate at the date hereof or at any time prior to the Completion Date.

4.4 Neither Party may hold the other Party liable for any failure to perform any obligation under this Agreement where such failure is as a result of or caused by a Force Majeure Occurrence.

5. COMPLETION

5.1 Completion of this Agreement shall take place on the Completion Date at the office of the Placing Agent in Hong Kong when all (but, not part only) of the following businesses shall be transacted:

- (a) the Placing Agent shall deliver (if not already been delivered) to the Company a list containing details of each of the Placee(s);
- (b) the Placing Agent shall provide a written confirmation to the Company that it shall, on or before the Completion Date, make or procure the making of payment in Hong Kong dollars in immediately available funds to the Company of the aggregate Placing Price of the Placing Shares (less the amounts referred to in Clause 6) to such bank account of the Company (or its wholly-owned subsidiary) as the Company may notify in writing. Payment made by the Placing Agent

into such bank account of the Company (or its wholly-owned subsidiary) as notified by the Company shall be a valid full and final discharge of the Placing Agent's payment obligation under this Agreement;

- (c) the Company shall allot and issue to the Placees or their nominees such number of the Placing Shares in respect of which their respective subscriptions have been accepted and shall procure that the Placees or their nominees are registered on the branch register of members of the Company in Hong Kong in respect thereof; and
- (d) the Company shall arrange to deliver to the Placing Agent on Completion Date the definitive share certificates in the form of jumbo certificate or in such denomination as the Placing Agent may instruct pursuant to Clause 3.5 issued in the name of the Placees or their nominees in respect of such number of Placing Shares to be allotted and issued to them respectively and in accordance with such instructions referred to above or arrange for the Placing Shares to be deposited into CCASS in accordance with such instructions.

6. COMMISSIONS AND EXPENSES

- 6.1 Subject to completion of this Agreement, the Company shall pay to the Placing Agent a placing commission, in Hong Kong dollars, of 0.5% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares actually placed, which the Placing Agent is authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 5.1(b).
- 6.2 The Company shall pay all the costs (to the extent of no more than HK\$100,000) relating to the Placing, including all out-of-pocket expenses and legal fees properly incurred by the Placing Agent in connection with the Placing (which the Placing Agent is authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 5.1(b)).
- 6.3 The Company shall be solely liable for the costs of its own legal and other professional advisers engaged by it in connection with the negotiation of this Agreement.
- 6.4 The Placing Agent may charge brokerage to the Placees identified in its sole discretion and for its own account.

7. TERMINATION

- 7.1 Notwithstanding anything contained in this Agreement to the contrary, the Placing Agent may by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date terminate this Agreement if:
 - (a) any Specified Event comes to the notice of the Placing Agent; or
 - (b) there develops, occurs or comes into force:

- (i) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
- (ii) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
- (iii) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (c) there is any material adverse change in the business or in the financial or trading position of the Company taken as a whole (which is not previously disclosed by the Company to the public in writing) and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

7.2 If notice is given pursuant to Clause 7.1, this Agreement shall terminate and be of no further effect and neither Party shall be under any liability to the other Party in respect of this Agreement save for any rights or obligations which may have accrued under this Agreement prior to such termination.

8. MISCELLANEOUS

8.1 All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding completion of this Agreement except in respect of those matters then already performed.

8.2 Neither Party may assign or transfer any of its rights or obligations under this Agreement (all of which shall be incapable of assignment or transfer) or purport to do so.

9. NOTICES

9.1 Any notice, claim, demand, court process, document or other communication to be given under this Agreement (collectively “**communication**” in this Clause 9) shall be in writing in the English language and may be served or given personally or sent to the address (including cable address) or facsimile numbers (if any) stated after the relevant party’s name at the beginning of this Agreement or, where relevant, to the registered office for the time being of the Party to be served, or to such other address as may have been last notified in writing by such party to the party serving the

communication specifically referring to this Agreement. All communications shall be served by the following means and the addressee of a communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch:

<u>Means of despatch</u>	<u>Time of deemed receipt</u>
Local mail or courier	24 hours
Facsimile	on despatch
Air courier	3 days
Airmail	5 days

- 9.2 A communication served in accordance with Clause 9.1 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee's address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee's address or that the communication was properly transmitted by facsimile or cable to the addressee. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine.
- 9.3 Nothing in this Clause 9 shall preclude the service of communication or the proof of such service by any mode permitted by law.

10. INDEMNITY AND NO CLAIM

- 10.1 The Company undertakes to indemnify and to hold fully and effectively harmless and indemnified the Placing Agent and its directors, senior management, officers, staff and authorised agents (the "**Indemnified Parties**") against all reasonable costs, expenses (including legal fees), fees, claims, actions, liabilities, demands or losses at whatever nature (including, but not limited to, all such losses, costs, charges or expenses reasonably incurred in disputing, settling, or defending any claims, actions or demands) (together the "**Loss**") which the Indemnified Parties may suffer or incur or which may be brought or established against any of the Indemnified Parties and arising directly out of, in relation to or by reason of any breach by the Company of any of its representations, warranties and undertakings contained in this Agreement, save and except any of the Loss arising from, in connection with or in relation to gross negligence, fraud, wilful default, bad faith or material breach of, or as contemplated under, this Agreement by the Indemnified Parties.
- 10.2 No claim shall be made against the Placing Agent, by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing except for any loss or damage suffered or incurred in connection with the Placing (including a breach of Clause 4.2 or non-compliance with Clause 5 by the Placing Agent) which are finally judicially determined by a court of competent jurisdiction to have been caused primarily and directly by the fraud, wilful default or gross negligence on the part of the Placing Agent.

11. TIME OF ESSENCE

11.1 Time shall be of the essence of this Agreement.

12. COUNTERPART

12.1 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of Parties hereto may execute this Agreement by signing any such counterparts.

12.2 This Agreement may only be varied by agreement in writing signed by all of the Parties.

12.3 This Agreement constitutes the entire agreement between the Parties and supersedes all prior understandings, transactions, communications, statements and agreements whether oral or written between the Parties or any of them in relation to the Placing and the other matters referred to in this Agreement.

13. GOVERNING LAW

13.1 This Agreement is governed by, and shall be construed in accordance with, the laws of Hong Kong.

13.2 The Parties submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith but this Agreement may be enforced in any court of competent jurisdiction.

IN WITNESS whereof the duly authorised representatives of the Parties have executed this Agreement on the date first before appearing.

EXECUTION PAGE



THE COMPANY

SIGNED by LIU TINGAN)

for and on behalf of)

TOPSEARCH INTERNATIONAL (HOLDINGS))
LIMITED)

in the presence of: CHAN YUEN YAN)

SIGNED by

TUNG MAN

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TIAN YUAN FINANCE LIMITED

in the presence of: LEUNG KAN KYU

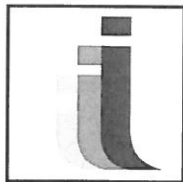


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SCHEDULE

Form of Announcement

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TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED

至卓國際(控股)有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 2323)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Tian Yuan Finance Limited

(天元金融有限公司)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 14 November 2016, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its agent to procure placee(s) who is(are) Independent Third Party(ies) to subscribe 240,000,000 Placing Shares at a price of HK\$2.0 per Placing Share on a best effort basis on the terms and subject to the condition of the Placing Agreement. The Placing Agent has procured one Placee (China Tian Yuan Manganese) to subscribe 240,000,000 Placing Shares at the Placing Price.

The 240,000,000 Placing Shares represents (i) approximately 20.0% of the existing issued share capital of the Company of 1,200,000,000 Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company of 1,440,000,000 Shares as enlarged by the allotment and issue of the Placing Shares.

Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing will be approximately HK\$480.0 million. It is expected that the net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$477.6 million. The Company intends to apply the net proceeds from the Placing for the Group's general working capital, repayment of the Group's indebtedness and the Group's other potential investments in the future.

* for identification purpose only

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 14 November 2016

Parties (i) Issuer: The Company

(ii) Placing Agent: The Placing Agent

Principal terms of the Placing Agreement

Placing Shares: The Company appointed the Placing Agent as its agent to procure placee(s) who is(are) Independent Third Party(ies) to subscribe 240,000,000 Placing Shares at a price of HK\$2.0 per Placing Share on a best effort basis. The Company was informed that the Placing Agent has procured one Placee (China Tian Yuan Manganese) to subscribe for 240,000,000 Placing Shares at the Placing Price. The 240,000,000 Placing Shares represents (i) approximately 20.0% of the existing issued share capital of the Company of 1,200,000,000 Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company of 1,440,000,000 Shares as enlarged by the allotment and issue of the Placing Shares. The maximum aggregate value of the Placing Shares under the Placing will be HK\$480.0 million.

Placing Price: The price of HK\$2.0 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 8.3% to the closing price of HK\$2.18 per Share as quoted on the Stock Exchange on 14 November 2016, being the date of the Placing Agreement; and
- (b) a discount of approximately 9.9% to the closing price of HK\$2.22 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the date of the Placing Agreement.

The Company will bear the costs and expenses of approximately HK\$2.4 million in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$477.6 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$1.99.

Placing Commission:	The Placing Agent will receive a placing commission of 0.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares which the Placing Agent has procured the Placee to subscribe for the Placing Shares. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.
Ranking of the Placing Shares:	The Placing Shares, when issued, will be fully paid up and will rank pari passu in all respects with other Shares in issue at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances and third party rights together with all rights attaching to them as at the date of their allotment.
Condition precedent to Completion:	<p>The Placing is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Placing Shares.</p> <p>If the above condition is not fulfilled on or before 1 December 2016 or such later date as the Company and the Placing Agent may agree in writing, the Placing shall cease and neither party shall have any claim against the other party in respect of the Placing.</p>
Completion:	Completion is expected to take place on or before the fifth Business Day immediately after the date of the fulfillment of the closing condition or such other time or date as Company and the Placing Agent shall agree.
Termination:	<p>The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if:</p> <ul style="list-style-type: none"> (i) any event occurring or matter arising on or after the date of the Placing Agreement and prior to the date of Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations given by the Company untrue or incorrect and such would have an adverse impact or effect on the Placing and comes to the notice of the Placing Agent; or (ii) there develops, occurs or comes into force: <ul style="list-style-type: none"> (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or

- (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (iii) there is any material adverse change in the business or in the financial or trading position of the Company taken as a whole (which is not previously disclosed by the Company to the public in writing) and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

If a termination notice is given by the Placing Agent, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Information of the Placee

Placee	Number of Placing Shares
China Tian Yuan Manganese	240,000,000

The Placee (China Tian Yuan Manganese) is wholly owned by 寧夏天元錳業有限公司 (transliterated as Ningxia Tianyuan Manganese Industry Co., Ltd) (“**Ningxia Tianyuan**”), a company established in the PRC with limited liability, which is owned as to approximately 77.0% and 22.6% by Mr. Jia Tianjiang (賈天將) (“**Mr. Jia**”) and HK Jingjin Int’l Share Group Limited, which is in turn wholly owned by Mr. Cui He (崔鶴), respectively.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placee and its ultimate beneficial owner(s) are Independent Third Parties immediately before the completion of the Placing except that: (i) the Placee is wholly owned by Ningxia Tianyuan which in turn is 77% beneficially owned by Mr. Jia, who also holds the entire equity interest in the Placing Agent; (ii) China Tian Yuan Finance Group (Holdings) Limited (“**CTYFG**”), which in turn is wholly owned by Mr. Jia, has 82% equity interests in Hero Link Enterprise Limited (“**HLEL**”), which is an associate of the Company, in which the Group holds 18% equity interests;

(iii) the Company has provided a guarantee in favour of the landlord in respect of the office premises and three parking spaces (the “**Office Premises**”) leased by a company which is wholly and beneficially owned by CTYFG for a term of 2 years at a monthly rental of HK\$1.43 million with two months rent-free period (the “**Head Lease**”) and that company is planning to sub-let one-third of the Office Premises to the Group, and the monthly rental to be payable by the Group is expected to be equivalent to one-third of the monthly rental under the Head Lease; and (iv) a subsidiary of CTYFG also made a loan with a principal amount of HK\$200 million to the Company at an annual interest rate of 3% for a term of 12 months.

General Mandate

The 240,000,000 Placing Shares will be allotted and issued under the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorised to allot and issue is 240,000,000 new Shares (up to 20% of the issued share capital of the Company (with the number of issued Shares of 1,200,000,000) as at the date of the annual general meeting of the Company held on 3 June 2016). The total number of new Shares that can be allotted and issued under the General Mandate as at the date of this announcement is 240,000,000 new Shares. Upon Completion, all Shares of General Mandate are utilised by the Company.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The principal business of the Group is manufacturing and sale of a broad range of printed circuited boards. The Group has a global customer base comprising principally electronics manufacturing services companies and original equipment manufacturer which are engaged in the production of a diverse range of products for personal computers (“PC”) and PC-related industries, as well as the telecommunications, office components, security, instrumentation equipment and consumer products industries.

The Group continues to seek new opportunities with the view to expanding and diversifying the Group’s businesses and to strive for best utilisation of its resources in developing more profitable businesses. The Directors consider that the Placing offers a good opportunity to raise further capital of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and its Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing will be approximately HK\$480.0 million. It is expected that the net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$477.6 million. The Company intends to apply the net proceeds from the Placing for the Group’s general working capital, repayment of the Group’s indebtedness and the Group’s other potential investments in the future. As at the date of this announcement, the Company has not entered into any legally binding agreements in relation to any investments. However, the additional capital on hand will facilitate the efficient execution of such potential investment projects, if any.

FUND RAISING DURING THE PAST TWELVE MONTHS

The following equity fund raising activity has been carried out by the Company in the twelve (12) months immediately prior to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raise	Intended use of net proceeds	Actual use of net proceeds
26 February 2016, 1 March 2016 and 9 March 2016	Placing of 200,000,000 Shares at a price of HK\$0.925 per Share	Approximately HK\$182.97 million	100% of the net proceeds for general working capital	Approximately 20% had been utilised for the Group's general working capital and approximately 80% had been utilised for the Group's financial investments or investments, which include both listed and unlisted equity and debt investments

EFFECT OF SHAREHOLDING OF THE PLACING

The shareholding structure of the Company before and after Completion are as follows:

	As at the date of this announcement		Immediately after Completion	
	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
Youfu Investment Co. Ltd. (Note 1)	340,192,667	28.35	340,192,667	23.62
Zhisheng Enterprise Investment Co., Ltd. (Note 2)	170, 097,333	14.17	170,097,333	11.81
China Aim Holdings Limited (Note 3)	200,000,000	16.67	200,000,000	13.89
The Placee	—	—	240,000,000	16.67
Public Shareholders	489,710,000	40.81	489,710,000	34.01
Total	<u>1,200,000,000</u>	<u>100.00</u>	<u>1,440,000,000</u>	<u>100.00</u>

Notes:

1. Mr. Sun Mingwen is the beneficial owner of 100% of the issued share capital of Youfu Investment Co., Ltd. and is deemed to be interested in the 340,192,667 Shares held by Youfu Investment Co, Ltd. under the Securities and Futures Ordinance. Mr. Sun is the brother-in-law of Ms. He Yeqin as mentioned in Note 2 below.
2. Ms. He Yeqin is the beneficial owner of 100% of the issued share capital of Zhisheng Enterprise Investment Co., Ltd. and is deemed to be interested in the 170,097,333 Shares held by Zhisheng Enterprise Investment Co., Ltd. under the Securities and Futures Ordinance. Ms. He is the sister-in-law of Mr. Sun Mingwen as mentioned in Note 1 above.
3. Ms. Liu Hui is the beneficial owner of the entire issued share capital of China Aim Holdings Limited and is deemed to be interested in the 200,000,000 Shares, representing approximately 16.67% of the total issued shares as at 30 June 2016, held by China Aim Holdings Limited under the Securities and Futures Ordinance.
4. Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Placing Agent has placed a total of 200,000,000 Placing Shares to the Placee(s).

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“China Tian Yuan Manganese” or the “Placee”	China Tian Yuan Manganese Limited, a Company incorporated in the Cayman Islands with limited liability on 5 January 2015
“Company”	Topsearch International (Holdings) Limited (至卓國際(控股)有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing
“Completion Date”	on or before the fifth Business Day immediately after the date of the fulfillment of the condition of the Placing Agreement, or such other date or time as Company and the Placing Agent shall agree
“connected persons”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 240,000,000 Shares, representing approximately 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 3 June 2016
“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
“Independent Third Party(ies)”	party(ies) shall not be connected person(s) of the Company and shall be third parties independent of and not connected with any connected persons of the Company
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	party(ies) procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee pursuant to the Placing Agreement

“Placing Agent”	<p>Tian Yuan Finance Limited (天元金融有限公司), a limited company licensed under the Securities and Futures Ordinance for Types 1, 4, 6 and 9 regulated activities. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties, except that: (i) The Placing Agent is wholly and beneficially owned by an indirect holding company, China Tian Yuan Finance Group (Holdings) Limited (“CTYFG”), which in turn is wholly owned by Mr. Jia; (ii) Mr. Zhou Huorong is a non-executive director of CTYFG; (iii) Hero Link Enterprise Limited (“HLEL”) is an associate of the Company in which the Group holds 18% equity interests and CTYFG has 82% equity interests (and therefore, HLEL is a fellow subsidiary of the Placing Agent); (iv) the Company has provided a guarantee in favour of the landlord in respect of the office premises and three parking spaces (the “Office Premises”) leased by a fellow subsidiary of the Placing Agent for a term of 2 years at a monthly rental of HK\$1.43 million with two months rent-free period (the “Head Lease”) and that fellow subsidiary of the Placing Agent is planning to sub-let one-third of the Office Premises to the Group, and the monthly rental to be payable by the Group is expected to be equivalent to one-third of the monthly rental under the Head Lease; and (v) a subsidiary of CTYFG (which accordingly is a fellow subsidiary of the Placing Agent) also made a loan with a principal amount of HK\$200 million to the Company at an annual interest rate of 3% for a term of 12 months</p>
“Placing Agreement”	the placing agreement dated 14 November 2016 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$2.0 per placing Share
“Placing Share(s)”	240,000,000 new Shares, to be allotted and issued pursuant to the terms and condition of the Placing Agreement
“PRC”	The People’s Republic of China
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent.

By order of the Board of
Topsearch International (Holdings) Limited
Liu Tingan
Chairman and Chief Executive Officer

Hong Kong, 14 November 2016

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Tingan, Mr. Cheok Ho Fung and Mr. Zhou Huorong being executive Directors; and Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence being independent non-executive Directors.