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**至卓國際(控股)有限公司\***  
**TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

**CONTINUING CONNECTED TRANSACTION**  
**TENANCY AGREEMENT**

The Board announces that on 20 August 2005, Keentop Investment as landlord and Topsearch HK as tenant entered into the Tenancy Agreement, pursuant to which Topsearch HK agreed to lease from Keentop Investment the Properties for a term of three years commencing from 22 May 2005.

By virtue of the relationship between Keentop Investment and Topsearch HK which is more particularly described under the paragraph headed “Relationship between the parties” under the heading “Tenancy Agreement” in this announcement, the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

The Tenancy Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The terms of the Tenancy Agreement have been negotiated on an arm’s length basis. Based on the opinion of the Valuer, the Directors, including the independent non-executive Directors, consider that the terms of the Tenancy Agreement are fair and reasonable and on normal commercial terms and in the interests of the Shareholders as a whole.

**TENANCY AGREEMENT**

The principal terms of the Tenancy Agreement are as follows:

- Date** : 20 August 2005
- Parties** : (1) Keentop Investment as landlord  
(2) Topsearch HK as tenant

- Properties** : House 7 and the Garden appurtenant thereto and Car Parking Spaces Nos. 7A and 7B on Basement Floor, Las Pinadas, No. 33 Shouson Hill Road, Hong Kong
- Term** : three years commencing from 22 May 2005 and ending on 21 May 2008 (both days inclusive)
- Monthly rental** : HK\$120,000 (exclusive of rates, management fee and other outgoings)
- Monthly management fee** : HK\$8,414, subject to adjustment
- Use of the Properties** : Director's quarters

On 22 May 2002, Topsearch HK entered into a tenancy agreement with Keentop Investment in respect of the Properties for a lease term of three years from 22 May 2002 to 21 May 2005. The Tenancy Agreement was a renewal of such previous tenancy agreement. Details of such previous tenancy agreement have been set out in the prospectus issued by the Company on 11 June 2002.

The annual aggregate transaction value under such previous tenancy agreement during the lease term from 22 May 2002 to 21 May 2005 was HK\$1,480,968 comprising a monthly rental in the sum of HK\$115,000 and a monthly management fees of HK\$8,414.

Taking into account of possible adjustment on management fee, the annual cap in respect of the Tenancy Agreement will be approximately HK\$1,600,000. The annual cap is calculated on the basis of the monthly rental payable in the sum of HK\$120,000 and the monthly management fees of HK\$8,414 (which is equivalent to the sum of HK\$128,414 per month and the sum of HK\$1,540,968 per year) plus a 5% increment in the monthly management fees (which is equivalent to HK\$420.7 per month and HK\$5,048.4 per year). The 5% increment in the management fees is an estimate of the possible increase in the management fees for the Properties in the forthcoming two-year period which has been arrived at on the basis of the expected inflation rate in Hong Kong in the next two years.

### **Relationship between the parties**

Topsearch HK is principally engaged in the business of investment holding and sale of printed circuit boards and is an indirect wholly-owned subsidiary of the Company. Keentop Investment is an investment holding company and is beneficially owned as to 50% by each of Mr. Cheok and Mrs. Cheok. As Mr. Cheok is an executive Director and Chief Executive Officer of the Company and Mr. Cheok and Mrs. Cheok jointly hold the entire issued share capital of Inni which holds approximately 60.79% of the issued share capital of the Company, Keentop Investment is a connected person of the Company under the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **Reasons and benefits of the Tenancy Agreement**

Pursuant to the director's service agreement entered into between the Company and Mr. Cheok on 30 May 2002, as part of the remuneration package, Mr. Cheok is to be provided with residential accommodation in Hong Kong up to a value fixed from time to time by the Board during the continuation of his employment and for the better performance on his duties. The Properties are presently occupied by Mr. Cheok pursuant to such previous tenancy agreement between Keentop Investment and Topsearch HK dated 22 May 2002 (as discussed above), and the Board considers that it would be more convenient for the Group to continue the existing arrangement with Keentop Investment.

Keentop Investment has engaged the Valuer, a professional property valuer and Independent Third Party, to value the Properties. By its valuation report dated 18 July 2005, the Valuer has confirmed that the proposed monthly rental of HK\$120,000 was the market rent as at 18 July 2005. As defined in the valuation report issued by the Valuer, the term "market rent" should be defined as "the estimated amount for which a property, or space within a property, should lease (let) on the date of the valuation between a willing lessor and a willing lessee on an appropriate lease terms in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The terms of the Tenancy Agreement have been negotiated on an arm's length basis. Based on the opinion of the Valuer, the Directors, including the independent non-executive Directors, consider that the terms of the Tenancy Agreement are fair and reasonable and on normal commercial terms and in the interests of the Shareholders as a whole.

## **GENERAL**

The principal activities of the Group are the manufacture and sale of a broad range of double-sided and multilayer printed circuit boards.

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

"Board"	the board of Directors
"Company"	Topsearch International (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party”	party independent of and not connected with the Directors, chief executives or substantial shareholders of the Company or its subsidiaries, or their respective associates (as defined in the Listing Rules) and not otherwise a connected person of the Company within the meaning of the Listing Rules
“Inni”	Inni International Inc., a company incorporated in the Republic of Liberia and which is owned as to 49% by Mr. Cheok and as to 51% jointly by Mr. Cheok and Mrs. Cheok
“Keentop Investment”	Keentop Investment Limited, a company incorporated under the laws of Hong Kong with limited liability and as at the date hereof, is beneficially owned as to 50% by each of Mr. Cheok and Mrs. Cheok
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheok”	Mr. Cheok Ho Fung, the Chairman, Chief Executive Officer and a controlling shareholder of the Company
“Mrs. Cheok”	Mrs. Cheok Chu Wai Min, the spouse of Mr. Cheok, a controlling shareholder of the Company
“Properties”	House 7 and the Garden appurtenant thereto and Car Parking Spaces Nos. 7A and 7B on Basement Floor, Las Pinadas, No. 33 Shouson Hill Road, Hong Kong
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Topsearch HK”	Topsearch Printed Circuits (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Tenancy Agreement”	the tenancy agreement dated 20 August 2005 and entered into between Keentop Investment as landlord and Topsearch HK as tenant
“Valuer”	Savills (Hong Kong) Limited, a company incorporated in Hong Kong and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent

On behalf of the Board  
**Topsearch International (Holdings) Limited**  
**Cheok Ho Fung**  
*Chairman and Chief Executive Officer*

Hong Kong, 23 August 2005

*As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung, Mr. Ng Chi Shing, Mr. Wong Shui Hing and Mr. Ting Sui Ping being the executive Directors, Mr. Tang Yok Lam, Andy and Mr. Ng Kwok Ying, Alvin being the non-executive Directors and Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Look Guy being the independent non-executive Directors.*

\* *For Identification purposes only*

Please also refer to the published version of this announcement in the South China Morning Post.