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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)

PROPOSED BONUS ISSUE OF WARRANTS

The Board proposes a bonus issue of 2008 Warrants to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) 2008 Warrant for every ten (10) Shares held. Each 2008 Warrant will entitle the holder thereof to subscribe for one new Share at the initial the Subscription Price of HK\$1.20, subject to adjustment in accordance with the terms of the 2008 Warrants.

The Company will dispatch a circular containing further details of the Bonus Issue of Warrants, together with a notice convening a special general meeting of the Company to approve the Bonus Issue of Warrants, within 21 days of this announcement.

PROPOSED BONUS ISSUE OF WARRANTS

The board (“Board”) of directors of the Company proposes, subject to the satisfaction of the conditions below, a bonus issue of warrants (“Bonus Issue of Warrants”) to shareholders of the Company (“Shareholders”) whose registered addresses appear on the register of members of the Company on 5 June 2006 (“Record Date”) on the basis of one (1) warrant (“2008 Warrant”) for every ten (10) shares of HK\$0.10 each (“Shares”) in the share capital of the Company held on the Record Date.

Each 2008 Warrant, with subscription rights of HK\$1.20, will entitle the holder thereof to subscribe for new Shares at an initial subscription price of HK\$1.20 per Share in cash (the “Subscription Price”), subject to adjustment, at any time between the date when dealings in the 2008 Warrants on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) commence (which is expected to be on or about 26 June 2006) and 31 October 2008 (both days inclusive) (the “Subscription Period”). Fractional entitlements to the 2008 Warrants will not be granted to the Shareholders but will be aggregated and sold for the benefit of the Company. The Subscription Price is subject to adjustment(s) upon occurrence of adjustment events arising as a result of changes in the share capital of the Company including consolidation or sub-division of Shares, capitalisation of profits or reserves, capital distributions in cash or specie or subsequent issue of securities in the Company.

The Subscription Price of HK\$1.20 represents a premium of approximately 29.03% over the closing price of HK\$0.93 per Share as quoted on the Stock Exchange on 6 April 2006, and represents a premium of approximately 30.15% over the average closing price of HK\$0.922 per Share of the Company on the

Stock Exchange for the 5 trading days ended 6 April 2006. On the basis of 711,850,000 Shares in issue on 6 April 2006, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, 71,185,000 2008 Warrants are proposed to be issued pursuant to the Bonus Issue of Warrants. Full exercise of the 71,185,000 2008 Warrants would result in the receipt by the Company of HK\$85,422,000, before expenses and, assuming that the Subscription Price is not adjusted, an issue of 71,185,000 new Shares, representing approximately 10% of the existing issued share capital of the Company and approximately 9.09% of the issued share capital of the Company as enlarged by the issue of such Shares. The Company has not presently planned for any specific use of the proceeds save as to say that it is the present intention of the Board to apply the proceeds of the Bonus Issue of Warrants for general working capital and to reduce the indebtedness of the Company in general.

Shares which may fall to be issued upon exercise of the 2008 Warrants will rank for any dividends and other distributions and/or offers of further securities made by the Company, the record date for which is on or after the relevant subscription date and subject thereto, *pari passu* in all respects with the then existing issued Shares on the relevant subscription date. Application will be made to the Stock Exchange for listing of, and permission to deal in, the 2008 Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2008 Warrants. No part of the equity or debt securities of the Company is listed on or dealt in on any other stock exchange and no such listing of or permission to deal in is being or is proposed to be sought.

For the Overseas Shareholders, that is those Shareholders whose addresses as shown on the register of members on the Record Date are outside Hong Kong enquiry pursuant to Rule 13.36(2) of the Listing Rules will be made by the Board. If the Board is of the view that, after such enquiry, the exclusion of Overseas Shareholders is necessary or expedient, the 2008 Warrants will not be granted to the Overseas Shareholders, if any. In such circumstances, arrangements will be made for the 2008 Warrants which would otherwise have been issued to such Overseas Shareholders, if any, to be sold in the market as soon as practicable, if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to Overseas Shareholders, if any, *pro rata* to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

The Bonus Issue of Warrants is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders approving the Bonus Issue of Warrants at a special general meeting of the Company; and
- (b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the 2008 Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2008 Warrants.

Save for the Bonus Issue of Warrants, the Company has no other outstanding equity securities which remain to be issued on exercise of any other subscription rights subject to Chapter 15 of the Listing Rules.

CERTIFICATES FOR THE 2008 WARRANTS AND BOARD LOT

All necessary arrangements will be made by the Company to enable the 2008 Warrants to be admitted into the Central Clearing and Settlement System (“CCASS”). Subject to the satisfaction of all the conditions mentioned above and the compliance with the stock admission requirements of Hong Kong Securities Clearing Company Limited (“Hongkong Clearing”), the 2008 Warrants and the new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2008 Warrants will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the 2008 Warrants (which is expected to be on or about 26 June 2006) or such other date(s) as determined by Hongkong Clearing. It is expected that warrant certificates issued pursuant to the Bonus Issue of Warrants will be posted at the risks of the Shareholders entitled thereto around 23 June 2006. The 2008 Warrants will be traded in board lots of 20,000 units entitling holders thereof to subscribe an amount of HK\$24,000 initially for Shares, on the basis of the Subscription Price.

A circular containing further details of the Bonus Issue of Warrants, together with a notice convening a special general meeting of the Company to approve, among other things, the Bonus Issue of Warrants, will be dispatched to Shareholders within 21 days from the date of publication of this announcement.

To the best of the knowledge, information and belief, after having made reasonable inquiries, the Board takes the view that no Shareholder is materially interested in the Bonus Issue of Warrants (other than its interest as a Shareholder) and no Shareholder will be required to abstain from voting in respect of the resolution for the approval of the Bonus Issue of Warrants at the special general meeting to be convened.

The bye-laws of the Company provide that at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is duly demanded before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll. A poll may be demanded by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

REASONS FOR THE BONUS ISSUE OF WARRANTS

The Board believes that the Bonus Issue of Warrants may increase the equity capital of the Company and may broaden the shareholders base of the Company, which will be beneficial to the Company.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Tuesday, 30 May 2006 to Monday, 5 June 2006 (both days inclusive) in order to establish entitlements of Shareholders (other than the Overseas Shareholders, if any) to the Bonus Issue of Warrants, during which period no transfer of Shares will be registered. In order to qualify for the 2008 Warrants under the Bonus Issue of Warrants, Shareholders are reminded to ensure that all Share transfers, accompanied by the relevant certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited, situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 29 May 2006.

On behalf of the Board

Cheok Ho Fung

Chairman and Chief Executive Officer

Hong Kong, 6 April 2006

As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung, Mr. Ng Chi Shing, Mr. Wong Shui Hing, Mr. Ting Sui Ping and Mr. Ho Siu Man 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.