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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 EXISTING SHARES,
SUBSCRIPTION FOR NEW SHARES AND RESUMPTION OF TRADING**

PLACING AGENT

UOBKayHian

UOB Kay Hian (Hong Kong) Limited

大華繼顯（香港）有限公司

On 3 May 2006, Inni and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to procure the Placees to acquire, on a best efforts basis, and Inni has agreed to sell up to 142,000,000 existing Shares at the Placing Price. The Shares to be placed represent approximately 19.95% of the existing issued share capital of the Company consisting of 711,850,000 Shares and approximately 16.63% of the Company's issued share capital as enlarged by the Subscription.

On the same day, the Company and Inni entered into the Subscription Agreement, pursuant to which Inni has conditionally agreed to subscribe for the Subscription Shares. The Subscription is conditional upon the granting the listing of, and permission to deal in, the Subscription Shares by the Stock Exchange and the completion of the Placing.

The net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$113,041,000 (that is, the net price of approximately HK\$0.80 per Placing Share) (after deducting expenses including Placing commission, stamp duty and legal expenses of approximately HK\$559,000) in the event that 142,000,000 Shares are successfully placed pursuant to the Placing. It is presently intended that approximately HK\$60,000,000 of the net proceeds will be applied for construction of a production plant for manufacturing of printed circuit boards in Tongliao, Inner Mongolia, the People's Republic of China. The remaining sum of the net proceeds will be applied as to approximately HK\$23,041,000 as general working capital of the Group and as to approximately HK\$30,000,000 to reduce a number of short term bank borrowings of the Group in general. These short term bank borrowings are being used by the Group as general working capital and have effective interest rates ranging from HIBOR plus 1.125% to 2.25% per annum, with maturity in one to three months.

Trading in the Shares was suspended at 9:30 a.m. on 3 May 2006 at the request by the Company pending the release of this announcement, and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. 4 May 2006.

INTRODUCTION

On 3 May 2006, Inni and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to procure the Placees to acquire, on a best efforts basis, and Inni has agreed to sell up to 142,000,000 existing Shares at the Placing Price. On the same day, the Company and Inni entered into the Subscription Agreement whereby the Company has conditionally agreed to issue and allot and Inni has conditionally agreed to subscribe for the Subscription Shares at the Subscription Price.

PLACING AGREEMENT DATED 3 MAY 2006

Vendor

Inni, a substantial shareholder and a controlling shareholder of the Company, which is interested in 432,000,000 Shares, representing approximately 60.69% of the total issued share capital of the Company as at the date of this announcement.

Number of Placing Shares

Up to 142,000,000 existing Shares beneficially owned by Inni, which represents approximately 19.95% of the Company's existing issued share capital of 711,850,000 Shares and approximately 16.63% of the enlarged issued share capital of 853,850,000 Shares after completion of the Subscription.

Independence Placing Agent

Immediately before the Placing and Subscription and after completion of Placing and Subscription, the Placing Agent and its ultimate beneficial owner(s) are third parties independent from the Company and its connected persons (as defined in the Listing Rules).

Name of the Placees

The Placees are Kingboard Investments, Value Partners (through funds under its management) and Majestic Wealth Ltd. The number of Placing Shares to be placed to each of the Placees are as follows:

Name of the placees	Number of Placing Shares
Kingboard Investments	56,800,000
Value Partners (through funds under its management)	47,700,000
Majestic Wealth Ltd.	37,500,000

Kingboard Investments is engaged in investment holding and is a wholly-owned subsidiary of Kingboard. Kingboard is an investment holding company. Its principal subsidiaries are engaged in the manufacture of laminates, copper foil, glass fabric, glass yarn, bleached kraft paper, printed circuit boards, chemicals, liquid crystal displays and magnetic products. Most of the copper foil, glass fabric, glass yarn and bleached kraft paper produced are used by the Kingboard Group in its manufacturing of laminates.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Kingboard Group is interested in 70,676,000 Shares, representing approximately 9.93% of the entire issued share capital of the Company. On the basis that 142,000,000 Shares are placed pursuant to the Placing, upon completion of the Placing the shareholding of the Kingboard Group will be increased to 127,476,000 Shares, representing approximately 17.91% of the existing issued share capital of the Company and approximately 14.93% of the enlarged issued share capital of the Company (immediately after completion of the Subscription). Upon completion of the Placing, the Kingboard Group will become a substantial shareholder of the Company (as defined under the Listing Rules).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Value Partners is a limited liability company incorporated in the British Virgin Islands and is engaged in the business of fund management. Value Partners is a licensed corporation registered under the SFO. At the date of this announcement, Value Partners (through funds under its management) holds 25,658,000 Shares, representing

approximately 3.60% of the entire issued share capital of the Company. On the basis that 142,000,000 Shares are placed pursuant to the Placing, after the completion of the Placing the shareholding of Value Partners (through funds under its management) will be increased to 73,358,000 Shares, representing approximately 10.31% of the existing issued share capital of the Company and approximately 8.59% of the enlarged issued share capital of the Company (immediately after completion of the Subscription).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Majestic Wealth Ltd. is a limited liability company incorporated in Samoa and is engaged in investment holdings. At the date of this announcement, Majestic Wealth Ltd. does not hold any Shares. On the basis that 142,000,000 Shares are placed pursuant to the Placing, after the completion of the Placing the shareholding of Majestic Wealth Ltd. will be 37,500,000 Shares, representing approximately 5.27% of the existing issued share capital of the Company and approximately 4.39% of the enlarged issued share capital of the Company (immediately after completion of the Subscription).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, before the Placing and Subscription and after the completion of Placing and Subscription, Kingboard Investments, Value Partners and Majestic Wealth Ltd. and each of their respective ultimate beneficial owners are third parties independent from the Company and its connected persons (as defined in the Listing Rules), save that the Kingboard Group will become a substantial shareholder of the Company (as defined in the Listing Rules) upon completion of the Placing.

Placing Price

The Placing Price of HK\$0.80 per Placing Share is negotiated on arm's length basis between Inni and the Placing Agent with reference to a discount of approximately 10% to the average closing price of approximately HK\$0.89 per Share as quoted on the Stock Exchange for the thirty trading days up to and including 2 May 2006, being the last trading day of the Shares prior to the release of this announcement. The Company considers that such reference period is long enough to better reflect the value of the Shares.

The Placing Price represents a premium of approximately 3.90 % to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 2 May 2006, being the last trading day of the Shares prior to the release of this announcement, a premium of approximately 2.56 % to the average closing price of HK\$ 0.78 per Share as quoted on the Stock Exchange for the five trading days up to and including 2 May 2006, being the last trading day of the Shares prior to the release of this announcement, and a discount of approximately 2.50 % to the average closing price of HK\$0.82 per Share as quoted on the Stock Exchange for the ten trading days up to and including 2 May 2006, being the last trading day of the Shares prior to the release of this announcement. The Directors considered the Placing Price to be fair and reasonable. The aggregate Placing Price for the Placing Shares will be paid to Inni at completion of the Placing.

Shares under the Placing

The Placing Shares will be sold free from all liens, charges, encumbrances, claims, options and all other third party rights and together with all rights attaching thereto as at the date of the Placing Agreement, including the right to all dividends or other distributions which may be declared, paid or made after the date of the Placing Agreement.

Completion of the Placing

The Placing is unconditional. Completion of the Placing is to take place on 10 May 2006, which is the fourth business day after the date of the Placing Agreement, or such other time, date and place as may be agreed by the parties to the Placing Agreement.

SUBSCRIPTION AGREEMENT DATED 3 MAY 2006

Issuer

The Company

Subscriber

Inni

Number of new Shares subscribed for

Up to 142,000,000 new Shares (with an aggregate nominal value of HK\$14,200,000) which is equal to the number of Shares to be placed under the Placing, representing 19.95 % of the Company's existing issued share capital, and approximately 16.63 % of its issued share capital as enlarged by the issue of the Subscription Shares.

Subscription price

The Subscription Price of HK\$0.80 per Subscription Share, which is the same as the Placing Price, is negotiated on arm's length basis between Inni and the Company. The basis for determining the Subscription Price is the same as the basis for determining the Placing Price.

The Subscription Price represents a premium of approximately 3.90% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 2 May 2006, being the last trading day of the Shares prior to the release of this announcement, a premium of approximately 2.56% to the average closing price of HK\$0.78 per Share as quoted on the Stock Exchange for the five trading days up to and including 2 May 2006, being the last trading day of the Shares prior to the release of this announcement and a discount of approximately 2.50 % to the average closing price of HK\$ 0.82 per Share as quoted on the Stock Exchange for the ten trading days up to and including 2 May 2006, being the last trading day of the Shares prior to the release of this announcement. The Directors considered the Subscription Price to be fair and reasonable.

Conditions and Completion of the Subscription

Completion of the Subscription, which shall take place at 11:00 a.m. within 14 days after the date of the Subscription Agreement (expected to be 17 May 2006) or such other time, date and place as may be agreed by the parties to the Subscription Agreement, is conditional on:

- (a) the Stock Exchange granting the listing of, and permission to deal in, all of the Subscription Shares; and
- (b) completion of the Placing.

In the event that the above conditions are not fulfilled within 14 days commencing from the date of the Subscription Agreement or such later date as permitted by the Stock Exchange and agreed by the Company and Inni, then the Subscription and all rights, obligations and liabilities of the parties to the Subscription Agreement in relation to the Subscription will cease and terminate and no party shall have any claim against the other in respect thereof save and except any antecedent breach.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting held on 17 May 2005 which is sufficient for the issue of the Subscription Shares. As at the date of this announcement, no Shares have been issued by the Company pursuant to the above general mandate.

Ranking

The Subscription Shares, when fully paid, will rank equally with the existing issued Shares of the Company.

GENERAL

Shareholding of Inni

At the date of this announcement, Inni holds 432,000,000 Shares, representing approximately 60.69% of the entire issued share capital of the Company. Immediately after completion of the Placing and on the basis that 142,000,000 Shares are placed pursuant to the Placing, the shareholding of Inni will be reduced to 290,000,000 Shares, representing approximately 40.74% of the existing issued share capital of the Company. Immediately after completion of the Subscription and the Placing and on the basis that 142,000,000 Shares are placed pursuant to the Placing, the shareholding of Inni will return to 432,000,000 Shares, representing approximately 50.59% of the enlarged issued share capital of the Company.

Effects on Shareholding Structure

To the best knowledge and belief of the Directors, and on the basis that 142,000,000 Shares are placed pursuant to the Placing, the shareholding structure of the Company immediately before completion of the Placing and the Subscription, after completion of the Placing but before completion of the Subscription, and after completion of both the Placing and the Subscription are as follows:

	Before Placing and Subscription		After Placing but before Subscription		After Placing and Subscription	
	<i>No. of shares held</i>	<i>Approx. %</i>	<i>No. of shares held</i>	<i>Approx. %</i>	<i>No. of shares held</i>	<i>Approx. %</i>
Inni (<i>Note 1</i>)	432,000,000	60.69%	290,000,000	40.74%	432,000,000	50.59%
Mr Cheek	48,000,000	6.74%	48,000,000	6.74%	48,000,000	5.62%
Kingboard Group (<i>Note 2</i>)	—	—	127,476,000	17.91%	127,476,000	14.93%
Public Shareholders						
— Kingboard Group (<i>Note 2</i>)	70,676,000	9.93%	—	—	—	—
— Placees (other than Kingboard Group)	25,658,000	3.60%	110,858,000	15.57%	110,858,000	12.98%
— other public Shareholders	135,516,000	19.04%	135,516,000	19.04%	135,516,000	15.88%
Subtotal of public Shareholders	<u>231,850,000</u>	<u>32.57%</u>	<u>246,374,000</u>	<u>34.61%</u>	<u>246,374,000</u>	<u>28.86%</u>
Total:	<u>711,850,000</u>	<u>100.00%</u>	<u>711,850,000</u>	<u>100.00%</u>	<u>853,850,000</u>	<u>100.00%</u>

Note 1: Inni is a company incorporated in the Republic of Liberia and is held as to 49% by Mr. Cheek and as to 51% jointly by Mr. Cheek and his spouse Mrs. Cheek Chu Wai Min.

Note 2: Before the Placing and Subscription, the Kingboard Group is not a substantial shareholder of the Company (as defined under the Listing Rules) and therefore, its shareholding in the Company will form part of the public float.

After the completion of the Placing, the Kingboard Group will become a substantial shareholder of the Company (as defined under the Listing Rules) and thereafter, its shareholding in the Company will not form part of the public float.

Application for listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Public float

The Company is able to meet the public float requirements after completion of the Subscription.

Costs and expenses

Each party to the Placing Agreement and Subscription Agreement shall pay its own costs, expenses of its own legal and other professional advisers and out-of-pocket expenses incurred in connection with the Placing and the Subscription. Nevertheless, the Company shall fully reimburse all of Inni's reasonable costs, fees and expenses relating to the Placing, including the expenses, all seller's Hong Kong stamp duty on the relevant sold notes and instruments of transfer, SFC transaction levy and Stock Exchange trading fee.

Reasons for the Placing and the Subscription and use of proceeds

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

The Directors consider that the Placing and the Subscription will increase the shareholders base of the Company and the liquidity of the Shares. The net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$113,041,000 (that is, the net price of approximately HK\$0.80 per Placing Share) (after deducting expenses including Placing commission, stamp duty and legal expenses of approximately HK\$559,000) in the event that 142,000,000 Shares are successfully placed pursuant to the Placing. It is presently intended that approximately HK\$60,000,000 of the net proceeds will be applied for construction of a production plant for manufacturing of printed circuit boards in Tongliao, Inner Mongolia, the People's Republic of China. The remaining sum of the net proceeds will be applied as to approximately HK\$23,041,000 as general working capital of the Group and as to approximately HK\$30,000,000 to reduce a number of short term bank borrowings of the Group in general. These short term bank borrowings are being used by the Group as general working capital and have effective interest rates ranging from HIBOR plus 1.125% to 2.25% per annum, with maturity in one to three months.

The Board confirms that the terms of the Placing Agreement and the Subscription Agreement have been negotiated on an arm's length basis and are normal commercial terms based on the prevailing market conditions. The Board has considered the terms of the Placing Agreement and Subscription Agreement and are of the view that they are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

Funds raised by the Company during the 12 months immediately before the date of this announcement

The Company has not engaged in any fund-raising activities through the issue of equity securities in the 12 months immediately preceding the date of this announcement.

Resumption of Trading

Trading in the Shares was suspended at 9:30 a.m. on 3 May 2006 at the request by the Company pending the release of this announcement, and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 4 May 2006.

Terms and Definitions

“%”	per cent.
“Board”	the board of Directors
“Company”	Topsearch International (Holdings) Limited, an exempted company incorporated in Bermuda and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People's Republic of China

“HIBOR”	the Hong Kong Interbank Offered Rate, the rate of interest offered on Hong Kong dollar loans by banks in the interbank market for a specified period ranging from overnight to one year
“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 his spouse Mrs. Cheok Chu Wai Min
“Kingboard”	Kingboard Chemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 148)
“Kingboard Group”	Kingboard and its subsidiaries
“Kingboard Investments”	Kingboard Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Kingboard, one of the Placees
“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
“Placees”	Kingboard Investments, Value Partners and Majestic Wealth Ltd.
“Placing Agent”	UOB Kay Hian (Hong Kong) Limited, which is licensed for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement between Inni and the Placing Agent dated 3 May 2006 for the Placing
“Placing Price”	the placing price of HK\$0.80 per Placing Share
“Placing Shares”	up to 142,000,000 existing Shares beneficially owned by Inni and to be placed to the placees pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares beneficially owned by Inni to the placees pursuant to the Placing Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as the same may be amended, supplemented or otherwise modified from time to time
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement between the Company and Inni dated 3 May 2006 for the Subscription
“Subscription Price”	the subscription price of HK\$0.80 per Subscription Share
“Subscription Shares”	such number of new Shares equal to the number of Placing Shares successfully placed under the Placing and which are to be subscribed by Inni pursuant to the Subscription Agreement
“Subscription”	the subscription for the Subscription Shares at the Subscription Price

“substantial shareholder”

has the meaning ascribed to it in the Listing Rules

“Value Partners”

Value Partners Limited, which is licensed for Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO, one of the Places. Value Partners has a sub fund, Value Partners China Greenchip Fund Limited, which is listed on the Main Board of the Stock Exchange (stock code: 1186)

On behalf of the Board

Cheok Ho Fung

Chairman and Chief Executive Officer

Hong Kong, 3 May 2006

As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung, 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.