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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Topsearch International (Holdings) Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited (the "Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

A copy of this circular has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. A copy of this circular has also been filed with the Registrar of Companies in Bermuda in accordance with the Companies Act 1981 of Bermuda (as amended), respectively. The Securities and Futures Commission, the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of this circular.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the 2008 Warrants (as defined herein) and new Shares (as defined herein) falling to be issued upon the exercise of the subscription rights attaching to the 2008 Warrants. Dealings in the 2008 Warrants are expected to commence from 9:30 a.m. on 26 June 2006.

Subject to, inter alia, the granting of the listing of, and permission to deal in, the 2008 Warrants and the new Shares falling to be issued upon the exercise of the subscription rights attaching to the 2008 Warrants on the Stock Exchange, the 2008 Warrants and any new Shares that may fall to be issued upon the exercise of the subscription rights attached to the 2008 Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined herein) with effect from the commencement date of dealings in the 2008 Warrants on the Stock Exchange or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

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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)

### PROPOSAL FOR BONUS ISSUE OF WARRANTS

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A notice convening a special general meeting of Topsearch International (Holdings) Limited to be held at Fuji Room, Pacific Place, Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 5 June 2006 at 9:30 a.m. is set out on pages 21 to 22 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the branch share registrar of the Company in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the meeting if they so wish.

\* For identification purposes only

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## EXPECTED TIMETABLE

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2006

Last day of dealings in Shares cum entitlements to the Bonus Issue .....	Thursday, 25 May
First day of dealings in Shares ex entitlements to the Bonus Issue .....	Friday, 26 May
Latest time for registration of Share transfers for entitlements to the Bonus Issue .....	4:30 p.m. Monday, 29 May
Register of members closed for determining entitlements to the Bonus Issue (both days inclusive) from .....	Tuesday, 30 May
to .....	Monday, 5 June
Latest time for lodging forms of proxy for the Special General Meeting .....	9:30 a.m. Saturday, 3 June
Special General Meeting .....	9:30 a.m. Monday, 5 June
Record Date .....	Monday, 5 June
Despatch of certificates for 2008 Warrants on or before .....	Thursday, 22 June
Commencement day of dealings in 2008 Warrants .....	Monday, 26 June

*Note:* All times and dates refer to Hong Kong local time.

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## RESPONSIBILITY STATEMENT

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This document includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to Topsearch International (Holdings) Limited and the proposed issue of the 2008 Warrants. The directors of Topsearch International (Holdings) Limited collectively and individually accept full responsibility for the accuracy of the information in this document and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this document misleading.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Board”	the board of Directors
“Bonus Issue”	the proposed issue of the 2008 Warrants on the basis of one 2008 Warrant for every ten existing Shares held by the Shareholders, excluding Excluded Overseas Shareholders, on the Record Date, upon and subject to the terms and conditions set out in this circular and the Instrument
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Commencement Date”	the date on which dealings in the 2008 Warrants commence (which is expected to be 26 June 2006)
“Company”	Topsearch International (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Directors”	directors of the Company
“Excluded Overseas Shareholders”	Overseas Shareholders whose addresses, as shown in the register of members of the Company at the close of business on the Record Date, are in places other than Macau
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Instrument”	the deed poll to be executed by the Company creating the 2008 Warrants

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## DEFINITIONS

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“Latest Practicable Date”	8 May 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Overseas Shareholder(s)”	Shareholder(s) whose registered addresses as shown on the register of members of the Company on the Record Date are outside Hong Kong
“Record Date”	5 June 2006
“Registrar”	the Company’s branch share registrar in Hong Kong, Tengis Limited, situate at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wan Chai, Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Options”	the outstanding share options granted by the Company pursuant to a share option scheme adopted on 30 May 2002
“Shareholder(s)”	holder(s) of Share(s)
“Special General Meeting”	a special general meeting of the Company to be held at Fuji Room, Pacific Place, Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 5 June 2006 at 9:30 a.m., the notice of which is set out on pages 21 to 22 of this circular, or any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Period”	the period commencing from the Commencement Date to 4:30 p.m. on 31 October 2008 (both days inclusive)
“Subscription Price”	HK\$1.20 per Share (subject to adjustments) in respect of each 2008 Warrant

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## DEFINITIONS

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“2008 Warrant(s)”	warrant(s) to be constituted by the Instrument and to be granted by way of the Bonus Issue in units of HK\$1.20 each of subscription rights, entitling the holder(s) thereof to subscribe at any time during the Subscription Period for fully paid Shares at an initial subscription price of HK\$1.20 (subject to adjustment(s)) and otherwise on the terms set out in the Instrument, a summary of the principal terms of which are set out in the Appendix to this circular
“HK\$” and “HK cents”	Hong Kong dollars and cents

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

CHEOK Ho Fung

*(Chairman and Chief Executive Officer)*

WONG Shui Hing

TING Sui Ping

HO Siu Man

*Non-executive Directors:*

NG Kwok Ying, Alvin

TANG Yok Lam, Andy

*Independent Non-executive Directors:*

LEUNG Shu Kin, Alfred

WONG Wing Kee

LOOK Guy

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Principal Place of Business:*

3406, China Merchants Tower

Shun Tak Centre

168-200 Connaught Road

Central

Hong Kong

12 May 2006

*To the Shareholders (other than the Excluded Overseas Shareholders)*

*and holders of the Share Options,*

*and for information only, the Excluded Overseas Shareholders*

Dear Sir or Madam,

### PROPOSAL FOR BONUS ISSUE OF WARRANTS

#### INTRODUCTION

By the Company's announcements dated 6 April 2006, the Company announced the final results for the year ended 31 December 2005 and proposed, subject to the satisfaction of the conditions below, the Bonus Issue. The purpose of this circular is to provide you with further information on the Bonus Issue and to give you notice of and to seek your approval at the Special General Meeting in connection with the Bonus Issue.

\* *For identification purposes only*



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## LETTER FROM THE BOARD

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### THE BONUS ISSUE

#### (1) Terms

Under the Bonus Issue, 2008 Warrants will be issued in registered form in the proportion of one (1) 2008 Warrant for every ten (10) Shares held by Shareholders (other than the Excluded Overseas Shareholders) whose names appear on the register of members of the Company on the Record Date.

The 2008 Warrants will entitle the holders thereof to subscribe for new Shares at the Subscription Price, at any time during 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 22.45% over the closing price of HK\$0.98 per Share on the Stock Exchange on the Latest Practicable Date, and represents a premium of approximately 44.58% over the average closing price of HK\$0.83 per Share on the Stock Exchange for the 10 trading days ended on the Latest Practicable Date.

The 2008 Warrants will be created by the Instrument by way of deed poll executed by the Company and are proposed to be granted in registered form subject to the terms and conditions set out in the Instrument. Shares to be issued on the exercise of the subscription rights attaching to 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.

A summary of the terms and conditions of the 2008 Warrants, including the circumstances in which the subscription price may be adjusted, is set out in the Appendix to this circular.

#### (2) Use of proceeds

There are 711,850,000 Shares in issue as at the Latest Practicable Date. As announced by the Company on 3 May 2006, the Company has entered into a subscription agreement with Inni International Inc. pursuant to which the Company will issue up to 142,000,000 new Shares to Inni International Inc. Completion of the subscription agreement is expected to take place on 17 May 2006.

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## LETTER FROM THE BOARD

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On the assumptions that (i) no further Shares will be issued or repurchased by the Company on or before the Record Date; and (ii) no outstanding Share Options will be exercised prior to the Record Date, 85,385,000 2008 Warrants are proposed to be issued pursuant to the Bonus Issue. Full exercise of the 85,385,000 2008 Warrants would result in the receipt by the Company of HK\$102,462,000, before expenses and, assuming that the Subscription Price is not adjusted, an issue of 85,385,000 new Shares, representing approximately 11.99% of the existing issued share capital of the Company as at the Latest Practicable Date 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 for general working capital and to reduce the indebtedness of the Company in general. In particular, the proceeds of the Bonus Issue may be used by the Group to repay certain bank loans which have effective interest rates ranging from HIBOR plus 1.25% to 1.75% per annum, with maturity in 2006 to 2008.

### **(3) Excluded Overseas Shareholders**

As set out in the announcement of the Company dated 6 April 2006, the Bonus Issue will not be made to certain Overseas Shareholders in the event that the Directors, upon making enquiry, consider such exclusion to be necessary or expedient on account of either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places.

On the basis of the information made available to the Directors, as at the Latest Practicable Date, there were Overseas Shareholders whose addresses as shown in the register of members of the Company were in Macau. The Directors have made enquiries on the legal restrictions and regulatory requirements in relation to the Bonus Issue to Overseas Shareholders in Macau and having done so, the Board considered that it would not be necessary to exclude the Overseas Shareholders whose addresses as shown in the register of members of the Company on the Record Date are in Macau and accordingly, the Bonus Issue will, subject to the satisfaction of the conditions set out below, be made available to the Overseas Shareholders whose addresses as shown in the register of members of the Company on the Record Date are in Macau.

In the event that there are Excluded Overseas Shareholders (i.e. those Overseas Shareholders whose addresses as shown on the register of members of the Company on the Record Date are in places other than Macau), no allotment of 2008 Warrants will be made to the Excluded Overseas Shareholders pursuant to the Bonus Issue. Arrangements will be made for the 2008 Warrants which would otherwise have been issued to the Excluded Overseas Shareholders to be sold in the market as soon as practicable. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Overseas Shareholders 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.

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## LETTER FROM THE BOARD

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For the avoidance of doubt, the Excluded Overseas Shareholders, if any, have been sent a copy of this circular for their information only.

### (4) Conditions

The Bonus Issue is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders approving the Bonus Issue at the Special General Meeting; 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.

To the best of its knowledge, information and belief, after having made reasonable inquiries, the Board takes the view that no Shareholder is materially interested in the Bonus Issue (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 at the Special General Meeting to be convened.

Save for the Bonus Issue, 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.

### (5) Listings and Dealings

Application has been made to the Stock Exchange for the 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.

All necessary arrangements have been made by the Company to enable the 2008 Warrants to be admitted into CCASS. Subject to the granting of the listing of, and permission to deal in, the 2008 Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2008 Warrants on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the 2008 Warrants and the 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 HKSCC for deposit, clearance and settlement in CCASS with effect from the Commencement Date of dealing in the 2008 Warrants on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

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## LETTER FROM THE BOARD

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All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The 2008 Warrants will be traded in board lots of 20,000 units entitling holders thereof to subscribe an amount of HK\$24,000 for Shares, representing the aggregate subscription price for 20,000 Shares initially, on the basis of an initial subscription price of HK\$1.20 per Share. It is expected that certificates for the 2008 Warrants will be posted to the persons entitled thereto on or before 22 June 2006 at their own risk. Dealings in the 2008 Warrants on the Stock Exchange are expected to commence on 26 June 2006.

**(6) Book Closure**

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 to the Bonus Issue, during which period no transfer of Shares will be registered. In order to qualify for the 2008 Warrants under the Bonus Issue, 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, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 29 May 2006.

**(7) Reasons for the Bonus Issue**

The Board believes that the Bonus Issue will provide the Shareholders with the opportunity to participate further in the future growth of the Group. The Board considers that the Bonus Issue may also be beneficial to the Group in that the exercise of the 2008 Warrants by the holders of the 2008 Warrants will provide the Company with further capital by increasing the equity capital of the Company and which in turn may broaden the shareholders base of the Company. The exercise period of the 2008 Warrants is timed to match the expected future funding requirements of the Group.

**(8) Taxation and expenses**

Dealings in the 2008 Warrants registered on the Company's register of warrant holders maintained in Hong Kong will be subject to Hong Kong stamp duty. Shareholders are recommended to consult their professional advisers as to the tax implications of the Bonus Issue, in particular, whether the Bonus Issue would be regarded as a transaction of an income or capital nature or make such Shareholders liable to taxation.

The Stock Exchange charges a trading fee of 0.005%, and the Securities and Futures Commission also charges a transaction levy of 0.005%, in respect of each transaction effected on the Stock Exchange, payable by each of the seller and the buyer and is calculated on the value of consideration for the relevant securities. In addition, member brokers charge brokerage against both buyers and sellers and such brokerage is required to be not less than 0.25% of the value of the purchase or value (calculated on the value of the consideration for the relevant securities).

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## LETTER FROM THE BOARD

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### (9) Special General Meeting and procedures for demanding a poll

Notice of the Special General Meeting is set out on pages 21 to 22 of this Circular. A form of proxy is enclosed for use at the Special General Meeting. Whether or not you are able to attend the Special General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Registrar as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting. Completion and return of the form of proxy will not prevent Shareholders from attending and voting at the Special General Meeting if they so wish.

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 voting by way of poll is required by the Listing Rules or (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 is 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.

### (10) Recommendation

The Directors consider that the Bonus Issue is in the best interests of the Company and Shareholders and accordingly recommend all Shareholders to vote in favour of the ordinary resolution to be proposed at the Special General Meeting to approve the Bonus Issue.

Yours faithfully,  
For and on behalf of the Board  
**Cheok Ho Fung**  
*Chairman and Chief Executive Officer*

**SUMMARY OF THE TERMS OF THE 2008 WARRANTS**

The 2008 Warrants (hereinafter defined as “Warrants” for the purpose of this Appendix) are proposed to be constituted by the Instrument by way of deed poll to be executed by the Company and will be issued in registered form and will form one class and rank *pari passu* in all respects with each other.

Warrantheolders (as defined below) shall be entitled to the benefit of, be bound by, and be deemed to have notice of all the provisions of the Instrument. Copies of the Instrument, the principal provisions of which are summarised below, will be available at the principal place of business of the Company in Hong Kong or such other place as may be notified to the Warrantheolders (as defined below) from time to time.

References in this summary to “Shares” are to the shares of HK\$0.10 each in the authorised share capital of the Company existing on the date of issue of the Warrants and all other shares from time to time and for the time being ranking *pari passu* therewith and all other shares in the capital of the Company resulting from any subdivision, consolidation or re classification of Shares.

**1. Subscription**

- (a) The registered holder or joint holders for the time being of a Warrant (“Warrantheolder”) shall have rights (“Subscription Rights”) to subscribe in cash for fully paid Shares but not in respect of any fraction of a Share at a price (subject to the adjustments referred to below) of HK\$1.20 per Share (“Subscription Price”). The Subscription Rights attaching to the Warrants held by a Warrantheolder may be exercised, in respect of all or part of the Warrants so held, at any time between the date when dealings in the Warrants on the Stock Exchange commence (which is expected to be 26 June 2006) (the “Commencement Date”) and 4:30 p.m. on 31 October 2008) (both dates inclusive) (“Subscription Period”). Any Subscription Rights which have not been exercised on or before the end of the Subscription Period will thereafter lapse and the relevant Warrants will cease to be valid for any purpose.
- (b) A Warrantheolder may exercise his Subscription Rights by completing and signing the subscription form endorsed on the Warrant certificate or the separate subscription form which the Company permits to be used (both of which shall, once signed and completed, be irrevocable) and delivering the Warrant certificate, together with the separate subscription form if appropriate, to the branch share registrars of the Company for the time being (“Registrars”), together with a remittance for the subscription moneys for the Shares in respect of which the Subscription Rights are being exercised. The date on which such documents (duly completed and signed) and the relevant remittances are delivered to the Registrars

shall be the date on which the relevant Subscription Rights are exercised and is hereafter referred to as the “Subscription Date”. In each case, compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

- (c) No fraction of a Share will be allotted but any balance of the subscription moneys paid on the exercise of the Subscription Rights will be refunded by the Company to the relevant Warrantholder, provided that if the Subscription Rights comprised in two or more Warrant certificates are exercised by a Warrantholder on the same Subscription Date then, for the purpose of determining whether any (and if so what) fraction of a Share arises, the Subscription Rights represented by such Warrant certificates shall be aggregated.
- (d) The Company undertakes in the Instrument that Shares falling to be issued upon the exercise of the Subscription Rights will be issued and allotted not later than twenty eight days after the relevant Subscription Date and will rank *pari passu* with the fully paid Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends and/or other distributions declared, paid or made and/or offers of further securities made by the Company after the relevant Subscription Date unless adjustment thereof has been made as provided in the Conditions (as defined in the Instrument) and other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the Record Date (as defined in the Instrument) therefor is on or before the relevant Subscription Date and notice of the amount and Record Date therefor has been given to the Stock Exchange prior to the relevant Subscription Date.
- (e) As soon as practicable after the relevant allotment of Shares (and not later than twenty eight days after the relevant Subscription Date), there will be issued free of charge to the Warrantholder:
  - (i) a certificate (or certificates) for the relevant Shares in the name(s) of the Warrantholder(s);
  - (ii) (if applicable) a balancing Warrant certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights comprised within the Warrant certificate(s) delivered as described in sub paragraph (b) above remaining unexercised;
  - (iii) (if applicable) a cheque representing any fractional entitlement to Shares not allotted as mentioned in sub paragraph (c) above; and
  - (iv) (if applicable) a Deficiency Certificate (as defined in the Instrument).

The certificate(s) for Shares arising on the exercise of Subscription Rights, the balancing Warrant certificate (if any), the cheque in respect of fractional entitlement (if any) and the Deficiency Certificate (if any) will be sent by post at the risk of such Warrantholder to the address of such Warrantholder as set out in the register of Warrantholders (or in the case of a joint holding to that one of them whose name stands first in the register of Warrantholders). If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Registrars to await collection by the relevant Warrantholder.

## 2. Adjustment of Subscription Price

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the provisions of the Instrument.

- (a) The Subscription Price shall (except as mentioned in sub paragraphs (b) and (c) below) be adjusted as provided in the Instrument in each of the following cases:
- (i) an alteration to the nominal amount of the Shares by reason of any consolidation or subdivision;
  - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
  - (iii) a Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of Shares in their capacity as such;
  - (iv) a grant by the Company to the holders of Shares (in their capacity as such) of rights to acquire for cash any assets of the Company or any of its Subsidiaries (as defined in the Instrument);
  - (v) an offer or grant of Shares being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for Shares at a price which is less than 90 per cent. of the market price (calculation as provided in the Instrument);
  - (vi) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined in the Instrument) per Share is less than 90 per cent. of the market price (calculation as provided in the Instrument), or the terms of any such issue are altered so that the said total Effective Consideration is less than 90 per cent. of the market price (calculation as provided in the Instrument);



- (vii) an issue being made by the Company wholly for cash of Shares other than pursuant to a Share Option Scheme (as defined in the Instrument) at a price less than 90 per cent. of the market price (calculation as provided in the Instrument); and
  - (viii) the purchase by the Company of Shares or securities convertible into Shares or any rights to acquire Shares (other than on the Stock Exchange or any other stock exchange) in any other circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.
- (b) Except as mentioned in sub paragraph (c) below, no adjustment as is referred to in sub paragraphs (a)(ii) to (viii) above will be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
  - (ii) an issue of Shares, or other securities of the Company or any Subsidiary, wholly or partly convertible into or exchangeable for, or rights to acquire Shares pursuant to a Share Option Scheme (as defined in the Instrument);
  - (iii) an issue by the Company of Shares or by the Company or any subsidiary of securities wholly or partly convertible into or carrying rights to acquire Shares, in consideration in whole or in part for the acquisition of any other securities, assets or business;
  - (iv) an issue of fully paid shares by way of capitalisation of all or part of the Subscription Right Reserve (as defined in the Instrument) which has been or may be established in certain circumstances pursuant to the terms and conditions contained in the Instrument (or any similar reserve which has been or may be established pursuant to the terms of any other securities convertible into or rights to acquire Shares); or
  - (v) an issue of Shares in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of the Shares is not more than 110 per cent. of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash.

- (c) Notwithstanding the provisions referred to in sub paragraphs (a) and (b) above, in any circumstances where the Directors consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with effect from a different time from that provided for under the said provisions, the Company may appoint an Approved Merchant Bank or the Auditors (both as defined in the Instrument) to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relevant interests of the persons affected thereby and, if the Approved Merchant Bank or the Auditors consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in the manner (including, without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by the Approved Merchant Bank or the Auditors to be in its opinion appropriate.
- (d) Any adjustment to the Subscription Price will be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up. No adjustment shall be made to the Subscription Price in any case in which the amount by which the Subscription Price would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. No adjustment may be made which would increase the Subscription Price (except on a consolidation of Shares) or which would result in the Shares being issued at a discount to their nominal value.
- (e) Every adjustment to the Subscription Price shall be certified by the Approved Merchant Bank or the Auditors (acting as experts whose decision, in the absence of manifest error, shall be conclusive and binding on the Company and the Warrantheolders) and notice of each adjustment (giving the relevant particulars) shall be given to the Warrantheolders. Any such certificates of the Approved Merchant Bank and/ or the Auditors shall be available for inspection at the principal place of business of the Company in Hong Kong or such other place as may be notified to the Warrantheolders from time to time where copies may be obtained.

### **3. Registered Warrants**

The Warrants will be issued in registered form. The Company shall be entitled to treat the registered holder(s) of any Warrant as the absolute owner(s) thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person, whether or not the Company has express or other notice thereof.

**4. Transfer, transmission and register**

The Warrants will be transferable, in whole amounts or integral multiples of HK\$1.20, by instrument of transfer in any usual or common form or in any other form which may be approved by the Directors. Where the transferor or the transferee is HKSCC Nominees Limited or its successor thereto (or such other company as may be approved by the board of Directors for this purpose), the transfers may be executed under the hands of authorised person(s) or by machine imprinted signatures(s) on its behalf or of such person(s), as the case may be. The Company shall maintain a register of Warrantholders accordingly. Transfers of Warrants must be executed by both the transferor and the transferee. The provisions of the Company's bye-laws relating to the registration, transfer and transmission of Shares shall apply, mutatis mutandis, to the registration, transfer and transmission of the Warrants (except where there are express provisions in the Instrument to the contrary).

Persons who hold Warrants and have not registered the Warrants in their own names and wish to exercise the Warrants should note that they may incur additional costs and expenses in connection with any expedited re registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing 10 business days prior to and including the last day for subscription, being 31 October 2008.

Since the Warrants will be admitted to CCASS, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least three trading days before the end of the Subscription Period.

**5. Closure of register of Warrantholders**

The registration of transfers may be suspended and the register of Warrantholders may be closed for such periods as the Directors may from time to time direct, provided that the same may not be closed for a period, or for periods together, of more than thirty days in any one year. Any transfer or exercise of the Subscription Rights attached to the Warrants made while the register of Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the Warrantholder who has so exercised the Subscription Rights attached to his Warrant (but not otherwise), be considered as made immediately after the re opening of the register of Warrantholders.

**6. Purchase and cancellation**

The Company or any Subsidiaries may at any time purchase Warrants:

- (a) in the open market or by tender (available to all Warrantholders alike) at any price; or
- (b) by private treaty at a price per Warrant, exclusive of expenses, not exceeding 110 per cent. of the closing price of the Warrants on the Stock Exchange prior to the date of purchase of the Warrants on the Stock Exchange,

but not otherwise. All Warrants purchased shall be cancelled forthwith and may not be re issued or re sold.

**7. Meetings of Warrantholders and modification of rights**

- (a) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by Special Resolution (as defined in the Instrument) of the provisions of the Instrument and/or of the Conditions. A Special Resolution duly passed at any such meeting of Warrantholders shall be binding on the Warrantholders, whether present or not.
- (b) All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including, but without prejudice to that generality, by waiving compliance with, or by waiving or authorising any past or proposed breach of any of the provisions of the Conditions and/or the Instrument) with the prior sanction of a Special Resolution and may be effected only by deed poll executed by the Company and expressed to be supplemental to the Instrument.
- (c) Where the Warrantholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Warrantholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Warrants in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrantholder of the company.

**8. Quorum**

A quorum of a meeting of Warrantheolders will be two or more persons representing in aggregate the holders of not less than 10 per cent. of the Warrants for the time being outstanding, present in person or by proxy.

**9. Replacement of Warrant certificates**

If a Warrant certificate is mutilated, defaced, lost or destroyed, it may, at the Company's discretion, be replaced at the office of the Registrars on payment of such costs which may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security which the Company may require and on payment of such fee not exceeding HK\$2.50 (or such other amount as may from time to time be permitted under the rules of the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant certificates must be surrendered before replacements will be issued.

In the case of lost Warrant certificates, Section 71A subsections (2), (3), (4), (6), (7) and (8) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) shall apply as if shares referred to therein included Warrants.

**10. Protection of Subscription Rights**

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

**11. Call**

If at any time the aggregate of the amount of subscription moneys attached to the outstanding Warrants is equal to or less than 20 per cent. of the amount of moneys payable on exercise of all the Warrants issued under the Instrument then the Company may, on giving not less than three months' notice, require Warrantheolders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled, without compensation to Warrantheolders.

**12. Further issues**

The Company shall be at liberty to issue further subscription warrants in such manner and on such terms as it sees fit.

**13. Undertakings by the Company**

The Company undertakes in the Instrument that:

- (a) upon the exercise of any Subscription Rights it will within twenty eight days after the relevant Subscription Date allot and issue the number of Shares for which subscription is made;
- (b) all Shares allotted on the exercise of the Subscription Rights will, taking into account of any adjustment which may have been made pursuant to paragraph 2(a) of this Appendix, rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Subscription Date and shall accordingly entitle the holders thereof to participate in full in all dividends and/or other distributions, declared, paid or made on the Shares after the relevant Subscription Date unless adjustment therefor has been made as provided in the Instrument and other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the Record Date therefor shall be on or before the relevant Subscription Date and notice of the amount and Record Date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date;
- (c) at all times during the Subscription Period it will send to each Warrantholder, at the same time as the same are sent to Shareholders, its audited accounts and all other notices, reports and communications despatched by it to Shareholders generally;
- (d) it will pay Hong Kong and, if applicable, Bermuda stamp and capital duties, registration fees or similar charges in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of Shares upon exercise of the Subscription Rights;
- (e) it will use its best endeavours to ensure that all Shares allotted on exercise of the Subscription Rights shall be admitted to listing on the Stock Exchange provided that no admission shall be obtained in the event that the Shares cease to be listed on the Stock Exchange as a result of an offer being made to the holders of Shares (or to holders excluding the offeror and/or its nominee(s) to acquire all or a proportion of the Shares);
- (f) it will keep available for issue sufficient Ordinary Capital (as defined in the Instrument) to satisfy in full all rights for the time being outstanding of subscription or conversion into Shares; and

- (g) it will use its best endeavours to procure that at all times during the Subscription Period, Warrants may be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Warrants on the Stock Exchange is withdrawn following an offer for all or any other Warrants), and all Shares allotted and issued upon exercise of the Subscription Rights may upon allotment and issue or as soon as reasonably practicable thereafter, be dealt on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to the Warrantholders).

#### **14. Winding up of the Company**

- (a) If an effective resolution is passed during the Subscription Period for the voluntary winding up of the Company, then if such winding up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person(s) designated by them for such purpose by Special Resolution, shall be a party or in conjunction with which a proposal is made to the Warrantholders and is approved by Special Resolution, the terms of such scheme of arrangement or (as the case may be) proposal will be binding on all the Warrantholders; and
- (b) in the event a notice is given by the Company to its Shareholders during the Subscription Period to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Warrantholders (together with a notice of the existence of this provision) and thereupon, each Warrantholder shall be entitled to exercise all or any of the Subscription Rights attaching to his Warrants at any time not later than two business days prior to the proposed general meeting of the Company by delivering to the Company the completed Subscription Form(s), accompanied by payment of the relevant subscription money, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Warrantholders credited as fully paid.

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution will lapse and each Warrant certificate will cease to be valid for any purpose.

**15. Overseas Warrantholders**

If a Warrantholder has a registered address in any territory other than Hong Kong where, in the opinion of the Directors (after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange), the allotment of Shares to such Warrantholder upon the exercise of any Subscription Rights would or may in the absence of compliance with registration or any other special formalities in such territory be unlawful or impracticable under the laws of such territory or Hong Kong, then the Company will as soon as practicable after the exercise by such Warrantholder of any Subscription Rights either (i) allot the Shares which would otherwise have been allotted to such Warrantholder to one or more third parties selected by the Company; or (ii) allot such Shares to such Warrantholder and then, on his behalf, sell them to one or more third parties selected by the Company, in each case for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following such allotment or allotment and sale, the Company will pay such Warrantholder an amount equal to the consideration received (less expenses and duties) by it by posting the remittance to him at his risk.

**16. Notices**

The Instrument contains provisions relating to notices to be given to Warrantholders.

**17. Governing law**

The Instrument and the Warrants are governed by and will be construed in accordance with the laws of Hong Kong.



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## NOTICE OF SPECIAL GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that a special general meeting of Topsearch International (Holdings) Limited (“Company”) will be held at Fuji Room, Pacific Place, Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 5 June 2006 at 9:30 a.m., Hong Kong for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) granting the listing of, and permission to deal in, the 2008 Warrants (as hereinafter defined) and any shares of HK\$0.10 each (“Share”) in the share capital of the Company which may fall to be issued upon any exercise of subscription rights attaching to the 2008 Warrants, the directors of the Company be and are hereby authorised:

- (a) to create and issue warrants (“2008 Warrants”) which shall be in registered form and each shall be exercisable at any time between the date when dealings in the 2008 Warrants on the Stock Exchange commence and 31 October 2008 both days inclusive, to subscribe for Shares at an initial subscription price of HK\$1.20 per Share, subject to adjustment, on the terms and conditions set out in the draft warrant instrument, a copy of which instrument has been submitted to the Meeting marked “A” and signed for the purpose of identification by the Chairman of the Meeting, and to issue the same by way of bonus to the persons who were registered as shareholders of the Company (the “Shareholders”) at the close of business on 5 June 2006 in the proportion of one (1) 2008 Warrant for every ten (10) Shares then held provided that:
  - (i) in the case of Shareholders whose registered addresses as shown on the register of members of the Company are not in Hong Kong and Macau at the close of business on 5 June 2006, the relevant 2008 Warrants shall not be granted to such persons but shall be aggregated and sold in the market as soon as practicable after dealings in the 2008 Warrants on the Stock Exchange commence and the net proceeds of sale, after deduction of expenses, shall be distributed to such persons pro rata to their respective entitlements unless the amount falling to be distributed to any such person shall be less than HK\$100 in which case such amount shall be retained for the benefit of the Company; and

\* For identification purposes only

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## NOTICE OF SPECIAL GENERAL MEETING

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- (ii) no fractional entitlements shall be granted to the Shareholders as aforesaid, but the fractional entitlements shall be aggregated and sold for the benefit of the Company;
- (b) to allot and issue to holders of any 2008 Warrants, upon the due exercise of the subscription rights attaching thereto, the appropriate number of new Shares; and
- (c) to do all such acts and things as they consider necessary or expedient to give effect to the foregoing arrangements.”

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

Hong Kong, 12 May 2006

*Hong Kong Head Office and  
principal place of business:*  
3406, China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxies to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the branch share registrars of the Company in Hong Kong, Tengis Limited, situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

*As at the date of this circular, 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.*