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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)**

### **PRICE SENSITIVE INFORMATION AND RESUMPTION OF TRADING**

#### **PRICE SENSITIVE INFORMATION**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of the Company dated 27 August 2007 and the circular of the Company dated 17 September 2007.

The Board announced that on 23 August 2007, the Company entered into an agreement with Majestic Wealth for the purchase of the Property for a consideration of RMB71 million. Among the RMB71 million consideration, of which RMB52,696,498 was satisfied by the issue and allotment of 93,400,000 new shares of the Company at HK\$0.58 per share. The remaining balance of RMB18,303,502 is to be settled in cash pursuant to the agreement dated 23 August 2007. The Company has not paid the remaining balance of RMB18,303,502 to Majestic Wealth as at the date of this announcement.

Based on commercial considerations, the Company proposes to enter into a termination agreement with Majestic Wealth to unwind the transaction by (a) terminating the transfer of the Property to the Group; (b) returning the 93,400,000 shares of the Company from Majestic Wealth to the Company; and (c) extinguishing the Company's payment obligation in respect of the remaining balance of RMB18,303,502. The said terms of the termination agreement have not yet been finalized and are subject to negotiation and confirmation. Further announcement(s) will be made as and when appropriate.

The transaction contemplated under the proposed termination agreement, if proceeds, will constitute an off-market share repurchase by the Company under the Repurchase Code. The Company will make an application to the Executive for the approval of the off-market share repurchase pursuant to the Repurchase Code.

\* *For identification purpose only*

It is envisaged that immediately upon completion of the termination agreement, the public float of the Company will fall below the minimum public float requirement under Rule 8.08(1) of the Listing Rules.

## **RESUMPTION OF TRADING**

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 19 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 21 October 2009.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## **PRICE SENSITIVE INFORMATION**

### **Proposed Termination Agreement**

On 23 August 2007, the Company entered into an agreement with Majestic Wealth for the purchase of the Property for a consideration of RMB71 million. Among the RMB71 million consideration, RMB52,696,498 of which was satisfied by the issue and allotment of 93,400,000 new shares of the Company at HK\$0.58 per share. The remaining balance of RMB18,303,502 is to be settled in cash pursuant to the agreement dated 23 August 2007. The Company has not paid the remaining balance of RMB18,303,502 to Majestic Wealth as at the date of this announcement.

The Group initially expected to acquire the Property as part of the Group's plan to shift part of its production facilities to Tongliao Economic Development Zone, Inner Mongolia, the PRC, which has a lower cost base. The Company considers that it is no longer in the interest of the Company and its shareholders as a whole to proceed with the development of the Property for the following reasons:

- (a) As disclosed in 2007 annual report of the Company dated 25 April 2008, as a result of the economic recession at the beginning of 2008, the demand for printed circuit boards, the manufacture and sale of which the Group is principally engaged in, has decreased substantially. The Company is of the opinion that the demand for printed circuit boards is unlikely to be restored in the near future to the level prior to 2008.
- (b) In view of the above, the Company considers that it would not be in the interests of the Group to proceed with the development of the Property.
- (c) However, pursuant to the Rules for Idle Land (Land Resources Department of PRC reference no. 5), any delay in the development would attract a land idle fee under PRC law and the Property would be subject to the resumption by the PRC government. As the Property has been idle for a significant period of time, the PRC government has resumed the Property on 10 October 2009.

In these circumstances, the Company therefore proposes to enter into a termination agreement with Majestic Wealth to terminate the transaction by (a) terminating the transfer of the Property to the Group; (b) returning the 93,400,000 shares of the Company from Majestic Wealth to the Company; and (c) extinguishing the Company's payment obligation in respect of the remaining balance of RMB18,303,502. The said terms of the termination agreement have not yet been finalized and are subject to negotiation and confirmation. Further announcement(s) will be made as and when appropriate.

### **Potential Off-Market Share Repurchase under the Repurchase Code**

The transaction contemplated under the proposed termination agreement, if proceeds, will constitute an off-market share repurchase by the Company under the Repurchase Code. The Company will make an application to the Executive for the approval of the off-market share repurchase pursuant to the Repurchase Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the repurchase by at least three-fourths of the votes cast on a poll by the disinterested shareholders of the Company present in person or by proxy at a general meeting to be held for such purposes.

Further announcement(s) regarding the potential off-market share repurchase will be issued as and when appropriate.

### **Public Float Requirement under the Listing Rules**

It is envisaged that immediately upon completion of the termination agreement, the public float of the Company will fall below the minimum public float requirement under Rule 8.08(1) of the Listing Rules. An announcement in relation to the insufficient public float of the Company will be issued upon the completion of the proposed termination agreement. The Company will continue to pay close attention to the level of public float of the Company's shares and will strive to restore the public float of the Company to at least 25% of the total issued share capital of the Company as soon as possible. Further announcement(s) will be made on the restoration of the public float when appropriate.

### **INFORMATION OF THE GROUP**

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

### **INFORMATION OF MAJESTIC WEALTH**

Majestic Wealth is a company incorporated in Samoa and is an investment company which invests in various projects in the PRC including, but not limited to, natural resources, energy, securities and manufacturing.

To the best knowledge and belief of the Directors who have made all reasonable enquiry, the Directors confirm that Majestic Wealth and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 21 October 2009.

**Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	Topsearch International (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Majestic Wealth”	Majestic Wealth Limited, a company incorporated in Samoa and a third party independent of the Company and connected persons of the Company

“Property”	the two parcels of contiguous vacant industrial land located in phase II of Tongliao Economic Development Zone, Inner Mongolia, the PRC with a site area of approximately 279,333.78 square meters
“Repurchase Code”	the Hong Kong Code on Share Repurchases
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC for the time being

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

Hong Kong, 20 October 2009

*As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung and Mr. Liu Wai On 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, Mr. Ng Kee Sin and Mr. Xiang Dong being the independent non-executive directors.*

*All Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*