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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)

DISCLOSEABLE TRANSACTION PROPOSED DISPOSAL OF PROPERTY

Financial Adviser



**WALLBANCK BROTHERS
Securities (Hong Kong) Limited**

PROPOSED DISPOSAL OF PROPERTY

The Board announces that on 31 December 2010 (after trading hours) Topsearch Printed Circuits (Tongliao) Limited, as Vendor, entered into a Property Assignment Agreement with the Purchaser, an Independent Third Party, to sell a portion of a parcel of industrial land and the buildings erected thereon, which are located in phase II of Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia, the PRC, at Consideration of RMB51 million, subject to the special conditions and arrangements as set out in the section headed “Summary of Conditions Precedent” of this announcement.

GENERAL

Shareholders and potential investors should be fully aware that completion of the disposal of Property is subject to the fulfillment of the Conditions Precedent as stipulated in the Property Assignment Agreement. As the disposal of Property may or may not proceed to completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

As one of the applicable percentage ratio in respect of the disposal of the Property exceeds 5% but all the applicable percentage ratios are less than 25% under rule 14.08 of the Listing Rules, the sale constitutes a discloseable transaction for the Company and is subject to notification and publication requirements under the Listing Rules.

* *for identification only*

The Board announces that on 31 December 2010 (after trading hours) Topsearch Printed Circuits (Tongliao) Limited, a wholly owned subsidiary of the Company, entered into the Property Assignment Agreement with the Purchaser, an Independent Third Party, to sell a portion of a parcel of industrial land and the buildings erected thereon, which are located in phase II of Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia, the PRC, at Consideration of RMB51 million, subject to the special conditions and arrangements as set out in the section headed “Summary of Conditions Precedent” of this announcement.

PROPERTY ASSIGNMENT AGREEMENT

Date: 31 December 2010

Parties: Vendor: Topsearch Printed Circuits (Tongliao) Limited (至卓飛高線路板(通遼)有限公司), a wholly-owned subsidiary of the Company;

Purchaser: Tongliao Xutong Solar Technology Company Limited (通遼旭通太陽能科技有限公司);

Supervisor: Tongliao Economic Technology Development Regional Management Committee (通遼經濟技術開發區管理委員會), a PRC government agency;

To the best of Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser, including its ultimate beneficial owner, is an Independent Third Party.

Property to be sold: A portion of a parcel of industrial land located in phase II of Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia, the PRC with a site area of approximately 74,214 square metres (the exact figure of the site area is subject to the confirmation of the relevant regulatory bodies) and the buildings erected thereon.

Consideration: RMB51 million (equivalent to approximately HK\$59.3 million)

According to the terms of the Property Assignment Agreement, the Vendor will receive RMB20 million from the Purchaser upon the signing of the Property Assignment Agreement. Further payments of RMB31 million will be payable within one year from the date of the Property Assignment Agreement, that is, on or before 31 December 2011.

Terms of payment: (a) RMB20 million to be paid by the Purchaser upon the signing of the Property Assignment Agreement;

- (b) The remaining balance of the Consideration (i.e. RMB31 million will be paid by the Purchaser soon after the successful application of the bank loan but no longer than one year from the date of the Property Assignment Agreement, i.e. on or before 31 December 2011, subject to the Conditions Precedent.

Summary of Conditions
Precedent:

- (a) Completion of the Property Assignment Agreement is conditional upon full payment of the Consideration.
- (b) Within 15 days from the date of receipt of the RMB20 million, the Vendor shall assign and transfer the legal title and land use rights of the Property to the Purchaser. The transfer was made solely for the purpose of assisting the Purchaser to obtain a loan from a bank or banks to settle the balance of the Consideration of RMB31 million. Prior to the receipt of the full amount of the Consideration, the Vendor retains all the rights in relation to the Property and the Purchaser irrevocably agree such rights in relation to the Property be retained by the Vendor. Upon payment of the full amount of the Consideration, the Vendor ceases to have any rights in relation to the Property and the Purchaser shall enjoy all such rights in relation to the Property and it shall be free from all restrictions (including mortgage, reconstruction or expansion). However, the Purchaser shall not adversely affect the neighbouring buildings and equipments and shall not adversely affect the business, operation and production of the Vendor.
- (c) The Purchaser shall upon approval of the loan or within one year from the date of the Property Assignment Agreement, whichever is the earlier, pay the balance of the Consideration of RMB31 million. Within 3 days from the approval of the loan, the Purchaser shall ensure that the bank transfers the remaining balance of the Consideration to the Vendor or if the whole amount of the loan is directly transferred to the Purchaser's account, the Purchaser shall pay the RMB31 million to the Vendor within 3 days from the date of the transfer.

- (d) Upon completion of the loan application, the Purchaser shall deposit all documents and certificates in relation to the Property with the Supervisor and the Supervisor shall confirm receipt to the Vendor. Without the written consent of the Vendor, the Supervisor shall not release such documents to any persons (including the Purchaser). The Supervisor may release such documents to the Purchaser with the written consent of the Vendor for the purposes of supporting the loan application and de-registration or release of any existing charge. For purposes of releasing such documents to support the loan application and de-registration or release of any existing charge(s), the Supervisor shall deliver the documents to the bank or the relevant department of registration of charge directly. Such documents shall be returned to the Supervisor for safekeeping upon completion of loan application. The Supervisor is responsible for the safekeeping of the documents and shall act in the interest of the Vendor until the payment of the full amount of the Consideration. The Vendor shall notify the Supervisor in writing, within 3 days upon receipt of the full amount of the Consideration.
- (e) Prior to the payment of the balance of the Consideration, i.e. RMB31 million, the Purchaser may enter and occupy the Property. However, the Purchaser is prohibited from altering, removing, or conducting any construction to the surface, wall, the main structure(s) and main facilities of the Property which would affect safety of the Property or adversely affect the Vendor without the prior written approval of the Vendor, or if necessary, the approval of the relevant management organizations. If the RMB31 million is not paid within the time limit, the Purchaser shall ensure the Property is restored to its original state at its own expenses. The Purchaser shall also indemnify any loss suffered by the Vendor arising from such restoration.
- (f) The Purchaser is not allowed to assign, transfer, charge, mortgage, sublet, underlet, share or otherwise part with the possession of the Property or any part thereof which would harm the interest of the Vendor, until completion, except for the purpose of the obtaining loan of the remaining balance of RMB31 million.
- (g) The Supervisor shall ensure that the Purchaser applies the proceeds of the loan to settle the RMB31 million to the Vendor.

- (h) The Purchaser shall report the status of the loan application to the Vendor at least once a month.
- (i) The Purchaser confirms that prior to the payment of the remaining balance of the Consideration, the Purchaser is not the legal or beneficial owner of the Property. The Purchaser shall not represent to other third parties or to the public that it is the legal or beneficial owner of the Property.
- (j) Should the Purchaser breach any of the Conditions Precedent, the Purchaser shall immediately assign and transfer the Property to the Vendor. After such transfer, provided the Property is restored to its original state, the Vendor shall in such case be entitled to absolutely forfeit and retain the said RMB5 million. The Vendor shall return the remaining RMB15 million of the initial deposit to the Purchaser without any interests.
- (k) Should the Purchaser fail to pay the remaining balance within one year from the date of the Property Assignment Agreement, the Purchaser shall forthwith assign and transfer the Property to the Vendor, and the Vendor shall in such case be entitled to absolutely forfeit and retain the said RMB5 million. The Vendor shall return the remaining RMB15 million of the initial deposit to the Purchaser without any interests.
- (l) Should the Purchaser fail to pay the remaining balance within one year from the date of the Property Assignment Agreement, the Supervisor should ensure that the Purchaser transfer and assign the Property to the Vendor.
- (m) Should the Purchaser fail to pay the remaining balance within one year from the date of the Property Assignment Agreement, the Vendor shall in such case be entitled to absolutely forfeit and retain the said RMB5 million. The Vendor shall return the remaining RMB15 million of the initial deposit to the Purchaser without any interests.
- (n) The Supervisor is responsible for the division of the relevant land situated in Phase II of the Tongliao Economic Technology Development Zone into two portions in accordance with the provisions of the Property Assignment Agreement and arrange for the two sets of certificates in order to facilitate the assignment of the Property.

- (o) The above division of land shall not adversely affect the operation and assets of the Vendor.
- (p) The Property Assignment Agreement shall not conflict with or result in any breach of any rules implemented by the Stock Exchange of Hong Kong in relation to listed companies and their subsidiaries.

Completion: Upon the payment of all the Consideration, including the remaining balance of RMB31 million.

Allocation of liabilities: It is agreed between the parties that the parties shall be responsible for their own tax liabilities.

Basis of Consideration

The Consideration receivable under the Property Assignment Agreement was determined based on arm's length negotiation and having regards to the costs and expenses incurred by the Vendor in their acquisition and construction as well as the taxes and fees payable in connection with the disposal.

The Valuer, an independent professional valuer, appointed by the Company to value the Property as RMB53 million or RMB46.5 million if the deduction for the relevant estimated PRC taxes to be incurred in connection with the disposal is being taken into account.

The Vendor and the Purchaser shall be held responsible for their own portions of the relevant PRC taxes and fees based on the Consideration of RMB51 million under the prevailing tax regulations and practices.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable so far as the Company and the Shareholders are concerned.

Information on the Company

The Group is principally engaged in the manufacture and sale of a broad range of printed circuit boards.

Reasons and benefits for entering into the transaction

The Property was originally acquired with an intention to lower the production and labour costs by shifting part of the Group's production from Guangdong area to Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia, the PRC, which has a lower cost base.

However, with the relatively small scale of production of this new plant and the reduced sales growth of the Group in recent years as a result of the global economic downturn, it is not expected that the facilities and space in the existing plant can be fully utilized in the nearer future, the Group decided to sell the Property to the Purchaser.

As at 30 December 2010, the aggregate unaudited original costs of the whole parcel of land with a site area of approximately 230,667.82 square metres, of which the Property forms part, was RMB157,899,347 (equivalent to approximately HK\$187,603,900). It is expected that the Group will not have gain on the sale as the Consideration is determined having regards to the costs and expenses incurred by the Vendor in their acquisition and construction as well as the taxes/fees payable in connection with the disposal. The Group intends to use the proceeds from the sale for its general working capital.

The Directors of the Company (including the independent non-executive Directors) consider that the terms of the Property Assignment Agreement and the transaction thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

Information on the Purchaser

The Purchaser is a company registered in the PRC principally engaged in the production, manufacturing, development and sale of amorphous silicon thin-film solar cell. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Purchaser, including its ultimate beneficial owner, is an Independent Third Party to the Company and its connected persons.

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DEFINITIONS:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Topsearch International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Conditions Precedent”	the conditions precedent of the Property Assignment Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB51 million (equivalent to approximately HK\$59.3 million)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	Party(ies) (in the case of companies, their ultimate beneficial owner(s)) who are independent of and not connected with the Company and its subsidiaries and its connected persons or their respective associates (as defined under the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which, for the purposes of this announcement does not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	a portion of a parcel of industrial land located in phase II of Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia, the PRC with a site area of approximately 74,214 square metres (the exact figure of the site area is subject to the confirmation of the relevant regulatory bodies) and the buildings erected thereon.

“Property Assignment Agreement”	the agreement dated 31 December 2010 between Topsearch Printed Circuits (Tongliao) Limited and the Purchaser in respect of the sale and purchase of the Property
“Purchaser”	Tongliao Xutong Solar Technology Company Limited (通遼旭通太陽能科技有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Share(s)”	Ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor”	Tongliao Economic Technology Development Regional Management Committee (通遼經濟技術開發區管理委員會), a PRC government agency
“Valuer”	LCH (Asia-Pacific) Surveyors Limited, an independent valuer to the Company
“Vendor”	Topsearch Printed Circuits (Tongliao) Limited (至卓飛高線路板(通遼)有限公司), a wholly-owned subsidiary of the Company

An exchange rate of RMB0.86 to HK\$1 has been adopted as the conversion rate of RMB into HK Dollars for the purpose of this announcement. Such exchange rate does not constitute a representation that any amounts have been, could have been, or may be exchanged at such or any other rates.

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

Hong Kong, 31 December 2010

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, Mr. Ng Kwok Ying, Alvin and Mr. Xiang Dong being the non-executive directors, and Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Ng Kee Sin being the independent non-executive directors.