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## **TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED**

**至卓國際(控股)有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

### **PROPOSED SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

**Financial adviser to the Company**



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

#### **PROPOSED SUBSCRIPTION OF NEW SHARES**

On 12 July 2012 (after trading hours), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for an aggregate of 93,400,000 Subscription Shares at the Subscription Price of HK\$0.1021 per Subscription Share.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to (i) the requirement imposed by the Stock Exchange for restoration of the minimum public float of the Company; (ii) the low trading volume of the Shares; (iii) the losses incurred by the Group for the last few years; (iv) the recent share price performance of the Company; and (v) the current market conditions.

\* *For identification purpose only*

The Subscription Shares represent approximately 10.30% of the existing issued share capital of the Company as at the date of this announcement and approximately 9.34% of the issued share capital of the Company as enlarged by the allotment and issue of an aggregate of 93,400,000 Subscription Shares. Upon Completion, both Subscriber A and Subscriber B will not become substantial Shareholders or connected persons of the Company (as defined under the Listing Rules).

The Subscription Shares will be allotted and issued under the General Mandate, subject to and upon fulfillment of the terms and conditions of the Subscription Agreement.

The gross proceeds from the issue of the Subscription Shares under the Subscription will be approximately HK\$9.5 million. The net proceeds from the issue of the Subscription Shares under the Subscription, after taking into account of the estimated expenses in relation to the Subscription, will be approximately HK\$9.2 million. The Company intends to apply the net proceeds from the Subscription as to approximately HK\$3.5 million for the repayment of loans and the remaining balance of approximately HK\$5.7 million will be applied as general working capital of the Company and/or for financing any investment opportunities when they arise.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

#### **RESTORATION THE MINIMUM PUBLIC FLOAT**

Upon Completion of the Subscription, the public float of the Company will be restored to 28.28% of the issued share capital of the Company in compliance with the minimum public float requirement under Rule 8.08(1) of the Listing Rules.

#### **GENERAL**

**Shareholders and potential investors should note that the Subscription is subject to the conditions precedent under the Subscription Agreement being fulfilled. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 13 July 2012 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 on the Stock Exchange with effect from 9:00 a.m. on 16 July 2012.

## **THE SUBSCRIPTION AGREEMENT**

On 12 July 2012 (after trading hours), the Company entered into the Subscription Agreement with Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for an aggregate of 93,400,000 Subscription Shares, for which each of Subscriber A and Subscriber B has conditionally agreed to subscribe for 48,400,000 and 45,000,000 Subscription Shares respectively, at the Subscription Price of HK\$0.1021 per Subscription Share.

**Date:** 12 July 2012

### **Parties:**

- (i) Issuer: The Company;
- (ii) Subscribers: Subscriber A; and  
Subscriber B

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) each of the Subscribers and their ultimate beneficial owners are Independent Third Parties and (ii) Subscriber A and Subscriber B are independent of and not connected with each other.

### **Subscription Price**

The Subscription Price of HK\$0.1021 per Subscription Share was determined after arm's length negotiations between the Company, Subscriber A and Subscriber B with reference to (i) the requirement imposed by the Stock Exchange for the restoration of the minimum public float of the Company; (ii) the low trading volume of the Shares; (iii) the losses incurred by the Group for the last few years; (iv) the recent share price performance of the Company; and (v) the current market conditions.

The Subscription Price of HK\$0.1021 per Subscription Share represents:

- (i) a discount of approximately 16.31% to the closing price of HK\$0.122 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 19.98% to the average closing price of HK\$0.1276 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 19.98% to the average closing price of HK\$0.1276 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

Taking into account, amongst others, the commission fees, professional fees, legal fees and printing expenses incurred by the Company in connection with the Subscription, the net proceeds from the Subscription is estimated to be approximately HK\$9.2 million. As a result, the net price per Subscription Share is approximately HK\$0.0985.

### **Number of Subscription Shares**

An aggregate of 93,400,000 Subscription Shares represent (i) approximately 10.30% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.34% of the issued share capital of the Company as enlarged by the issue and allotment of all of the Subscription Shares, assuming no further Shares are issued and repurchased. Upon Completion, the Subscriber A and the Subscriber B will not become a substantial Shareholders and a connected person of the Company (as defined under the Listing Rules).

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

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of allotment and issue of the Subscription Shares.

### **General Mandate**

The Subscription Shares will be issued and allotted under the General Mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 1 June 2012 to authorise the Directors to issue and allot and deal with up to a maximum of 181,320,000 new Shares. The General Mandate has not been utilised by the Company prior to the entering of the Subscription Agreement.

### **Conditions precedent of the Subscription**

Completion of the Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange agreeing to grant or having granted the listing of, and permission to deal in, the Subscription Shares;
- (ii) if required, the Bermuda Monetary Authority granting permission to issue and allot the Subscription Shares; and
- (iii) the granting of all other necessary approvals as may be required for the Subscription, including any relevant governmental and regulatory authorities and third party consents, approvals and filings in relation to the execution of the Subscription Agreement or the transactions contemplated thereunder.

In the event that any of the conditions precedent are not fulfilled on or before 2 August 2012 (or such other date as the Company and the Subscribers may mutually agree in writing), the Company, Subscriber A and Subscriber B shall not be bound to proceed with the Subscription and the Subscription Agreement shall cease to be of any effect, whereupon the Company, Subscriber A and Subscriber B shall have no claim against each other arising out of or in connection with the Subscription Agreement save in respect of any claims arising out of any antecedent breach of the Subscription Agreement.

### **Completion**

Completion of the Subscription will take place within 7 Business Days after the date on which all the conditions precedent of the Subscription Agreement have been fulfilled (or such later date as the parties thereto may mutually agree in writing).

### **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION AND USE OF PROCEEDS**

The Directors consider that as a result of the Subscription, the Company can (i) restore the public float of the Company to 28.28% of issued share capital of the Company in compliance with the minimum public float requirement under Rule 8.08(1) of the Listing Rules; (ii) increase liquidity of the Shares trading; (iii) broaden the Shareholders' base of the Company; and (iv) strengthen the financial position of the Company.

The Directors hold the view that the terms of the proposed Subscription are on normal commercial terms and are fair and reasonable, so far as the Company and the Shareholders are concerned, and the Subscription is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the issue of an aggregate of 93,400,000 Subscription Shares under the Subscription will be approximately HK\$9.5 million. The Company will bear all costs and expenses, including the professional fees, legal fees and printing expenses, of approximately HK\$0.3 million in connection with the Subscription. The aggregate net proceeds from the Subscription will be approximately HK\$9.2 million. The Company intends to apply the net proceeds from the Subscription as to approximately HK\$3.5 million for the repayment of loans and the remaining balance of approximately HK\$5.7 million will be applied as general working capital of the Company and/or financing any investment opportunities when they arise.

### **FUND RAISING ACTIVITIES OF THE COMPANY WITHIN 12 MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT**

There had been no fund raising activities carried out by the Company during the past twelve months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, the shareholding structure of the Company (i) as at the date of this announcement, and (ii) upon the allotment and issuance of the Subscription Shares (assuming that no Shares will be issued and/or repurchased by the Company from the date of this announcement up to Completion) are as follows:

	As at the date of this announcement		Upon the allotment and issuance of the Subscription Shares (assuming that no Shares will be issued and/or repurchased by the Company from the date of this announcement up to Completion)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
<b>Controlling shareholder</b>				
Inni International Inc. (Note 1)	432,000,000	47.65	432,000,000	43.20
Mr. Cheok Ho Fung	78,250,000	8.63	78,250,000	7.83
<b>Subtotal</b>	<b>510,250,000</b>	<b>56.28</b>	<b>510,250,000</b>	<b>51.03</b>
<b>Kingboard Group</b>				
Kingboard Investments Limited	204,024,000	22.50	204,024,000	20.40
Kingboard Laminates Limited	202,000	0.02	202,000	0.02
Kingboard Chemical Holdings Limited (Notes 2)	2,766,000	0.31	2,766,000	0.28
<b>Subtotal</b>	<b>206,992,000</b>	<b>22.83</b>	<b>206,992,000</b>	<b>20.70</b>
<b>Public shareholders</b>				
Subscriber A	—	—	48,400,000	4.84
Subscriber B	—	—	45,000,000	4.50
Other Public Shareholders	189,358,000	20.89	189,358,000	18.94
<b>Subtotal</b>	<b>189,358,000</b>	<b>20.89</b>	<b>282,758,000</b>	<b>28.28</b>
<b>Total</b>	<b>906,600,000</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100.00</b>

*Notes:*

- (1) Inni International Inc. is a company incorporated in the Republic of Liberia. The shares of Inni International Inc. are owned as to 49% by Mr. Cheok Ho Fung and as to 51% jointly by Mr. Cheok Ho Fung and his spouse, Mrs. Cheok Chu Wai Min.
- (2) Kingboard Investments Limited and Kingboard Laminates Limited are a wholly-owned subsidiary and a non-wholly-owned subsidiary of Jamplan (BVI) Limited respectively which in turn is a wholly-owned subsidiary of Kingboard Chemical Holdings Limited. Hallgain Management Limited owns 35.30% equity shares in Kingboard Chemical Holdings Limited.

## **RESTORATION THE MINIMUM PUBLIC FLOAT**

As at the date of this announcement, the public Shareholders held 189,358,000 Shares, representing 20.89% of issued share capital of the Company. The Subscription is a feasible and practical solution for the purpose of restoring the minimum public of the Shares prescribed under Rule 8.08(1) of the Listing Rule. Upon Completion of the Subscription, the public float will be restored to 28.28% of issued share capital of the Company in compliance with the minimum public float requirement under Rule 8.08(1) of the Listing Rules.

## **GENERAL**

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

**Shareholders and potential investors should note that the Subscription is subject to the conditions precedent under the Subscription Agreement being fulfilled. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

To the best knowledge of the Directors, none of Shareholders has a material interest in the Subscription Agreement and the transactions contemplated under as at the date of this announcement.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 13 July 2012 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 on the Stock Exchange with effect from 9:00 a.m. on 16 July 2012.

## DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors;
“Business Day(s)”	any day (not being a Saturday, Sunday or days on which a typhoon signal No.8 or above or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which licensed banks are generally open for business in Hong Kong;
“Company”	Topsearch International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Subscription under and pursuant to the terms and conditions of the Subscription Agreement;
“Director(s)”	director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 1 June 2012 to issue and allot up to 181,320,000 new Shares, representing 20% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“Group”	the Company and its subsidiaries;
“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;
“Independent Third Party(ies)”	any person(s) or company(ies) who is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the connected persons of the Company (as defined under the Listing Rules);
“Last Trading Day”	12 July 2012, being the date of the Subscription Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;



“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber A”	Mr. Chan Wing Yeung, an Independent Third Party;
“Subscriber B”	Mr. Lam Sui Kei Stephen, an Independent Third Party;
“Subscribers”	the Subscriber A and Subscriber B, the subscribers of the Subscription Shares under the Subscription Agreement;
“Subscription”	the subscription of an aggregate of 93,400,000 new Shares, of which 48,400,000 and 45,000,000 new Shares to be issued and allotted by the Company to each of Subscriber A and Subscriber B respectively pursuant to the terms of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 12 July 2012 entered into between the Company, Subscriber A and Subscriber B in relation to the Subscription;
“Subscription Price”	HK\$0.1021 per Subscription Share;
“Subscription Shares”	an aggregate of 93,400,000 new Shares, of which 48,400,000 and 45,000,000 new Shares are to be issued and allotted to Subscriber A and the Subscriber B respectively by the Company through the Subscription; and
“%”	per cent

*In the event of any inconsistencies, the English text of this announcement shall prevail over the Chinese text.*

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

Hong Kong, 13 July 2012

*As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung being the executive Director, 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. Ng Kee Sin being the independent non-executive Directors.*