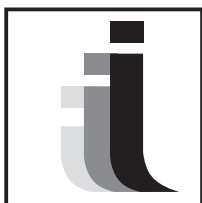


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TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED

至卓國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board of directors (the “Board” or “Directors”) of Topsearch International (Holdings) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2012 (the “Period”) together with comparative figures for the corresponding period of last year. The interim financial statements and results have been reviewed by the Company’s audit committee.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	3	448,598	659,379
Cost of sales		<u>(418,643)</u>	<u>(601,537)</u>
Gross profit		29,955	57,842
Other income	3	2,644	5,091
Other gains and losses	4	2,832	2,112
Selling and distribution costs		(33,677)	(43,042)
Administrative expenses		(39,668)	(32,293)
Finance costs	6	<u>(16,490)</u>	<u>(11,063)</u>
LOSS BEFORE TAX	5	(54,404)	(21,353)
Income tax expenses	7	<u>(1,227)</u>	<u>(7,515)</u>
LOSS FOR THE PERIOD		<u>(55,631)</u>	<u>(28,868)</u>
Other comprehensive income (net of tax)			
Exchange difference arising on translation		—	27,980
Total comprehensive expense for the period		<u><u>(55,631)</u></u>	<u><u>(888)</u></u>

* for identification purposes only

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
<i>Notes</i>	HK\$'000	HK\$'000
Loss attributable to:		
Owners of the Company	(54,531)	(28,868)
Non-controlling interests	(1,100)	—
	<u>(55,631)</u>	<u>(28,868)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(54,531)	(888)
Non-controlling interests	(1,100)	—
	<u>(55,631)</u>	<u>(888)</u>
LOSS PER SHARE		
— Basic	8	
	<u>6.01 HK cents</u>	<u>3.18 HK cents</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2012 (Unaudited) <i>HK\$'000</i>	31 December 2011 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		836,446	856,604
Prepaid lease payments		39,649	40,144
Interest in associates		4,396	4,396
Rental and utility deposits		107	107
Prepaid rent		210	324
Available-for-sale financial assets		1,857	1,857
Deposits paid for acquisition of property, plant and equipment		4,669	6,591
		887,334	910,023
CURRENT ASSETS			
Inventories		162,218	175,621
Prepaid lease payments		988	988
Trade receivables	<i>10</i>	147,994	157,769
Prepayments, deposits and other receivables		43,191	76,275
Amounts due from non-controlling shareholders		4,000	4,000
Cash and cash equivalents		113,749	107,456
		472,140	522,109
CURRENT LIABILITIES			
Trade payables	<i>11</i>	244,204	173,693
Other payables and accruals		127,384	126,386
Provision		5,515	19,162
Amount due to an associate		4,372	4,396
Tax payable		926	2,469
Interest-bearing bank loans		305,698	438,312
Shareholder's loans		111,441	—
		799,540	764,418
NET CURRENT LIABILITIES		(327,400)	(242,309)
TOTAL ASSETS LESS CURRENT LIABILITIES		559,934	667,714

		30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
	<i>Notes</i>		
CAPITAL AND RESERVES			
Share capital	<i>12</i>	90,660	90,660
Reserves		462,207	516,738
		<hr/>	<hr/>
Equity attributable to owners of the Company		552,867	607,398
Non-controlling interests		2,269	3,369
		<hr/>	<hr/>
Total equity		555,136	610,767
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Shareholder's loans		—	52,149
Deferred tax liabilities		4,798	4,798
		<hr/>	<hr/>
		4,798	56,947
		<hr/>	<hr/>
		559,934	667,714
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012

1. Basis of preparation of condensed consolidated financial statements

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and in compliance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or fair values. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2011 except as described below. In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by HKICPA which are effective for the Group’s financial year beginning on 1 January 2012.

HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets

The adoption of the above new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior periods.

The Group has not applied any new and revised HKFRSs that is not yet effective for the current accounting period.

In preparing the condensed consolidated financial statements, the directors of the Company has given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of HK\$55,631,000 during the six months period ended 30 June 2012 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$327,400,000.

In order to improve the Group’s financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the directors of the Company have taken the following measures:

- (a) the Group has finalized the facility agreement with China Construction Bank Shaoguan Branch for a total facility of RMB300 million in June 2012 which would be replacing the ones given by the other PRC banks during the last year of 2011. As of the date of this announcement, the Group has already fully utilized the abovementioned banking facilities and there will be no financial need or plan for obtaining additional bank borrowings in the near future;

- (b) as regard to the disposal of a portion of a parcel of Industrial land and buildings in Tongliao, the Group has received an additional deposit payment of RMB10 million from the Supervisor (as to be referred in the related announcements already published by the Company) in April 2012 whereas the remaining balance of another RMB21 million will also be expected to be collected by two further installments before the end of year 2012 under a written guarantee letter by the Supervisor;
- (c) the Group would expect to complete the relocation of the production facilities from Shekou to Qujiang before the end of this current year so as to attain further cost reduction in production overheads from avoiding high labour costs in Shenzhen and better utilization of production facilities from consumption of available capacity in the factory of Qujiang; and
- (d) the controlling shareholder of the Company has provided new temporary advances amounting to approximately HK\$59,292,000 to the Company during the first half of this current year.

The directors of the Company consider that after taking into account the above, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. Segment information

No segment information is presented as the manufacture and sale of printed circuit boards is the only operating segment of the Group. The Group's chief operating decision maker (the Chief Executive Officer of the Group) regularly reviews the consolidated result of the Group as a whole for the purposes of resource allocation and assessment of performance. The Group considered that there is only one operating segment with the segment revenue, segment results, segment assets and segment liabilities equal the revenue, loss for the period, total assets and total liabilities respectively as reported in the condensed consolidated interim financial statements.

(a) Geographical information

The following table provides an analysis of the Group's sales by geographical market based on the location of customers:

	For the six months ended	
	30 June 2012	30 June 2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Singapore	123,712	115,057
The People's Republic of China (the "PRC")	90,588	156,002
Malaysia	78,414	76,884
Thailand	51,698	102,469
Hong Kong	35,149	67,743
Germany	18,599	28,465
United States of America	18,133	19,311
Taiwan	15,914	26,652
Others	16,391	66,796
	448,598	659,379

Notes:

- (i) Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, less discounts and sales related taxes.
- (ii) Non-current assets other than available-for-sale financial assets amounting to HK\$885,477,000 (31 December 2011: HK\$908,166,000) are located in the entities' countries of domicile, the PRC and Hong Kong.

(b) Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group is as follows:

	For the six months ended	
	30 June 2012 (Unaudited) HK\$'000	30 June 2011 (Unaudited) HK\$'000
Customer A	91,704	98,110
Customer B	62,527	N/A*
Customer C	46,794	88,737
Customer D	46,411	N/A*

* The corresponding revenue did not contribute over 10% of the total sales of the Group.

3. Revenue and other income

Revenue, which is also the Group's turnover, represents the amounts received and receivables for goods sold by the Group to outside customers, less discounts and sales related taxes.

An analysis of revenue and other income is as follows:

	For the six months ended	
	30 June 2012 (Unaudited) HK\$'000	30 June 2011 (Unaudited) HK\$'000
Revenue		
Sales of goods	448,598	659,379
Other income		
Tooling income	1,024	1,559
Sample income	739	1,522
Interest income	108	175
Others	773	1,835
	<u>2,644</u>	<u>5,091</u>

4. Other gains and losses

	For the six months ended	
	30 June 2012 (Unaudited) HK\$'000	30 June 2011 (Unaudited) HK\$'000
Foreign exchange differences, net	1,952	2,112
Gain on disposal of property, plant and equipment	880	—
	<u>2,832</u>	<u>2,112</u>

5. Loss before tax

The Group's loss before tax has been arrived at after charging (crediting):

	For the six months ended	
	30 June 2012 (Unaudited) HK\$'000	30 June 2011 (Unaudited) HK\$'000
Reversal of allowance for obsolete inventories	—	(4,280)
Cost of inventories recognised as an expense	418,643	601,537
Depreciation of property, plant and equipment	30,470	63,849
Release of prepaid lease payments	495	406
Foreign exchange differences, net	(1,952)	(2,112)
Bank interest income	(108)	(175)
	<u>(108)</u>	<u>(175)</u>

6. Finance costs

	For the six months ended	
	30 June 2012 (Unaudited) HK\$'000	30 June 2011 (Unaudited) HK\$'000
Interest expenses on:		
Bank borrowings wholly repayable within five years	13,936	9,586
Shareholder's loans	2,554	1,477
	<u>16,490</u>	<u>11,063</u>

7. Income tax expenses

For the six months ended	
30 June 2012	30 June 2011
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

The income tax expenses comprise:

PRC Enterprise Income Tax		
Current period	926	—
Under-provision in prior years	301	7,515
	<u>1,227</u>	<u>7,515</u>

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period. No Macau profits tax has been provided as the Macau subsidiary of the Company is exempted from Macau Complementary Tax for the period.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, the Group’s PRC subsidiaries are exempted from PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction in tax rate for the next three years.

8. Loss per share

The calculation of the basic loss per share is based on the Group’s loss attributable to the ordinary equity holders of the Company of HK\$54,531,000 for the Period (2011: loss of HK\$28,868,000) and the weighted average of 906,600,000 (2011: 906,600,000) ordinary shares in issue during the Period.

Diluted loss per share is not presented as there were no potential ordinary shares in issue for both periods and as at 30 June 2012 and 2011.

9. Dividend

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2012 (2011: Nil).

10. Trade receivables

Credit is offered to customers following a financial assessment by the Group. Periodic reviews of credit limits are performed with regard to the customers' established payment records. The Group's credit period varies and depends on individual trade customers, ranging from 30 to 120 days. The Group closely monitors its outstanding trade receivables. Overdue balances are reviewed regularly by the Group's senior management. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
0 — 30 days	52,242	55,736
31 — 60 days	72,037	57,910
61 — 90 days	17,651	33,074
Over 90 days	6,064	11,049
	<u>147,994</u>	<u>157,769</u>

11. Trade payables

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
0 — 30 days	60,322	47,196
31 — 60 days	75,504	57,810
61 — 90 days	47,594	29,045
Over 90 days	60,784	39,642
	<u>244,204</u>	<u>173,693</u>

The trade payables are non-interest bearing and are normally settled on terms of 60 to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

12. Share capital

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
Authorised: 2,000,000,000 ordinary shares of HK\$0.1 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid: 906,600,000 ordinary shares of HK\$0.1 each	<u>90,660</u>	<u>90,660</u>

BUSINESS REVIEW

The Group is principally engaged in the manufacture and sale of a broad range of printed circuit boards (the “PCB”) during the Period.

The Group’s sales turnover for the Period has decreased by about 32% when compared with the same period of last year due to the substantial decrease in demand for the Group’s products by some of our major customers as a result of the recent financial crisis of the European Union. The gross profit decreased by 48.2% and the gross profit margin reduced from 8.8% to 6.7% due to the increase in the Group’s labor and other costs. As a whole, the Group recorded finally a net loss of approximately HK\$55.6 million for the Period (2011: HK\$28.9 million).

During the Period, the majority of the Group’s production continued to be centralized in the Group’s Shaoguan plant whereas the Group’s Shenzhen plant would be focused on producing high-mix and low-volume products. As disclosed in the annual report of the Company for the year ended 31 December 2011, Topsearch Printed Circuits (Tongliao) Limited, one of the Company’s wholly-owned subsidiaries, entered into a Property Assignment Agreement with Tongliao Xutong Solar Technology Company Limited, an independent third party, for selling a portion of a parcel of industrial land and the buildings erected on the existing plant in Tongliao at the consideration of RMB51 million (approximately HK\$59.3 million). The Group had already received the deposit payment of RMB20 million during the year 2011 whilst another RMB10 million out of the remaining balance of the consideration had been received in the first half of year 2012.

To improve the Group’s financial position, the Group has implemented various sales strategies to increase its sales turnover and profit margins of its products. The Group shall continue to enhance its marketing efforts to expand its market coverage and will further improve and diversify its product mix.

PROSPECT

In the second quarter this year the drop in demand world-wide in the personal computers (“PC”) and therefore their ancillary parts and equipment including Hard Disk Drives (“HDD”), which is so far still the major supply of our products, has resulted a substantial reduction of our revenue starting May and continuing into August. The outlook may improve starting September this year hopefully when the inventories issues of our major HDD customers will be resolved, despite the fact that uncertainties in the economy in various regions, particularly in the European Community, as well as consumer’s low interest in the PC products including HDD, may still prevail.

For a short period of time the Group may have difficulty to register profit because of such soft market however it will continue to work very hard to improve its competitiveness through costs and expenses reduction, as the gradual winding down of its Shekou facility would offer such opportunity. Currently its Shekou facility is only focused in producing high mix low volume products and samples only. On the bright side this has also allowed us to look for opportunity to develop the Shekou facility on other applications, with a view to improve the utilization of our resources and therefore our financial health.

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally finances its operations through a combination of internally generated cash flows, shareholders' equity and borrowings from banks.

As at 30 June 2012, the Group had total equity of HK\$555 million (31 December 2011: HK\$611 million) and net debt (trade payables, other payables and accruals, interest-bearing borrowings, amount due to an associate, provision, shareholder's loans less cash and cash equivalents) of HK\$685 million (31 December 2011: HK\$707 million), representing a gearing ratio, defined as net debt over total equity plus net debt, of 55% (31 December 2011: 54%).

The Group's net current liabilities of HK\$327 million (31 December 2011: HK\$242 million) consisted of current assets of HK\$472 million (31 December 2011: HK\$522 million) and current liabilities of HK\$799 million (31 December 2011: HK\$764 million), representing a current ratio of 0.59 (31 December 2011: 0.68).

As at 30 June 2012, the Group's current assets consisted of HK\$114 million (31 December 2011: HK\$107 million) of cash and cash equivalents, of which 2% was in Hong Kong dollars (the "HKD"), 15% was in United States dollars (the "USD"), 81% was in Renminbi (the "RMB") and 2% in other currencies.

Interest-bearing borrowings

As at 30 June 2012, the Group had interest-bearing borrowings as follows:

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
Amounts payable:		
Within one year	417,139	438,312
In the second year	—	52,149
	<u>417,139</u>	<u>490,461</u>
<i>Less:</i> Portion classified as current liabilities	<u>417,139</u>	<u>438,312</u>
Non-current portion	<u>—</u>	<u>52,149</u>

Of the total interest-bearing borrowings, HKD denominated loans accounted for 24% (31 December 2011: 10%), USD denominated loans accounted for 31% (31 December 2011: 39%), and the 45% balance was RMB denominated loans (31 December 2011: 51%) as at 30 June 2012. All bank loans are charged with floating rates and the effective interest rates ranged from 2.03% to 6.31% (2011: 3.80% to 6.67%) per annum. The Board does not recognise a significant seasonality of borrowing requirements.

The bank loans and other banking facilities of the Group are secured by:

- (i) certain buildings and leasehold land held by the Group; and
- (ii) the assignment of trade receivables of a subsidiary of the Group.

There were shareholder's loans advanced by Mr. Cheok Ho Fung, an Executive Director, Chairman of the Board, Chief Executive Officer and a controlling shareholder of the Company at the effective interest rate of 7% per annum (2011: 6%).

Material acquisitions or disposals

The Group neither held any significant non-consolidated investments nor underwent any material acquisitions or disposals of subsidiaries and associated companies during the first half year of 2012.

Foreign exchange exposure

Sales of the Group's products are principally denominated in USD and the purchases of materials and payments of operational expenses are mainly denominated in USD, HKD and RMB. Approximately 47% of the Group's purchases and 89% of the Group's expenses are denominated in RMB. As the Group imported a substantial portion of its major raw materials and machines from overseas which were non-RMB denominated, this would help to mitigate the full effects arising from RMB appreciation.

The Group currently does not have a foreign currency hedging policy. However, the Group's management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure to minimise exchange risk should the need arise.

Number and remuneration of employees

As at 30 June 2012, excluding the associated companies, the Group had approximately 3,498 employees (31 December 2011: 2,848). For the six months ended 30 June 2012, the Group's total staff costs amounted to HK\$96 million (30 June 2011: HK\$105 million).

There have been no material changes to the information disclosed in the 2011 Annual Report in respect of the share option scheme (save as disclosed below), remuneration policies and staff training and development.

The share option scheme of the Company, the life of which is 10 years from its date of adoption on 30 May 2002, expired on 30 May 2012. The Board considered at its meeting and resolved not to propose any new share option scheme for the Company at this moment until otherwise further determined by the Board in future.

Capital commitments

As at 30 June 2012, the Group's capital commitments contracted but not provided for amounted to HK\$3 million (31 December 2011: HK\$8 million). There was no capital commitments authorised but not contracted for (31 December 2011: Nil). All of these capital commitments were related to construction of factory buildings and acquisition of plant and machinery.

Other commitments

As at 30 June 2012, the Group's capital contribution committed to a subsidiary established in the PRC amounted to RMB10 million (approximately HK\$12.3 million) (31 December 2011: Nil).

MATERIAL CHANGES

Save as disclosed under the sections headed "THE BOARD OF DIRECTORS" and "EVENTS AFTER THE REPORTING PERIOD", there has been no material change in respect of any other matters since the publication of the latest 2011 Annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board and the senior management of the Company (the "Senior Management") are of the opinion that during the first half year of 2012, the Company has properly operated in accordance with the former Code on Corporate Governance Practices (the "CG Code") during the period from 1 January to 31 March 2012 and the Corporate Governance Code and Corporate Governance Report (the "revised CG Code") during the period from 1 April to 30 June 2012 which sets out (a) code provisions (which are expected to comply with); and (b) recommended best practices (which are for guidance only) in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Stock Exchange"). The Company has complied with the code provisions and some of the recommended best practices except for one deviation of code provisions as stated in the section headed "Compliance with CG Code and revised CG Code" below.

The Board is committed to the principles of transparency, accountability and independence highlighted by the CG Code and the revised CG Code to better enhance the shareholders' value and proper management of corporate assets in the following ways:

1. ensuring the decision-making process, risk management process, internal audit and controls, disclosure of information and the communication with stakeholders are carried out in accordance with good management practices and compliance with the respective regulatory standards;
2. cultivating a culture of integrity, transparency and accountability for the Company, its staff and Directors and emphasising the importance of their roles in such an environment; and
3. adopting quality standards widely recognised to foster quality management in every aspect of daily operations to enhance the performance and value of the Company as a whole.

Compliance with CG Code and revised CG Code

The Directors confirm that, the Company has complied with the code provisions set out in the CG Code during the period from 1 January to 31 March 2012 and the revised CG Code during the period from 1 April to 30 June 2012 save for the deviation mentioned below.

Mr. Cheok Ho Fung is the Chairman as well as the Chief Executive Officer of the Company. This arrangement deviates from provision A.2.1 of the CG Code and the revised CG Code, which provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Directors are of the opinion that the current arrangement will provide stronger leadership for managing the Group and will enable effective business planning. The Directors believe that it does not have a material adverse impact on the corporate governance of the Company.

The Board will carry out a regular review and propose any amendment, if necessary, to ensure compliance with the revised CG Code provisions as set out in the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted its own code of conduct (the "Own Code") regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code.

The Company, having made specific enquiries, confirms that members of the Board have complied with the Own Code throughout the six months ended 30 June 2012. Members of the Senior Management, who, due to their positions in the Company, are likely to be in possession of unpublished price sensitive information, have also complied with the provisions of the Own Code.

THE BOARD OF DIRECTORS

As at the date of this announcement, the Board consists of six Directors with a variety and a balance of skills and experience in accounting, manufacturing, marketing, finance, investment and legal professions. Their brief biographical particulars are set out in the 2011 Annual Report. The detailed composition of the Board during the Period and as at the date of this announcement is as follows:

Name of Directors	Position
Executive Directors	
Mr. Cheok Ho Fung	Chairman of the Board and the executive committee and Chief Executive Officer
Mr. Liu Wai On	Member of executive committee (resigned as Executive Director and Member of executive committee on 30 April 2012)
Non-Executive Directors	
Mr. Tang Yok Lam, Andy	Member of remuneration committee and nomination committee
Mr. Ng Kwok Ying, Alvin	Member of audit committee
Mr. Xiang Dong	Member of audit committee (resigned as Non-Executive Director and Member of audit committee on 30 April 2012)
Independent Non-Executive Directors	
Mr. Leung Shu Kin, Alfred	Chairman of remuneration committee, member of audit committee and nomination committee
Mr. Wong Wing Kee	Chairman of nomination committee and member of audit committee and remuneration committee
Mr. Ng Kee Sin	Chairman of audit committee

Reference was made to the announcements dated 30 April and 2 May 2012 published at the websites of the Stock Exchange and of the Company respectively (for details please refer to the aforesaid announcements), the Board had approved the following changes in the Board and announced that:

- (i) Mr. Liu Wai On resigned as an Executive Director and a member of the executive committee of the Company both effective on 30 April 2012.
- (ii) Mr. Xiang Dong resigned as a Non-Executive Director and a member of the audit committee of the Company both effective on 30 April 2012.

EVENTS AFTER THE REPORTING PERIOD

The subscription agreement and supplemental agreement

Reference was made to the announcements dated 13, 16 and 17 July 2012 and 8 August 2012 published at the websites of the Stock Exchange and of the Company respectively (for details, terms and expressions unless otherwise stated herein, please refer to the aforesaid announcements), the Board had approved the following and announced that:

On 12 July 2012 (after trading hours) and 17 July 2012, the Company entered into the Subscription Agreement and Supplemental Agreement with Subscribers A and B respectively, pursuant to which the Company as the Issuer had conditionally agreed to allot and issue and the Subscribers had conditionally agreed to subscribe for an aggregate of 93,400,000 Subscription Shares, for which each of Subscriber A and Subscriber B had conditionally agreed to subscribe for 48,400,000 and 45,000,000 Subscription Shares respectively, at the revised Subscription Price of HK\$0.1023 per Subscription Share.

All the conditions of the Subscription had been fulfilled and Completion took place on 8 August 2012 in accordance with the terms and conditions of the Subscription Agreement dated 12 July 2012 and the Supplemental Agreement dated 17 July 2012.

An aggregate of 93,400,000 Subscription Shares have been successfully allotted and issued by the Company to the Subscribers at the Subscription Price of HK\$0.1023 per Subscription Share under the General Mandate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Subscribers and their ultimate owners are Independent Third Parties; and (ii) Subscriber A and Subscriber B are independent of and not connected with each other. It is expected that none of the Subscribers and their respective associates will become a substantial Shareholder (as defined in the Listing Rules) upon Completion on 8 August 2012.

Restoration of the Public Float

Immediately before Completion, the public Shareholders held 189,358,000 Shares, representing approximately 20.89% of the total issued share capital of the Company. Immediately after Completion on 8 August 2012, the public Shareholders held 282,758,000 Shares, representing approximately 28.28% of the total issued share capital of the Company. As such the public float of the Company has been restored to approximately 28.28% of the total issued share capital of the Company on 8 August 2012 in compliance with the minimum public float requirement under Rule 8.08(1) of the Listing Rules.

PUBLICATION OF THE 2012 INTERIM REPORT

The 2012 Interim Report of the Company, which contains all the information required by the Listing Rules, will be published on the websites of the Company (www.topsearch.com.hk) and of the Stock Exchange (www.hkex.com.hk) respectively.

APPRECIATION

On behalf of the Board, I would like to extend my gratitude and sincere appreciation to all management and staff members for their diligence and dedication, and also to our business partners and the Company's shareholders for their continuing support.

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

Hong Kong, 16 August 2012

As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung being Executive Director, Mr. Tang Yok Lam, Andy and Mr. Ng Kwok Ying, Alvin being Non-Executive Directors, and Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Ng Kee Sin being Independent Non-Executive Directors.