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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)

**YOUFU INVESTMENT CO., LTD**  
**優福投資有限公司**  
(Incorporated in the British Virgin Islands with  
limited liability)

**ZHISHENG ENTERPRISE  
INVESTMENT CO., LTD**  
**智勝企業投資有限公司**  
(Incorporated in the British Virgin Islands with  
limited liability)

### JOINT ANNOUNCEMENT

- (1) ACQUISITION OF SHARES IN TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED
- (2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY PRUDENTIAL BROKERAGE LIMITED FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS AND/OR PARTIES ACTING IN CONCERT WITH THEM)
- (3) SPECIAL DEALS, DISCLOSEABLE AND CONNECTED TRANSACTIONS
- (4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER TO THE LISTING RULES IBC AND THE CODE IBC  
AND
- (5) RESUMPTION OF TRADING

Financial adviser to  
Topsearch International (Holdings) Limited



Financial adviser to  
Youfu Investment Co., Ltd  
and  
Zhisheng Enterprise Investment Co., Ltd  
**Hercules**  
Hercules Capital Limited

Independent financial adviser to  
Topsearch International (Holdings) Limited



\* for identification purposes only

## **THE SALE AND PURCHASE AGREEMENT**

The Company has been informed by the Vendors that, on 16 November 2015 (after trading hours), the Vendors and the Joint Offerors had entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors have conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, being 510,250,000 Shares, representing 51.025% of the entire issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$285,740,000, equivalent to HK\$0.56 per Sale Share, which was agreed between the Joint Offerors and the Vendors after arm's length negotiations. The Sale and Purchase Completion shall take place on the Completion Date.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Joint Offerors and parties acting in concert with them do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately after the Sale and Purchase Completion, the Joint Offerors and parties acting in concert with them will own a total of 510,250,000 Shares, representing approximately 51.025% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to the Sale and Purchase Completion, the Joint Offerors will be required to make the mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them).

As at the date of this joint announcement, the Company has 1,000,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Subject to and upon the Sale and Purchase Completion, Prudential Brokerage, on behalf of the Joint Offerors and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share . . . . . HK\$0.56 in cash

The Offer Price of HK\$0.56 per Offer Share equals to the purchase price per Sale Share paid by the Joint Offerors under the Sale and Purchase Agreement.

The principal terms of the Offer are set out under the section headed “POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER” below in this joint announcement.

The Joint Offerors shall finance and satisfy the consideration payable under the Sale and Purchase Agreement with their internal resources. Each of the Joint Offerors shall finance and satisfy the consideration payable under the Offer with its internal resources and the balance with the Facility. Under the terms of the Facility, the Sale Shares to be acquired by the Joint Offerors under the Sale and Purchase Agreement and the Shares to be acquired pursuant to the Offer shall be charged to Prudential Brokerage as security.

Hercules Capital has been appointed as the financial adviser to the Joint Offerors in respect of the Offer. Hercules Capital is satisfied that sufficient financial resources are available to the Joint Offerors to satisfy the full acceptance of the Offer.

### **SPECIAL DEALS, DISCLOSEABLE AND CONNECTED TRANSACTIONS**

On 16 November 2015 (after trading hours), Topsearch Printed Circuits (HK) (an indirect wholly-owned subsidiary of the Company) entered into the Disposal Agreements, pursuant to which the Disposal Purchasers have conditionally agreed to purchase, and Topsearch Printed Circuits (HK) has conditionally agreed to sell, the entire issued share capital of the Disposal Companies and the shareholder’s loan owed by the Disposal Groups to Topsearch Printed Circuits (HK) at an aggregate consideration of HK\$187,284,366, which shall be settled by cheque or interbank transfer (or by such other payment methods as the parties may agree) in favour of Topsearch Printed Circuits (HK) upon the Disposals Completion.

On 16 November 2015 (after trading hours), Mr. Cheok, the Company and Topsearch Printed Circuits (HK) entered into the Deed of Novation, pursuant to which the Company has conditionally agreed to assign and novate, and Topsearch Printed Circuits (HK) has conditionally agreed to assume and perform all the rights and obligations of the Company regarding the Indebtedness.

The Disposals constitute discloseable and connected transactions, and the Novation constitutes a connected transaction for the Company under the Listing Rules. Since the Disposals and the Novation are not capable of being extended to all Shareholders, the Disposals and the Novation constitute “special deals” on the part of the Company under Note 4 to Rule 25 of the Takeovers Code. The Disposals and the Novation are therefore subject to the approval of the Independent Shareholders and the consent of the Executive. Such consent, if granted under Note 4 to Rule 25 of the Takeovers Code, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders by way of poll at the SGM. The Vendors and those who are involved or interested in the Special Deals and/or the Sale and Purchase Agreement shall abstain from voting on the resolution approving the Special Deals. As at the date of this joint announcement, the Vendors are interested in 510,250,000 Shares (representing 51.025% of the issued share capital of the Company).

### **INDEPENDENT BOARD COMMITTEES OF THE COMPANY AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Octal Capital Limited has been appointed as the financial adviser to the Company on the Special Deals and the Offer.

The Listing Rules IBC, comprising all independent non-executive Directors, namely, Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Ng Kee Sin, has been constituted to give a recommendation to the Independent Shareholders on the Disposals and Novation. The Code IBC, comprising the non-executive Director (namely Mr. Tang Yok Lam, Andy), and independent non-executive Directors (namely, Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Ng Kee Sin), has been constituted to give a recommendation to (i) the Independent Shareholders on the Special Deals; and (ii) the Shareholders other than the Joint Offerors and parties acting in concert with them in respect of the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to the Listing Rules IBC and the Code IBC on the Special Deals and the Offer. The appointment of First Shanghai Capital Limited has been approved by the Code IBC.

## **SGM AND CIRCULAR**

The SGM will be convened and held to consider and, if appropriate, approve the Special Deals. The Circular containing, among other things, details of the Disposal Agreements and the Deed of Novation, financial information of the Group and the Disposal Groups, financial information of the Remaining Group, the letter of advice from the Independent Financial Adviser, the recommendation of the Listing Rules IBC and the Code IBC, the notice of the SGM and other information required under the Listing Rules and the Takeovers Code will be despatched to the Shareholders on or before 15 December 2015.

## **DESPATCH OF COMPOSITE DOCUMENT**

If the Offer materialises, it is the intention of the Joint Offerors and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement. However, as the Offer is subject to the Sale and Purchase Completion and additional time is required to convene the SGM to consider the Special Deals, the Company will make an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to the Shareholders to a date within seven (7) days of the Sale and Purchase Completion taking place after fulfillment of the pre-conditions as set out in Note 2 to Rule 8.2 of the Takeovers Code.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 November 2015 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 November 2015.

## **WARNING**

**The Offer is a possibility only. The Sale and Purchase Completion is conditional upon the fulfillment of the Conditions and the Offer will only be made if the Sale and Purchase Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

Reference is made to the announcements of the Company dated 24 September 2015, 29 September 2015, 23 October 2015 and 9 November 2015, in relation to, among other things, the possible sale by the Vendors of their shareholding interest in the Company.

The Company has been informed that after the trading hours on 16 November 2015, the Vendors and the Joint Offerors entered into the Sale and Purchase Agreement. Details of the Sale and Purchase Agreement are set out below.

## **SALE AND PURCHASE AGREEMENT**

**Date:** 16 November 2015

**Parties:** (1) Inni;  
(2) Mr. Cheok;  
(3) Mrs. Cheok;  
(4) Youfu; and  
(5) Zhisheng

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Joint Offerors, their ultimate beneficial owner and parties acting in concert with any of them are third parties independent of and not connected with the Company and the Company's connected persons.

### **Subject of the Sale and Purchase Agreement**

Pursuant to the Sale and Purchase Agreement, each of Inni and Mr. Cheok has conditionally agreed to sell (and each of Mr. Cheok and Mrs. Cheok has agreed to procure Inni to sell) and the Joint Offerors have conditionally agreed to purchase the Sale Shares, being 510,250,000 Shares, representing 51.025% of the entire issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the Sale and Purchase Completion.

The number of the Sale Shares to be acquired by each of the Joint Offerors is as follows:

<b>Joint Offerors</b>	<b>Number of Shares to be acquired</b>	<b>Approximate percentage of the issued share capital of the Company as at the date of this joint announcement</b>
Youfu	340,166,000	34.017%
Zhisheng	<u>170,084,000</u>	<u>17.008%</u>
Total	<u><u>510,250,000</u></u>	<u><u>51.025%</u></u>

The Vendors and the Joint Offerors shall not be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

#### **Consideration for the Sale Shares**

The total consideration for the Sale Shares was HK\$285,740,000 (representing HK\$0.56 per Sale Share) which was agreed between the Joint Offerors and the Vendors after arm's length negotiations and is payable in cash by the Joint Offerors upon the Sale and Purchase Completion.

#### **Conditions**

The Sale and Purchase Completion is subject to the following conditions having been fulfilled:

- (a) the Joint Offerors having obtained the board approvals to approve the execution of the Sale and Purchase Agreement, the transactions contemplated thereunder and the Offer and all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Sale Shares;
- (b) the Vendors having obtained the board approval of Inni to approve the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder and all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Sale Shares;
- (c) the Company having obtained all necessary approvals required to complete the sale and purchase of the Sale Shares, including all necessary third party consents;

- (d) no indication being received on or before the Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board of the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the Sale and Purchase Completion or in connection with the terms of or any transaction contemplated by the Sale and Purchase Agreement;
- (e) the listing and trading of the Shares having been resumed following the clearance by the Stock Exchange and the SFC of the announcement concerning, among other matters, the subject matter of the Sale and Purchase Agreement and the transactions contemplated thereunder and its publication, and the Shares thereafter remaining so listed and traded on the Completion Date (save for the suspension of trading of the Shares for no more than 5 Stock Exchange trading days);
- (f) (i) the passing by the Independent Shareholders of an ordinary resolution approving the Special Deals in accordance with the requirements of the Listing Rules and the Takeovers Code; (ii) the consent of the Executive in relation to the Special Deals under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the completion of the Special Deals; and (iii) the Special Deals are completed simultaneously with the transactions contemplated under the Sale and Purchase Agreement;
- (g) none of the representations given by the Vendors under the Sale and Purchase Agreement is untrue, inaccurate or misleading;
- (h) the Vendors having performed all their respective undertakings and agreements pursuant to the Sale and Purchase Agreement; and
- (i) there being no material adverse change to the businesses or operations of the Group from the date of the Sale and Purchase Agreement to the Completion Date.

The Joint Offerors have the right to waive conditions (a), (b), (c), (g), (h) and (i) above. The Vendors have agreed to use their best endeavours to procure the fulfillment of the conditions (b) to (i) above on or before the Long Stop Date.

As at the date of this joint announcement, the Joint Offerors and Vendors have not identified any governmental or regulatory approval required for the completion of the sale and purchase of the Sale Shares.

If any of the above conditions is not fulfilled (or, where applicable, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall lapse and cease to have further effect, whereupon, the parties' respective obligations under the Sale and Purchase Agreement shall terminate, save in respect of claims arising out of any antecedent breach of the Sale and Purchase Agreement.



## **Sale and Purchase Completion**

Subject to the fulfillment of the Conditions, the Sale and Purchase Completion will take place on the Completion Date. An announcement will be made upon the Sale and Purchase Completion.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Joint Offerors and parties acting in concert with them do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately after the Sale and Purchase Completion, the Joint Offerors and parties acting in concert with them will be interested in 510,250,000 Shares, representing 51.025% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to the Sale and Purchase Completion, the Joint Offerors will be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them).

As at the date of this joint announcement, the Company has 1,000,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Subject to and upon the Sale and Purchase Completion, Prudential Brokerage, on behalf of the Joint Offerors and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For each Offer Share. . . . . HK\$0.56 in cash**

The Offer Price of HK\$0.56 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Joint Offerors under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

## **Comparisons of value**

The Offer Price of HK\$0.56 per Offer Share represents:

- (a) a discount of approximately 51.30% to the closing price of HK\$1.15 per Share as quoted on the Stock Exchange on 16 November 2015, being the Last Trading Day;



- (b) a discount of approximately 44.22% to the average closing price of approximately HK\$1.004 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 33.88% to the average closing price of approximately HK\$0.847 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 27.84% to the average closing price of approximately HK\$0.776 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (e) a premium of approximately 47.37% over the audited consolidated net asset value attributable to Shareholders of approximately HK\$0.380 per Share as at 31 December 2014, the date to which the latest audited financial results of the Group were made up.

### **Highest and lowest Share prices**

During the six-month period preceding the date of the Rule 3.7 Announcements and the period up to and including the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.15 per Share on 16 November 2015; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.27 per Share on 1 April 2015.

### **Value of the Offer**

As at the date of this joint announcement, there are 1,000,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.56 per Share, the entire issued share capital of the Company would be valued at HK\$560,000,000.

Immediately after the Sale and Purchase Completion and on the basis that there are 489,750,000 Shares subject to the Offer and assuming that there is no change in the issued share capital of the Company, the value of the Offer is HK\$274,260,000.

### **Financial resources available to the Joint Offerors**

The Joint Offerors shall finance and satisfy the consideration payable under the Sale and Purchase Agreement with their internal resources.

The maximum aggregate amount payable by the Joint Offerors upon full acceptance of the Offer is HK\$274,260,000. Youfu and Zhisheng will acquire, and pay for, the Shares tendered for acceptance under the Offer pursuant to and in accordance with the terms of the Offer in the proportion of 66.667% by Youfu and 33.333% by Zhisheng. Each of the Joint Offerors shall finance and satisfy the consideration payable under the Offer with its internal resources and the balance with the Facility. Under the terms of the Facility, the Sale Shares to be acquired by the Joint Offerors under the Sale and Purchase Agreement and the Shares to be acquired pursuant to the Offer shall be charged to Prudential Brokerage as security.

Hercules Capital has been appointed as the financial adviser to the Joint Offerors in respect of the Offer. Hercules Capital is satisfied that sufficient financial resources are available to the Joint Offerors to satisfy the full acceptance of the Offer.

### **Effect of accepting the Offer**

By accepting the Offer, the accepting Shareholders will sell their Shares to the Joint Offerors free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Shareholders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Shareholders who accept the Offer. The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors, parties acting in concert with them, the Company, Hercules Capital, Prudential Brokerage and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly

completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Joint Offerors (or their agent) to render each such acceptance complete and valid.

### **Dealing and interests in the Company's securities**

Save for the Sale Shares, none of the Joint Offerors, their ultimate beneficial owner, nor parties acting in concert with them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to 24 September 2015, being the date of the first Rule 3.7 Announcement and the period thereafter up to and including the date of this joint announcement.

### **Overseas Shareholders**

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

### **Other arrangements**

The Joint Offerors confirm that, save as disclosed in this joint announcement, as at the date of this joint announcement:

- (i) the Joint Offerors, their ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Joint Offerors, their ultimate beneficial owners and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Joint Offerors or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) Save for the Sale Shares, none of the Joint Offerors, their ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (v) there is no agreement or arrangement to which the Joint Offerors, their ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Joint Offerors, their ultimate beneficial owners, and/or any person acting in concert with any of them has borrowed or lent.

## INFORMATION ON THE GROUP

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. The Company and its subsidiaries are principally engaged in the manufacture and sale of a broad range of printed circuit boards. The Group has a global customer base comprising principally Electronics Manufacturing Services (“EMS”) companies and Original Equipment Manufacturer (“OEM”) which are engaged in the production of a diverse range of products for personal computers (“PC”) and PC-related industries, as well as the telecommunications, office components, security, instrumentation equipment and consumer products industries.

Set out below is a summary of certain audited financial information of the continuing operations of the Group for the financial years ended 31 December 2013 and 31 December 2014 extracted from its annual reports:

	<b>Year ended 31 December 2013 HK\$'000</b>	<b>Year ended 31 December 2014 HK\$'000</b>
Revenue	720,372	610,340
Loss before income tax expense	(90,682)	(163,299)
Loss for the year	(94,267)	(166,594)
	<b>As at 31 December 2013 HK\$'000</b>	<b>As at 31 December 2014 HK\$'000</b>
Consolidated net asset value attributable to owners of the Company	556,535	379,725

## INFORMATION ON THE JOINT OFFERORS

Youfu is an investment holding company incorporated in the British Virgin Islands with limited liability on 28 August 2015. As at the date of this joint announcement, Youfu is wholly owned by Mr. Sun, who is also the sole director of Youfu.

Mr. Sun, aged 49, graduated from Beijing University of Chemical Technology with a bachelor's degree in chemical engineering. Mr. Sun has more than 25 years of experience in corporate finance and import and export trading. He also has over 15 years of experience in real estate trading in the PRC. Mr. Sun is the brother-in-law of Ms. He, the sole shareholder and director of Zhisheng.

Zhisheng is an investment holding company incorporated in the British Virgin Islands with limited liability on 16 June 2015. As at the date of this joint announcement, Zhisheng is wholly owned by Ms. He, who is also the sole director of Zhisheng.

Ms. He, aged 52, graduated from Nanjing Normal University with a bachelor's degree in finance. Ms. He worked in the finance department of Sinopec Pipeline Storage and Transportation Company before establishing her own company with principal activities of real estate development, pipeline engineering and project management in 2003. Ms. He is the sister-in-law of Mr. Sun, the sole shareholder and director of Youfu.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately upon the Sale and Purchase Completion:

	<b>(i) As at the date of this joint announcement</b>		<b>(ii) Immediately upon the Sale and Purchase Completion</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Vendors	510,250,000	51.025	—	—
The Joint Offerors and parties acting in concert with them				
Youfu	—	—	340,166,000	34.017
Zhisheng	—	—	170,084,000	17.008
<i>Subtotal</i>	—	—	510,250,000	51.025
Public Shareholders	489,750,000	48.975	489,750,000	48.975
Total	<u>1,000,000,000</u>	<u>100.000</u>	<u>1,000,000,000</u>	<u>100.000</u>

The Company does not have any outstanding options, derivatives or warrants or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares and has not entered into any agreement for the issue of such options, derivatives or warrants or other securities of the Company.

## **FUTURE INTENTIONS OF THE JOINT OFFERORS REGARDING THE GROUP**

It is the intention of the Joint Offerors to continue with the Group's existing principal business following the close of the Offer. The Joint Offerors will conduct a strategic review on the business activities and assets of the Group in order to formulate a long-term business plan and strategy of the Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Joint Offerors may consider whether any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising and/or restructuring of the business will be appropriate to enhance the long term growth potential of the Company. However, as at the date of this joint announcement, no such investment or business opportunities have been identified or confirmed, nor have the Joint Offerors entered into any agreement or arrangement in relation to the injection of any asset or business into the Group.

As at the date of this joint announcement, the Joint Offerors have no intention to discontinue the employment of the employees (save for the proposed changes to the composition of the Board) or to dispose of or re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business.

### **Proposed change of Board composition**

As at the date of this joint announcement, the Board comprises Mr. Cheok being the executive Director, Mr. Tang Yok Lam, Andy being the non-executive Director and Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee, and Mr. Ng Kee Sin being the independent non-executive Directors.

Under the Sale and Purchase Agreement, the Vendors have agreed to procure such persons (other than Mr. Cheok) as may be required by the Joint Offerors to resign as Directors at the earliest time permitted under the Takeovers Code and such resignation will not take effect earlier than the date of the close of the Offer Period, subject to the requirements of the Takeovers Code. Furthermore, the Joint Offerors intend to nominate new Directors to the Board upon the Sale and Purchase Completion, with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. As at the date of this joint announcement, the Joint Offerors have not reached any final decision as to who will be nominated as new Directors or who will be required to resign as Directors. Any change to the Board composition will be announced by the Company and made in compliance with the Takeovers Code and the Listing Rules.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Joint Offerors intend to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer.

In the event that the public float of the Company falls below 25% following the close of the Offer, the directors of the Joint Offerors and the new Directors (who will be nominated by the Joint Offerors and appointed as Directors) will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

## **THE DISPOSALS**

### **DISPOSAL AGREEMENTS**

#### **Date**

16 November 2015

#### **Parties**

Vendor: Topsearch Printed Circuits (HK)

Purchasers: Toprich Bravo (in relation to the Disposal Agreement One), an investment holding company incorporated in Hong Kong with limited liability and is wholly owned by Mr. Cheok

Top Harvest (in relation to the Disposal Agreement Two), an investment holding company incorporated in Hong Kong with limited liability and is wholly owned by Mr. Cheok

#### **Assets to be disposed of**

- (i) the entire issued share capital of Citilite and Topsearch Tongliao (BVI); and
- (ii) the shareholder's loan owed by the Disposal Groups to Topsearch Printed Circuits (HK) as at the date of the Disposal Agreements, and (if any) together with all further advances made by Topsearch Printed Circuits (HK) to the Disposal Companies up to the Disposals Completion.

#### **Consideration of the Disposals**

The aggregate consideration of the Disposals shall be HK\$187,284,366.



The consideration in relation to the Disposal Agreement One of HK\$77,015,270 was arrived at after arm's length negotiations between the Group and Toprich Bravo with reference to the net liabilities of the Citilite Group attributable to the owners of the Citilite Group as at 30 September 2015 and taking into consideration of the intended assignment of shareholders' loans owed by the Citilite Group to Topsearch Printed Circuits (HK) as at 30 September 2015.

The consideration in relation to the Disposal Agreement Two of HK\$110,269,096 was arrived at after arm's length negotiations between the Group and Top Harvest with reference to (i) the net liabilities of the Tongliao Group attributable to the owners of the Tongliao Group as at 30 September 2015, taking into consideration of the intended assignment of shareholders' loans owed by the Tongliao Group to Topsearch Printed Circuits (HK) as at 30 September 2015; and (ii) the value appreciation of the Tongliao Property (as defined below) which is equal to the differences between the carrying value of the Tongliao Property as at 30 September 2015 and the preliminary appraised value of the Tongliao Property as at 30 September 2015 valued by an independent valuer.

The aggregate consideration of the Disposals shall be settled by cheque or interbank transfer (or by such other payment methods as the parties may agree) in favour of Topsearch Printed Circuits (HK) upon the Disposals Completion.

### **Disposals Conditions**

The Disposals Completion is conditional upon the fulfillment of the following conditions:

- (a) the Sale and Purchase Agreement having become unconditional (other than the fulfillment of any condition(s) in the Sale and Purchase Agreement requiring the Disposal Agreements and other transactions contemplated thereunder, if any, to become unconditional) and not being terminated in accordance with its terms and conditions;
- (b) the passing by the Independent Shareholders of an ordinary resolution approving the Disposal Agreements and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (c) the consent of the Executive in relation to the Disposal Agreements and the transactions contemplated thereunder as "special deals" under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the Disposals Completion; and
- (d) compliance by the Company and Topsearch Printed Circuits (HK) of all requirements under the Listing Rules, the Takeovers Code or otherwise of the Stock Exchange of the SFC in relation to the Disposal Agreements and the transactions contemplated thereunder.

In the event that the Disposals Conditions are not fulfilled on or before the Disposals Long Stop Date, the rights and obligations of the parties under the Disposal Agreements shall lapse and the Disposal Agreements shall be of no further effect and the parties shall be released from such obligations without any liability save in respect of any antecedent breach or any accrued right or remedies, which shall not be prejudiced or affected.

### **Disposals Completion**

Subject to the fulfillment of all the conditions as set out above, the Disposals Completion shall take place on the Disposals Completion Date simultaneously with the the Sale and Purchase Completion. Upon the Disposals Completion, the Disposal Groups will cease to be subsidiaries of the Company.

## **INFORMATION ON THE DISPOSAL GROUPS**

### **Citilite and its subsidiary**

Citilite is a company incorporated in Hong Kong on 10 August 1984. It is principally engaged in investment holding. The major assets of Citilite is its 100% equity interest in Citilite Electronics (Shenzhen), a company established in the PRC on 18 December 2001 and principally engaged in the manufacture of welding machines in the PRC. However, the operation of the manufacture of welding machines of Citilite Electronics (Shenzhen) has been ceased since 2011 and therefore Citilite Electronics (Shenzhen) is currently dormant. The major assets of Citilite Group is its investment in an associate which is holding an industrial property in Shenzhen (the “**Shenzhen Property**”). The Shenzhen Property comprises major portions of an 8-storey industrial building known as Block No. 5 of Xinghua Industrial Building, which is erected on a parcel of land with a site area of approximately of 13,137.80 sq m. and a total gross floor area of approximately 37,489.75 sq m. As at the date of this joint announcement, the Shenzhen Property is left vacant. Save for the investment in the Shenzhen Property, the Citilite Group has no other operations in past two years.

### **Topsearch Tongliao (BVI) and its subsidiary**

Topsearch Tongliao (BVI) is a company incorporated in the BVI on 11 April 2005. It is principally engaged in investment holding. The major assets of Topsearch Tongliao (BVI) is its 100% equity interest in Topsearch Tongliao (PRC), a company established in the PRC on 23 June 2005 and principally engaged in the manufacture of printed circuit boards in the PRC. However, the operation of manufacture of printed circuit board of Topsearch Tongliao (PRC) has been ceased since 2011 and therefore Topsearch Tongliao (PRC) is currently dormant. The major assets of Tongliao Group is its interest in an industrial land in Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia, the PRC (the “**Tongliao Property**”). The Tongliao Property comprises an industrial complex erected on a parcel of land with site area of approximately 230,667.82 sq m. with a total gross floor area of 86,198.72 sq m. As at the date of this joint announcement, the Tongliao Property is left vacant. Save for the investment in the Tongliao Property, the Tongliao Group has no other operations in past two years.

Set out below is the unaudited consolidated financial information of each of the Disposal Groups for the two years ended 31 December 2014 and as at 30 September 2015 (the “**Required Financial Information**”):

**Citilite Group**

	<b>For the year ended 31 December 2014</b> <i>unaudited</i> <i>HK\$'000</i>	<b>For the year ended 31 December 2013</b> <i>unaudited</i> <i>HK\$'000</i>
Profit/(Loss) before taxation	342	(336)
Net profit/(loss) after taxation	342	(336)
		<b>As at 30 September 2015</b> <i>unaudited</i> <i>HK\$'000</i>
Net (liabilities)		(1,240)

**Tongliao Group**

	<b>For the year ended 31 December 2014</b> <i>unaudited</i> <i>HK\$'000</i>	<b>For the year ended 31 December 2013</b> <i>unaudited</i> <i>HK\$'000</i>
Profit/(Loss) before taxation	550	(45,801)
Net profit/(loss) after taxation	550	(45,801)
		<b>As at 30 September 2015</b> <i>unaudited</i> <i>HK\$'000</i>
Net (liabilities)		(113,868)

## FINANCIAL EFFECT OF THE PROPOSED DISPOSALS

The estimated gain on Disposals (the “**Estimated Gain**”) was approximately HK\$47,640,000 after the related outgoings and taxation, which is calculated based on the aggregate consideration of the Disposals of HK\$187,284,366 less the carrying value of the adjusted net assets of Citilite and Topsearch Tongliao (BVI) as at 30 September 2015 (after adjustment for the intended assignment of shareholders’ loans owed by Citilite Group and Tongliao Group to Topsearch Printed Circuits (HK) and adding the cumulative exchange differences as at 30 September 2015 in respect of the adjusted net assets of Citilite and Topsearch Tongliao (BVI) to be reclassified from equity to profit or loss, which will be recognised in the consolidated financial statement of the Group on Disposals Completion.

Upon Disposals Completion, the Company will not hold any interest in Citilite and Topsearch Tongliao (BVI), which will cease to be subsidiaries of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

**The Required Financial Information and the Estimated Gain, which are required by Rules 14.58(6), 14.58(7) and Rule 14.60(3)(a) of the Listing Rules, are unaudited figures and are only based on the preliminary assessment of the information currently available to the Board and may be subject to further adjustments. Pursuant to Rule 10 of the Takeovers Code, the Required Financial Information and the Estimate Gain relating to Citilite Group and Tongliao Group constitute a profit forecast and should be reported on by the Company’s auditors/accountants and financial advisers under Rule 10.4 of the Takeovers Code prior to its release.**

**Taking into account the practical difficulties in terms of the additional time required for the preparation of the reports by the Company’s auditors/accountants and financial advisers, the Required Financial Information and the Estimated Gain have not been reported on as required under Rule 10 of the Takeovers Code. The Company will arrange for the forecasts to be reported on in accordance with Rule 10 of the Takeovers Code as soon as reasonably practicable and the relevant reports will be contained in the next document to be sent to the Shareholders pursuant to Rule 10 of the Takeovers Code.**

**Shareholders and potential investors of the Company should note that the Required Financial Information and the Estimated Gain have not yet been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Required Financial Information and the Estimated Gain in assessing the merits and demerits of the Disposals or the transactions contemplated under the Disposal Agreements. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **REASONS FOR AND BENEFITS OF THE DISPOSALS AND THE USE OF PROCEEDS**

The major assets of Citilite Group is its investment in an associate which is holding the Shenzhen Property. In 2012, the manufacturing operation of the Group in Shenzhen ceased completely upon its relocation to Qujiang in 2011. Since then, the Company has been actively looking for opportunities to realize its interests in the Shenzhen Property in order to improve the overall financial position of the Group.

The major assets of Tongliao Group is its interest in the Tongliao Property which 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 which has a lower cost base. However, with the relatively small scale of the plant in the Tongliao Property 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 near future and the Group decided to realize the property.

Given Mr. Cheok has expressed his intention to retain the Disposal Groups, by entering into the Disposal Agreements, it is expected that the Disposals would allow the Company to realize Shenzhen Property and Tongliao Property held by the Group and reallocate resources to seek opportunity to expand the income stream and explore different investment opportunities which are suitable for the Group with the objective to maximize the return to the Shareholders.

Therefore, the Directors (excluding the members of the Listing Rules IBC and the Code IBC (as the case may be) whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that (i) the Disposals and transactions contemplated under the Disposal Agreements represent an opportunity to the Company for realising its interests in the industrial land and/or properties in the PRC and re-directing its resources to the businesses with growth potential, and are on normal commercial terms; and (ii) the terms of the Disposal Agreements, which are determined after arm's length negotiations between the Company and the Disposal Purchasers, are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

It is expected that the net proceeds from the Disposals in the amount of approximately HK\$182,689,000 (after deducting all relevant fees and expenses) will be used for the general working capital of the Group.

## **INFORMATION RELATING TO THE REMAINING GROUP**

Upon the Disposals Completion, the principal business of the Remaining Group will continue to be manufacturing and sale of a broad range of printed circuit boards. Given that each of the Citilite Group and the Tongliao Group has no operations for the past two years, the management of the Remaining Group expects there will be no material changes to the operations of the Remaining Group upon the Disposals Completion.

The Company believes that the Disposals represent a good opportunity for the Remaining Group to reallocate its resources, including proceeds from the Disposals, for the continuing development of the existing printed circuit boards business of the Remaining Group. The Group's printed circuit board manufacturing operation in Shekou, Shenzhen City, Guangdong Province, the PRC ("**Shenzhen**") has ceased entirely during 2012 and the management of the Remaining Group relocated all of the available production facilities and manpower to another wholly owned subsidiary of the Group in Qujiang, Shaoguan City, Guangdong Province of the PRC ("**Qujiang**") where the overall production costs were much lower than such for the same operations in Shenzhen.

After the Disposals Completion, the Remaining Group shall focus all its efforts in making improvement of the printed circuit board manufacturing operations in Qujiang as mentioned above. As at the date of this joint announcement, the Company has not identified any investment targets and/or entered into any agreements, contracts, arrangement, or in negotiation which any investment opportunities.

In respect of the printed circuits boards business, as set out in the annual report of the Company for the year ended 31 December 2014, with an aim to improve the Group's financial position progressively, the Group has been implementing various sales strategies to increase the 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 its product mix and plan to develop new products so as to widen its market coverage. The Group has been taking various cost control measures to tighten the costs of operations and various general and administrative expenditure especially after the completed relocation of production facilities from Shenzhen to Qujiang. As at the date of this joint announcement, there are approximately 2,000 employees working on the printed circuit boards business. Most of the customers are harddisks and automotive companies in South Asia and Europe. The principal raw materials required for the production of printed circuit boards are laminates, copper foils and pre-preg. The Remaining Group has entered into contracts and/or strategic partnership with certain of its customers and suppliers.

Since 2012 and at present, the manufacturing of printed circuit boards has been carried out at the self-owned industrial complex in Qujiang (with a gross floor area (GFA) of approximately 94,470 sq.m.). The annual production capacity of the printed circuit business is around 18,000,000 square feet. The management of the Remaining Group intends to continue its operation at the current plant.

## **THE NOVATION**

### **DEED OF NOVATION**

#### **Date**

16 November 2015

## **Parties**

Creditor: Mr. Cheok

Assignor: the Company

Assignee: Topsearch Printed Circuits (HK)

## **Indebtedness to be assigned and novated**

Pursuant to the Deed of Novation, the Company agreed to assign and novate to Topsearch Printed Circuits (HK), and Topsearch Printed Circuits (HK) agreed to assume and perform all the rights and obligations of the Company regarding the Indebtedness. Mr. Cheok agreed to release and discharge the Company from its obligations of the Indebtedness, and agreed to accept the liability to repay the Indebtedness by Topsearch Printed Circuits (HK) in lieu of the liability of the Company, in every way as if Topsearch Printed Circuits (HK) had borrowed from Mr. Cheok an amount equal to the Indebtedness.

## **Details of the Indebtedness**

The Indebtedness represents an aggregate sum that is due and owing for the unsecured loans advanced by Mr. Cheok to the Company, which is interest-bearing at 7% and is repayable on 2 July 2016. Based on the unaudited consolidated management account of the Company for the nine months ended 30 September 2015, the Indebtedness was equivalent to approximately HK\$93,903,705.

## **Novation Conditions**

The Deed of Novation is conditional upon the fulfillment of the following conditions:

- (a) the Sale and Purchase Agreement having become unconditional and not being terminated in accordance with its terms and conditions;
- (b) the passing by the Independent Shareholders of an ordinary resolution approving the Deed of Novation and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (c) the consent of the Executive in relation to the Deed of Novation and the transactions contemplated thereunder as a “special deal” under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the Novation Completion; and
- (d) compliance by the Company and Topsearch Printed Circuits (HK) of all requirements under the Listing Rules, the Takeovers Code or otherwise of the Stock Exchange of the SFC in relation to the Deed of Novation and the transactions contemplated thereunder.



In the event that the Novation Conditions are not fulfilled on or before the Novation Long Stop Date, the rights and obligations of the parties under the Deed of Novation shall lapse and the Deed of Novation shall be of no further effect and the parties shall be released from such obligations without any liability save in respect of any antecedent breach or any accrued right or remedies, which shall not be prejudiced or affected.

### **Novation Completion**

Subject to the fulfillment of all the conditions as set out above, the Novation Completion shall take place on the Novation Completion Date.

### **REASONS FOR AND BENEFITS OF THE NOVATION**

Given Topsearch Printed Circuits (HK) is the major cashflow operating subsidiary of the Group and there has been shareholder's loans owed by Topsearch Printed Circuits (HK) to the Company, by entering into the Deed of Novation, it is expected that the Novation would simplify the inter-company transactions within the Group and would have no adverse financial impact on the Group on a consolidated basis. Therefore, the Directors (excluding the members of the Listing Rules IBC and the Code IBC (as the case may be) whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that the terms of the Deed of Novation, which are determined after arm's length negotiations among Mr. Cheok, the Company and Topsearch Printed Circuits (HK), are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

### **IMPLICATIONS OF THE DISPOSALS AND THE NOVATION UNDER THE LISTING RULES AND THE TAKEOVERS CODE**

#### **Takeovers Code**

Since the Disposals and the Novation are not capable of being extended to all shareholders, the Disposals and the Novation constitute "special deals" under Note 4 to Rule 25 of the Takeovers Code and requires, among other things, the consent of the Executive. Such consent, if granted under Note 4 to Rule 25 of the Takeovers Code, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders by way of poll at the SGM.

#### **Listing Rules**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposals calculated in aggregate exceed 5% but less than 25%, the Disposals constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules. In addition, by virtue of Mr. Cheok's interest in the Company and the Disposal Purchasers, the Disposals and the

Novation also constitute connected transactions of the Company and are subject to the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The voting in respect of the Special Deals will be conducted by way of a poll. The Vendors, their respective associates and parties acting in concert with any of them and those who are involved or interested in the Special Deals and/or the Sale and Purchase Agreement shall abstain from voting on the resolution approving the Special Deals. As at the date of this joint announcement, the Vendors are interested in 510,250,000 Shares (representing 51.025% of the issued share capital of the Company).

## **INDEPENDENT BOARD COMMITTEES OF THE COMPANY AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Octal Capital has been appointed as the financial adviser to the Company on the Special Deals and the Offer.

The Listing Rules IBC, comprising all independent non-executive Directors, namely, Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Ng Kee Sin, has been constituted to give a recommendation to the Independent Shareholders on the Disposals and Novation. The Code IBC, comprising the non-executive Director (namely Mr. Tang Yok Lam, Andy), and independent non-executive Directors (namely, Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee and Mr. Ng Kee Sin), has been constituted to give a recommendation to (i) the Independent Shareholders on the Special Deals; and (ii) the Shareholders other than the Joint Offerors and parties acting in concert with them in respect of the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to the Listing Rules IBC and the Code IBC on the Special Deals and the Offer. The appointment of First Shanghai Capital Limited has been approved by the Code IBC.

## **SGM AND CIRCULAR**

The SGM will be convened and held to consider and, if appropriate, approve the Special Deals. The Circular containing, among other things, details of the Disposal Agreements and the Deed of Novation, financial information of the Group and the Disposal Groups, financial information of the Remaining Group, the letter of advice from the Independent Financial Adviser, the recommendation of the Listing Rules IBC and the Code IBC, the notice of the SGM and other information required under the Listing Rules and the Takeovers Code will be despatched to the Shareholders on or before 15 December 2015.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

If the Offer materialises, it is the intention of the Joint Offerors and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement. However, as the Offer is subject to the Sale and Purchase Completion and additional time is required to convene the SGM to consider the Special Deals, the Company will make an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to the Shareholders to a date within seven (7) days of the Sale and Purchase Completion taking place after fulfillment of the pre-conditions as set out in Note 2 to Rule 8.2 of the Takeovers Code.

The Composite Document will contain, among other things, details of the Offer (accompanied by the acceptance and transfer forms) and incorporate the letter of recommendation from the Code IBC and the letter of advice from the Independent Financial Adviser and other relevant information on the Joint Offerors and the Group as required under the Takeovers Code.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 November 2015 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 November 2015.

## **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Joint Offerors (including persons holding 5% or more of a class of relevant securities of the Company or the Joint Offerors) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **WARNING**

**The Offer is a possibility only. The Sale and Purchase Completion is conditional upon the fulfillment of the Conditions and the Offer will only be made if the Sale and Purchase Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

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

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above or on which a “black” rainstorm warning signal is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Circular”	the circular in relation to the Disposals to be despatched by the Company to the Shareholders
“Citilite”	Citilite Pride Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this joint announcement
“Citilite Group”	Citilite and its subsidiary, Citilite Electronics (Shenzhen)

“Citilite Electronics (Shenzhen)”	千傲電子(深圳)有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this joint announcement
“Code IBC”	an independent committee of the Board established pursuant to the Takeovers Code to give recommendations to (i) the Independent Shareholders on the Special Deals; and (ii) the Shareholders other than the Joint Offerors and parties acting in concert with them on the Offer
“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 (Stock Code: 2323)
“Completion Date”	the date on which the Sale and Purchase Completion takes place, being the fifth (5th) Business Day after the day on which the last of the Conditions is fulfilled (other than the fulfillment of Conditions (e), and (f) (ii) and (iii) as set out under the section headed “SALE AND PURCHASE AGREEMENT” in this joint announcement, which shall be fulfilled at the Sale and Purchase Completion) or waived in accordance with the terms and conditions of the Sale and Purchase Agreement (or such later date as the parties thereto may agree in writing)
“Composite Document”	the document proposed to be jointly issued by or on behalf of the Joint Offerors and the Company to the Shareholders other than the Joint Offerors and parties acting in concert with them in accordance with the Takeovers Code in respect of the Offer containing, among other things, the details of the Offer (accompanied by the acceptance and transfer forms) and the respective letters of advice from the Independent Financial Adviser and the Code IBC
“Conditions”	the conditions to the Sale and Purchase Completion, as set out in the paragraph headed “Conditions” under the section headed “SALE AND PURCHASE AGREEMENT” in this joint announcement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration of HK\$285,740,000 payable by the Joint Offerors to the Vendors pursuant to the Sale and Purchase Agreement

\* *for identification purposes only*

“Deed of Novation”	the deed of novation dated 16 November 2015 among Mr. Cheok, the Company and Topsearch Printed Circuits (HK), pursuant to which the Company has conditionally agreed to assign and novate, and Topsearch Printed Circuits (HK) has conditionally agreed to assume and perform all the rights and obligations of the Company regarding the Indebtedness, on and subject to the terms and conditions contained therein
“Director(s)”	the director(s) of the Company
“Disposals”	the transactions contemplated under the Disposal Agreements
“Disposal Agreement One”	the disposal agreement dated 16 November 2015 between Topsearch Printed Circuits (HK) and Toprich Bravo, pursuant to which Topsearch Printed Circuits (HK) conditionally agreed to sell and Toprich Bravo conditionally agreed to purchase, the entire issued share capital of Citilite and the shareholder’s loan owed by the Citilite Group to Topsearch Printed Circuits (HK), at a total consideration of HK\$77,015,270 on and subject to the terms and conditions contained therein
“Disposal Agreement Two”	the disposal agreement dated 16 November 2015 between Topsearch Printed Circuits (HK) and Top Harvest, pursuant to which Topsearch Printed Circuits (HK) conditionally agreed to sell and Top Harvest conditionally agreed to purchase, the entire issued share capital of Topsearch Tongliao (BVI) and the shareholder’s loan owed by the Tongliao Group to Topsearch Printed Circuits (HK), at a total consideration of HK\$110,269,096 on and subject to the terms and conditions contained therein
“Disposal Agreements”	the Disposal Agreement One and the Disposal Agreement Two
“Disposal Companies”	Citilite and Topsearch Tongliao (BVI)
“Disposals Completion”	the completion of the Disposals pursuant to the Disposal Agreements
“Disposals Completion Date”	the date on which the Disposals Completion takes place, being the fifth (5th) Business Day after the day on which the last of the Disposal Conditions is fulfilled (or such other date as the parties thereto may agree in writing)
“Disposals Conditions”	the conditions to the Disposals Completion, as set out in the paragraph headed “Disposals Conditions” under the section headed “The Disposals” in this joint announcement

“Disposal Groups”	Citilite Group and Tongliao Group
“Disposals Long Stop Date”	16 May 2016, or any other date as the parties to the Disposal Agreements may agree in writing
“Disposal Purchasers”	Toprich Bravo and Top Harvest
“Encumbrances”	a mortgage, charge, pledge, lien, option, right of pre-emption, right of first refusal, third-party right or interest, transfer, trust, any other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect, any representation rights, power of attorney, voting arrangements, or any claim for ownership, possession or adverse possession rights
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a loan facility of up to HK\$140 million granted by Prudential Brokerage to the Joint Offerors to finance the amount payable by the Joint Offerors upon acceptance of the Offer
“Group”	the Company and its subsidiaries
“Hercules Capital”	Hercules Capital Limited, a licensed corporation under the SFO permitted to engage in Type 6 (advising on corporate finance) regulated activities thereunder and the financial adviser to the Joint Offerors
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indebtedness”	the aggregate sum that is due and owing for the unsecured loans advanced by Mr. Cheok to the Company, which is interest-bearing at 7% and is repayable on 2 July 2016
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation under the SFO permitted to engage in Type 6 (advising on corporate finance) of the regulated activity thereunder, being the independent financial adviser to (i) the Listing Rules IBC, the Code IBC and the Independent Shareholders in relation to the Special Deals; and (ii) to the Code IBC and the Shareholders other than the Joint Offerors and parties acting in concert with them on the Offer



“Independent Shareholders”	Shareholders other than the Vendors, their respective associates and parties acting in concert with any of them and those who are involved or interested in the Special Deals and/or the Sale and Purchase Agreement
“Inni”	Inni International Inc., a company incorporated in the Republic of Liberia with limited liability, which is held as at the date of this joint announcement, as to 49% of its total issued share capital by Mr. Cheok and the remaining 51% of its total issued share capital by Mr. Cheok and Mrs. Cheok jointly
“Joint Offerors”	Youfu and Zhisheng
“Last Trading Day”	16 November 2015, being the last trading day when trading in the Shares was suspended pending the publication of this joint announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules IBC”	an independent committee of the Board established pursuant to the Listing Rules to give recommendations to the Independent Shareholders on the Special Deals
“Long Stop Date”	16 May 2016, or any other date as the parties to the Sale and Purchase Agreement may agree in writing
“Mr. Sun”	Mr. Sun Mingwen, the sole beneficial owner and sole director of Youfu
“Mr. Cheok”	Mr. Cheok Ho Fung, a shareholder of Inni and an executive Director and the Chairman of the Company as at the date of this joint announcement
“Mrs. Cheok”	Ms. Chu Wai Man, the spouse of Mr. Cheok and a shareholder of Inni
“Ms. He”	Ms. He Yeqin, the sole beneficial owner and sole director of Zhisheng
“Novation”	the transactions contemplated under the Deed of Novation
“Novation Completion”	the completion of the Novation pursuant to the Deed of Novation
“Novation Completion Date”	the date on which the Novation Completion takes place, being the fifth (5th) Business Day after the day on which the last of the Novation Conditions is fulfilled (or such other date as the parties thereto may agree in writing)

“Novation Conditions”	the conditions to the Novation Completion, as set out in the paragraph headed “Novation Conditions” under the section headed “The Novation” in this joint announcement
“Novation Long Stop Date”	16 May 2016, or any other date as the parties to the Deed of Novation may agree in writing
“Octal Capital”	Octal Capital Limited, a licensed corporation under the SFO permitted to engage in Types 1 (dealing in securities) and 6 (advising on corporate finance) of the regulated activities thereunder and the financial adviser to the Company
“Offer”	the mandatory unconditional cash offer to be made by Prudential Brokerage for and on behalf of the Joint Offerors for all the issued Shares (other than those already owned and/or agreed to be acquired by the Joint Offerors and/or parties acting in concert with them) pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the same meaning ascribed to it under the Takeovers Code
“Offer Price”	the price at which the Offer is made, being HK\$0.56 per Offer Share
“Offer Share(s)”	any and all of the Share(s), other than those already owned and/or agreed to be acquired by the Joint Offerors and/or parties acting in concert with them
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and the Taiwan region) for the purpose of this joint announcement
“Prudential Brokerage”	Prudential Brokerage Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Remaining Group”	the Group immediately after the Disposals Completion
“Rule 3.7 Announcements”	the announcements issued by the Company dated 24 September 2015, 29 September 2015, 23 October 2015 and 9 November 2015 in relation to the possible sale by the Vendors of their shareholding interest in the Company

“Sale and Purchase Agreement”	the sale and purchase agreement dated 16 November 2015 entered into between the Vendors and the Joint Offerors in respect of the Sale Shares
“Sale and Purchase Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement which shall take place on the Completion Date
“Sale Shares”	an aggregate of 510,250,000 Shares, of which 432,000,000 Shares are legally and beneficially owned by Inni and 78,250,000 Shares are legally and Beneficially owned by Mr. Cheok, immediately before the Sale and Purchase Completion, representing 51.025% of the total issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and approve the Special Deals
“Shareholders”	holder(s) of Share(s) and the term “Shareholder” shall be construed accordingly
“Shares”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Special Deals”	the Disposals and the Novation
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Tongliao Group”	Topsearch Tongliao (BVI) and its subsidiary, Topsearch Tongliao (PRC)
“Top Harvest”	Toprich Harvest International Investment Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Cheok as at the date of this joint announcement
“Toprich Bravo”	Toprich Bravo Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Cheok as at the date of this joint announcement

“Topsearch Printed Circuits (HK)”	Topsearch Printed Circuits (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this joint announcement
“Topsearch Tongliao (BVI)”	Topsearch Tongliao Investment (BVI) Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this joint announcement
“Topsearch Tongliao (PRC)”	至卓飛高線路板(通遼)有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this joint announcement
“Vendors”	collectively Inni, Mr. Cheok and Mrs. Cheok
“Youfu”	Youfu Investment Co., Ltd, a company incorporated in the BVI with limited liability on 28 August 2015, which is wholly-owned by Mr. Sun as at the date of this joint announcement
“Zhisheng”	Zhisheng Enterprise Investment Co., Ltd, a company incorporated in the BVI with limited liability on 16 June 2015, which is wholly-owned by Ms. He as at the date of this joint announcement
“%”	per cent.

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

By Order of the Sole Director of  
**Youfu Investment Co., Ltd**  
**Sun Mingwen**  
*Sole Director*

By Order of the Sole Director of  
**Zhisheng Enterprise Investment Co., Ltd**  
**He Yeqin**  
*Sole Director*

Hong Kong, 24 November 2015

*As at the date of this joint announcement, the Board comprises Mr. Cheok Ho Fung being the executive director, Mr. Tang Yok Lam, Andy being the non-executive director and Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee, and Mr. Ng Kee Sin being the independent non-executive directors.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Joint Offerors, Ms. He and Mr. Sun, their respective associates and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the information relating to the Joint Offerors, Ms. He and Mr. Sun, their respective associates and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the sole director of Youfu is Mr. Sun and the sole director of Zhisheng is Ms. He.*

*The sole director of each of the Joint Offerors accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, its associates and parties acting in concert with them), and confirms, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the Group, its associates and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*