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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Tian Yuan Finance Limited

(天元金融有限公司)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 14 November 2016, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its agent to procure placee(s) who is(are) Independent Third Party(ies) to subscribe 240,000,000 Placing Shares at a price of HK\$2.0 per Placing Share on a best effort basis on the terms and subject to the condition of the Placing Agreement. The Placing Agent has procured one Placee (China Tian Yuan Manganese) to subscribe 240,000,000 Placing Shares at the Placing Price.

The 240,000,000 Placing Shares represents (i) approximately 20.0% of the existing issued share capital of the Company of 1,200,000,000 Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company of 1,440,000,000 Shares as enlarged by the allotment and issue of the Placing Shares.

Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing will be approximately HK\$480.0 million. It is expected that the net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$477.6 million. The Company intends to apply the net proceeds from the Placing for the Group's general working capital, repayment of the Group's indebtedness and the Group's other potential investments in the future.

* *for identification purpose only*

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 14 November 2016

Parties (i) Issuer: The Company

(ii) Placing Agent: The Placing Agent

Principal terms of the Placing Agreement

Placing Shares: The Company appointed the Placing Agent as its agent to procure placee(s) who is(are) Independent Third Party(ies) to subscribe 240,000,000 Placing Shares at a price of HK\$2.0 per Placing Share on a best effort basis. The Company was informed that the Placing Agent has procured one Placee (China Tian Yuan Manganese) to subscribe for 240,000,000 Placing Shares at the Placing Price. The 240,000,000 Placing Shares represents (i) approximately 20.0% of the existing issued share capital of the Company of 1,200,000,000 Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company of 1,440,000,000 Shares as enlarged by the allotment and issue of the Placing Shares. The maximum aggregate value of the Placing Shares under the Placing will be HK\$480.0 million.

Placing Price: The price of HK\$2.0 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 8.3% to the closing price of HK\$2.18 per Share as quoted on the Stock Exchange on 14 November 2016, being the date of the Placing Agreement; and
- (b) a discount of approximately 9.9% to the closing price of HK\$2.22 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the date of the Placing Agreement.

The Company will bear the costs and expenses of approximately HK\$2.4 million in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$477.6 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$1.99.

- Placing Commission: The Placing Agent will receive a placing commission of 0.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares which the Placing Agent has procured the Placee to subscribe for the Placing Shares. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.
- Ranking of the Placing Shares: The Placing Shares, when issued, will be fully paid up and will rank pari passu in all respects with other Shares in issue at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances and third party rights together with all rights attaching to them as at the date of their allotment.
- Condition precedent to Completion: The Placing is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Placing Shares.
- If the above condition is not fulfilled on or before 1 December 2016 or such later date as the Company and the Placing Agent may agree in writing, the Placing shall cease and neither party shall have any claim against the other party in respect of the Placing.
- Completion: Completion is expected to take place on or before the fifth Business Day immediately after the date of the fulfillment of the closing condition or such other time or date as Company and the Placing Agent shall agree.
- Termination: The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if:
- (i) any event occurring or matter arising on or after the date of the Placing Agreement and prior to the date of Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations given by the Company untrue or incorrect and such would have an adverse impact or effect on the Placing and comes to the notice of the Placing Agent; or
 - (ii) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or

- (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (iii) there is any material adverse change in the business or in the financial or trading position of the Company taken as a whole (which is not previously disclosed by the Company to the public in writing) and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

If a termination notice is given by the Placing Agent, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Information of the Placee

Placee	Number of Placing Shares
China Tian Yuan Manganese	240,000,000

The Placee (China Tian Yuan Manganese) is wholly owned by 寧夏天元錳業有限公司 (transliterated as Ningxia Tianyuan Manganese Industry Co., Ltd) (“**Ningxia Tianyuan**”), a company established in the PRC with limited liability, which is owned as to approximately 77.0% and 22.6% by Mr. Jia Tianjiang (賈天將) (“**Mr. Jia**”) and HK Jingjin Int’l Share Group Limited, which is in turn wholly owned by Mr. Cui He (崔鶴), respectively.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placee and its ultimate beneficial owner(s) are Independent Third Parties immediately before the completion of the Placing except that: (i) the Placee is wholly owned by Ningxia Tianyuan which in turn is 77% beneficially owned by Mr. Jia, who also holds the entire equity interest in the Placing Agent; (ii) China Tian Yuan Finance Group (Holdings) Limited (“**CTYFG**”), which in turn is wholly owned by Mr. Jia, has 82% equity interests in Hero Link Enterprise Limited (“**HLEL**”), which is an associate of the Company, in which the Group holds 18% equity interests;

(iii) the Company has provided a guarantee in favour of the landlord in respect of the office premises and three parking spaces (the “**Office Premises**”) leased by a company which is wholly and beneficially owned by CTYFG for a term of 2 years at a monthly rental of HK\$1.43 million with two months rent-free period (the “**Head Lease**”) and that company is planning to sub-let one-third of the Office Premises to the Group, and the monthly rental to be payable by the Group is expected to be equivalent to one-third of the monthly rental under the Head Lease; and (iv) a subsidiary of CTYFG also made a loan with a principal amount of HK\$200 million to the Company at an annual interest rate of 3% for a term of 12 months.

General Mandate

The 240,000,000 Placing Shares will be allotted and issued under the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorised to allot and issue is 240,000,000 new Shares (up to 20% of the issued share capital of the Company (with the number of issued Shares of 1,200,000,000) as at the date of the annual general meeting of the Company held on 3 June 2016). The total number of new Shares that can be allotted and issued under the General Mandate as at the date of this announcement is 240,000,000 new Shares. Upon Completion, all Shares of General Mandate are utilised by the Company.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The principal business of the Group is manufacturing and sale of a broad range of printed circuited boards. The Group has a global customer base comprising principally electronics manufacturing services companies and original equipment manufacturer 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.

The Group continues to seek new opportunities with the view to expanding and diversifying the Group’s businesses and to strive for best utilisation of its resources in developing more profitable businesses. The Directors consider that the Placing offers a good opportunity to raise further capital of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and its Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing will be approximately HK\$480.0 million. It is expected that the net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$477.6 million. The Company intends to apply the net proceeds from the Placing for the Group’s general working capital, repayment of the Group’s indebtedness and the Group’s other potential investments in the future. As at the date of this announcement, the Company has not entered into any legally binding agreements in relation to any investments. However, the additional capital on hand will facilitate the efficient execution of such potential investment projects, if any.

FUND RAISING DURING THE PAST TWELVE MONTHS

The following equity fund raising activity has been carried out by the Company in the twelve (12) months immediately prior to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raise	Intended use of net proceeds	Actual use of net proceeds
26 February 2016, 1 March 2016 and 9 March 2016	Placing of 200,000,000 Shares at a price of HK\$0.925 per Share	Approximately HK\$182.97 million	100% of the net proceeds for general working capital	Approximately 20% had been utilised for the Group's general working capital and approximately 80% had been utilised for the Group's financial investments or investments, which include both listed and unlisted equity and debt investments

EFFECT OF SHAREHOLDING OF THE PLACING

The shareholding structure of the Company before and after Completion are as follows:

	As at the date of this announcement		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate per cent.</i>	<i>No. of Shares</i>	<i>Approximate per cent.</i>
Youfu Investment Co. Ltd. (Note 1)	340,192,667	28.35	340,192,667	23.62
Zhisheng Enterprise Investment Co., Ltd. (Note 2)	170,097,333	14.17	170,097,333	11.81
China Aim Holdings Limited (Note 3)	200,000,000	16.67	200,000,000	13.89
The Placee	—	—	240,000,000	16.67
Public Shareholders	489,710,000	40.81	489,710,000	34.01
Total	1,200,000,000	100.00	1,440,000,000	100.00

Notes:

1. Mr. Sun Mingwen is the beneficial owner of 100% of the issued share capital of Youfu Investment Co., Ltd. and is deemed to be interested in the 340,192,667 Shares held by Youfu Investment Co, Ltd. under the Securities and Futures Ordinance. Mr. Sun is the brother-in-law of Ms. He Yeqin as mentioned in Note 2 below.
2. Ms. He Yeqin is the beneficial owner of 100% of the issued share capital of Zhisheng Enterprise Investment Co., Ltd. and is deemed to be interested in the 170,097,333 Shares held by Zhisheng Enterprise Investment Co., Ltd. under the Securities and Futures Ordinance. Ms. He is the sister-in-law of Mr. Sun Mingwen as mentioned in Note 1 above.
3. Ms. Liu Hui is the beneficial owner of the entire issued share capital of China Aim Holdings Limited and is deemed to be interested in the 200,000,000 Shares, representing approximately 16.67% of the total issued shares as at 30 June 2016, held by China Aim Holdings Limited under the Securities and Futures Ordinance.
4. Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Placing Agent has placed a total of 200,000,000 Placing Shares to the Placee(s).

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“China Tian Yuan Manganese” or the “Placee”	China Tian Yuan Manganese Limited, a Company incorporated in the Cayman Islands with limited liability on 5 January 2015
“Company”	Topsearch International (Holdings) Limited (至卓國際(控股)有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing
“Completion Date”	on or before the fifth Business Day immediately after the date of the fulfillment of the condition of the Placing Agreement, or such other date or time as Company and the Placing Agent shall agree
“connected persons”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 240,000,000 Shares, representing approximately 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 3 June 2016
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) shall not be connected person(s) of the Company and shall be third parties independent of and not connected with any connected persons of the Company
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	party(ies) procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee pursuant to the Placing Agreement

“Placing Agent”	Tian Yuan Finance Limited (天元金融有限公司), a limited company licensed under the Securities and Futures Ordinance for Types 1, 4, 6 and 9 regulated activities. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties, except that: (i) The Placing Agent is wholly and beneficially owned by an indirect holding company, China Tian Yuan Finance Group (Holdings) Limited (“CTYFG”), which in turn is wholly owned by Mr. Jia; (ii) Mr. Zhou Huorong is a non-executive director of CTYFG; (iii) Hero Link Enterprise Limited (“HLEL”) is an associate of the Company in which the Group holds 18% equity interests and CTYFG has 82% equity interests (and therefore, HLEL is a fellow subsidiary of the Placing Agent); (iv) the Company has provided a guarantee in favour of the landlord in respect of the office premises and three parking spaces (the “Office Premises”) leased by a fellow subsidiary of the Placing Agent for a term of 2 years at a monthly rental of HK\$1.43 million with two months rent-free period (the “Head Lease”) and that fellow subsidiary of the Placing Agent is planning to sub-let one-third of the Office Premises to the Group, and the monthly rental to be payable by the Group is expected to be equivalent to one-third of the monthly rental under the Head Lease; and (v) a subsidiary of CTYFG (which accordingly is a fellow subsidiary of the Placing Agent) also made a loan with a principal amount of HK\$200 million to the Company at an annual interest rate of 3% for a term of 12 months
“Placing Agreement”	the placing agreement dated 14 November 2016 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$2.0 per placing Share
“Placing Share(s)”	240,000,000 new Shares, to be allotted and issued pursuant to the terms and condition of the Placing Agreement
“PRC”	The People’s Republic of China
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent.

By order of the Board of
Topsearch International (Holdings) Limited
Liu Tingan
Chairman and Chief Executive Officer

Hong Kong, 14 November 2016

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Tingan, Mr. Cheok Ho Fung and Mr. Zhou Huorong being executive Directors; and Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence being independent non-executive Directors.