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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



**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board announced that on 26 February 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 placing agent to procure Placee(s), who is(are) Independent Third Party(ies) to subscribe up to 200,000,000 Placing Shares at a price of HK\$0.925 per Placing Share on a best effort basis on the terms and subject to the condition of the Placing Agreement.

The maximum number of 200,000,000 Placing Shares represents (i) 20.00% of the existing issued share capital of the Company of 1,000,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 1,200,000,000 Shares as enlarged by the allotment and issue of the Placing Shares.

It is expected that the maximum 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\$182.48 million. The Company intends to apply the net proceeds from the Placing as general working capital of the Group.

\* 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:** 26 February 2016 (after trading hours)

**Parties** (i) Issuer: The Company  
(ii) Placing Agent: Prudential Brokerage Limited

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.

### Principle terms of the Placing Agreement

**Placing Shares:** up to 200,000,000 Placing Shares, representing (i) 20.00% of the existing issued share capital of the Company and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Agent has conditionally agreed to place a maximum of 200,000,000 Placing Shares at the Placing Price on a best effort basis during the Placing Period.

**Placing Price:** The price of HK\$0.925 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 14.35% to the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on 26 February 2016, being the Last Trading Day; and
- (b) a discount of approximately 19.98% to the average closing price of approximately HK\$1.156 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to and including the Last Trading Day.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$182.48 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.9124.

**Placing Commission:** The Placing Agent will receive a placing commission of 1% of the aggregate Placing Price of the Placing Shares placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.

**Placees:** The Placing Shares are expected to be placed by the Placing Agent to the Placee(s) who should be Independent Third Party(ies).

**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, claims, options or other third party rights together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares.

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

If the above condition is not fulfilled on or before 31 March 2016 or such later date as the Company and the Placing Agent may agree in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will cease and determine and no party will have any claim against the others.

**Completion:** Completion is expected to take place at 4:00 p.m. on the third Business Day immediately after the fulfillment of the condition of the Placing, or such other date as Company and the Placing Agent may agree in writing.

**Termination:** The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of Completion if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent to any time up to 4:00 p.m. on the date of Completion if there is any breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement, all liabilities of the parties under the Placing Agreement will cease and determine and no party will have any claim against the others save in respect of any antecedence branch of any obligation under the Placing Agreement.

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

### **General Mandate to allot and issue the Placing Shares**

Upon Completion, a maximum of 200,000,000 new Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 200,000,000 Shares, representing 20.00% of the issued share capital of the Company as at the annual general meeting of the Company held on 5 June 2015 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

### **REASONS FOR THE PLACING AND THE USE OF PROCEEDS**

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.

It is expected that the maximum 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\$182.48 million. The Company intends to apply the net proceeds from the Placing as general working capital of the Group. The Directors consider the Placing offers a good opportunity to (i) enhance the financial position of the Group by way of increasing its capital, lowering the gearing ratio and increasing the interest coverage ratio of the Group; (ii) enhance the liquidity and flexibility of the Group to tailor for the cashflow requirement of suppliers and customers so as to maintain the smooth and healthy operation of the existing business of the Group amid the current economic conditions; (iii) attract customers with better credit terms offered by the Group and with the sound financial position of the Group; and (iv) be used as possible partial repayment of the bank loan of the Group.

## FUND RAISING DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity during the past twelve (12) months immediately preceding the date of this announcement.

## EFFECT ON 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 (Note 3)	
	<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	34.02	340,192,667	28.35
Zhisheng Enterprise Investment Co., Ltd. (Note 2)	170,097,333	17.01	170,097,333	14.17
Placee(s)	—	—	200,000,000	16.67
Public Shareholders	<u>489,710,000</u>	<u>48.97</u>	<u>489,710,000</u>	<u>40.81</u>
<b>Total</b>	<b><u>1,000,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,200,000,000</u></b>	<b><u>100.00</u></b>

*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.
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.
3. 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).

## **GENERAL**

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

## **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”	any day on which banks in Hong Kong are open for business (other than Saturday and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon
“Company”	Topsearch International (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing
“connected person(s)”	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 200,000,000 Shares, representing 20.00% of the issued share capital of the Company as at the annual general meeting of the Company held on 5 June 2015
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
“Last Trading Day”	26 February 2016, being the last day on which the Shares were traded on the Stock Exchange immediately prior to the entering into of the Placing Agreement
“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)”	any person or entity whom the Placing Agent has procured to subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Prudential Brokerage Limited, a licensed corporation to carry out 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 26 February 2016 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 4:00 p.m. on the tenth Business Days immediately following the date of the Placing Agreement
“Placing Price”	HK\$0.925 per Placing Share

“Placing Share(s)”	up to 200,000,000 new Shares, to be allotted and issued pursuant to the terms and condition of the Placing Agreement
“Share(s)”	share(s) of HK\$0.10 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  
**Cheok Ho Fung**  
*Chairman and Chief Executive Officer*

Hong Kong, 26 February 2016

*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.*