

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED

至卓國際(控股)有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 2323)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTEREST IN A FUND

THE SUBSCRIPTION

The Board is pleased to announce that on 23 December 2016 (after trading hours), the Subscriber (an indirect wholly-owned subsidiary of the Company) and the General Partner entered into the Subscription Agreement, pursuant to which the Subscriber has applied to subscribe for the Interest with a committed capital contribution of HK\$340 million to the Fund in accordance with the Limited Partnership Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 23 December 2016 (after trading hours), the Subscriber (an indirect wholly-owned subsidiary of the Company) entered into the Subscription Agreement with the General Partner:

SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date: 23 December 2016

* *for identification purpose only*

- Parties: (1) the General Partner, on behalf of itself and the Fund; and
- (2) the Subscriber, an indirect wholly-owned subsidiary of the Company.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the General Partner and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the Subscription Agreement, the Subscriber has applied to subscribe for the Interest with a committed capital contribution of HK\$340 million (the "**Commitment**") to the Fund in accordance with the Limited Partnership Agreement. The Commitment shall be made on the date specified on the call notice issued by the General Partner pursuant to the Limited Partnership Agreement provided that the General Partner shall give the Subscriber at least one (1) Business Day notice regarding the payment of the Commitment. It is expected that the call notice will be issued on or immediately after the Closing Date. The commitment period of the Partnership shall commence on the Closing Date and expiring on the second anniversary of the Closing Date.

The Commitment was determined after arm's length negotiations between the General Partner and the Subscriber with reference to (i) the preliminary intended purpose of the Fund; (ii) the target partnership size of the Fund; and (iii) the expected duration of the Fund. The Commitment will be funded by internal resources of the Group or debt financing.

By entering into the Subscription Agreement, the Subscriber acknowledged the Limited Partnership Agreement and applied to become a Limited Partner in the Fund pursuant to the terms of the Limited Partnership Agreement.

LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are as follows:

Parties

General Partner

The General Partner is an exempted company incorporated in the Cayman Islands with limited liability and is the general partner of the Fund pursuant to the Limited Partnership Agreement. It is principally engaged in the management of the Fund. Its overall responsibility includes the management, control and operation of the businesses and affairs of the Fund. The General Partner will make all decisions on behalf of the Partnership with respect to the assets of the Fund.

Initial Limited Partner

The Initial Limited Partner is an exempted company incorporated in the Cayman Islands. Pursuant to the Limited Partnership Agreement, immediately upon one or more additional persons becoming Limited Partners, the Initial Limited Partner shall automatically withdraw as a Limited Partner and shall accordingly cease to be a Limited Partner and shall be entitled to receive, and the Fund shall pay to the Initial Limited Partner, any such contribution made by the Initial Limited Partner and the Initial Limited Partner shall have no further interest or obligation of any kind whatsoever as a Partner of the Partnership.

The Initial Limited Partner has agreed to make a contribution of US\$1.00 to the capital of the Fund.

Limited Partner

Each Limited Partner is obliged to make Contributions to the Fund with the amounts limited by the LP's Commitments (in the case of the Subscriber, the Commitment), and the liability of each Limited Partner is limited to the amount of its Contribution. The Limited Partners shall not have the right or power to participate in the management or affairs of the Fund or to take part in the conduct of the business of the Fund.

Name of the Fund

Huarong International Fortune Innovation Limited Partnership

The Fund

The Fund is an exempted limited partnership established in accordance with the Exempted Limited Partnership Law (as amended) of Cayman Islands.

Partnership Size

The Fund seeks to raise an aggregate commitment from all Limited Partners on the Closing Date of no more than HK\$2.23 billion, however, the General Partner may accept aggregate commitments of more or less than this amount.

Principal Purpose and Investment Policy

The primary purpose of the Fund is to acquire the Target Assets.

Duration of the Fund

The term of the Fund will commence on the Closing Date and expire on the second (2nd) anniversary of the Closing Date. Notwithstanding the above, the General Partner may, with a resolution approved unanimously at a general meeting or in writing by all Limited Partners who are entitled to vote, extend the term of the Fund by a period of one year.

If the Fund has not been dissolved in accordance with the terms of the Limited Partnership Agreement, at the end of the term of the Fund, the General Partner and the Limited Partners will take all steps necessary to wind up and subsequently dissolve the Fund.

Transferability of the Interest

No assignment, sale, transfer, encumbrance, grant of any participation or other disposal of all or part of a Limited Partner's legal or economic interest in the Interest, whether direct or indirect, voluntary or involuntary, will be valid and effective without the prior written consent of the General Partner and each other Limited Partner.

Administration Fee

The General Partner will be paid an administration fee equal to 0.5% per annum of HK\$2.23 billion, paid annually in arrears in accordance with the Limited Partnership Agreement. The administration fee will be allocated to each Limited Partner based on its Pro Rata Portion.

The administration fee will be payable in arrears on the last Business Day of each fiscal year, in cash out of the assets of the Fund. The first payment of the administration fee will be calculated pro-rata based on the number of days from and including the day immediately following the Closing Date up to but excluding the first day of the immediately following fiscal year.

Distribution

The General Partner will distribute Net Sale Proceeds, to the extent that such Net Sale Proceeds are not retained by the Partnership for reserves, together with any dividends, interest or other income received, after the payment of the administration fee, partnership expenses and taxes (other than taxes payable by the Limited Partners) in the following order of priority:

- (i) first, 100% to LP1 until LP1 has received Distributions equal to the Coupon;
- (ii) second, 100% to LP2 until LP2 has received Distributions equal to the Coupon;
- (iii) third, 100% to LP1 until LP1 has received Distributions equal to its Contributions;
- (iv) fourth, 100% to LP2 until LP2 has received Distributions equal to its Contributions;
- (v) fifth, 100% to LP3 (i.e. the Subscriber) until LP3 has received Distributions equal to its Contributions; and
- (vi) sixth, 100% to LP4 until LP4 has received Distributions equal to its Contributions; and
- (vii) thereafter, to LP3 and LP4 in accordance with their respective Profit Portion.

INFORMATION OF THE GROUP AND THE SUBSCRIBER

The principal business of the Group is manufacturing and sale of a broad range of printed circuited boards.

As disclosed in the Company's announcement dated 23 March 2016, the Company plans to expand its business to include assets and funds management for clients as well as conducting financial investments from available investment monies of the Company, including but not limited to securities, bonds and debentures of companies on discretionary basis. As further disclosed in the Company's announcement dated 22 December 2016, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong has obtained approval from the Securities and Futures Commission to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under section 127(1) of the Securities and Future Ordinance with effect from 21 December 2016. The Group would also consider acquiring assets and/or businesses from Independent Third Parties as and when appropriate. It is expected that asset management and/or financial investment will become a separate business segment of the Group by the end of 2016.

The Subscriber is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

With reference to the investment objective of the Fund and the extensive experience and skills of the General Partner, the Board believes the Company will be able to capture investment opportunities and further diversify the Group's investment portfolio. The Subscription is also in alignment with the Group's expansion plan on carrying out financial investments by investing in high yield equity and debt products and enables the Group to maximise the long term return of investment of the Company.

With reference to (i) the terms of other private equity funds generally in the market (including the rates of management fee and distribution mechanism); (ii) the agreement that the other Limited Partners shall be subject to the same terms under the Limited Partnership Agreement; and (iii) the Profit Portion to be entitled by LP3, the Board considers that the terms of the Subscription Agreement and the Limited Partnership Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meaning:

“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturdays or Sundays) on which banks in the Cayman Islands, Hong Kong and the PRC are open for normal banking business provided that where as a result of a tropical cyclone warning no.8 or above, a black rainstorm warning or other similar event, the period during which banks in Hong Kong, Cayman Islands or the PRC are open for business on any day is reduced, such day will not be a Business Day
“Closing Date”	the closing date as determined by the General Partner and being the date upon which the General Partner accepts commitments from investors, which is expected to be on or about 23 December 2016
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contribution(s)”	with respect to any Limited Partner, the aggregate amount contributed to the Fund by way of capital payment made in HK\$ by such Limited Partner
“Coupon”	interest on Contributions calculated at the rate in the range of 7.5% to 8.0% per annum, subject to adjustment in accordance with the Limited Partnership Agreement, and calculated on and from the date on which Contributions are made up to and including the date on which such Contributions are repaid in full
“Director(s)”	director(s) of the Company
“Distributions”	a distribution out of the assets of the Partnership (other than a reimbursement)
“Fund” or “Partnership”	Huarong International Fortune Innovation Limited Partnership, an exempted limited partnership in the Cayman Islands established in accordance with the Exempted Limited Partnership Law (as amended) of the Cayman Islands

“General Partner”	Huarong International Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability
“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)”	a third party independent of and not connected with the Company and its subsidiaries and connected persons
“Initial Limited Partner”	Harneys Services (Cayman) Limited, an exempted company incorporated under the laws of the Cayman Islands
“Interest”	the limited partnership interest in the Fund
“Limited Partner(s)”	the limited partner(s) of the Fund, including the Subscriber
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement dated 23 December 2016 and entered into by and among the General Partner, the Limited Partners (executed by the General Partner as their respective attorney-in-fact) and the Initial Limited Partner
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LP1”	the Limited Partner that makes a Contribution to, and subscribes for an Interest in, the Partnership pursuant to the LP1 subscription agreement
“LP2”	the Limited Partner that makes a Contribution to, and subscribes for an Interest in, the Partnership pursuant to the LP2 subscription agreement
“LP4”	the Limited Partner that makes a Contribution to, and subscribes for an Interest in, the Partnership pursuant to the LP4 subscription agreement
“LP’s Commitment(s)”	with respect to any Limited Partner, the amount equals to such Limited Partner’s committed capital contribution to the Fund

“Net Sale Proceeds”	the net amount of cash or non-cash proceeds received or receivable by the Partnership from the disposal of an asset of the Partnership, after payment of any debt, interest and the deduction of all out-of-pocket expenses incurred or required to be reimbursed by the General Partner, the Partnership, or an investment holding entities or joint venture entities in relation to such disposal, but before taking into account any withholdings or deductions required to be made on account of tax
“Partner(s)”	collectively, the General Partner and the Limited Partner(s), each a “Partner”
“PRC”	The People’s Republic of China
“Profit Portion”	means, in respect of LP3 or LP4, the ratio between (i) the Contributions made by LP3 or LP4 (as the case may be); and (ii) the Contributions made by LP3 and LP4 in aggregate, in each case, as at the date on which the profit portion is being calculated
“Pro Rata Portion”	means, in respect of a Limited Partner, the ratio between (i) the commitment made by that Limited Partner as at the relevant date; and (ii) the aggregate commitments made by all Limited Partners as at such date
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “LP3”	Hong Kong Bridge Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Interest by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 23 December 2016 entered into between the Subscriber and the General Partner for its own behalf and on behalf of the Partnership

“Target Assets”	no more than HK\$2.23 billion of shares in Fullshare Holdings Ltd, a company of which the shares are listed on the Stock Exchange (Stock Code: 607) and such other assets as approved by a unanimous resolution at a general meeting or in writing by all Limited Partners who are entitled to vote on the relevant matter
“%”	per cent

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

Hong Kong, 23 December 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.