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If you have sold or transferred all your shares in **Topsearch International (Holdings) Limited**, you should at once hand this circular and the relevant proxy forms and reply slips to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CONNECTED TRANSACTION
ISSUE OF NEW SHARES TO A CONNECTED PERSON
UNDER THE SHARE AWARD SCHEME
RE-ELECTION OF DIRECTOR**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 23 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 24 and 25 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 41 of this circular.

The Company will convene the special general meeting at 10:00 a.m., on Thursday, 27 October 2016 at Room 3601-3602, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. Notices of the SGM is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, the following terms shall have the following meaning unless the context otherwise requires:

“Announcement”	announcement made on 24 August 2016 in relation to the issue of new Shares under the Share Award Scheme and connected transaction: issue of new Shares to a connected person under the Share Award Scheme
“Asset Management Business”	the new line of business that the Company plans to expand to which includes the carrying out of managing assets and funds for clients as well as financial investments including but not limited to securities, bonds and debentures of companies on discretionary basis as disclosed in the Company’s announcement dated 23 March 2016
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Award”	the award of the Award Shares to the Connected Beneficiary
“Award Shares”	the 60,000,000 new Shares of the Company to be issued and allotted in favour of the Connected Beneficiary under the Share Award Scheme as announced in the Announcement
“Beneficiary(ies)”	each Proposed Beneficiary who so returns an acknowledgement form pursuant to the Share Award Scheme
“Board”	the board of directors from time to time of the Company or a duly authorised committee thereof
“Company”	Topsearch International (Holdings) Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 2323)
“Connected Award Shares”	an aggregate of 60,000,000 Award Shares
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Connected Beneficiary”	Mr. Zhou Huorong, who is a Director and accordingly a connected person (as defined in Chapter 14A of the Listing Rules) to the Company

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Award
“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 Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Award
“Independent Shareholders”	Shareholders who/which are not required to abstain from voting at the SGM to approve the Award
“independent third party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and the connected persons (as defined under the Listing Rules) of the Company
“Latest Practicable Date”	26 September 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Proposed Beneficiary(ies)”	the proposed person(s) to be entitled to receive Shares under the Share Award Scheme

DEFINITIONS

“Remuneration Committee”	the remuneration committee of the Company
“Returned Shares”	has the meaning ascribed to it in the announcement made on 17 May 2016 in relation to the adoption of the Share Award Scheme
“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 for considering and approving, among others, the Award, the Specific Mandate and the re-election of Director
“Share Award Scheme”	the share award scheme adopted by the Company on 17 May 2016, as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the SGM to allot and issue the Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the trustee appointed by the Company for the purpose of the trust in connection with the Share Award Scheme which will be an independent third party and not connected with the Company or the Company’s connected persons, and initially, Computershare Hong Kong Trustees Limited
“%”	per cent.

LETTER FROM THE BOARD



TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED
至卓國際(控股)有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 2323)

Board of Directors:

Executive Directors:

Mr. Liu Tingan

(Chairman and Chief Executive Officer)

Mr. Cheok Ho Fung

(Deputy Chairman)

Mr. Zhou Huorong

Independent Non-Executive Directors:

Mr. Ng Man Kung

Dr. Ngai Wai Fung

Mr. Lau Fai Lawrence

Registered Office and Headquarters:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Principal place of business in Hong Kong:

3406, China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

30 September 2016

To the Shareholders:

Dear Sir or Madam,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES TO A CONNECTED PERSON
UNDER THE SHARE AWARD SCHEME
RE-ELECTION OF DIRECTOR

1. INTRODUCTION

The Company refers to its Announcement pursuant to which the Company announced that the Board had resolved to award an aggregate of 60,000,000 Connected Award Shares to a Connected Beneficiary under the Share Award Scheme by way of issue and allotment of new Shares pursuant to the Specific Mandate and the announcement

* For identification purposes only

LETTER FROM THE BOARD

made by the Company on 17 May 2016 in relation to the adoption of the Share Award Scheme. As the Connected Beneficiary is a connected person of the Company, the issue and allotment of the Connected Award Shares to the Connected Beneficiary constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders at the SGM.

The purpose of this circular is to provide you with:

- (i) further details of the Award;
- (ii) the letter from the Independent Board Committee to the Independent Shareholders;
- (iii) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Award;
- (iv) other information as required under the Listing Rules; and
- (v) details of the re-election of Director.

2. DETAILS OF AWARD OF THE AWARD SHARES

2.1 Background

On 24 August 2016, the Board resolved to award an aggregate of 60,000,000 Connected Award Shares to a Connected Beneficiary under the Share Award Scheme by way of issue and allotment of new Shares pursuant to the Specific Mandate.

Upon issue and allotment of the new Shares, the Trustee will hold the new Award Shares in trust for the Connected Beneficiary and such new Award Shares shall be transferred to the Connected Beneficiary upon satisfaction of the vesting conditions.

LETTER FROM THE BOARD

2.2 General Information

The information in relation to the issue and allotment of the 60,000,000 new Connected Award Shares to the Connected Beneficiary is set out below:

Securities to be issued: 60,000,000 new Shares, to be issued and allotted to the Connected Beneficiary

Funds to be raised: No fund will be raised by the Company as a result of the issue and allotment of the Connected Award Shares

Reasons for the issue: For better utilisation of the resources of the Company, the issue is to make available the Award Shares for granting to the Connected Beneficiary under the Share Award Scheme, which forms part of the incentive schemes of the Company that provide incentives to the Beneficiaries and will allow the Group to encourage and retain talents to work with the Group to achieve the objectives of increasing the value of the Company and aligning the interests of the Beneficiaries directly to the Shareholders through ownership of Shares. For further details, please refer to paragraph 2.6 below.

Identity of the allottee(s): All of the Award Shares will first be issued to the Trustee, who will hold the Award Shares in trust in accordance with the trust deed for the Connected Beneficiary, who is a Director

Market price of the Shares: The closing price of the Shares as at 24 August 2016 as quoted on the Stock Exchange is HK\$2.36 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 24 August 2016 as quoted on the Stock Exchange is HK\$2.31 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$2.50 per Share

LETTER FROM THE BOARD

Vesting: Subject to the satisfaction of the vesting criteria and conditions of the Award, the Award Shares will be issued to the Trustee and the Award Shares shall be transferred to the Connected Beneficiary upon expiry of the following vesting period:

Vesting Date	Number of Award Shares to be vested
31 March 2017	12,000,000
31 March 2018	12,000,000
31 March 2019	12,000,000
31 March 2020	12,000,000
31 March 2021	12,000,000

The Award Shares will be issued to the Trustee if and when the vesting conditions are met. Upon the Company's notice, the Trustee shall vest in the Beneficiaries all Award Shares referable to the date of termination which are not vested by transferring such Award Shares to the relevant Beneficiaries, and sell all Returned Shares and non-cash income remaining in the Trust, if any, and remit the proceeds to the Company forthwith. For the avoidance of doubt, the Trustee may not in any event transfer any shares to the Company upon termination of the Share Award Scheme.

Lapse/Termination: In the event that the Connected Beneficiary ceases to be a Director or member of the senior management of the Company, the Connected Beneficiary shall be deemed to have waived all its rights and benefits to the Award Shares outstanding and unvested. In addition, where an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), the Connected Beneficiary shall cease to be entitled to the Award Shares outstanding and unvested.

LETTER FROM THE BOARD

Transferability: The Award is not transferable

Fund raising activities in the past 12 months: The Company allotted and issued, under the general mandate, 200,000,000 new shares pursuant to the placing agreement dated 26 February 2016 entered into between the Company and Prudential Brokerage Limited, the placing agent, at the placing price of HK\$0.925 per share to China Aim Holdings Limited, who, together with its ultimate beneficial owner are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, independent third parties (the "**Placing**"). The net proceeds from the Placing (after deducting the placing commission payable to the placing agent and other expenses incurred in respect of the Placing) is approximately HK\$182.97 million. As at 31 August 2016, the Company has applied approximately HK\$27 million as general working capital of the Group and approximately HK\$9 million on a short term unlisted investment.

Save as disclosed above, the Company has not engaged in any fund raising exercises in the 12 months immediately preceding the date of this announcement.

2.3 Award to the Connected Beneficiary

The Connected Beneficiary is a Director and accordingly a connected person (as defined in Chapter 14A of the Listing Rules) of the Company and the issue and allotment of the 60,000,000 new Connected Award Shares to him under the Share Award Scheme shall constitute a connected transaction under Chapter 14A of the Listing Rules on the part of the Company and shall be subject to the approval by the Independent Shareholders at the SGM.

LETTER FROM THE BOARD

60,000,000 new Connected Award Shares were granted to the following connected person with details as follows:

Director	Number of new Award Shares
Zhou Huorong	<u>60,000,000</u>
Total	<u>60,000,000</u>

2.4 Conditions

The issue and allotment of the 60,000,000 Connected Award Shares to the Connected Beneficiary shall be subject to the following conditions of which the Board has no discretion to waive:

- (i) the approval by the Independent Shareholders at the SGM in respect of the issue and allotment of the Connected Award Shares and Specific Mandate;
- (ii) the granting of the listing approval by the Stock Exchange in respect of the Connected Award Shares;
- (iii) the Connected Beneficiary is still a Director or member of the senior management of the Company (subject to approval of Shareholders at the annual general meetings of the Company);
- (iv) the achievement of expected return percentage (the “**Expected Return Percentage**”) by the Company in each year in respect of only the Asset Management Business.

In determining the Expected Return Percentage for each year, the Remuneration Committee will take the average investment returns of comparable investment companies in the People’s Republic of China as the bench-mark and make adjustments based on (i) the Company’s investment strategy, (ii) the economic environment at the time, and other appropriate factors as it thinks fit. For example, adjustments would be made to the Expected Return Percentage on the occurrence of global economic events such as the financial crisis in 2008, downturn in the financial market and when comparable investment companies make

LETTER FROM THE BOARD

significant changes to their investment return targets. The Remuneration Committee shall make its recommendations on the Expected Return Percentage and any adjustments for the forthcoming year for the Board's approval. The Connected Beneficiary who is a Director will abstain from approving the Expected Return Percentage recommended by the Remuneration Committee. The Company expects that the Expected Return Percentage would always be set at a level higher than the average investment return targets of comparable investment companies. In selecting comparable investment companies in determining the Expected Return Percentage, the Company will take into account the following criteria: (i) the relevant investment companies are well recognized in the industry and/or are companies listed on the Stock Exchange with Chinese background and proven track record; (ii) the relevant investment companies are also involved in assets and portfolio management and investment businesses; (iii) the return on average equity achieved by the relevant investment companies are leading in the market. The Remuneration Committee is of the opinion that such criteria will produce fair and representative sample because the Company will take into account publicly available information on such assets management companies with leading return on equity. In any event, the Expected Return Percentage will not be less than 14% ("**Minimum Expected Return Percentage**"). In determining whether the Expected Return Percentage is met, the Company will calculate the actual investment return percentage of each year based on the following formula:

$$\text{Investment return percentage} = \frac{\text{Net investment return}}{\text{Weighted average available investment monies}} \times 100\%$$

Where:

- (A) *Net investment return = investment returns – related operating costs – related interests*
- (B) *Weighted average available investment monies = cash or cash equivalents attributable to Shareholders + new shareholders' funds (including equity and loans)*

Any change in the above vesting conditions (including the Minimum Expected Return Percentage) will be subject to the approval by the Independent Shareholders.

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2.5 Details of Award Shares

The aggregate of 60,000,000 Connected Award Shares to be issued and allotted by the Company to the Connected Beneficiary represent 5% of the total number of shares in issue at the Latest Practicable Date and approximately 4.55% of the total number of Shares in issue as enlarged by the issue and allotment of the Connected Award Shares and the connected Award Shares to Mr. Liu Tingan approved by the Board on 17 May 2016 and by the Independent Shareholders on 20 July 2016.

Based on the closing price of HK\$2.50 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market values of the 60,000,000 Award Shares will be HK\$150,000,000.

The new Shares, when issued and fully credited, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Connected Award Shares.

2.6 Reasons for the Award of the Award Shares

The Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the Award to the Connected Beneficiary provides incentives to the Connected Beneficiary and will allow the Group to encourage and retain talents to work with the Group in achieving the objectives of increasing the value of the Company and aligning the interests of the Connected Beneficiary directly with those of the Shareholders through ownership of Shares. The Award to the Connected Beneficiary recognises his expertise which will support the Group's business expansion and his long term support and commitment to the Group and his efforts will promote the Group's future development. Since the Asset Management Business is at preliminary stage, the Award serves as an important incentive to motivate the Connected Beneficiary to achieve higher return to the Company.

LETTER FROM THE BOARD

The Principal Business and the Business Expansion Plan

The principal business of the Group is manufacturing and sale of a broad range of printed circuit boards. As disclosed in the Company's announcement dated 23 March 2016, the Company plans to expand its business to the carrying out of managing assets and funds for clients as well as financial investments from available investment monies of the Company including but not limited to securities, bonds and debentures of companies on discretionary basis.

The Company plans to manage funds which will invest primarily in higher yielding equity and debt products such as bonds, exchange traded funds, futures options and warrants in Asia, with a focus on China-related listed stocks around the world. The fund will also invest in growth stocks in other markets that stand to benefit from favourable demographic, technological and/or economic changes.

The Company anticipates that the target customers of the Asset Management Business will include China high net worth individuals, long-term investment entities including insurance companies in China and the investors investing through local banks and financial institutions in Hong Kong. The initial capital requirement for the Asset Management Business is expected to be approximately HK\$2 billion and the Company intends to use its existing capital. The Company plans to raise the remaining balance of the required initial capital requirement through potential placing of shares by general mandate within the next six months. Depending on our capital needs, the Company may also issue private bonds within the next twelve months. In addition, the Company also plans to use its internally generated resources including the yearly generated profit from the Asset Management Business to support the Asset Management Business in achieving its target for assets under management of not less than HK\$10 billion in the initial stage, and to further broaden its source of funds to debt and equity financing, project finance and private equity funds.

The Board considers that the main risks associated with the Asset Management Business that are not uncommon amongst companies in the asset management business will include external risks such as dependence on financial market stability, intense market competition and regulatory risk; strategic risks such as changes in leadership of the Company and modifications to the business model; operational risks such as the dependence on the stability of the key personnel in the Company and the availability of fund resources and liquidity risks; compliance risks; and information and technology risks.

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The Company, through its indirect wholly-owned subsidiary, Hong Kong Bridge Investments Limited (“HKBI”), has submitted its application to the Securities and Futures Commission (“SFC”) for the necessary licences to conduct type 4 (advising on securities) and type 9 (asset management) regulated activities at the end of April 2016. On 16 August 2016, the SFC issued a letter to HKBI and stated that the SFC intended to grant the licence to HKBI subject to acceptance by HKBI on certain conditions. HKBI has accepted those conditions in writing to the SFC. The Company does not expect any legal impediments to obtaining the licences and is in the process of conducting internal preparatory work to conduct the Asset Management Business, including recruitment and appointment of responsible officers of the Asset Management Business. The Company has also designed and structured two funds. On the condition that HKBI is granted the above licenses by the SFC, the Company expects to launch these two funds during the last quarter of 2016.

Although the Company is expanding to the Asset Management Business, it is still committed to its principal printed circuit boards business and will continue to maintain and grow the business. The Company has not, and has not proposed to enter into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether expressed or implied, and negotiation (whether concluded or otherwise) with an intention to dispose of or downsize the existing printed circuit boards business.

Remuneration Policy

The Company’s remuneration policy consists of three parts. Firstly, employees are paid a monthly base salary which is set with reference to market standards and subject to annual review. Secondly, employees are also awarded a discretionary bonus each year (provided that the Company has made a profit in the year) as a short-term incentive on the basis of their performance in the year. Thirdly, as disclosed in the annual report of the Company for the financial year ended 31 December 2012, the Company had adopted a 10-year share option scheme which had expired on 30 May 2012 and the Board had considered that a new share option scheme may be adopted in the future at a time the Directors think favourable to the Company. In light of the Company’s business expansion plan to conduct the Asset Management Business which is dependent on having a stable core management team with sufficient market experience and to encourage and retain key Employees including senior management and executive Directors to commit in the long-

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term to the Company's growth and development and achieving the objectives of increasing the value of the Company, the Company has adopted the Share Award Scheme. The Share Award Scheme aligns the performance of qualifying Employees directly with the performance of the Company and the interests of Shareholders through the ownership of shares. As such, the grant of the Award Shares is in line with the Company's remuneration policy.

The Board had conducted a search in the market for a well-qualified and experienced chief investment officer who is independent, market-oriented, professional and would be committed to the Company in the long-term. The Connected Beneficiary, Mr. Zhou Huorong ("**Mr. Zhou**"), who had been considered as a suitable candidate in the market, was reviewed and selected by the nomination committee of the Board on the basis of his strong knowledge and extensive experience and network in banking, investment and asset management sector, to be the executive Director and a member of the executive committee of the Company. As disclosed in the announcement of the Company dated 3 August, 2016 regarding the biographical details of Mr. Zhou, Mr. Zhou has approximately 18 years of experience in banking, investment and asset management and the Board expects Mr. Zhou to use his extensive experience and network in promoting the development of the Company's Asset Management Business.

The overall remuneration package of Mr. Zhou consists of a base salary, a discretionary bonus provided that the Company achieves a net return on investment in each financial year, and the Award, which is consistent with the Company's remuneration policy. As disclosed in the announcement of the Company dated 3 August, 2016, Mr. Zhou has entered into a service agreement with the Company for a term of three years commencing on 3 August 2016 whereby Mr. Zhou will be entitled to an annual remuneration of HK\$6,000,000 and an annual discretionary with effect from 3 August 2016, which were determined with reference to Mr. Zhou's past working experience, duties and responsibilities with the Company and the prevailing market situation. The Remuneration Committee considers that the structure of Mr. Zhou's remuneration package is comparable to the remuneration structures of executive directors and chief investment officers of companies in the asset management business, which generally included base salary, a management cash bonus and share-based compensation, and the overall remuneration package gives due recognition to Mr. Zhou's qualifications and experience. In determining whether Mr. Zhou's remuneration package is comparable to the remuneration structures of executive directors and chief investment officers of

LETTER FROM THE BOARD

companies in the asset management business, the Remuneration Committee has reviewed remuneration packages of asset management companies that are at their initial development stage. Further, given the early stage of development of the Company's Asset Management Business, the Remuneration Committee and the Board considers that Connected Beneficiary's qualifications and experience and the uniqueness he brings to the Company (namely, Mr. Zhou's background in the asset management and financial investment industry) is considered to be more important than strict comparison with remuneration packages of other executive directors and chief investment officers and hence it may not be appropriate, if not difficult, to compare squarely the value and benefit the Connected Beneficiary confers to the Company to the value and benefit another chief investment officer at another asset management company would bring. The Remuneration Committee has also taken into consideration the remuneration package of Mr. Zhou in his previous working experience and the remuneration package of Mr. Liu Tingan, our executive director and chief executive officer, who plays an equally important role in the Company's Asset Management Business

As the Company's Asset Management Business is a new expansion plan of the Company, the Remuneration Committee and the Board consider that stability in the key personnel with sufficient qualifications and experience in managing the Asset Management Business is crucial to the success of the Asset Management Business. The Share Award Scheme is a long-term incentive plan to motivate the Connected Beneficiary to (i) commit in the long-term to the Company's development of the Asset Management Business, and (ii) achieve a certain investment return percentage to ensure the success of the Company's Asset Management Business. If the vesting conditions are not met, and in particular, if the Connected Beneficiary does not achieve the Expected Return Percentage in any year, the Award Shares will not be vested in the Connected Beneficiary and the Connected Beneficiary will only receive the annual remuneration and the annual discretionary bonus which the Board shall approve.

In July 2009, Mr. Zhou joined China Huarong Asset Management Corporation as deputy general manager of the Guangzhou office (which was subsequently restructured as China Huarong Assets Management Co., Ltd. ("**China Huarong**") on 28 September 2012 and was listed on 30 October 2015 on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 2799)) and was subsequently promoted to general manager of the Guangzhou office. In December 2010, he was appointed as the chief investment and operation officer of China Huarong. During his time with China Huarong, he also served as the chairman of Huarong International Trust Company Limited and China

LETTER FROM THE BOARD

Huarong International Holdings Limited. Prior to joining China Huarong, Mr. Zhou had served various senior management positions in Ping An Bank Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000001) (“**Ping An Bank**”) from September 2004 to April 2009; and in China Guangfa Bank Co., Ltd. (“**Guangfa Bank**”) from May 1998 to September 2004.

During his time with Ping An Bank, Guangfa Bank and China Huarong, Mr. Zhou had been working for different roles and was responsible for overseeing the asset management and financial investments of such companies.

Mr. Zhou was first introduced to the Board by Mr. Liu Tingan, who believed that Mr. Zhou’s solid experience and exposures in the financial investments and asset management industry would be valuable to the Company and complemented with his roles and responsibilities.

Mr. Zhou’s involvement and responsibilities in the business and operation of the Group include:

- (i) activities that he is playing a key part and working together with members of the executive committee of the Company including Mr. Liu Tingan, the Chairman of the Company which comprise:
 - (a) participating in strategic and financial investments of the Company, identifying and evaluating various projects and making a selection that is likely to boost the Company’s competitive advantage; and
 - (b) monitoring risks on investment projects and financial investments;
- (ii) contributing his market resources, developing the Group’s product mix and customer base and building the Group’s customers and project database;
- (iii) exploring market investment opportunities and organizing staff responsible for conducting due diligence of investment projects; and
- (iv) taking the leading role in providing guidance on one of the private equity funds of the Group, of which that fund is relevant to his industry focus and expertise and his experience and exposures.

LETTER FROM THE BOARD

The Board considers that his solid experience and exposures in financial investments and asset management (especially his work experience in China Huarong), together with his proven track records in Hong Kong and China, is unique to the Company's new business initiative and strategy in asset management and that is valuable to the Company and can contribute to the success of the Company in the future. The Board considers that Mr. Zhou, together with Mr. Liu Tingan, our executive director and chief executive officer, will bring significant value to the Group's financial investment business and Asset Management Business. The Board also considers that the role of Mr. Zhou is complementary to that of Mr. Liu Tingan. Mr. Zhou is responsible for strategic and financial investments of the Company while Mr. Liu Tingan is responsible for asset management and private equity business of the Company. Mr. Zhou's experience and network would bring exposure to investment opportunities to the Company.

The Remuneration Committee and the Board took into consideration the remuneration policy of the Company and remuneration package of the other senior management of the Asset Management Business (i.e. Mr. Liu Tingan) when initiating and approving the grant of Award. Under the current remuneration policy of the Company, senior management is compensated by salary, bonus and share options, which is consistent with the remuneration package of the Connected Beneficiary.

The Remuneration Committee and the Board consider that the structure of Mr. Zhou's remuneration package is comparable to the remuneration structures of executive directors and chief investment officers of companies in the asset management business, the amount reflects the unique value and benefits that the Connected Beneficiary will bring to the Company through his qualifications, track record and his network and expertise in the banking, investment and asset management sector, and so Mr. Zhou's remuneration package is justifiable, comparable and in line with the Company's remuneration policy.

LETTER FROM THE BOARD

The Remuneration Committee is of the opinion that as (i) the Award is conditional upon the achievement of the Expected Return Percentage which the Board expects will be higher than the prevailing industry investment returns; (ii) the Award will vest over a period of five years; (iii) Mr. Zhou's qualifications, track record and his network and expertise in the financial investments business and asset management business is very important and unique to the Company; (iv) there will not be any actual cash outflow by the Group under the Award; and (v) the total cost of remuneration and operational costs of the Asset Management Business (including Mr. Zhou's remuneration package) is in line with market practice of the asset management industry and the remuneration package of Mr. Liu Tingan, our executive director and chief executive officer, who plays an equally important role in the Group's Asset Management Business, (vi) the Award serves as an important incentive to the Connected Beneficiary to achieve higher return to the Company, thus achieving the objectives of increasing the value of the Company, which shall offset the dilution impact of the Award, the overall remuneration package recognizes Mr. Zhou's asset management expertise which will support the Group's business expansion and his long term support and commitment to the Group and his efforts will promote the Group's future development, and the grant and the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Board had also considered other remuneration package structure as compared to the Award and considered that it is a preferred option because there will not be any actual cash outflow by the Group under the Award and the Group can better utilize the cashflow for the development of its Asset Management Business. The Board also considered that the Award serves as an important incentive to the Connected Beneficiary to achieve higher return to the Company, thus achieving the objectives of increasing the value of the Company and creating higher value to the Shareholders as a whole, which shall offset the dilution impact of the Award.

Upon the recommendation of the Remuneration Committee, and having considered the new business strategy of the Company in pursuing the Asset Management Business and the factors that the Remuneration Committee had taken into account, the Board agrees with the Remuneration Committee's view that the grant to Mr. Zhou and the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

2.7 Outstanding Share Award and Shareholding Structure

On 17 May 2016, the Board resolved to award an aggregate of 60,000,000 Connected Award Shares to Mr. Liu Tingan under the Share Award Scheme by way of issue and allotment of new Shares pursuant to the Specific Mandate, which was approved by the Shareholders on 20 July 2016. On 24 August 2016, the Board resolved to award an aggregate of 60,000,000 Connected Award Shares to Mr. Zhou under the Share Award Scheme by way of issue and allotment of new Shares pursuant to the Specific Mandate. As of the Latest Practicable Date, all grants made pursuant to the Share Award Scheme were 10% of the Company's issued share capital, and the scheme limit is fully utilized.

The Company does not have any intention to grant any further Award Shares under the Share Award Scheme or refresh the scheme limit under the Share Award Scheme in the next 12 months. Any refreshment of the scheme limit will be approved by the Independent Shareholders.

As at the Latest Practicable Date, the shareholding structure of the Company was as follows and assuming the Award Shares were issued:

Name of Shareholders	As at the Latest Practicable Date		Assuming the Award Shares were issued	
	<i>Number of ordinary shares held</i>	<i>Percentage of issued capital</i>	<i>Number of ordinary shares held</i>	<i>Percentage of issued capital</i>
Youfu Investment Co., Ltd.	340,192,667	28.35%	340,192,667	25.78%
Zhisheng Enterprise Investment Co., Ltd.	170,097,333	14.17%	170,097,333	12.89%
China Aim Holdings Limited	200,000,000	16.67%	200,000,000	15.15%
Mr. Liu Tingan	—	—	60,000,000	4.54%
Mr. Zhou Huorong	—	—	60,000,000	4.54%
Public shareholders	489,710,000	40.81%	489,710,000	37.10%
Total:	1,200,000,000	100%	1,320,000,000	100%

LETTER FROM THE BOARD

3. LISTING RULES IMPLICATION

The Award constitutes a connected transaction on the part of the Company. As the Connected Beneficiary is a Director and accordingly a connected person of the Company. The Award constitutes a non-exempt connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements.

Pursuant to the Listing Rules, the resolution proposed at the SGM will be taken by way of poll and an announcement will be made after the SGM on the results of the SGM.

To the best of the Directors' knowledge, information and belief, no other Shareholders has a material interest in the Award as at the Latest Practicable Date and accordingly none of them is required to abstain from voting at the SGM.

Mr. Zhou does not have any relationship (business or otherwise) with the Company's substantial or controlling shareholders, Directors or senior management, except for being the executive Director of the Company. Mr. Zhou had abstained from approving the board resolution on the award of the Award Shares to him.

4. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence, all being the independent non-executive Directors, has been formed to advise the Shareholders as to whether the terms of the Award are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; whether the Award is in the interests of the Company and the Shareholders as a whole; and how the Independent Shareholders should vote in respect of the resolution(s) to approve the Award and the transactions contemplated thereunder at the SGM. Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

5. RE-ELECTION OF DIRECTOR

In accordance with bye-law 102(B) of the bye-laws of the Company, the Board shall have power from time to time and at any time to appoint any person as a Director to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

LETTER FROM THE BOARD

As such, Mr. Zhou Huorong (“**Mr. Zhou**”), our executive Director, will be subject to retirement and re-election at the SGM.

Mr. Zhou, aged 59, has strong knowledge and extensive experience in banking, investment and asset management sector. In July 2009, he joined China Huarong Asset Management Corporation as deputy general manager of the Guangzhou office (which was subsequently restructured as China Huarong Assets Management Co., Ltd. (“**China Huarong**”) on 28 September 2012 and was listed on 30 October 2015 on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 2799)) and was subsequently promoted to general manager of the Guangzhou office. In December 2010, he was appointed as the chief investment and operation officer of China Huarong. During his time with China Huarong, he also served as the chairman of Huarong International Trust Company Limited and China Huarong International Holdings Limited. Prior to joining China Huarong, Mr. Zhou had served various senior management positions in Ping An Bank Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000001) from September 2004 to April 2009; and in China Guangfa Bank Co., Ltd. from May 1998 to September 2004. Mr. Zhou obtained a master’s degree (Executive Master of Business Administration) from Wuhan University in the People’s Republic of China.

The Company has entered into a service agreement with Mr. Zhou on his appointment as an executive director of the Company for a term of three years commencing on 3 August 2016. The term is renewable automatically for successive term of three years on the same terms and conditions, unless notified by either party in writing of the decision not to renew the agreement. With effect from 3 August 2016, Mr. Zhou will be entitled to an annual remuneration of HK\$6,000,000 and an annual discretionary bonus, of which the discretionary bonus is subject to the Board’s annual approval. The remuneration and benefits were determined with reference to Mr. Zhou’s past working experience, duties and responsibilities with the Company and the prevailing market situation.

As at the date of this announcement, Mr. Zhou (i) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company, (ii) does not hold any other position with the Company or its subsidiaries; (iii) does not hold any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; and (iv) does not have any interest or deemed interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

LETTER FROM THE BOARD

Save as disclosed above, the Board is not aware of any matters that need to be brought to the attention of the holders of securities of the Company, and there is no other information to be disclosed pursuant to (h) to (v) of Rule 13.51(2) of the Listing Rules in relation to the appointment of Mr. Zhou.

Given the qualifications and professional experience of Mr. Zhou, the Board is of the view that the continuing service of Mr. Zhou as the executive Director is beneficial to the Group and thus considers that Mr. Zhou should be re-elected at the SGM.

6. SGM

A notice convening the SGM to be held at 10:00a.m., on Thursday, 27 October 2016 at Room 3601-3602, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Tengis Ltd., at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

7. RECOMMENDATION

The Board considers that the terms of the Award and the re-election of Director are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution regarding the Award, the grant of Specific Mandate and the re-election of Director to be proposed at the SGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 24 to 25 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM in relation to the Award; and (ii) the letter from Gram Capital, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Award and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Gram Capital is set out on pages 26 to 41 of this circular.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of Gram Capital, considers that the Award is on normal commercial terms, and in the ordinary and usual course of business of the Group and that the terms of the Award are fair and reasonable and in the interests of the Company so far as the Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in relation to the Award.

8. GENERAL

Your attention is drawn to the general information set out in the appendix to this circular.

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



TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED
至卓國際(控股)有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 2323)

30 September 2016

To the Independent Shareholders:

Dear Sir or Madam,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES TO A CONNECTED PERSON
UNDER THE SHARE AWARD SCHEME

We refer to the circular of the Company dated 30 September 2016 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you on whether the terms of the Award are fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolution regarding the Award.

Gram Capital has been appointed to advise us and the Independent Shareholders as to whether the terms of the Award are fair and reasonable so far as the Shareholders are concerned, whether such terms are in the interests of the Company and the Shareholders as a whole and how to vote on the resolution regarding the Award. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 26 to 41 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 23 of the Circular and the additional information set out in the appendix to the Circular.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Award and the advice of Gram Capital, we are of the opinion that the terms of the Award are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Award.

Yours faithfully,

Independent Board Committee of

Topsearch International (Holdings) Limited

Mr. Ng Man Kung

Dr. Ngai Wai Fung

Mr. Lau Fai Lawrence

Independent Non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Award for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

30 September 2016

*To: The independent board committee and the independent shareholders
of Topsearch International (Holdings) Limited*

Dear Sirs,

CONNECTED TRANSACTION ISSUE OF NEW SHARES TO A CONNECTED PERSON UNDER THE SHARE AWARD SCHEME

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Award of an aggregate of 60,000,000 Connected Award Shares to Mr. Zhou, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 30 September 2016 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 17 May 2016, the Board adopted the Share Award Scheme which had taken effect immediately. The Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules. The purposes of the Share Award Scheme are (i) to provide the Beneficiaries with an opportunity to acquire a proprietary interest in the Company; (ii) to encourage and retain such individuals to work with the Company; and (iii) to provide additional incentive for them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Beneficiaries directly to the shareholders of the Company through ownership of Shares.

LETTER FROM GRAM CAPITAL

On 24 August 2016, the Board has resolved to award an aggregate of 60,000,000 Award Shares to Mr. Zhou, who is a Director, by way of issue and allotment of new Shares under the Specific Mandate.

With reference to the Board Letter, as Mr. Zhou is a connected person of the Company, the issue and allotment of the Connected Award Shares to Mr. Zhou constitutes a connected transaction under Chapter 14A of the Listing Rules on the part of the Company and shall be subject to the approval by the Independent Shareholders at the SGM.

The Independent Board Committee comprising Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Award are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Award is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Award and the transactions contemplated thereunder at the SGM. We, Gram Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Award. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Mr. Zhou or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Award. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Award, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Award

Business overview of the Group

The principal business of the Group is manufacturing and sale of a broad range of printed circuit boards. As disclosed in the Company's announcement dated 23 March 2016, the Company plans to expand its business to the carrying out of managing

LETTER FROM GRAM CAPITAL

assets and funds for clients as well as financial investments including but not limited to securities, bonds and debentures of companies on discretionary basis.

With reference to the Board Letter, the Company, through its indirect wholly-owned subsidiary, HKBI, has submitted its application to the SFC for the necessary licences to conduct type 4 (advising on securities) and type 9 (asset management) regulated activities at the end of April 2016. On 16 August 2016, the SFC issued a letter to HKBI and stated that the SFC intended to grant the licence to HKBI subject to acceptance by HKBI on certain conditions. HKBI has accepted those conditions in writing to the SFC. The Company does not expect any legal impediments to obtaining the licences and is in the process of conducting internal preparatory work to conduct the Asset Management Business, including recruitment and appointment of responsible officers of the Asset Management Business. The Group would also consider to acquire assets and/or businesses from independent third parties as and when appropriate, so as to build the assets size and profitability of the Group. The Company has also designed and structured two funds. On the condition that HKBI is granted the above licenses by the SFC, the Company expects to launch these two funds during the last quarter of 2016.

Information on Mr. Zhou

With reference to the announcement of the Company dated 3 August 2016, Mr. Zhou, aged 59, has been appointed as an executive director and a member of the executive committee of the Company with effect from 3 August 2016.

Mr. Zhou obtained a master's degree (Executive Master of Business Administration) from Wuhan University in the PRC. Mr. Zhou has approximately 18 years of experience in banking, investment and asset management. A list of experience of Mr. Zhou as provided by the Company is set out below:

Company name	Position	Term
China Huarong International Holdings Limited (being a subsidiary of China Huarong)	Chairman	March 2014 to May 2016
Huarong International Trust Co., Ltd. (being a subsidiary of China Huarong)	Chairman	September 2012 to April 2014

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Company name	Position	Term
China Huarong	Chief Investment and Operation Officer	December 2010 to May 2016
	General Manager of Guangzhou office	December 2010 to July 2015
	Deputy General Manager of Guangzhou office	July 2009 to December 2010
Ping An Bank	Chief Officer of head office's Government Affairs Department	January 2009 to April 2009
	General Manager of head office's Credit and Asset Management Department	July 2007 to January 2009
	Deputy General Manager and General Manager of head office's Special Assets Recovery Department	September 2004 to July 2007
Guangfa Bank	General Manager of Guangfa group investment companies	May 1998 to September 2004

With reference to the Board Letter, Mr. Zhou had been working for different roles and was responsible for overseeing the asset management and financial investments of such companies.

Upon our enquiry, the Directors advised us that Mr. Zhou's involvement and responsibilities in the business and operation of the Group include:

- (i) activities that he is playing a key part and working together with members of the executive committee of the Company including Mr. Liu Tingan, the Chairman of the Company which comprise:
 - (a) participating in strategic and financial investments of the Company, identifying and evaluating various projects and making a selection that is likely to boost the Company's competitive advantage; and
 - (b) monitoring risks on investment projects and financial investments;

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- (ii) contributing his market resources, developing the Group's product mix and customer base and building the Group's customers and project database;
- (iii) exploring market investment opportunities and organizing staff responsible for conducting due diligence of investment projects; and
- (iv) taking the leading role in providing guidance on one of the private equity funds of the Group, of which that fund is relevant to his industry focus and expertise and his experience and exposures.

With regard to the foregoing, the Company considers Mr. Zhou to be a key personnel for the business and operations of the Group and expects Mr. Zhou to make valuable contributions to the Group, in particular, the development of the Group's financial investment business in addition to the Asset Management Business.

Reasons for and possible benefits of the Award

With reference to the Board Letter, the Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Award Shares to Mr. Zhou provides incentives to Mr. Zhou and will allow the Group to encourage and retain talents to work with the Group in achieving the objectives of increasing the value of the Company and aligning the interests of Mr. Zhou directly with those of the Shareholders through ownership of Shares. The award of the Award Shares to Mr. Zhou recognises his expertise which will support the Group's business expansion and his long term support and commitment to the Group and his efforts will promote the Group's future development. Since the Asset Management Business is at preliminary stage, the Award serves as an important incentive to motivate the Connected Beneficiary to achieve higher return to the Company.

The business expansion plan

With reference to the Board Letter, the Company plans to manage funds which will invest primarily in higher yielding equity and debt products such as bonds, exchange traded funds, futures options and warrants in Asia, with a focus on China-related listed stocks around the world. The fund will also invest in growth stocks in other markets that stand to benefit from favourable demographic, technological and/or economic changes.

LETTER FROM GRAM CAPITAL

The Company anticipates that the target customers of the Asset Management Business will include China high net worth individuals, long-term investment entities including insurance companies in China and the investors investing through local banks and financial institutions in Hong Kong. The initial capital requirement for the Asset Management Business is expected to be approximately HK\$2 billion and the Company intends to use its existing capital. The Company plans to raise the remaining balance of the required initial capital requirement through potential placing of shares by general mandate within the next six months. Depending on the Company's capital needs, the Company may also issue private bonds within the next twelve months. In addition, the Company also plans to use its internally generated resources including the yearly generated profit from the Asset Management Business to support the Asset Management Business in achieving its target for assets under management of not less than HK\$10 billion in the initial stage, and to further broaden its source of funds to debt and equity financing, project finance and private equity funds.

Details of the development of the Asset Management Business is set out under the sub section headed "The Principal Business and the Business Expansion Plan" in the Board Letter.

We noted that The Boston Consulting Group, Inc. and China Everbright Bank jointly issued a research report in April 2016 regarding the asset management overview in the PRC in 2015 (the "**Research Report**"). According to the Research Report, as at the end of 2015, the assets under management by all the relevant financial institutions amounted to approximately RMB93trillion, representing a compound annual growth rate ("**CAGR**") of approximately 51% in the past three years or an increase of approximately 55% as compared to that as at the end of 2014. The Research Report also indicated that there may be a CAGR of approximately 13% for the assets under management during the period from 2015 to 2020.

Furthermore, on 22 May 2015, the SFC and the China Securities Regulatory Commission ("**CSRC**") jointly announced the signing of the Memorandum of Regulatory Cooperation on Mainland-Hong Kong Mutual Recognition of Funds (the "**MRF**"). The scheme allows eligible PRC and Hong Kong funds to be distributed in each other's market through a streamlined vetting process which took effect on 1 July 2015. The initial investment quota for the MRF will be RMB300 billion for in and out fund flows each way.

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As extracted from the said announcement, the MRF is considered to be an important element in the opening up of the PRC's capital market. It is also an important milestone in the mutual opening of the PRC and Hong Kong markets. The MRF will enhance the mutual capital market access between the PRC and Hong Kong. It is significant in various ways, including:

- (a) The MRF will deepen the exchange and cooperation of the PRC and Hong Kong asset management industries, broaden cross-border investment channels, and enhance the competitiveness of the PRC and Hong Kong fund markets.
- (b) The MRF will lay the foundation for the CSRC and the SFC to jointly develop a regulatory standard for funds, promote the integration and development of the Asian asset management industry, and encourage the transformation of Asian savings into cross-border investments.
- (c) The MRF will provide more diverse fund investment products to the PRC and Hong Kong investors, and expand the business opportunities and enhance the international competitiveness of the PRC and Hong Kong management firms.

On 18 December 2015, the SFC granted authorisation for the first batch of four Mainland funds under the MRF initiative for public offering in Hong Kong. At the same time, the CSRC approved the first batch of three Hong Kong funds for public offering on the Mainland market under the MRF.

On 16 August 2016, the SFC and the CSRC have approved, in principle, the establishment of mutual stock market access between Shenzhen and Hong Kong (“**Shenzhen-Hong Kong Stock Connect**”). Shenzhen-Hong Kong Stock Connect will be established by the Shenzhen Stock Exchange, the Stock Exchange, China Securities Depository and Clearing Corporation Limited and Hong Kong Securities Clearing Company Limited. In addition, there will be no aggregate quota under Shenzhen-Hong Kong Stock Connect. On the even date, SFC and the CSRC also abolished the aggregate quota under Shanghai-Hong Kong Stock Connect with immediate effect.

Given the above, we concur with the Directors' view that although there is no guarantee to success of the Group's development plan in the Asset Management Business, the prospect of Asset Management Business is generally positive.

The remuneration policy

With reference to the Board Letter, the Company's remuneration policy consists of three parts, which includes:

LETTER FROM GRAM CAPITAL

- (i) monthly base salary which is set with reference to market standards and subject to annual review;
- (ii) discretionary bonus each year (provided that the Company has made a profit in the year) as a short-term incentive on the basis of the employee's performance in the year; and
- (iii) the Share Award Scheme which aligns the performance of qualifying employees directly with the performance of the Company and the interests of Shareholders through the ownership of Shares.

The overall remuneration package of Mr. Zhou consists of a base salary, a discretionary bonus provided that the Company achieves a net return on investment in each financial year, and the Award. As disclosed in the announcement of the Company dated 3 August 2016, Mr. Zhou entered into a service agreement with the Company for a term of three years whereby Mr. Zhou is entitled to an annual remuneration of HK\$6,000,000 and an annual discretionary bonus subject to the Board's approval, which were determined with reference to Mr. Zhou's past working experience, duties and responsibilities with the Company and the prevailing market situation.

In determining whether Mr. Zhou's remuneration package is comparable to the remuneration structures of executive directors and chief investment officers of companies in the asset management business, the Remuneration Committee has reviewed remuneration packages of asset management companies that are at their initial development stage. Further, given the early stage of development of the Company's Asset Management Business, the Remuneration Committee and the Board considers that Mr. Zhou's qualifications and experience and the uniqueness he brings to the Company (namely, Mr. Zhou's background in the asset management and financial investment industry) is considered to be more important than strict comparison with remuneration packages of other executive directors and chief investment officers and hence it may not be appropriate if not difficult to compare squarely the value and benefit Mr. Zhou confers to the Company to the value and benefit another chief investment officer at another asset management company would bring. The Remuneration Committee has also taken into consideration the remuneration package of Mr. Zhou in his previous working experience and the remuneration package of Mr. Liu Tingan, the executive Director and chief executive officer of the Company, who plays an equally important role in the Company's Asset Management Business. The Award serves as an important incentive to the Connected Beneficiary to achieve higher return to the Company, thus achieving the objectives of increasing the value of the Company and creating higher value to the Shareholders as a whole, which shall offset the dilution impact of the Award.

LETTER FROM GRAM CAPITAL

As the Company's Asset Management Business is a new expansion plan of the Company, the Remuneration Committee and the Board considers that stability in the key personnel with sufficient qualifications and experience in managing the Asset Management Business is crucial to the success of the Asset Management Business. The Share Award Scheme is a long-term incentive plan to motivate Mr. Zhou to (i) commit in the long-term to the Company's development of the Asset Management Business, and (ii) achieve a certain investment return percentage to ensure the success of the Company's Asset Management Business. If the vesting conditions are not met, and in particular, if Mr. Zhou does not achieve the Expected Return Percentage in any year, the Award Shares will not be vested in Mr. Zhou and Mr. Zhou will only receive the annual remuneration and the annual discretionary bonus which the Board shall approve.

Given the above, we concur with the Directors that the overall remuneration package of Mr. Zhou is consistent with the Company's remuneration policy.

Based on our independent research, we note that it is not exceptional for listed companies in Hong Kong (including investment companies listed under Chapter 21 of the Listing Rules) to adopt share-based compensation (including share award scheme or share option scheme) for their key personnel and employees.

With reference to the annual report of Value Partners Group Limited (Stock code: 806) ("**Value Partners**") (which is a comparable asset management company considered by the Board), the remuneration of its executive directors for the year ended 31 December 2015 comprises salaries, management bonus, other benefits (include share-based compensation, rebates of management fees and performance fees by the group in relation to the directors' investments in the investment funds under the group's management, etc.) and pension costs. The remuneration of Mr. Dato' Cheah Cheng Hye (being the then Chairman and Co-Chief Investment Officer of Value Partners) for the year ended 31 December 2015 amounted to approximately HK\$58 million.

Given the above, we concur with the Directors that the remuneration structure of Mr. Zhou is in line with the market practice.

With reference to the Board Letter, the Remuneration Committee and the Board considers that the structure of Mr. Zhou's remuneration package is comparable to the remuneration structures of executive directors and chief investment officers of companies in the asset management business, the amount reflects the unique value and benefits that Mr. Zhou will bring to the Company through his qualifications,

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track record and his network and expertise in the financial investment business and asset management business, and so Mr. Zhou's remuneration package is justifiable, comparable and in line with the Company's remuneration policy.

In view of the reasons for and possible benefits of the Award, in particular, that (i) Mr. Zhou is expected to make valuable contributions to the Group, in particular, the development of the Asset Management Business; (ii) the prospect of Asset Management Business is generally positive; (iii) the overall remuneration package of Mr. Zhou is consistent with the Company's remuneration policy; (iv) the remuneration structure of Mr. Zhou is in line with the market practice; and (v) there will not be any actual cash outflow by the Group under the award of the Award Shares, we are of the opinion that the Award, which can provide sufficient incentives to attract, retain and motivate Mr. Zhou to participate in the continuing operation and long-term development of the Company and to recognise Mr. Zhou's contributions to the growth of the Company, is justifiable. Accordingly, we concur with the Directors that the Award is in the interests of the Company and the Shareholders.

2. Principal terms of the Award

The Award

On 24 August 2016, the Board resolved to award an aggregate of 60,000,000 Connected Award Shares to Mr. Zhou by way of issue and allotment of new Shares pursuant to the Specific Mandate to be sought from the Shareholders at the SGM. Upon issuance and allotment of the new Award Shares, the Trustee will hold the new Shares in trust for Mr. Zhou and such new Award Shares shall be transferred to Mr. Zhou upon satisfaction of the vesting conditions. The number of Award Shares granted to Mr. Zhou is in accordance with his contributions to the Group.

The aggregate of 60,000,000 new Connected Award Shares to be issued and allotted by the Company to Mr. Zhou represent 5% of the total number of Shares in issue as at the Latest Practicable Date and approximately 4.76% of the total number of Shares in issue as enlarged by the issue and allotment of the Connected Award Shares.

Based on the closing price of HK\$2.36 per Share as quoted on the Stock Exchange as at 24 August 2016, being the date of the announcement regarding the Award, the market value of the 60,000,000 Connected Award Shares will be HK\$141,600,000.

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Conditions

The issue and allotment of the 60,000,000 Connected Award Shares to Mr. Zhou shall be subject to the following conditions of which the Board has no discretion to waive:

- (i) the approval by the Independent Shareholders at the SGM in respect of the issue and allotment of the Connected Award Shares and Specific Mandate;
- (ii) the granting of the listing approval by the Stock Exchange in respect of the Connected Award Shares;
- (iii) the Connected Beneficiary is still a Director or member of the senior management of the Company (subject to approval of shareholders at the annual general meeting); and
- (iv) the achievement of the Expected Return Percentage by the Company (the “**Achievement Condition**”) in each year in respect of only the Asset Management Business.

In determining the Expected Return Percentage for each year, the Remuneration Committee will take the average investment returns of comparable investment companies in the People’s Republic of China (the “**PRC**”) (the “**Comparable Companies**”) as the bench-mark and make adjustments based on (i) the Company’s investment strategy, (ii) the economic environment at the time, and other appropriate factors as it thinks fit. For example, adjustments would be made to the Expected Return Percentage on the occurrence of global economic events such as the financial crisis in 2008, downturn in the financial market and when comparable investment companies make significant changes to their investment return targets. The Remuneration Committee shall make its recommendations on the Expected Return Percentage and any adjustments for the forthcoming year for the Board’s approval. Mr. Zhou who is a Director will abstain from approving the Expected Return Percentage recommended by the Remuneration Committee. The Company expects that the Expected Return Percentage would always be set at a level higher than the average investment return targets of comparable investment companies.

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In selecting Comparable Companies in determining the Expected Return Percentage, the Company will take into account the following criteria:

- (i) the relevant investment companies are well recognized in the industry and/or are companies listed on the Stock Exchange with Chinese background and proven track record;
- (ii) the relevant investment companies are also involved in assets and portfolio management and investment businesses; and
- (iii) the return on average equity achieved by the relevant investment companies are leading in the market.

The Remuneration Committee is of the opinion that such criteria will produce fair and representative sample because the Company will take into account publicly available information on such assets management companies with leading return on equity. In any event, the Expected Return Percentage will not be less than 14%. Having considered the above selection criteria of Comparable Companies, we are of the view that such criteria may produce fair comparables.

In determining whether the Expected Return Percentage is met, the Company will calculate the actual investment return percentage of each year based on the following formula:

$$\text{Investment return percentage} = \frac{\text{Net investment return}}{\text{Weighted average available investment monies}} \times 100\%$$

Where:

- (A) *Net investment return = investment return — related operating costs — related interest*
- (B) *Weighted average available investment monies = cash or cash equivalents attributable to Shareholders + new shareholders' funds (including equity and loans)*

Any change in the above vesting conditions (including the Minimum Expected Return Percentage) will be subject to the approval by the Independent Shareholders.

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Upon our enquiry regarding the Achievement Condition, we were advised by the Directors that the Group's investment will primarily be focused on the PRC market and the Hong Kong market. The intended investment will include project finance, mergers and acquisitions, distressed asset management and private equity fund and asset management through the Stock Exchange and stock exchanges in the PRC. The Expected Return Percentage will be bench-marked with the returns for the Comparable Companies.

As further advised by the Directors, the Comparable Companies will include China Huarong and China Cinda Asset Management Co., Ltd. (Stock code: 1359) ("**Cinda**"). According to the latest annual report of China Huarong, its weighted return on average equity attributable to equity holders was approximately 18.9% for the year ended 31 December 2015. According to the latest annual report of Cinda, its return on average shareholders' equity was approximately 14.4% for the year ended 31 December 2015. The Remuneration Committee and the Board will set the Expected Return Percentage higher than the average return of the Comparable Companies.

Given the Achievement Condition, the Award Shares will only be vested after Mr. Zhou having brought incremental benefit to the Group (i.e. achieving the Expected Return Percentage).

Although the achievement condition of Mr. Liu Tingan's Shares award (which was announced by the Company on 17 May 2016 and approved by the independent Shareholders on 20 July 2016) is the same with the Achievement Condition, we were advised by the Directors that Mr. Zhou's solid experience and exposures in financial investments and asset management (especially his work experience in China Huarong), together with his proven track records in Hong Kong and the PRC, is unique to the Company's new business initiative and strategy in asset management and that is valuable to the Company and can contribute to the success of the Company in the future. As such, the Directors believe that Mr. Zhou will be able to help the Company to strive to achieve a higher return on the Asset Management Business. Therefore, although the Company's share award expenses will be doubled as a result of the Award, the Award is justifiable as it serves as an important incentive to Mr. Zhou to achieve higher return to the Company.

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Vesting

Subject to the satisfaction of the vesting criteria and conditions of the Award, the Award Shares will be issued to the Trustee and the Award Shares shall be transferred to the Mr. Zhou upon expiry of the following vesting period:

Vesting date	Number of Award Shares to be vested (% to total number of Shares in issue as at the Latest Practicable Date)
31 March 2017	12,000,000 (1%)
31 March 2018	12,000,000 (1%)
31 March 2019	12,000,000 (1%)
31 March 2020	12,000,000 (1%)
31 March 2021	12,000,000 (1%)

The Award Shares will be issued to the Trustee if and when the vesting conditions are met. Upon the Company's notice, the Trustee shall vest in the Beneficiaries all Award Shares referable to the date of termination which are not vested by transferring such Award Shares to the relevant Beneficiaries, and sell all Returned Shares and non-cash income remaining in the Trust, if any, and remit the proceeds to the Company forthwith. For avoidance of doubt, the Trustee may not in any event transfer any shares to the Company upon termination of the Share Award Scheme.

Lapse/Termination

In the event that the Connected Beneficiary ceases to be a Director or member of the senior management of the Company, the Connected Beneficiary shall be deemed to have waived all its rights and benefits to the Award Shares outstanding and unvested. In addition, where an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), the Connected Beneficiary shall cease to be entitled to the Award Shares outstanding and unvested.

Transferability

The Award is not transferable.

We are of the view that the vesting over a five-year period and the Achievement Condition would further strengthen the effect of the Award as an incentive scheme to attract, retain and motivate Mr. Zhou to participate in the continuing operation and long-term development of the Company.

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For details of other terms of the Award, please refer to the section headed “Details of the award of the Award Shares” of the Board Letter.

Having considered the principal terms of the Award (including the vesting conditions of Award) as highlighted above, we are of the opinion that the terms of the Award (including the vesting conditions of Award) are fair and reasonable so far as the Independent Shareholders are concerned.

3. Potential dilution of the shareholding interests of the existing public Shareholders

Upon issue and allotment of the 60,000,000 Connected Award Shares to Mr. Zhou in full (assuming that there is no other change in the issued share capital of the Company), the shareholding interests of the existing public Shareholders will be diluted from approximately 40.81% to approximately 38.87%.

As indicated above, the change in shareholding interests of the existing public Shareholders would not be significant as a result of the Award. Moreover, taking into account (i) the reasons for and possible benefits of the Award; (ii) the terms of the Award being fair and reasonable; and (iii) there will not be any actual cash outflow by the Group under the Award, we are of the view that the dilution to the shareholding interests of the existing public Shareholders as a result of the Award is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Award are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Award is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Award and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Interest of Directors and Chief Executive in the Company**

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules.

(b) Interest of Substantial Shareholders in the Company**(i) *Long positions in the Shares, underlying shares and debentures of the Company***

As at the Latest Practicable Date, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to

the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

<u>Name of Shareholders</u>	<u>Number of Shares directly or indirectly held</u>	<u>Approximate percentage of Shares in issue</u>
Sun Mingwen ⁽¹⁾	340,192,667	28.35%
Liu Hui ⁽²⁾	200,000,000	16.67%
He Yeqin ⁽³⁾	170,097,333	14.17%

Notes:

1. The 340,192,667 Shares are directly held by Youfu Investment Co., Ltd., which is directly wholly-owned by Sun Mingwen. As such, Sun Mingwen is deemed to be interested in the equity interests in the Company held by Youfu Investment Co., Ltd.
2. The 200,000,000 Shares are directly held by China Aim Holdings Limited, which is directly wholly-owned by Liu Hui. As such, Liu Hui is deemed to be interested in the equity interests in the Company held by China Aim Holdings Limited.
3. The 170,097,333 Shares are directly held by Zhisheng Enterprise Investment Co., Ltd., which is directly wholly-owned by He Yeqin. As such, He Yeqin is deemed to be interested in the equity interests in the Company held by Zhisheng Enterprise Investment Co., Ltd.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' INTERESTS

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2015, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.
- (c) None of the Directors, or chief executive of the Company and their respective associates has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company.
- (d) None of the Directors or proposed Directors of the Company is a director or employee of the Company's substantial shareholders, Youfu Investment Co. Ltd, China Aim Holdings Limited or Zhisheng Enterprise Investment Co., Ltd.

4. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors has or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2015 (being the date to which the latest audited consolidated financial statements of the Group were made up).

6. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

7. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has given its opinions or advice as contained in this circular:

Name	Qualification
Gram Capital Limited	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO

Gram Capital Limited has confirmed that:

- (a) it has given and has not withdrawn its written consent to the issue of this circular dated 30 September 2016 with the inclusion of its letter and the reference to its name in the form and context in which it appears;
- (b) as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which have been, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS FOR INSPECTION

Copy of the Share Award Scheme will be available for inspection during normal business hours at the registered address of the Company in Hong Kong at 3406, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the SGM.

NOTICE OF SPECIAL GENERAL MEETING



TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED
至卓國際(控股)有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 2323)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Topsearch International (Holdings) Limited (the “**Company**”) will be held at 10:00 a.m. on Thursday, 27 October 2016, at Room 3601-3602, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

1. To re-elect the retiring Director of the Company, Mr. Zhou Huorong.

SPECIAL BUSINESS

2. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

“THAT

- (a) the grant of specific mandate to the directors of the Company (the “**Directors**”) to exercise all the powers of the Company to allot and issue an aggregate of 60,000,000 new shares (the “**Award Shares**”), credited as fully paid, to Computershare Hong Kong Trustees Limited (the “**Trustee**”) to hold on trust for Mr. Zhou Huorong, in accordance with the terms of the share award scheme adopted by the Company on 17 May 2016 (the “**Share Award Scheme**”) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the award of 60,000,000 Award Shares pursuant to the Share Award Scheme to Mr. Zhou Huorong, who is a Director and accordingly a connected person (as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”)) to the Company, is hereby approved, confirmed and ratified;

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

- (c) any one or more of the Director(s) be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Award and the transactions contemplated thereunder, including but not limited to the issue and allotment of the new Award Shares pursuant to the Share Award Scheme.”

On behalf of the Board

Liu Tingan

Chairman and Chief Executive Officer

Hong Kong, 30 September 2016

Principal Place of Business in Hong Kong

3406, China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more Shares may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power or authority, must be deposited at the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. Save for the resolutions proposed by the chairman of the Meeting regarding the approval on the procedural and administrative matters (as defined under the Listing Rules) to be voted on by a show of hands during the Meeting, any voting on the resolutions set out herein should be taken by poll at the Meeting as required by the Listing Rules.
4. As at the date of this notice, the Board 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.