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TOP DYNAMIC

TOP DYNAMIC INTERNATIONAL HOLDINGS LIMITED
泰邦集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 2203)

(Stock Code on GEM: 8327)

**TRANSFER OF LISTING FROM
THE GROWTH ENTERPRISE MARKET
TO THE MAIN BOARD OF THE STOCK EXCHANGE OF
HONG KONG LIMITED**

On 21 March 2017, the Company made an application to the Stock Exchange for the proposed Transfer of Listing. The Company has applied for the listing of, and permission to deal in, (i) 800,000,000 Shares in issue, and (ii) 80,000,000 new Shares which may fall to be issued pursuant to the exercise of the options which may be granted under Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing has been granted by the Stock Exchange on 29 June 2017.

The last day of dealings in the Shares on GEM (Stock code: 8327) will be Thursday, 20 July 2017. Dealings in the Shares on the Main Board (Stock code: 2203) will commence at 9:00 a.m. on Friday, 21 July 2017.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 10,000 Shares each and are traded in Hong Kong dollars. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the Hong Kong branch share registrar and transfer office of the Company following the Transfer of Listing.

Reference is made to the announcement issued by the Company dated 21 March 2017 in relation to the formal application submitted to the Stock Exchange for the proposed Transfer of Listing pursuant to the relevant provisions of the GEM Listing Rules and the Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 21 March 2017, the Company made an application to the Stock Exchange for the proposed Transfer of Listing. The Company has applied for the listing of, and permission to deal in, (i) 800,000,000 Shares in issue, and (ii) 80,000,000 new Shares which may fall to be issued pursuant to the exercise of the options which may be granted under Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board.

The approval-in-principle for the Transfer of Listing has been granted by the Stock Exchange on 29 June 2017. All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The Company does not intend to continue quarterly reporting of financial results after it successfully lists on the Main Board and will follow the relevant requirements under the Listing Rules as regards publication of its interim and annual results.

REASONS FOR THE TRANSFER OF LISTING

The Company was listed on GEM on 9 October 2015. The Group is principally engaged in the assembly, packaging and sales of its self-manufactured discrete semiconductors and trading of semiconductors sourced from third-party suppliers.

The Board believes that the listing of the Shares on the Main Board will promote the corporate image of the Group and improve the trading liquidity of the Shares. The Board is of the view that the Transfer of Listing will be beneficial to the future growth and business development of the Group. As at the date of this announcement, the Board has no immediate plan to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve the issue of any new Shares by the Company.

CERTAIN KEY FINANCIAL INFORMATION RELATING TO THE GROUP

The following table sets out certain key financial information of the Group during the years ended 31 December 2014, 2015 and 2016 and the three months ended 31 March 2016 and 2017.

	For the year ended 31 December			For the three months ended 31 March	
	2014	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Turnover	159,323	215,273	254,493	52,501	63,872
– Manufacturing business	80,745	155,579	200,984	40,302	50,388
– Trading business	78,578	59,694	53,509	12,199	13,484
Gross profit	42,901	82,352	93,172	18,178	20,368
Gross profit margin (%)	26.9%	38.3%	36.6%	34.6%	31.9%
Profit before tax	21,797	37,688	57,886	10,244	10,808
Profit for the year	16,216	26,551	45,781	7,894	8,365
Net profit margin (%) ^(Note)	10.2%	12.4%	18.0%	15.0%	13.1%

Note: Net profit margin is calculated by dividing the net profit for the relevant year/period by the turnover for the same year/period.

Below sets out a discussion of the Group's financial performance for each of the year ended 31 December 2014, 2015 and 2016, as well as for the three months ended 31 March 2016 and 2017, as indicated by selected financial indicators together with a comparison with performance in the corresponding previous period.

Three months ended 31 March 2017 compared to three months ended 31 March 2016

Turnover

The turnover of the Group amounted to approximately HK\$63.9 million during the three months ended 31 March 2017, representing an overall increase of approximately HK\$11.4 million or 21.7% from approximately HK\$52.5 million for the same period of last year. Such increase was primarily attributable to the growth of the Group's manufacturing business brought by the expansion of the Group's production lines and introduction of new products offerings since the second quarter of 2016. The number of the Group's customers increased from 111 as at 31 March 2016 to 128 as at 31 March 2017.

As the Group's manufacturing business grows, the turnover derived from sales of its self-manufactured products increased during the three months ended 31 March 2017 as compared to the same period of last year. The production volume of the Group's manufacturing segment witnessed an overall growth during the three months ended 31 March 2017 when compared to the same period of last year.

The Group's trading of products primarily complements sales of self-manufactured products when it provides solution kits services to its customers. The turnover derived from the Group's trading business increased slightly during the three months ended 31 March 2017 as compared to the same period of last year primarily as a result of the widening of the Group's customer base and the difference in product mix required by its customers from time to time.

Cost of Sales

In line with its increased turnover, the Group's cost of sales for the three months ended 31 March 2017 was approximately HK\$43.5 million, representing an increase of approximately 26.8% from approximately HK\$34.3 million for the three months ended 31 March 2016. Such increase was primarily attributable to increased consumption of raw materials and direct labour costs in line with the Group's increased sale volume of its self-manufactured products over this period.

Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately HK\$20.4 million for the three months ended 31 March 2017, representing an increase of approximately HK\$2.2 million or 12.1% from approximately HK\$18.2 million for the same period of last year, which was in line with the overall increase in the Group's turnover during the three months ended 31 March 2017. The Group's gross profit margin for the three months ended 31 March 2017 was approximately 31.9%, a slight decrease as compared to a gross profit margin of approximately 34.6% for the same period of last year. Such decrease was primarily the result of varying types and volumes of self-manufactured products (which carry different gross profit margins) sold by the Group to the customers during the three months ended 31 March 2017.

Selling and Distribution Costs

The Group's selling and distribution costs for the three months ended 31 March 2017 was approximately HK\$2.7 million, representing an increase of approximately HK\$0.3 million or 12.5% from approximately HK\$2.4 million for the same period of last year. Such increase was primarily due to increased commission paid to third-party agent, which is in line with the growth of the Group's sale to customers referred by its third-party agent, as well as the increase in sales to overseas markets during the three months ended 31 March 2017 as compared to the corresponding period in last year.

Administrative Expenses

The Group's administrative expenses was approximately HK\$6.9 million for the three months ended 31 March 2017, representing an increase of approximately 23.2% or HK\$1.3 million as compared to approximately HK\$5.6 million for the same period of last year, primarily reflecting the exchange differences recognised as expenses in relation to the settlement of the Group's monetary assets and liabilities.

Income Tax Expenses

The Group's income tax expenses for the three months ended 31 March 2017 was approximately HK\$2.4 million, a slight increase when compared to the corresponding period of last year. Such increase in the Group's income tax expenses was in line with the increase in the Group's profit before tax during the three months ended 31 March 2017.

Net Profit and Net Profit Margin

The Group's net profit for the three months ended 31 March 2017 was approximately HK\$8.4 million, representing an increase of approximately 6.3% or HK\$0.5 million as compared to approximately HK\$7.9 million for the same period of last year, which was in line with the Group's increased turnover during the three months ended 31 March 2017.

The Group's net profit margin for the three months ended 31 March 2017 was approximately 13.1% as compared to approximately 15.0% for the same period of last year. The decrease in the net profit margin was mainly attributable to the decrease in the Group's gross profit margin and the increase in the Group's administrative expenses during the three months ended 31 March 2017.

Year ended 31 December 2016 compared to year ended 31 December 2015

Turnover

For the year ended 31 December 2016, the Group recorded turnover of approximately HK\$254.5 million (2015: HK\$215.3 million), representing an increase of approximately 18.2% when compared to the previous year. The increase in turnover was primarily attributable to the increase in the sales of the Group's self-manufactured products as a result of its continuous effort in expanding its customer base and production capacity during the year ended 31 December 2016. The number of the Group's customers increased from 102 as at 31 December 2015 to 126 as at 31 December 2016.

The Group's turnover attributable to its self-manufactured products recorded a significant growth of approximately 29.2% from approximately HK\$155.6 million for the year ended 31 December 2015 to approximately HK\$201.0 million for the year ended 31 December 2016. The increase was primarily attributable to the expansion in the Group's existing production lines for its SOT26, DFN1006 and DFN1608 packages, as well as the commencement of mass production of the Group's new SOT563, DFN0603, DFN2510, ABF, SMAF and SOT363 packages.

The Group's trading of products primarily complements sales of its self-manufactured products when it provides solution kits services to its customers. The turnover derived from the Group's trading business for the year ended 31 December 2016 decreased from approximately HK\$59.7 million for the year ended 31 December 2015 to approximately HK\$53.5 million for the year ended 31 December 2016 as a result of different product mix required by its customers, and that part of their demand has been satisfied by the introduction of the Group's new products in 2016.

For the year ended 31 December 2016, approximately HK\$156.6 million (2015: HK\$125.3 million) of the Group's total turnover was derived from direct sales to customers whereas approximately HK\$97.9 million (2015: HK\$90.0 million) was generated from customers referred by its third-party agent. These increases reflect the Group's efforts in expanding its customer base during the year ended 31 December 2016.

Cost of Sales

In line with its increased turnover, the Group's cost of sales for the year ended 31 December 2016 was approximately HK\$161.3 million, representing an increase of approximately 21.4% from approximately HK\$132.9 million for the year ended 31 December 2015. Such increase was primarily attributable to increased consumption of raw materials and direct labour costs in line with the increased sales volume of the Group's self-manufactured products over the year ended 31 December 2016.

Gross Profit and Gross Profit Margin

Along with its increased turnover, the Group's gross profit for the year ended 31 December 2016 was approximately HK\$93.2 million, increased by approximately 13.1% when compared to that of approximately HK\$82.4 million for the year ended 31 December 2015. The Group's gross profit margin exhibited a slight decrease from approximately 38.3% for the year ended 31 December 2015 to approximately 36.6% for the year ended 31 December 2016, which was primarily attributable to a decrease in the gross profit margin in the sales of the Group's self-manufactured products.

For the year ended 31 December 2016, the average gross profit margin of the Group's self-manufactured products was approximately 41.9% (2015: 47.0%). The decrease was primarily due to the varying mix of products sold during the year ended 31 December 2016, where the Group sold more products that carry a lower gross profit margin than that in 2015. The average gross profit margin for trading of products sourced from third-party suppliers for the year ended 31 December 2016 was approximately 16.7% (2015: 15.5%). Such difference was attributable to different product mix required by its customers from time to time.

Selling and Distribution Costs

The Group's selling and distribution costs for the year ended 31 December 2016 amounted to approximately HK\$11.2 million, which was comparable to that of approximately HK\$11.3 million for the year ended 31 December 2015.

Administrative Expenses

The Group's administrative expenses for the year ended 31 December 2016 was approximately HK\$24.8 million, representing a decrease of approximately 29.1% over that of approximately HK\$35.0 million for the year ended 31 December 2015. The decrease was primarily attributable to the absence of expenses in relation to the Listing during the year ended 31 December 2016.

Income Tax Expenses

The Group's income tax expenses for the year ended 31 December 2016 was approximately HK\$12.1 million, representing an increase of approximately 9.0% from that of approximately HK\$11.1 million for the year ended 31 December 2015. Such increase in its income tax expenses was mainly the result of an increase in the Group's profit before tax during the year ended 31 December 2016.

Net Profit and Net Profit Margin

The Group's net profit for the year ended 31 December 2016 was approximately HK\$45.8 million, representing an increase of approximately 72.2% when compared to that of approximately HK\$26.6 million for the year ended 31 December 2015, which was primarily due to the increased gross profit of the Group during the year ended 31 December 2016 as well as savings in administrative expenses brought about by the absence of expenses relating to the Listing during the year ended 31 December 2016.

Along with the increase in the Group's net profit for the year ended 31 December 2016, its net profit margin has also increased from approximately 12.4% for the year ended 31 December 2015 to approximately 18.0% for the year ended 31 December 2016.

Year ended 31 December 2015 compared with year ended 31 December 2014

Turnover

For the year ended 31 December 2015, the Group recorded turnover of approximately HK\$215.3 million (2014: HK\$159.3 million), representing an increase of approximately 35.2% when compared with the previous year. The increase in turnover was primarily attributable to the increase in sale of the Group's self-manufactured products as a result of its continuous effort in expanding its customer base and production capacity during the year ended 31 December 2015. The number of the Group's customers increased from 78 as at 31 December 2014 to 102 as at 31 December 2015.

The Group's turnover attributable to its self-manufactured products recorded a significant growth of approximately 92.8% from approximately HK\$80.7 million for the year ended 31 December 2014 to approximately HK\$155.6 million for the year ended 31 December 2015. The increase was primarily attributable to the expansion in the Group's production capacity of its self-manufactured products and its expanded customer base.

The Group's turnover from trading of semiconductors sourced from third-party suppliers decreased by approximately 24.0% from approximately HK\$78.6 million for the year ended 31 December 2014 to approximately HK\$59.7 million for the year ended 31 December 2015. Such decrease reflects the Group's business strategy to actively and gradually offer more self-manufactured products which generally carry a higher profit margin, and its customers' needs during the year ended 31 December 2015 for more of its self-manufactured products than its trading products.

For the year ended 31 December 2015, approximately HK\$125.3 million (2014: HK\$111.2 million) of the Group's total turnover was derived from direct sales to customers whereas approximately HK\$90.0 million (2014: HK\$48.1 million) was generated from customers referred by our third-party agent. These increases reflect the Group's efforts in expanding its customer base during the year ended 31 December 2015.

Cost of Sales

In line with the Group's increased turnover, its cost of sales for the year ended 31 December 2015 was approximately HK\$132.9 million, representing an increase of approximately 14.2% from approximately HK\$116.4 million in respect of the year ended 31 December 2014. Such increase was primarily attributable to an increased consumption of raw materials and direct labour costs in line with the Group's increased sales volume of its self-manufactured products over the year ended 31 December 2015.

Gross Profit and Gross Profit Margin

In line with the Group's increased turnover, its gross profit for the year ended 31 December 2015 was approximately HK\$82.4 million, an increase by approximately 92.1% when compared with its gross profit of approximately HK\$42.9 million for the year ended 31 December 2014. The Group's gross profit margin increased from approximately 26.9% for the year ended 31 December 2014 to approximately 38.3% for the year ended 31 December 2015, which reflects primarily the effects of the Group's business strategy of focusing on offering more self-manufactured products to its customers, which generally carry a higher profit margin than its trading products sourced from third-party suppliers.

For the year ended 31 December 2015, the average gross profit margin of the Group's self-manufactured products was approximately 47.0% (2014: 39.8%). The increase reflects primarily the change in the product mix that the Group sold during the year ended 31 December 2015, where the Group has sold more products that carry a higher gross profit margin than that in 2014. The average gross profit margin for trading of products sourced from third-party suppliers for the year ended 31 December 2015 was approximately 15.5% (2014: 13.7%). Such difference is attributable to different product mix required by its customers from time to time.

Selling and Distribution Costs

The Group's selling and distribution costs for the year ended 31 December 2015 was approximately HK\$11.3 million, representing an increase of approximately 105.5% over the selling and distribution costs of approximately HK\$5.5 million for the year ended 31 December 2014. The increase is primarily attributable to the increased commission paid to third-party agent, which is in line with the growth of the Group's sale to customers referred by its third-party agent, as well as the increase in sales to overseas markets during the year ended 31 December 2015 as compared to the previous year.

Administrative Expenses

The Group's administrative expenses for the year ended 31 December 2015 was approximately HK\$35.0 million, representing an increase of approximately 122.9% over the administrative expenses of approximately HK\$15.7 million for the year ended 31 December 2014. The increase was primarily attributable to (i) increase in expenses in relation to the Listing incurred during the year ended 31 December 2015; (ii) increases in salaries and benefits expenses of managerial and staff costs recorded under administrative expenses; and (iii) amortisation of a trademark acquired by the Group during the year ended 31 December 2015.

Income Tax Expenses

The Group's income tax expenses for the year ended 31 December 2015 was approximately HK\$11.1 million, representing an increase by approximately 98.2% from approximately HK\$5.6 million for the year ended 31 December 2014. Such increase in income tax expenses was attributable to the increase in the Group's profit for the year ended 31 December 2015.

Net Profit and Net Profit Margin

The Group's net profit for the year ended 31 December 2015 was approximately HK\$26.6 million, representing an increase by approximately 64.2% when compared to the net profit of the Group of approximately HK\$16.2 million for the year ended 31 December 2014, which was in line with the Group's increased turnover during the year ended 31 December 2015.

Along with the increase in the Group's net profit for the year ended 31 December 2015, its net profit margin has also increased from approximately 10.2% for the year ended 31 December 2014 to approximately 12.4% for the year ended 31 December 2015.

RECENT BUSINESS DEVELOPMENTS SINCE LISTING ON GEM

The Group has remained principally engaged in the assembly, packaging and sales of its self-manufactured discrete semiconductors and trading of semiconductors sourced from third-party suppliers. In line with its business strategy of gradually increasing sales of the Group's self-manufactured products as described in the Prospectus, the Group has focused its resources on the expansion of its existing production lines for its SOT26, DFN1006 and DFN1608 packages, and has also successfully introduced the following new products and commenced mass production of these products during the years ended 31 December 2015 and 2016:–

- (i) the SOT563 packages (third generation mainstream packages) which feature surface mount package suitable for automated placement, as well as a wide variety of available configurations. Its principal applications include OLED televisions, portable electronic equipment and display monitors;
- (ii) the DFN0603 packages (fourth generation mainstream packages) are of a size of 0.61 mm x 0.32 mm x 0.3 mm, about half the size of the Group's other existing DFN series packages. Its principal applications include computers and peripherals, digital cameras, smart phones, mobile phone accessories, network communication devices and portable electronics;
- (iii) the DFN2510 packages, which is integrated with a multi-channel product that can substitute four single channel products to save cost. Its principal applications include various display port interface, HDMI, LAN/WAN equipment, MDDI ports, serial ATA and UDI;

- (iv) the ABF packages, which is a small-package sized surface mount package suitable for automated placement. Its principal applications include LED driver power supplies, portable devices and power supplies;
- (v) the SMAF packages, which can substitute SMA packages without modification to printed circuit boards and having only half the height of SMA packages. Its principal applications include LED lighting, mobile phone chargers and polarity protection. It is expected that SMA packages will gradually phase out and will be replaced by SMAF packages; and
- (vi) the SOT363 packages, which is in between the size of SOT26 and SOT563 packages the Group is currently manufacturing. Its principal applications include OLED televisions, portable electronic equipment as well as display monitors.

As a result of the Group's effort in developing this business segment, the Group's turnover attributable to the sale of its self-manufactured products for the years ended 31 December 2015 and 2016 recorded significant growths. For details, please refer to the section headed "Certain key financial information relating to the Group" in this announcement. Attributable in part to the increase in the range of SOT and DFN packages product offerings, the turnover contributed by self-manufactured third- and fourth-generation mainstream packages during the three years ended 31 December 2016 amounted to approximately 13.5%, 37.9% and 44.6% of the Group's turnover from sale of self-manufactured products for the years ended 31 December 2014, 2015 and 2016 respectively.

Despite the increases in turnovers and gross profits attributable to the sale of its self-manufactured products, and the increasing proportion of sale attributable to third- and fourth-generation mainstream packages during the three years ended 31 December 2016, there were some fluctuations in the gross profit margins of the Group's self-manufactured products during these periods. Such fluctuations were primarily the result of varying types and volumes of self-manufactured products (which carry different gross profit margins) sold by the Group to the customers during those periods. Some of the Group's self-manufactured products, such as certain products in the SOT26, DFN1006 and DFN0603 product series, generally carry a higher profit margin (which is primarily a function of production costs which in turn is affected by product specifications required by the customers) when compared to its other self-manufactured products. For the year ended 31 December 2016, the average gross profit margin from the Group's sale of self-manufactured SOT26, DFN1006 and DFN0603 product series ranged from approximately 45.4% to 75.2%. If customers in a given period have, in the aggregate, ordered more products that carry a relatively lower profit margin than those which carry a relatively higher profit margin, the Group's overall profit margin for that period will be less notwithstanding that the actual order volume and profit may have actually increased. Going forward, the Company expects that the overall gross profit margin of its self-manufactured products may experience similar fluctuations

subject to different matrix of demands by its customers from time to time. Notwithstanding such fluctuations, the Group's gross profit has generally improved over the three years ended 31 December 2016, and that the gross profit margins of its self-manufactured products are generally higher than that for its trading products during these periods. With an aim to maintaining the Group's profitability, the Group continues its business strategies to focus on the development of its self-manufactured products, particularly for those with higher profit margins, e.g. the DFN series packages and the SOT26 packages, after the Transfer of Listing, including expansion of production lines by acquisition of new machines or adjustment on existing machines and expansion of customer base by attending products exhibitions. The Group will also continue to deploy its resources on developing new technologically advanced products, e.g. new DFN series packages, and diversify its presence in industries which the Group consider to have high potential, e.g. in 2016, the Group has successfully established business contacts with battery manufacturers in the automotive industry and has since started supplying products to them.

In terms of geographic presence, the PRC and Korea remained the Group's major target markets, accounting for approximately 80.2%, 74.3% and 66.5% of the Group's total turnover for the years ended 31 December 2014, 2015 and 2016. The Group's presence in Hong Kong has also become more important during the three years ended 31 December 2016 and approximately 9.3%, 10.6% and 21.9% of the Group's total turnover were derived from sales in Hong Kong during these years, respectively, which was primarily attributable to the expansion of the Group's production lines and commencement of mass production of certain products, including but not limited to DFN1006, SOT563 and SMAF packages during the three years ended 31 December 2014, 2015 and 2016, which led to increased sales during these periods. For the three months ended 31 March 2017, the Korean market remained the largest target market of the Group, accounting for approximately 43.2% of the Group's turnover during the period, followed by Hong Kong and the PRC markets, respectively accounting for approximately 24.1% and 23.4% of the Group's total turnover during the period. As at 31 March 2017, the Group has a total of 128 customers located in Korea, PRC, Hong Kong, other Asian markets including Thailand, Vietnam and Taiwan, and Europe.

The Group expects that Korea, the PRC and Hong Kong will remain the Group's main target markets and will continue to expand its presence in other regions if it is in the commercial interest of the Group to do so and will continue its promotion efforts such as participating in electronics and computer products exhibitions and placing advertisements in selected digital and print media.

BUSINESS OBJECTIVES AND STRATEGIES

In line with the above, looking forward, the Group will continue its business objectives and strategies as disclosed in the Prospectus, including:

- continue to increase sales of its self-manufactured products and penetrate markets with growth opportunities;
- continue to introduce technologically advanced products and diversify its presence in industries which the Company considers having high potential;
- continue to focus on value-added services to customers; and
- continue to attract and retain top talent in the industry.

The Group will continue its effort in further expanding its production facilities with a view to achieving further growth for the Group through increasing the production capacity for selected products, and offering new products to capture a wider customer base. In addition to the manufacturing business, the Group will continue to operate its trading business to complement sales of its self-manufactured products.

The Group also intends to maintain and continue to build the Group's knowledge base of designs and engineering solutions to expand the range of value-added services and strengthen the quality of products and services the Group delivers. To achieve this goal, the Group intends to increase the Group's investment in its engineering and quality management team via, for example, acquisition of additional reliability testing facilities and recruiting additional experts as and when appropriate to enhance application and development capabilities so that the Group can offer the most efficient value-added services to its customers.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in implementing the Group's business strategies include the following:

- (i) as technology evolves and as part of the expansion of the Group's business, the Group may introduce additional products in its product offering range in the future, some of which may require more technologically advanced production facilities. The Group's existing production facilities and machinery may therefore become gradually obsolete, and the Group will be required to incur additional capital expenditure to invest in new product facilities and machinery;
- (ii) the overall gross profit margin of the Group's self-manufactured products may experience fluctuations subject to different matrix of demands by its customers from time to time. In addition, when a more technologically advanced replacement product is introduced to the market, the demand for the existing products being replaced may decrease, and hence adversely affect the product's gross profit margin;
- (iii) if the Group is unable to obtain additional packaging equipment or facilities in a timely manner and at a reasonable cost, its competitiveness and future profitability could be adversely affected;
- (iv) the Group's production capacity may not correspond precisely to its production demands, and any significant increase in its idle or unutilised production capacity during any particular period could adversely affect the Group's operating results in that period; and
- (v) the Group relies on the stable operation of its production facilities and there is no assurance that its production would be free of disruptions in the future.

In addressing these risks and uncertainties, the Group will take a cautious approach when considering new purchases of equipment and machinery and will only do so if and when the Directors consider it to be in the interest of the Group to do so. The Group has also implemented a maintenance system for its facilities and equipment, which includes regular maintenance and repairs, and regular inspections of facilities and equipment. This allows the Group to operate its production lines at optimal levels. The Group carries out routine cleaning and maintenance of its equipment to enhance its useful life. The Group also conducts major annual maintenance work. The Group's maintenance system aims to maintain operational efficiency and high-quality control standards.

The other risks and uncertainties incidental to the Group's business operations are detailed further in the Prospectus.

USE OF PROCEEDS FROM THE PLACING

The Company has raised net proceeds of approximately HK\$40.8 million from the Placing and apart from the portion ear-marked as the Group's general working capital, all proceeds from the Placing were intended to be applied towards expansion of the Group's existing production facilities and establishing new product lines and to the extent utilised, had been so applied during the years ended 31 December 2015 and 31 December 2016.

As of 31 December 2015, approximately HK\$6.0 million from the net proceeds of the Placing has been applied towards the purchase of equipment for the expansion of the Group's production lines including its existing SOT26 and DFN1006 packages, as well as its DFN0603 and SOT563 packages which were newly-introduced at the time. The amount utilised was higher than that stated in the Prospectus (being HK\$2.2 million) and this is primarily attributable to the Group's pushing forward of its SOT563 production line development plan (originally scheduled to be developed in 2017 but was pushed forward in light of customers' indication of demand and advance orders for SOT563 packages as disclosed in the 2015 Annual Report).

During the year ended 31 December 2016, approximately HK\$17.0 million from the net proceeds of the Placing has been applied towards the purchase of equipment for the expansion of the Group's production lines including that for its SOT26, DFN1006 and DFN0603 packages, and its SOT563 packages (which has been pushed forward from 2017 as originally scheduled in light of customers' demand). The amount utilised during the year was higher than that stated in the Prospectus (being HK\$15.96 million) and this is primarily attributable to the Group's deployment of resources towards the development of its SOT563 production line which commenced mass production in the first quarter of 2016, as disclosed in the 2016 Annual Report.

The unutilised portion of the net proceeds of approximately HK\$7.1 million as at 31 December 2016 has been placed as interest-bearing deposits with a licensed bank in Hong Kong. The Company intends to utilise such remaining proceeds towards expansion/establishment of production facilities. As discussed in the 2016 Annual Report, the management has evaluated the expansion of the Group's product offering to include SOT723 packages, and after studying the market indication of interests in SOT723 packages at the time, the management has decided to expand and will, in the deployment of resources (including the utilisation of the unused portion of the net proceeds from the Placing as stated above), prioritise further expansion of the Group's more profitable DFN1006 series packages production lines in light of market indication of an increasing demand, and put on hold the setting up of the new SOT723 packages production line (stated in the Prospectus to be scheduled for developed in 2017) subject to any increase in further demand.

LEGAL AND REGULATORY COMPLIANCE

As advised by the Company's PRC legal adviser, as at the Latest Practicable Date, the Group has (i) obtained all applicable licenses, permits or certificates necessary to conduct business in the PRC; and (ii) complied with all relevant laws and regulations in all material aspects in its operations in the PRC and the terms and conditions set out in the relevant approvals or licenses granted.

The Company has engaged a tax consultant which is an independent third party to review on an annual basis the Group's tax compliance matters and transfer pricing policies so as to evaluate the Group's compliance with applicable major tax regulations and transfer pricing guidelines for the years ended 31 December 2014, 2015 and 31 December 2016. The tax consultant has concluded, after, among others, reviewing the annual related party transactions engaged by members of the Group and performing benchmarking analysis of the Group's intra-group sales and purchase transactions and conducting the benchmarking checking, that the Group is in compliance with the relevant transfer pricing guidelines in Hong Kong and the PRC for the years ended 31 December 2015 and 31 December 2016 as applicable. As at the Latest Practicable Date, the Directors were not aware of any inquiry, audit or investigation by any tax authority in the PRC or Hong Kong with respect the Group's intra-group transactions.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from 9 October 2015, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence. All activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM is Thursday, 20 July 2017. Dealings in the Shares on the Main Board (Stock code: 2203) will commence at 9:00 a.m. on Friday, 21 July 2017.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 10,000 Shares each and are traded in Hong Kong dollars. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the Hong Kong branch share registrar and transfer office (which is Tricor Investor Services Limited) of the Company following the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 23 September 2015. Pursuant to the Share Option Scheme, the Board may, at its discretion, grant options to any qualifying participants (including but not limited to any directors (including executive directors, non-executive directors and independent non-executive directors) and any employees of the Group and any person who, in the sole discretion of the Board, have contributed or will contribute to the Group) entitling them to subscribe for the Shares. As at the date of this announcement, no options have been granted pursuant to the Share Option Scheme and the Company may grant options entitling grantees to subscribe for a maximum of 80,000,000 Shares.

The listing of the Shares which may fall to be issued upon exercise of options that may be granted pursuant to the Share Option Scheme will also be transferred to the Main Board. Save as aforesaid, the Company has not issued any options, warrants or similar rights or convertible equity securities the underlying Shares of which will be transferred to the Main Board.

The Share Option Scheme will remain effective after the Transfer of Listing and will be implemented in full compliance with Chapter 17 of the Listing Rules.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders at the annual general meeting of the Company held on 26 May 2017 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

COMPETING INTERESTS

As at the date of this announcement, none of the controlling shareholders of the Company or the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group which is discloseable pursuant to Rule 9A.09 (10) of the Listing Rules.

BIOGRAPHICAL INFORMATION OF DIRECTORS

The Company discloses below the biographical information of each Director:

EXECUTIVE DIRECTORS

Mr. Chow Hin Keong

Mr. Chow Hin Keong, aged 54, was appointed as an executive Director on 10 September 2014 and is a co-founder of our Group, the Chairman of the Board and an executive Director. Mr. Chow Hin Keong is responsible for formulating our Group's overall strategic plans and overseeing its overall business development and policy-setting. He has also been a director of TD Int'l (BVI) since 30 November 2012 and director of TD Enterprises, TD Electronics and Top Empire since 29 December 2014. Mr. Chow Hin Keong is also a director and the sole shareholder of Platinum Dynamic, one of the controlling shareholders of the Company. Mr. Chow Hin Keong is the elder brother of Mr. Chow Hin Kok, who is an executive Director and the Chief Executive Officer of the Company.

Mr. Chow Hin Keong has over 25 years of experience in the semiconductor industry. Mr. Chow Hin Keong co-founded our Group in 2012 with Mr. Chow Hin Kok, his younger brother. Prior to the establishment of our Group, Mr. Chow Hin Keong founded SAG Components Sdn Bhd ("SAG"), a trading company in Malaysia in 1994 which is principally engaged in the trading of various electronic components including but not limited to semiconductors deploying second generation or below production technology, resettable fuses, speakers, and switches to markets such as Malaysia, Singapore and Indonesia. Mr. Chow Hin Keong worked for Goldentech Discrete Semiconductor Co., Ltd., an electronic components production company and acquired his first experience in the semiconductor industry through his then responsibilities in sales and marketing. Mr. Chow Hin Keong accumulated and gained further experience in the semiconductor industry during his service at SAG from 1994 to 2014 when he was primarily responsible for the operation, management and marketing of the trading of electronic components including semiconductor products. Mr. Chow Hin Keong obtained a degree of bachelor of arts in economics from Tunghai University, Taiwan in June 1988.

Mr. Chow Hin Keong was a director of the companies below, which were struck off and dissolved as these companies ceased to carry on business. As confirmed by Mr. Chow Hin Keong, each of these companies was either inactive or dormant at the time when they were dissolved and so far as he was aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against him.

Name of company	Place of incorporation	Date of dissolution	Nature of business before dissolution
True Glamour Sdn Bhd	Malaysia	14 October 1999	Dormant
Century Matrix Sdn Bhd	Malaysia	27 March 2008	Inactive
Cherrydeer Intertrade Sdn Bhd	Malaysia	21 October 2011	Inactive

As of the date of this announcement, Mr. Chow Hin Keong is deemed, for the purpose of Part XV of the SFO, to be interested in 37.5% of the total issued Shares of the Company through the holding of such Shares by Platinum Dynamic which is wholly-owned by him. On 23 September 2015, Mr. Chow Hin Keong entered into a service contract with the Company for a three-year term and his appointment may be terminated by Mr. Chow Hin Keong or the Company giving not less than three months' notice in writing. Pursuant to the service contract, Mr. Chow Hin Keong is entitled (subject to review) to a fixed salary of HK\$1,200,000 per annum, one month's salary, and a discretionary year-end bonus based on the Company's performance. Mr. Chow Hin Keong's remuneration package is generally structured by reference to market terms and individual merits.

Save as disclosed above, as of the date of this announcement, Mr. Chow Hin Keong (i) does not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (ii) does not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Chow Hin Kok

Mr. Chow Hin Kok, aged 51, was appointed as an executive Director on 10 September 2014 and is a co-founder of our Group, an executive Director and the Chief Executive Officer of the Company. Mr. Chow Hin Kok is responsible for overseeing our Group's business operations, its overall sales and marketing strategies and its engineering, production and product development. Mr. Chow Hin Kok co-founded our Group in 2012 with Mr. Chow Hin Keong, his elder brother. He has also been a director of TD Enterprises, TD Electronics, Top Empire since 2 January 2014, Dongguan Jia Jun since 21 April 2013, and TD Int'l (BVI) since 30 November 2012. Mr. Chow Hin Kok is also a director and the sole shareholder of Silver Dynamic, one of the controlling shareholders of the Company. Mr. Chow Hin Kok is the younger brother of Mr. Chow Hin Keong, who is the Chairman of the Board and an executive Director.

In 1995, Mr Chow Hin Kok joined SAG, the Malaysian trading company founded by Mr. Chow Hin Keong, which is principally engaged in the sale of various electronic components, including but not limited to semiconductor products, first as its sales manager and subsequently as its sales director. During his service at SAG from 1995 and 2014, Mr. Chow Hin Kok was able to gain experience in the semiconductor industry as Mr. Chow Hin Kok was primarily responsible for the sales of electronic components including semiconductor products.

Mr. Chow Hin Kok was a director of Cherrydeer Intertrade Sdn Bhd, which was a company incorporated in Malaysia and dissolved by striking off on 21 October 2011 as it ceased to carry on business. As confirmed by Mr. Chow Hin Kok, the company was inactive at the time of its dissolution and so far as he was aware, the dissolution of Cherrydeer Intertrade Sdn Bhd has not resulted in any liability or obligation being imposed against him.

As of the date of this announcement, Mr. Chow Hin Kok is deemed, for the purposes of Part XV of the SFO, to be interested in 37.5% of the total issued Shares of the Company through the holding of such Shares by Silver Dynamic, a corporation wholly-owned by him. On 23 September 2015, Mr. Chow Hin Kok entered into a service contract with the Company for a three-year term and his appointment may be terminated by Mr. Chow Hin Kok or the Company giving not less than three months' notice in writing. Pursuant to the service contract, Mr. Chow Hin Kok is entitled (subject to review) to a fixed salary payable in Hong Kong dollars as to HK\$960,000 per annum, and in Renminbi as to RMB240,000 per annum, one month's salary in the sum of HK\$80,000, and a discretionary year-end bonus based on the Company's performance. Mr. Chow Hin Kok's remuneration package is generally structured by reference to market terms and individual merits.

Save as disclosed above, as of the date of this announcement, Mr. Chow Hin Kok (i) does not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (ii) does not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Sau Ying

Ms. Wong Sau Ying (“Ms. Wong”), aged 47, was appointed as an independent non-executive Director on 23 September 2015 and is responsible for providing independent opinion and judgment on the issues of strategy, performance, resources and standard of conduct of our Group.

Ms. Wong became an associate member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in October 1995, and a fellow member of the Association of Chartered Certified Accountants in November 2000. After graduating from City Polytechnic of Hong Kong (now known as the City University of Hong Kong) with a Bachelor’s Degree in Accountancy in November 1992, she commenced her career working with Horwath & Company, an international audit firm. From 1993 to 1997, she worked at New Horizon Associates Ltd., a Hong Kong-based management consultancy company firstly as an accountant and subsequently as an accounting manager. She graduated in February 1999 with a Master’s Degree in Business Administration at the University of Hull of the United Kingdom. In 1999, she joined the Hong Kong office of G4S (Hong Kong – Holding) Ltd (“G4S”), a multi-national security solutions service provider, firstly as its finance manager and subsequently as its finance director for the Hong Kong and Macau regions. Apart from finance functions, she had a broad range of responsibilities during her employment with G4S including contract management, information technology, business support services and company secretarial functions. From June 2014 up to June 2016, she has been managing a group of companies with business in property investment, consultancy and management services, with accounting, taxation, company secretarial and other consultancy responsibilities. On 4 July 2016, she re-joined G4S as head of Finance, Greater China.

Ms. Wong was a director of the companies below, which were dissolved by way of striking off or deregistration as these companies ceased to carry on business. As confirmed by Ms. Wong, each of these companies was inactive at the time when they were dissolved and so far as she was aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against her.

Name of company	Place of incorporation	Date of dissolution	Nature of proceeding	Nature of business before dissolution
Kenstar Properties Limited (僑星置業有限公司)	Hong Kong	18 May 2001	striking off	Inactive
Gate Link Limited (浩機有限公司)	Hong Kong	18 February 2015	deregistration	Inactive

On 23 September 2015, Ms. Wong entered into a letter of appointment with the Company for a three-year term and her appointment may be terminated by Ms. Wong or the Company by giving not less than three months' prior notice in writing. Ms. Wong is entitled to a director's fee of HK\$120,000 per annum pursuant to the letter of appointment. Ms. Wong's remuneration package is generally structured by reference to market terms.

Save as disclosed above, as of the date of this announcement, Ms. Wong (i) has no interests in Shares within the meaning of Part XV of the SFO; (ii) does not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) does not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Chan Mei Po

Ms. Chan Mei Po ("Ms. Chan"), aged 46, was appointed as an independent non-executive Director on 23 September 2015 and is responsible for providing independent opinion and judgment on the issues of strategy, performance, resources and standard of conduct of our Group.

Ms. Chan has over 13 years of operation and business management experience. Since March 2001, she has been responsible for formulating the business strategies, as well as managing the day-to-day operations of AB Creative Depot Limited, a company engaged in public relation service, promotions, consultancy services and consignment of goods, as its director. In January 2010, she joined I & M International Limited and worked as its general manager, a company providing public relations, market research and event organisation services. Her responsibilities include formulating business strategies and overseeing its business operations. In April 2012, Ms. Chan founded 4448 Finger Marketing Limited, a brand management company providing brand building and related services and has acted as its director.

Ms. Chan obtained a Master's Degree in Business Administration from the University of South Australia in October 2009. She also holds a diploma in general business awarded by the Seneca College of Applied Arts and Technology, Canada, in August 1995.

Ms. Chan was a director of the companies below, which were dissolved by way of deregistration as these companies ceased to carry on business. As confirmed by Ms. Chan, each of these companies was inactive at the time when they were dissolved and so far as she was aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against her.

Name of company	Place of incorporation	Date of dissolution	Nature of proceeding	Nature of business before dissolution
AP Creative Factory Limited	Hong Kong	8 September 2006	deregistration	Inactive
Get Magazine Limited	Hong Kong	8 August 2003	deregistration	Inactive

On 23 September 2015, Ms. Chan entered into a letter of appointment with the Company for a three-year term and her appointment may be terminated by Ms. Chan or the Company by giving not less than three months' prior notice in writing. Ms. Chan is entitled to a director's fee of HK\$120,000 per annum pursuant to the letter of appointment. Ms. Chan's remuneration package is generally structured by reference to market terms.

Save as disclosed above, as of the date of this announcement, Ms. Chan (i) has no interests in Shares within the meaning of Part XV of the SFO; (ii) does not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) does not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Man Oi Yuk Yvonne

Ms. Man Oi Yuk Yvonne ("Ms. Man"), aged 48, was appointed as an independent non-executive Director on 23 September 2015 and is responsible for providing independent opinion and judgment on the issues of strategy, performance, resources and standard of conduct of our Group.

Ms. Man became a fellow member of the Hong Kong Institute of Certified Public Accountants in March 2001, an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators in October 2003, and the Institute of Chartered Accountants in England and Wales in February 2008. Ms. Man has over 25 years of experience in the accounting, taxation and audit field and in 2017, she became an audit partner of F.S. Li & Co., certified public accountants, for whom Ms. Man has worked for more than 20 years. From February 2013 to March 2014, she worked as the company secretary of Amax International Holdings Limited, a company listed on the Stock Exchange (stock code: 959). Ms. Man is the holder of a degree of Master of Professional Accounting awarded by the Hong Kong Polytechnic University in November 2000.

On 23 September 2015, Ms. Man entered into a letter of appointment with the Company for a three-year term and her appointment may be terminated by Ms. Man or the Company by giving not less than three months' prior notice in writing. Ms. Man is entitled to a director's fee of HK\$120,000 per annum pursuant to the letter of appointment. Ms. Man's remuneration package is generally structured by reference to market terms.

Save as disclosed above, as of the date of this announcement, Ms. Man (i) has no interests in Shares within the meaning of Part XV of the SFO; (ii) does not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) does not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed herein, there are no other matters concerning each of the Directors' directorship with the Company that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other material matters relating to the Directors that need to be brought to the attention of the Shareholders.

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

The Company has sought a waiver from strict compliance with Rule 8.12 of the Listing Rules in relation to the Transfer of Listing.

Pursuant to Rule 8.12 of the Listing Rules, a new applicant for primary listing on the Stock Exchange must have sufficient management presence in Hong Kong and, under normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. As the two executive Directors of the Company are not ordinarily resident in Hong Kong, the Company applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules based on the reasons summarised as follows:–

- (a) the Group's manufacturing facilities are located in the PRC and has rented an office in Hong Kong as business and administrative support of its facilities in the PRC;
- (b) the two executive Directors of the Company are ordinarily resident in Malaysia and have, since the commencement of business of the Group, travelled to the PRC and Hong Kong from time to time for the purpose of managing the Group's operations. The independent non-executive Directors of the Company and its company secretary are ordinarily resident in Hong Kong;
- (c) the two executive Directors of the Company possess valid travel documents which enable them to travel to Hong Kong to meet with the Stock Exchange on reasonable notice if required;
- (d) as disclosed in the annual report 2016 of the Company published on 9 March 2017, the manufacturing business of the Group remains its principal business focus and the sale of its self-manufactured products accounted for approximately 79.0% of the Group's total turnover for the year ended 31 December 2016;
- (e) if additional executive Directors were to be appointed merely for the purpose of satisfying Rule 8.12 of the Listing Rules, the Company does not consider that such additional appointments to be conducive to the efficient monitoring and development of the Group's business, as the Group's principal business activities are being conducted in the PRC;
- (f) the Company has certain internal arrangements in place to ensure effective communication between the Company and the Stock Exchange and that all members of the Board can be promptly informed of any matters raised by the Stock Exchange;
- (i) the Company has appointed Ms. Lam Yuk Yee (its company secretary and chief financial officer) as one of the Company's authorised representatives under Rule 3.05 of the Listing Rules and who, together with Mr. Chow Hin Keong (an executive Director), will act as the principal channel of communication with the Stock Exchange. Ms. Lam Yuk Yee is ordinarily resident in Hong Kong and will accept service of processes and notices in Hong Kong for and on behalf of the Company. She will also be available to meet with the Stock Exchange

in Hong Kong within a reasonable time frame at the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Mr. Chow Hin Keong, who is not ordinarily resident in Hong Kong, will be readily contactable by the Stock Exchange and be able to make himself available in Hong Kong on reasonable notice to deal with enquiries from the Stock Exchange from time to time;

- (ii) the authorised representatives of the Company will have means to contact all members of the Board promptly as and when the Stock Exchange wishes to contact the Directors. In order to enhance communication between the Company and the Stock Exchange, all directors have provided to the authorised representatives and the Stock Exchange their contact details; and
- (iii) both executive Directors of the Company, who are not ordinarily resident in Hong Kong, have confirmed that they possess and will procure they possess going forward valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required.

The Stock Exchange has granted such waiver subject to the Company adopting the following arrangements to maintain regular communications with the Stock Exchange:–

- (i) the authorised representatives of the Company will act as the principal channel of communication with the Stock Exchange;
- (ii) the authorised representatives of the Company shall have means for contacting all Directors promptly at all times and when the Stock Exchange wishes to contact the Directors on any matters;
- (iii) Directors who are not ordinary residents in Hong Kong possess valid travel documents to visit Hong Kong and can meet with the Stock Exchange upon a reasonable notice period;
- (iv) each Director will provide his/her mobile phone number, office phone number, fax number and e-mail addresses to the Stock Exchange; and
- (v) the Company will continue to retain other professional advisers (including legal advisers) after the Transfer of Listing to assist the Company in dealing with any questions which may be raised by the Stock Exchange.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for viewing on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.topdynamicintl.com>:

- (a) the annual report of the Company for the year ended 31 December 2016 including, inter alia, the directors' report and the consolidated financial statements for the year ended 31 December 2016;
- (b) the interim report of the Company for the six months ended 30 June 2016 and the first quarterly report of the Company for the three months ended 31 March 2017;
- (c) the memorandum and articles of association of the Company;
- (d) the circulars of the Company dated 29 March 2016 and 21 April 2017 respectively in relation to general mandates for the issue of new Shares and the repurchase of Shares, and re-election of retiring Directors;
- (e) the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Listing Rules.

DEFINITIONS

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

“ABF”	a very thin type of bridge rectifier package which is manufactured using clip bonding technique for more advanced thinner portable electronic devices
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Top Dynamic International Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM as of the date of this announcement
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“DFN”	dual flat no lead packages, which have leads on only two opposing package sides
“Directors”	the director(s) of the Company
“Dongguan Jia Jun”	東莞市佳駿電子科技有限公司(Dongguan Jia Jun Electronic Technology Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time

“Group” or “we”, “our”, “us”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Korea”	the Republic of Korea
“Latest Practicable Date”	29 June 2017, being the latest time before publication of this announcement for ascertain certain matters herein
“Listing”	the listing of the Shares on GEM on 9 October 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Placing”	the placing of Shares by the Company in connection with the Listing, the particulars of which are set out in the Prospectus
“Platinum Dynamic”	Platinum Dynamic Investments Ltd, a company incorporated in the BVI wholly-owned by Mr. Chow Hin Keong, Chairman of the Board and an executive Director, and is one of our controlling shareholders (as defined under the Listing Rules)
“PRC”	The People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus dated 30 September 2015 issued by the Company in respect of the Listing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 23 September 2015
“Shareholder(s)”	holder(s) of the Share(s)
“Silver Dynamic”	Silver Dynamic Investments Ltd, a company incorporated in the BVI wholly-owned by Mr. Chow Hin Kok, an executive Director and the Chief Executive Officer of the Company, and is one of our controlling shareholders of the Company (as defined under the Listing Rules)
“SMA”	a small outline plastic surface mount package diode which is mainly used in traditional power circuit
“SMAF”	a flat lead small outline plastic surface mount package diode with a thinner body, which is manufactured using clip bonding technique. SMAF has a getter stability electrical characteristic than traditional SMA
“SOT”	small outline transistor, a type of small size, lead, and surface mount discrete semiconductor packages
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“TD Electronics”	Top Dynamic Electronics Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Top Empire”	Top Empire Management Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“TD Enterprises”	Top Dynamic Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“TD Int’l (BVI)”	Top Dynamic International (BVI) Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Transfer of Listing”	the transfer of listing of the Shares from GEM to the Main Board

* *The English translation of the company name is for reference only. The official name of this Company is in Chinese.*

By Order of the Board of
TOP DYNAMIC INTERNATIONAL HOLDINGS LIMITED
Chow Hin Keong
Chairman

Hong Kong, 30 June 2017

As at the date of this announcement, the executive Directors are Mr. Chow Hin Keong and Mr. Chow Hin Kok; and the independent non-executive Directors are Ms. Wong Sau Ying, Ms. Chan Mei Po and Ms. Man Oi Yuk Yvonne.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules and GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

*This announcement will remain on the GEM website at **<http://www.hkgem.com>** on the “Latest Company Announcements” page for seven days from the date of its posting and will also be published on the Company’s website at **<http://www.topdynamicintl.com>**.*