TOPSEARCH INTERNATIONAL (HOLDINGS) LIMITED
至卓國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors ("Board" or "Directors") of Topsearch International (Holdings) Limited ("Company") is pleased to announce the audited consolidated results and financial positions of the Company and its subsidiaries ("Group") for the year ended 31 December 2015 together with comparative figures of 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Revenue	*4*	**566,630**	610,340
Cost of sales		**(537,380)**	(600,317)
Gross profit		**29,250**	10,023
Other income	*5*	**10,240**	12,245
Other gains and losses	*6*	**(9,304)**	(30,082)
Selling and distribution costs		**(45,473)**	(50,549)
Administrative expenses		**(107,894)**	(84,826)
Share of results of associates		**(76)**	(5,211)
Gain on disposal of interest in an associate		**156,505**	—
Finance costs	*7*	**(17,380)**	(14,899)
Profit/(loss) before income tax expense	*8*	**15,868**	(163,299)
Income tax expense	*10*	**(2,413)**	(3,295)
Profit/(loss) for the year		**13,455**	(166,594)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(44,013)**	(21,291)
Share of other comprehensive income of associates		**(4,626)**	470
Release of translation reserve included in profit or loss upon disposal of an associate		**(2,788)**	—
Net other comprehensive income to be reclassified subsequently to profit or loss for the year		**(51,427)**	(20,821)

* *for identification purpose only*

	Note	2015 HK$'000	2014 HK$'000
Item that will not be reclassified to profit or loss:			
Gain on revaluation of property, plant and equipment		**10,435**	5,831
Income tax effect		**(4,067)**	—
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**6,368**	5,831
Other comprehensive income for the year, net of tax		**(45,059)**	(14,990)
Total comprehensive income for the year		**(31,604)**	(181,584)
Profit/(loss) for the year attributable to:			
Owners of the Company		**17,904**	(161,895)
Non-controlling interests		**(4,449)**	(4,699)
		13,455	(166,594)
Total comprehensive income attributable to:			
Owners of the Company		**(27,220)**	(176,810)
Non-controlling interests		**(4,384)**	(4,774)
		(31,604)	(181,584)
Earnings/(loss) per share	12		
Basic and diluted		**HK1.79 cents**	(HK16.19 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**286,124**	482,068
Payments for leasehold land held for own use under operating leases		**3,866**	22,131
Interests in associates		**—**	109,403
Rental and utility deposits		**215**	840
Available-for-sale financial assets		**1,857**	1,857
Deposits paid for acquisition of property, plant and equipment		**186**	198
Total non-current assets		**292,248**	616,497
CURRENT ASSETS			
Inventories		**77,004**	96,086
Payments for leasehold land held for own use under operating leases		**127**	582
Trade receivables	*13*	**104,814**	102,218
Prepayments, deposits and other receivables		**18,259**	21,963
Bank balances and cash		**96,985**	94,722
		297,189	315,571
Assets of disposal groups classified as held for sale	*15*	**217,680**	—
Total current assets		**514,869**	315,571
CURRENT LIABILITIES			
Trade payables	*14*	**93,089**	180,136
Other payables and accruals		**78,667**	100,499
Tax payable		**2,430**	136
Shareholder's loans		**94,698**	—
Interest-bearing bank loans		**152,510**	101,616
Obligation under finance leases		**3,338**	4,095
		424,732	386,482
Liabilities of disposal groups classified as held for sale	*15*	**37,435**	—
Total current liabilities		**462,167**	386,482
NET CURRENT ASSETS/(LIABILITIES)		**52,702**	(70,911)
TOTAL ASSETS LESS CURRENT LIABILITIES		**344,950**	545,586

	2015	2014
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Shareholder's loans	—	95,661
Interest-bearing bank loans	—	75,000
Obligation under finance leases	**574**	3,012
Deferred tax liabilities	**4,067**	—
Total non-current liabilities	**4,641**	173,673
NET ASSETS	**340,309**	371,913
CAPITAL AND RESERVES		
Share capital	**100,000**	100,000
Reserves	**252,505**	279,725
Equity attributable to owners of the Company	**352,505**	379,725
Non-controlling interests	**(12,196)**	(7,812)
TOTAL EQUITY	**340,309**	371,913

Notes:

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The directors of the Company consider that its immediate holding company and ultimate holding company as at 31 December 2015 was lnni International Inc., which is incorporated in Liberia. Its ultimate controlling party was Mr. Cheok Ho Fung, an executive director and chief executive officer of the Company.

The principal activities of the Group are manufacturing and sale of a broad range of printed circuit boards.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs (defined below), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(b) Basis of measurement and going concern assumption

The financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of amendments to HKFRSs — first effective on 1 January 2015

During the year, the Group has adopted the following amendments to HKFRSs which are first effective for the current year:

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions

The adoption of these amendments has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15	Revenue from Contracts with Customers[2]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Mandatory effective date is yet to be determined but early application is permitted

Amendments to HKAS 1 — Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to HKAS 16 and HKAS 38 — Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries and associates in its separate financial statements.

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The directors of the Company have so far concluded that the application of these new pronouncements will have no material impact on the Group's financial statements.

(c) New Hong Kong Companies Ordinance provisions relating to the disclosure requirements for financial statements

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the disclosure requirements for financial statements apply to the Company in this financial year.

The directors of the Company consider that there is no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

4. SEGMENT INFORMATION

(a) Reportable segments

No segment information is presented as the manufacture and sale of printed circuit boards is the only operating segment of the Group. The Group's chief operating decision maker (the Chief Executive Officer of the Group) regularly reviews the consolidated results of the Group as a whole for the purposes of resource allocation and assessment of performance. The Group considered that there is only one reportable operating segment with the segment revenue, segment results, segment assets and segment liabilities the same as the revenue, profit/(loss) for the year, total assets and total liabilities respectively as reported in the consolidated financial statements.

(b) Geographical information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets").

	Revenue from external customers *(Note)*		**Specified non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**55,557**	52,008	**2,519**	10,546
The People's Republic of China ("PRC")	**78,136**	69,687	**287,872**	604,094
Singapore	**26,304**	135,555	—	—
Thailand	**62,803**	90,596	—	—
Malaysia	**68,885**	89,247	—	—
Germany	**73,537**	47,876	—	—
Poland	**54,169**	17,811	—	—
Other European Countries	**46,320**	38,385	—	—
United States of America	**36,488**	22,105	—	—
Taiwan	**1,345**	10,869	—	—
Korea	**19,413**	21,608	—	—
Others	**43,673**	14,593	—	—
Total	**511,073**	558,332	**287,872**	604,094
	566,630	610,340	**290,391**	614,640

Note: Revenue is attributed to countries on the basis of the customer's location.

(c) Information about major customer

Revenue from customer individually contributing over 10% of the total sales of the Group is as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**92,360**	157,622

5. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Interest income	**329**	306
Government grants *(Note)*	**132**	3,371
Tooling income	**6,540**	5,280
Compensation received from insurance claims	**1,767**	—
Others	**1,472**	3,288
	10,240	12,245

Note: The government grants mainly represent reimbursement of export credit insurance paid under a concession policy in Guangdong province, the PRC.

6. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Net exchange gains	**17,176**	10,128
Impairment loss on trade receivables	**(841)**	(1,673)
Net gain on disposal of property, plant and equipment	**13**	1,044
Gain on revaluation of property, plant and equipment	**7,816**	7,151
Impairment loss on property, plant and equipment	**(31,890)**	(50,000)
Others	**(1,578)**	3,268
	(9,304)	(30,082)

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on:		
Bank loans	**10,254**	7,482
Shareholder's loans	**6,660**	6,991
Obligation under finance leases	**466**	426
	17,380	14,899

8. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

This is arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Auditor's remuneration		
— Current year	**950**	930
— Under-provision in prior years	**125**	160
— Others	**301**	280
	1,376	1,370
Cost of inventories recognised as expenses	**299,199**	344,258
Write-down of inventories	**3,095**	723
Employee costs *(Note 9)*	**200,679**	173,575
Depreciation of property, plant and equipment	**30,883**	33,438
Release of payments for leasehold land held for own use under operating leases	**575**	587
Minimum lease payments under operating leases on land and buildings	**5,253**	5,296

9. EMPLOYEE COSTS

	2015	2014
	HK$'000	*HK$'000*
Employee costs (including directors' remuneration) comprise:		
Wages and salaries	**143,179**	145,166
Contributions to retirement benefits scheme	**19,384**	15,237
Provision for employee termination benefits	**31,478**	5,764
Other staff benefits	**6,638**	7,408
	200,679	173,575

10. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2015	2014
	HK$'000	*HK$'000*
Current tax — PRC Enterprise Income Tax		
— tax for the year	**2,549**	3,216
— (over)/under-provision in prior years	**(136)**	79
Income tax expense	**2,413**	3,295

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years. No Macau profits tax has been provided as the Macau subsidiary of the Company is exempted from Macau Complementary Tax for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25%.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2015 (2014: HK$Nil).

12. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Earnings/(loss) for the purpose of basic earnings/(loss) per share	**17,904**	(161,895)

	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**1,000,000,000**	1,000,000,000

Basic and diluted earnings/(loss) per share are equal as there is no potential dilutive ordinary share in issue for both years and as at 31 December 2014 and 2015.

13. TRADE RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**107,317**	103,945
Less: Allowance for doubtful debts	**(2,503)**	(1,727)
	104,814	102,218

Customers are generally granted with credit terms of 30 to 120 days. The ageing analysis of trade receivables based on invoice date (net of allowance for doubtful debts) at the end of reporting period is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 — 30 days	**43,948**	41,311
31 — 60 days	**37,620**	38,842
61 — 90 days	**20,586**	19,999
Over 90 days	**2,660**	2,066
	104,814	102,218

14. TRADE PAYABLES

The ageing analysis of trade payables based on invoice date at the end of reporting period is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 — 30 days	**27,201**	41,320
31 — 60 days	**22,665**	39,644
61 — 90 days	**17,575**	28,216
Over 90 days	**25,648**	70,956
	93,089	180,136

15. ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On 16 November 2015, the Group entered into two conditional disposal agreements with Toprich Bravo Limited and Top Harvest International Investment Limited respectively, both of which are wholly-owned by Mr. Cheok Ho Fung, in connection with the disposals of certain subsidiaries and an associate of the Group. The disposals constitute connected transactions under the Listing Rules.

The following major classes of assets and liabilities relating to these subsidiaries and associate have been classified as held for sale in the consolidated statement of financial position.

	2015
	HK$'000
Property, plant and equipment	**126,591**
Payments for leasehold land held for own use	**16,837**
Interests in associates	**73,224**
Other receivables	**684**
Bank balances and cash	**344**
	217,680
Trade payables	**341**
Other payables and accruals	**37,094**
	37,435

No impairment loss has been recognised as the fair values less costs to sell of the disposal groups are not less than their carrying amounts.

The disposal groups did not constitute a discontinued operation as they do not represent a major line of business or geographical area of operation.

The fair values less costs to sell of the disposal groups were estimated using the agreed selling price.

16. SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

(i) On 15 January 2016, the Group's disposals of certain subsidiaries and an associate to companies wholly owned by Mr. Cheok Ho Fung have been completed. Further details of the disposals are set out in Note 15. The Group recorded a gain on disposals of approximately HK$49,939,000 and received net proceeds in cash of approximately HK$182,689,000.

(ii) On 26 February 2016, the Company entered into a conditional placing agreement with a placing agent pursuant to which the Company appointed the placing agent to procure placees who are independent third parties to subscribe up to 200,000,000 placing shares at a price of HK$0.925 per share. The placing of shares has been completed on 9 March 2016 and the net proceed received was approximately HK$182,480,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The trend in reducing world-wide demand for personal computers led to reduction in the demand for their ancillary parts and equipment including Hard Disk Drives, which had been the Group's major products supplied to our customers, leading to a substantial reduction of our revenue for the year ended 31 December 2015. Therefore, the Group had just been able to achieve sales turnover of about HK$567 million for the year ended 31 December 2015, representing a decrease of approximately 7% as compared to the same of last year. Operating profit before interest and tax was approximately HK$33 million after taking into account of the special gain attributable to the disposal of 30% equity interest in Topsearch Printed Circuits (Shenzhen) Ltd., previously an associate of the Company, during the year of 2015, as compared to operating loss before interest and tax of approximately HK$148 million in 2014. Profit attributable to shareholders amounted to approximately HK$13 million, as compared to loss attributable to shareholders of approximately HK$167 million in 2014. Basic earnings per share was 1.79 Hong Kong cents, as compared to loss per share of 16.19 Hong Kong cents in 2014.

Business Review

The Group is principally engaged in the manufacture and sale of a broad range of printed circuit boards ("PCB") during the year of 2015.

The Group's sales turnover had been further decreased by approximately 7% from about HK$610 million in 2014 to about HK$567 million in 2015. The Group's gross profit had been increased from about HK$10 million in 2014 to about HK$29 million in 2015 with the gross profit margin increased from approximately 1.6% in 2014 to approximately 5.2% in 2015.

The Group's reduced sales turnover was primarily caused by the reduced production capacity during the learning curve when the Group's new products (regarding different household names in the Automotive and Domestic Appliances application) were introduced and conducted throughout the year of 2015.

Disposal of Topsearch Printed Circuits (Shenzhen) Ltd.

Reference is made to the section of "Business Review" under the topic headed "Chairman's Statement" in 2015 Interim Report of the Company published on 11 September 2015 (for details, terms and expressions unless otherwise stated herein, please refer to the aforesaid) regarding major disposal in relation to the disposal of 30% equity interest of Topsearch Printed Circuits (Shenzhen) Ltd. ("Disposal Company"), previously an associate of the Group, and various supplemental agreements concerning the asset separation arrangement and amendments of Consideration and payment manner.

The Disposal was completed on 30 June 2015 and the Disposal Company ceased to be an associate of the Company on the same date and its financial results would no longer be consolidated into the financial statements of the Group since then. However, the Company is still holding 30% equity interest in 深圳市飛高至卓實業有限公司 which is an associate of the Company. The gain of the Disposal had been recognised in the financial statements during the year of 2015. In the opinion of the Directors, the Group will be able to reduce its overall bank borrowings and to improve its net current liability financial position, and to fund for general working capital of the Group by using the net proceeds of the Disposal.

Change in control of the Company

Reference is made to the announcements dated 9 and 15 July 2015, 12 August and 1 September 2015 (for details, terms and expressions unless otherwise stated herein, please refer to the aforesaid).

On 9 July 2015, Inni International Inc., the controlling shareholder of the Company and its associate for the time being ("Potential Vendors") entered into a memorandum of understanding ("MOU1") with an independent third party ("Potential Purchaser 1") of a possible transaction, which, if materialised, might lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the Potential Purchaser 1 and parties acting in concert with it) of the Company ("Possible Transaction 1").

However, on 1 September 2015, the Potential Vendors and the Potential Purchaser 1 had ceased discussion in relation to the Possible Transaction 1 and mutually agreed to terminate the MOU1. As the Potential Vendors had yet to receive earnest money as agreed under the MOU1, the MOU1 upon termination should have no further force or effect and all obligations of the Potential Vendors and the Potential Purchaser 1 thereunder should cease and terminate.

Further reference is made to the announcements dated 23, 24 and 29 September 2015, 23 October 2015, 9, 17 and 24 November 2015, 22 and 29 December 2015, 14, 15, 22 and 28 January 2016, 12 February 2016 and circulars dated 29 December 2015 and 22 January 2016 (for details, terms and expressions unless otherwise stated herein, please refer to the aforesaid).

On 28 September 2015, a memorandum of understanding ("MOU2") was entered into between the Potential Vendors and an independent third party ("Potential Purchaser 2") of a possible transaction, which, if materialised, might lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) of the Company ("Possible Transaction 2").

On 16 November 2015 (after trading hours), Potential Vendors as the Vendors and Potential Purchaser 2 as the Joint Offerors entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors had conditionally agreed to acquire and the Vendors had conditionally agreed to sell the Sale Shares, being 510,250,000 Shares, representing 51.025% of the entire issued share capital of the Company as at the date thereof, for a total consideration of HK$285,740,000, equivalent to HK$0.56 per Sale Share, which was agreed between the Joint Offerors and the Vendors after arm's length negotiations.

On 16 November 2015 (after trading hours), Topsearch Printed Circuits (HK) (an indirect wholly owned subsidiary of the Company) entered into the Disposal Agreements, pursuant to which the Disposal Purchasers had conditionally agreed to purchase, and Topsearch Printed Circuits (HK) had conditionally agreed to sell, the respective entire issued share capital of each of Citilite Pride Limited and Topsearch Tongliao Investment (BVI) Limited, both were indirect wholly-owned subsidiaries of the Company for the time being ("Disposal Companies") and the shareholder's loan owed by the Disposal Companies and their respective subsidiaries ("Disposal Groups") to Topsearch Printed Circuits (HK) at an aggregate consideration of HK$187,284,366 upon the Disposals Completion.

On 16 November 2015 (after trading hours), Mr. Cheok Ho Fung, the Company and Topsearch Printed Circuits (HK) entered into the Deed of Novation, pursuant to which the Company had conditionally agreed to assign and novate, and Topsearch Printed Circuits (HK) had conditionally agreed to assume and perform all the rights and obligations of the Company regarding the Indebtedness.

The Disposals constituted discloseable and connected transactions, and the Novation constituted a connected transaction for the Company under the Listing Rules. Since the Disposals and the Novation were not capable of being extended to all Shareholders, the Disposals and the Novation constituted "special deals" on the part of the Company under Note 4 to Rule 25 of the Takeovers Code. The Disposals and the Novation were therefore subject to the approval of the Independent Shareholders and the consent of the Executive.

The Disposals Completion took place on 15 January 2016 in accordance with the terms of the Disposal Agreements, simultaneously with the Sale and Purchase Completion and the Novation Completion. Upon the Disposals Completion, the principal business of the Remaining Group continued to be manufacture and sale of a broad range of printed circuit boards, and the Disposal Groups had ceased to be subsidiaries of the Company.

Following the Sale and Purchase Completion, Youfu Investment Co., Ltd. ("Youfu") and Zhisheng Enterprise Investment Co., Ltd. ("Zhisheng") as the Joint Offerors and parties acting in concert with them held a legal and beneficial interest in, and control voting rights in respect of, an aggregate of 510,250,000 Shares, representing 51.025% of the entire issued share capital of the Company as at 15 January 2016. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, Prudential Brokerage would, on behalf of the Joint Offerors, make the Offer to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Joint Offerors and parties acting in concert with them) at HK$0.56 per Offer Share and in accordance with the terms to be set out in the Composite Document.

On 12 February 2016, the Joint Offerors had received valid acceptances in respect of a total of 40,000 Offer Shares under the Offer, representing approximately 0.004% of the entire issued share capital of the Company as at the date thereof.

Reference is made to the announcements dated 26 February, 1 and 9 March 2016 (for details, terms and expressions unless otherwise stated herein, please refer to the aforesaid).

On 26 February 2016 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its placing agent to procure Placee(s), who was(were) Independent Third Party(ies) to subscribe up to 200,000,000 Placing Shares at a price of HK$0.925 per Placing Share on a best effort basis on the terms and subject to the condition of the Placing Agreement.

The maximum number of 200,000,000 Placing Shares represented (i) 20.00% of the existing issued share capital of the Company of 1,000,000,000 Shares for the time being; and (ii) approximately 16.67% of the issued share capital of the Company of 1,200,000,000 Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing was completed on 9 March 2016 pursuant to which the Company had allotted and issued 200,000,000 Placing Shares at the Placing Price of HK$0.925 per Placing Share to China Aim Holdings Limited ("China Aim") who was an independent professional investor and had independent ultimate beneficial owner. The ultimate beneficial owner of China Aim had profound experiences in securities investment and was a majority shareholder of a PRC company which is principally engaged in media investment and cultural development.

The net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) were approximately HK$182.48 million. The Company intended to apply the net proceeds from the Placing as general working capital of the Group.

Following the abovesaid placing of Shares, China Aim became substantial shareholders of the Company which held 16.67% of the entire issued share capital of the Company.

Furthermore, reference is also made to the announcements of the Company dated 31 December 2010, 4 January 2012, 23 August 2012 and 31 December 2013 respectively (for details, terms and expressions unless otherwise stated herein, please refer to the aforesaid announcements).

On 21 March 2012, the Supervisor (Tongliao Economic Technology Development Regional Management Committee) issued a letter of commitment to the Vendor (Topsearch Printed Circuits (Tongliao) Limited), pursuant to which the Supervisor had committed to provide RMB31 million to the Purchaser (Tongliao Xutong Solar Technology Company Limited) for the settlement of the Remaining Balance in three installments before the end of year 2012. Subsequently, on 26 April

2012, the Vendor entered into the Chinese Supplement Agreement with both the Purchaser and the Supervisor. Though a further sum of RMB10 million had been received from the Supervisor after the signing of the afore-mentioned Chinese Supplement Agreement, the Remaining Balance amounting to RMB21 million had not yet been settled by the Purchaser as per what the Supervisor had committed and was still outstanding as at 31 December 2013.

During the year of 2015, the management of the Company had not received any indication from either party that the original Property Assignment Agreement signed on 31 December 2010 should be terminated or revoked. In the meantime, the Company does not have the intention of terminating the abovesaid transaction and forfeiting the deposit of RMB5 million as provided under the Property Assignment Agreement should the Purchaser fail to pay the Remaining Balance according to the stipulated time frame. The Company still has confidence that the completion of this property disposal in respect of the abovesaid transaction can be accomplished eventually though a fixed deadline is still not available. Further announcement will be made for any results of the said negotiation with both the Supervisor and the Purchaser or further progress on the transaction.

To improve the Group's financial position progressively, the Group has been implementing various sales strategies to increase the sales turnover and profit margins of its products. The Group shall continue to enhance its marketing efforts to expand its market coverage and will further improve its product mix and plan to develop new products so as to widen its market coverage. The Group has been taking various cost control measures to tighten the costs of operations and various general and administrative expenditure especially after the completed relocation of production facilities from Shenzhen to Shaoguan.

Same as previous years, Mr. Cheok Ho Fung, a controlling shareholder of the Company as at 31 December 2015 has continued to maintain a total advance of approximately HK$95 million to the Group for the year ended 31 December 2015 and would promise to continue providing additional financial support throughout the whole year of 2016 for financing the working capital of the Group when needed.

Prospect

As reported earlier in our 2015 Interim Results Announcement, the Group did not expect an immediate recovery in her performance for the whole year of 2015, and such prediction turned out to be fairly accurate in that the Group's whole year turnover for 2015 has decreased slightly by 7% compared to her 2014 figure.

Going forward, the outlook for the PC and the HDD (Hard Disk Drive) industry for year 2016 will continue to be lackluster. This soft market, coupled with the decreasing demand in PRC made hand-phones during 2015, has created an over supply of the PCB capacity in the PCB industry globally. This is witnessed by the fall in ASP (Average Selling Price) of all kinds of volume PCB designs during the first quarter of 2016. Against all such adverse trends, perhaps the encouraging news are that the Group has continued to prove its efforts in effectively reducing its costs of production to meet such price erosion and therefore there are reasons to believe its capability to remain competitive throughout year 2016.

Furthermore, with the change in its shareholders structure in early 2016, the Group will continue to develop its existing business and will also be proactively exploring new business opportunities with bright prospect and good returns. By utilizing its resources in China and the advantage of Hong Kong as an international financial center and offshore RMB center, the Group may explore opportunities to extend its business in asset management in the near future so as to improve the Group's market strength and enhance the shareholder's return.

Financial Review

During the year under review, the Group's turnover decreased by 7%. Overall, the Group's gross margin increased from 1.6% in 2014 to 5.2% in 2015.

Liquidity and Financial Resources

The Group generally finances its operations through a combination of internally generated cash flows, shareholders' equity and borrowings from banks.

As at 31 December 2015, the Group had total equity of HK$340 million (31 December 2014: HK$372 million) and net debt (trade payables, other payables and accruals, interest-bearing bank loans, obligation under finance leases and shareholder's loan less cash and cash equivalents) of HK$326 million (31 December 2014: HK$465 million), representing a gearing ratio, defined as net debt over total equity plus net debt, of 49% (31 December 2014: 56%).

The Group's net current assets of HK$53 million (31 December 2014: net current liabilities of HK$71 million) consisted of current assets of HK$515 million (31 December 2014: HK$315 million) and current liabilities of HK$462 million (31 December 2014: HK$386 million), representing a current ratio of 1.11 (31 December 2014: 0.82).

As at 31 December 2015, the Group's current assets consisted of HK$97 million (31 December 2014: HK$95 million) held as cash and cash equivalents, of which 3% was in Hong Kong dollars ("HKD"), 12% was in US dollars ("USD"), 84% was in Renminbi ("RMB") and 1% was in other currencies.

The Group's current assets also consisted of HK$105 million (31 December 2014: HK$102 million) as trade receivables from its customers. Debtors turnover days was 67 days (31 December 2014: 68 days).

As at 31 December 2015, the Group's inventories decreased to HK$77 million (31 December 2014: HK$96 million). Inventory turnover days was 59 days (31 December 2014: 57 days). Trade payables decreased to HK$93 million from HK$180 million in 2014. Creditors turnover days was approximately 93 days (31 December 2014: 102 days).

Interest-bearing Borrowings

As at 31 December 2015, the Group had the interest-bearing borrowings as follows:

	31 December 2015 *HK$'000*	31 December 2014 *HK$'000*
Amounts payable:		
Within one year	**250,546**	105,711
In the second year	**574**	173,492
In the third to fifth years, inclusive	**—**	181
	251,120	279,384
Less: Portion classified as current liabilities	**250,546**	105,711
Portion classified as non-current liabilities	**574**	173,673

Of the total interest-bearing borrowings, HKD denominated loans accounted for 36% (31 December 2014: 33%), USD denominated loans accounted for 15% (31 December 2014: 23%) and the 49% balance was RMB denominated loans as at 31 December 2015 (31 December 2014: 44%).

Bank loans of approximately HK$115,294,000 (31 December 2014: HK$75,000,000) carried floating interest rates and the effective interest rates ranged from 5.35% to 6.15% (31 December 2014: 6.15%) per annum. The remaining bank loans carried fixed interest rate at 1.2% to 1.93% (31 December 2014: ranged from 1.53% to 6%) per annum. The Board does not recognise a significant seasonality of borrowing requirements.

The bank loans and other banking facilities of the Group are secured by:

(i) certain buildings and payments for leasehold land held for own use under operating leases held by the Group;

(ii) the assignment of trade receivables of a subsidiary of the Group; and

(iii) corporate guarantee of the Company.

There are shareholder's loans advanced by Mr. Cheok Ho Fung, an Executive Director, Chairman of the Board, Chief Executive Officer and a controlling shareholder of the Company as at 31 December 2015 at the effective interest rate of 7% per annum (2014: 7%). This financial assistance provided by Mr. Cheok Ho Fung as a connected person (defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules")) is a connected transaction. However, it is fully exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to rule 14A.90 of the Listing Rules because this financial assistance provided by the abovesaid connected person is conducted on normal commercial terms and it is not secured by the assets of the Company or its subsidiaries.

Foreign Exchange Exposure

Sales of the Group's products are principally denominated in USD and the purchases of materials and payments of operational expenses are mainly denominated in USD, HKD and RMB. Approximately 51% and 81% of the Group's purchases and expenses, respectively, are denominated in RMB. As the Group imported a substantial portion of its major and important raw materials and machines from overseas which were non-RMB denominated, this would help to mitigate the overall effects arising from RMB appreciation.

As at 31 December 2015, the Group has not entered into any financial instrument for hedging purpose. Nevertheless, the Board will continue to monitor foreign exchange exposure in the future and will consider hedging such exposure to minimize exchange risk should the need arise.

Number and Remuneration of Employees

As at 31 December 2015, excluding the associate, the Group had approximately 1,885 employees (31 December 2014: 2,060). For the year ended 31 December 2015, our total staff costs (including provision for employee termination benefits) amounted to HK$201 million (31 December 2014: HK$174 million). Under the Group's remuneration policy, employees are rewarded in line with market rate and in compliance with statutory requirements of all jurisdictions where it operates. Employees are also granted discretionary bonus subject to the individual's performance and business results of the Group.

The Company previously operated a share option scheme for the purpose of providing incentives and rewards to eligible participants including any employees of the Group. However, as at 31 December 2015, no share options were outstanding under the scheme because the share option scheme, which life was 10 years from its date of adoption on 30 May 2002, had already been expired on 30 May 2012. The Board considered that a new share option scheme may only be adopted in future at the time the Directors think favourable to the Company to do so.

The Group follows a policy of encouraging its subsidiaries to send their staff to attend training classes or seminars that are related directly or indirectly to the Group's businesses.

Capital Commitments

As at 31 December 2015, the Group's capital commitments contracted but not provided for amounted to HK$0.4 million (31 December 2014: HK$0.3 million) and there was no capital commitment authorised but not contracted for (31 December 2014: Nil). All of these capital commitments were related to construction of factory buildings and acquisition of plant and machinery.

Dividend

The Directors do not recommend the payment of any dividend for the year ended 31 December 2015 (2014: HK$Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of Members of the Company will be closed from 1 June 2016 (Wednesday) to 3 June 2016 (Friday), both days inclusive. In order to qualify for the attendance of the forthcoming annual general meeting of the Company to be held on 3 June 2016 (Friday), share transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 31 May 2016 (Tuesday).

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year of 2015.

CORPORATE GOVERNANCE CODE ("CG CODE")

The Directors confirm that, for the financial year ended 31 December 2015, the Company has complied with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules save for the deviation mentioned below:

Mr. Cheok Ho Fung is the Chairman as well as the Chief Executive Officer of the Company. This arrangement deviates from the provision of A.2.1 of the CG Code, which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Directors are of the opinion that the current arrangement will provide stronger leadership of the management for the Group and enable effective business planning. The Directors believe that it does not have a material adverse impact on the corporate governance of the Company.

The Board will carry out a regular review and propose any amendment, if necessary, to ensure compliance with the CG Code provisions as set out in the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted its own code of conduct ("Own Code") regarding securities transactions by Directors on 7 April 2005 and was revised by the Directors on 10 September 2009, 26 March 2013 and 18 August 2014 respectively on terms no less exacting than the required standard set out in the Model Code.

The Company, having made specific enquiries, confirms that members of the Board have complied with the Own Code throughout the year of 2015. Members of the Company's management, who, due to their positions in the Company, are likely to be in possession of inside information, have also complied with the provisions of the Own Code.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") is composed of three Independent Non-executive Directors during the year of 2015.

The chairman of the Audit Committee is an Independent Non-executive Director who has the appropriate professional qualifications and experience in accounting or related financial management expertise as required by the Listing Rules. The Audit Committee discharges its responsibilities as follows and in accordance with its existing terms of reference being adopted by the Board:

1. reviewing and monitoring the integrity of the interim and annual results and financial statements of the Company and of the Group and reviewing significant financial reporting judgements;

2. reviewing and monitoring the reporting, accounting and financial policies and practices of the Company;

3. reviewing and primarily responsible for making recommendation to the Board on the appointment, re-appointment, retirement, resignation or removal of the Company's external auditor and reviewing their remuneration and terms of engagement, discussing their audit plan and scope of audit, and monitoring the external auditor's independence, objectivity and effectiveness of the audit process up to applicable standard, and also reporting the issues raised by the external auditor, including but not limited to those stated in their management letter addressed to the Board, implementing policy on engaging external auditor to supply non-audit services;

4. acting as the key representative body for overseeing the Company's relations with the external auditor;

5. reviewing the fairness and reasonableness of connected transaction(s) or continuing connected transaction(s) of the Company, if any;

6. ensuring full access by the respective responsible teams of the Group under corporate governance function of any concerns that may have arisen during the course of their corporate governance works;

7. conducting annual review of the effectiveness of the Group's internal control and risk management systems as delegated by the Board and considering any findings of major investigation of its internal control and risk management matters; and ensuring the Group's management has discharged its duty to have an effective internal control and risk management system including the adequacy of resources, qualifications and experience of staff from the Group; and

8. reviewing arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters, and the whistleblowing policy and system for employees which has been adopted by the Board on 27 March 2012.

As at the date of the publication of this final results announcement, the members of the Audit Committee are Mr. Ng Kee Sin (Chairman) (Independent Non-executive Director), Mr. Leung Shu Kin, Alfred (Independent Non-executive Director) and Mr. Wong Wing Kee (Independent Non-executive Director).

During the year ended 31 December 2015, three Audit Committee meetings were held (whereas two of which had been held with the attendance of the Company's external auditor) to review the financial results and reports for the year ended 31 December 2014 and for the six months ended 30 June 2015, the budget for the year of 2016, risk management and internal control processes, related party transactions, continuing connected transactions and discloseable transactions (if any), roles and responsibilities as well as works performed by the teams under corporate governance function, and the re-election of the Company's external auditor.

The Audit Committee has reviewed the consolidated annual results and financial statements of the Group for the year ended 31 December 2015, including the accounting principles and practices adopted by the Group.

THE BOARD OF DIRECTORS

As at 31 December 2015, the Board consists of five Directors with a variety and a balance of skills and experience in accounting, manufacturing, marketing, finance and investment professions. The detailed composition of the Board of Directors is as follows:

Name of Directors	**Position**
Executive Director	
Mr. Cheok Ho Fung	Chairman of the Board and Executive Committee respectively and Chief Executive Officer

Name of Directors	Position
Non-Executive Director	
Mr. Tang Yok Lam, Andy	Member of Remuneration Committee and Nomination Committee respectively
Independent Non-Executive Directors	
Mr. Leung Shu Kin, Alfred	Chairman of Remuneration Committee, member of Audit Committee and Nomination Committee respectively
Mr. Wong Wing Kee	Chairman of Nomination Committee and member of Audit Committee and Remuneration Committee respectively
Mr. Ng Kee Sin	Chairman of Audit Committee

Publication of Annual Report on the website of the Stock Exchange

The 2015 annual report of the Company containing all the information required by the Listing Rules will be published on the respective websites of the Company (www.topsearch.com.hk) and of the Stock Exchange (www.hkex.com.hk) in due course.

Appreciation

On behalf of the Board, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, and also to our business partners and the Company's shareholders for their continuing support.

On behalf of the Board
Topsearch International (Holdings) Limited
Cheok Ho Fung
Chairman and Chief Executive Officer

Hong Kong, 22 March 2016

As at the date of this announcement, the Board comprises Mr. Cheok Ho Fung being executive director, Mr. Tang Yok Lam, Andy being non-executive director, and Mr. Leung Shu Kin, Alfred, Mr. Wong Wing Kee, Mr. Ng Kee Sin as independent non-executive directors.