
HISTORY, REORGANISATION AND GROUP STRUCTURE

THE GROUP'S BUSINESS DEVELOPMENT

Introduction

Mr. Chow Hin Keong and Mr. Chow Hin Kok (collectively with Mr. Chow Hin Keong, the “**Chow Brothers**”), our executive Directors, are our co-founders. Mr. Chow Hin Keong has over 25 years of experience in the semiconductor industry some as a trader and some as a manufacturer. Mr. Chow Hin Keong commenced his career in the semiconductor industry when he joined a semiconductor manufacturer in 1989 as a marketing executive responsible for sales and marketing of semiconductors and liaising with customers and suppliers.

Leveraging on his experience in the semiconductor industry gained from his work, Mr. Chow Hin Keong set up his own trading, import and export of electronic components company in Penang, Malaysia – SAG Components Sdn Bhd (“**SAG**”), in 1994. SAG was principally engaged in the trading of various electronic components including but not limited to semiconductor products such as diodes, bridge rectifiers and transistors which can be used in display monitors, power supplies, mobile phones and electrical appliances. It also traded other electronic components products which are not semiconductors including varistors, resettable fuses, ceramic & saw resonators/filters, inductors/coils, speakers, connectors and switches, etc. Its customers mainly included companies in Malaysia, Singapore, and Indonesia. Later in 1995, Mr. Chow Hin Kok, the younger brother of Mr. Chow Hin Keong, joined SAG as a sales manager and to help Mr. Chow Hin Keong develop the business. The Chow Brothers have since then jointly developed their electronic components business. SAG was recognised in the June 1996 edition of an industry magazine as one of the diodes companies in Malaysia.

The products sourced and traded by SAG were sold to customers in the Southeast Asia with no particular focus in China. During their time in the industry, the Chow Brothers have recognised that China and Korea had a lot of potential to grow in semiconductor business. Seeing the close relationship between China and Hong Kong, the Chow Brothers therefore decided to set up a separate company in Hong Kong with an ultimate aim to establish production facilities in China. The Chow Brothers therefore co-founded our Group with their own resources on 14 December 2012 when they set up TD Enterprises and commenced trading in electronic components. Subsequently on 27 April 2013, our manufacturing arm, Dongguan Jia Jun was established in the PRC, and our production facilities at Songshan Lake, Dongguan, Guangdong Province, the PRC commenced the business of assembly and packaging of discrete semiconductors in September of the same year.

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SAG is headquartered in Penang, Malaysia. It had a different business focus from our Group as (i) for semiconductors, it traded mostly those deploying second generation or below production technology; (ii) it traded not only semiconductors but also various electronic components such as varistors, resettable fuses, ceramic & saw resonators/filters, inductors/coils, speakers, connectors and switches, etc.; and (iii) it was not engaged in any self-manufacturing business. In contrast, our Company is headquartered in Hong Kong with manufacturing facilities in the PRC. Our personnel are mainly from Hong Kong and the PRC. Save for the Chow Brothers, our personnel were not involved in SAG's business operation. We have a specific business focus on technologically advanced semiconductor products, some of which are manufactured by ourselves. In order to focus on the business of our Group including but not limited to the focus on the deployment of technologically advanced products and sales of our self-manufactured products, the Chow Brothers disposed in 2014 of all their respective shareholding in SAG to a management personnel of SAG (who was an existing minority shareholder of SAG at that time) and her affiliate who are Independent Third Parties. The Chow Brothers have ceased to have any interest in SAG or its business since then. For the year ended 31 December 2013 (i.e. the year prior to disposal of SAG by the Chow Brothers), SAG recorded net profit before taxation of approximately MY15,000 (equivalent to approximately HK\$35,000) and net loss after taxation of approximately MY8,700 (equivalent to approximately HK\$20,000) according to the audited accounts of SAG. The Chow Brothers confirmed that to their best knowledge and belief SAG was not involved in any material non-compliance with applicable laws and regulations, legal claims or proceedings prior to disposal by the Chow Brothers.

ST brand

When TD Enterprises was set up in December 2012, Mr. Chow Hin Keong had considered various ways to establish and grow our business in the most efficient and effective manner. Since Mr. Chow Hin Keong has already accumulated relevant experience and established relevant business contacts in the industry, he believed that a recognised established brand name would be a useful tool for our products to leverage on in order to quickly penetrate into the market. In this regard, Mr. Chow Hin Keong approached one of the long-term suppliers of SAG, Super Victory Enterprises Limited ("**Super Victory**") which is a wholly-owned subsidiary of Sino-Tech International Holdings Limited (formerly known as Semtech International Holdings Limited) ("**Sino-Tech**" and together with its subsidiaries, the "**Sino-Tech Group**") whose shares are listed on the Stock Exchange, with a view to discussing an arrangement under which he could obtain a benefit of the brand "ST" by way of a licence to use, acquisition of interest, joint venture or otherwise. To the best knowledge of our Directors, Super Victory supplied to SAG mainly glass diodes such as DO34/35, LS31, LL34, DO41 and transistors such as TO92 of which the packaging technology deployed was the second generation or below.

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Based on public available information, Super Victory is principally engaged in the manufacturing and trading of electronic and electrical parts and components and has been selling its products under the brand name “ST” for over 10 years. As Mr. Chow Hin Keong wished to have the control over and certainty of the duration and manner of his use of the “ST” brand name, he ruled out the possibility of obtaining a licence to use the name or formation of a joint venture with Super Victory which would both ordinarily be of a fixed duration and be terminable by the parties at any given time. Therefore, in May 2013, Mr. Chow Hin Keong acquired from a subsidiary of Sino-Tech a 50% equity interest in SEL which has no operations and whose sole assets are the SEL Trademarks at a total consideration of HK\$5,000,000. Immediately before such acquisition, the entire issued share capital of SEL was held by the Sino-Tech Group. Immediately after such acquisition and as at the Latest Practicable Date, the issued share capital of SEL is owned as to 50% by Mr. Chow Hin Keong and 50% by a subsidiary of Sino-Tech respectively. Based on public available information, SEL is not accounted for as a subsidiary of Sino-Tech after such acquisition. Mr. Chow Hin Keong and Sino-Tech Group each has one board seat representation on the board of directors of SEL.

At the relevant time, the parties have agreed that both our Group and the Sino-Tech Group could use the SEL Trademarks for their respective businesses. The parties had come to such arrangement as it was a mutual understanding of the parties that the products sold by our Group and the Sino-Tech Group would be different in terms of electric current capability, efficiency, size and application. As such, Mr. Chow Hin Keong has procured SEL to permit our Group to use the SEL Trademarks for our business at nil consideration. The Sino-Tech Group also continues to use the SEL Trademarks for its business.

Our Directors consider that the use of the SEL Trademarks by our Group and the Sino-Tech Group for their respective business is a kind of licensing, authorisation or similar arrangements between registered trademark owner and licensees which is not uncommon in the industry. An established brand owner may sometimes license or authorise a third party company (i.e. licensee) to use its brand name to develop the licensee’s business while the brand owner continues to sell the same products under the same brand name. To the best knowledge of our Directors, apart from licence or authorisation granted to its appointed third-party manufacturers to manufacture electronic component products bearing the SEL Trademarks, the Sino-Tech Group has not entered into any other licensing, authorisation or similar arrangements in respect of the use of the SEL Trademarks with any party other than our Group. Based on public available information, the products sold by the Sino-Tech Group mainly comprised of glass diodes, transistors and capacitors which were generally applied in a wide range of products such as automotive, digital products, fire and security, lighting, home appliance, power supply and charger, and others. Super Victory, as a member of the Sino-Tech Group, supplied certain glass diodes and transistors to SAG.

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We have a specific business focus on technologically advanced semiconductor products and our semiconductor products are mainly applied in smart phones and high-end portable electronics products and related chargers and power supply products. Based on our understanding, the principal products manufactured and sold by the Sino-Tech Group (including Super Victory) are different from our products in terms of their applications, features, functionality, production technology and technical specifications, such as appearance, dimension, processing, current, ESD protection capacity, etc. Set out below is a summary of the key differences between our products and the principal products manufactured and sold by the Sino Tech Group (including Super Victory):

	Our semiconductor products	Principal products manufactured and sold by the Sino Tech Group (including Super Victory)
Applications	<ul style="list-style-type: none"> • smart phones; • adaptors; • high-end portable electronic products, and related chargers and power supply products; • LED TV; and • monitors, etc. 	<ul style="list-style-type: none"> • household appliances; • communication devices; • office equipment; • security; • lighting; • electronic products; and • toys, etc.
Features	<ul style="list-style-type: none"> • ultra-thin and ultra-small; • ultra low leakage; • high power; • high stability; and • high through-current and reliability (which conform to the AEC-Q101 standard of automotive components and parts) 	<ul style="list-style-type: none"> • small package; • high stability; and • simple installation
Functionality	<ul style="list-style-type: none"> • mainly used as protection components such as ESD protection diodes; and • rectifier/schottky rectifier/bridge rectifier diodes 	<ul style="list-style-type: none"> • switching diodes; • zener diodes; • TVS; • schottky barrier diodes; and • transistors, etc.

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	Our semiconductor products	Principal products manufactured and sold by the Sino Tech Group (including Super Victory)
Production technology <i>(note)</i>	<ul style="list-style-type: none"> • mostly deploying third generation or above production technology 	<ul style="list-style-type: none"> • mostly deploying first or second generation production technology
Technical specifications	<ul style="list-style-type: none"> • packaged with leadless plastic package; • ultra-thin and ultra-small in dimensions (e.g. 1mm x 0.6mm); • clip bonding or wire bonding; • current ranging from 2A to 3A; and • certain semiconductor products have ESD protection capacity of up to 30KV 	<ul style="list-style-type: none"> • packaged with glass cases or plastic cases; • various dimensions (e.g. up to 58.9mm x 1.9mm in respect of diode DO35); • wire bonding; and • current ranging from 0.2A to 5A in respect of transistor TO92

Note:

For a discussion on different generations of products, please refer to “*Industry Overview – Overview of the Discrete Semiconductor Packages*” in this prospectus.

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Specifically, the key series of the principal semiconductor products as manufactured by our Group and the Sino-Tech Group (as sold under the name “ST”) are different in some respects as follows:–

	Our Group	Sino-Tech Group
SOD/LBF series	SOD123FL, SOD123HE, SOD323HE, LBF which are all manufactured using clip bonding technique except for SOD323	Does not manufacture SOD123FL, SOD123HE, SOD323, SOD323HE, LBF. In addition, all SOD products are manufactured using wire bonding technique
DFN series	DFN1006 and DFN1608	Does not manufacture DFN series products
SOT series	6 pins products with dimensions smaller than 2.0mm x 1.25mm x 0.95mm and belong to 3 channels products or diode arrays products	3 pins products and belong to 2 channels products or diode array products
TO series	Dimensions larger than 4.05mm x 5.3mm x 1.1mm and current capacity larger than 10A	Dimensions equal to or smaller than 4.05mm x 5.3mm x 1.1mm and current capacity equal to or smaller than 10A

Use of the mark “ST”

During the Track Record Period, the packing boxes for our self-manufactured and trading products were labelled with our name “Top Dynamic” and the mark “ST”. As some of our customers require internal pre-approval before they will conduct business with us, we have in the past submitted to them application as vendor under both our name “Top Dynamic” and the mark “ST” when obtaining their approval. We believe that the appearance of the mark “ST” would increase our chance for such application to be approved as “Top Dynamic” is relatively new to the market when compared to “ST”.

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The Directors confirmed that it is not possible to identify the portion of our revenue which was attributable to the mark “ST” alone as most of our products were marketed under the name “Top Dynamic” and the mark “ST” together during the Track Record Period. Although our intention is to gradually phase out the “ST” mark from our business, as described in more detail below, we may not be able to obtain re-approval from certain of our existing customers (if required) within our expected timeframe or totally eliminate the use of the “ST” mark taking into account the interest of our business. We have therefore entered into the Transfer Agreements to acquire the ST Mark.

Transfer Agreements

For the purpose of facilitating the Listing and to maintain operational independence from Mr. Chow Hin Keong who is one of our Controlling Shareholders, on 15 June 2015, TD Electronics entered into the Transfer Agreements to acquire the ST Mark from SEL at a consideration of HK\$2,600,000. Under the Transfer Agreements, SEL has sold and disposed of all its ownership, rights and interests in respect of the ST Mark to TD Electronics. Immediately upon signing of the Transfer Agreements, SEL would no longer be able to use the ST Mark or license the ST Mark to any person. The ST Mark solely belongs to TD Electronics and there is no sharing arrangement between SEL, TD Electronics and Super Victory in respect of the right to use the ST Mark.

We had entered into the Transfer Agreements to acquire the ST Mark as some of our existing customers have already approved our Company under both our name “Top Dynamic” and the mark “ST”. A change to “Top Dynamic” alone to the design of our boxes would therefore require re-approval from these customers. As the decision whether or not to approve our Company rests solely on our customers, we cannot be certain whether such re-approval process would be completed within our expected timeframe or that we would be able to totally eliminate the use of the ST Mark in the future.

We believe that the acquisition of the ST Mark under the Transfer Agreements, as opposed to a licence arrangement, is in the interest of our Company as a licence to use the ST Mark is subject to termination by the licensor. In addition, as set out in the sub-section headed “– *Business plan*” below, although we plan to phase out the ST Mark in the future, we cannot be certain whether the required re-approval process would be completed within our expected timeframe or that we would be able to totally eliminate the use of the ST Mark in the future. Having considered the amount of the consideration under such acquisition and the benefit which may be brought about by such acquisition, mainly the elimination of uncertainty as to term of use associated with a licence as well as the enhancement of autonomy in operations, we had decided to proceed with such acquisition instead of a licence to reduce risk of unforeseen disruption to our business.

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We believe that, although the Sino-Tech Group has, through Super Victory, been conducting its electronic component business under the brand name “ST” for over 10 years, it was prepared to enter into the trademark arrangement with us, as its products are different from our products and if it decides to expand its product range, it will need to purchase machineries to manufacture those new products which would inevitably require capital investment. In addition, such trademark arrangement would allow the Sino-Tech Group to continue to use the other two SEL Trademarks for its business.

Deed of Undertaking

We understand from SEL that apart from our Group, it has only permitted Super Victory and factories which manufacture products for Super Victory to use the SEL Trademarks. As the other two SEL Trademarks bear some resemblance to the ST Mark, to reduce the risk of being potentially affected by adverse publicity which may arise from the use of the other two SEL Trademarks by other parties including Super Victory, SEL has on 22 June 2015 entered into the Deed of Undertaking in our favour, under which SEL has agreed, among other matters, to procure any licensee of the other two SEL Trademarks not to manufacture and/or sell products with specifications similar to our products except conducting such activities through or with the assistance by us. Specifically, under the Deed of Undertaking, the following classes of semiconductor products fall under the above restriction:–

- all semiconductor products which can be categorised under the following series: DFN series, SOD123FL, SOD123HE, SOD323, SOD323HE, SOT23, SOT26, LBF, TO277, TO277A
- semiconductor products with technology level commonly known in the industry as “Fourth Generation or above”
- semiconductor products which can be categorised under the SOT series with 6 pins products with dimensions smaller than 2.0mm x 1.25mm x 0.95mm and belong to 3 channels products or diode arrays products
- semiconductor products which can be categorised under the TO series products with dimensions larger than 4.05mm x 5.3mm x 1.1mm and current capacity larger than 10A

Super Victory and such manufacturing factories will be able to continue to use the SEL Trademarks (other than the ST Mark) for business. As such, SEL considers that the transfer of the ST Mark from SEL to our Group in June 2015 should not have any material impact on such licensees. In practice, as SEL is controlled by Mr. Chow Hin Keong and Sino-Tech, it will be aware of the type of the respective products manufactured and sold by our Group and the Sino-Tech Group. It can therefore ensure that it can comply with the terms of the Deed of Undertaking. For risks relating to the potential negative effect from the use of the ST Mark, please refer to the sub-section headed “*Risk Factors – Risk Relating to Our Business – Any adverse publicity or*

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other adverse developments that may affect the SEL Trademarks generally may result in a material adverse effect on our business, results of operations and financial condition.” of this prospectus.

Business plan

Following our business growth in recent years, it is our intention to market our products under our own name and to gradually phase out the ST Mark from our business in the future. Our Directors currently estimate that the expected date of phasing out of the ST Mark will be around the end of 2016. We are exploring with our existing customers the estimated time, procedures and costs involved in obtaining their re-approval of our Company under our name “Top Dynamic” alone and will approach and apply with those existing customers whom we consider would likely approve our products based on our name “Top Dynamic” alone. We have made enquiries with some of our existing customers and obtained written confirmation from them that they had purchased our products from us because of our name “Top Dynamic” and not because of another brand. These customers to whom we have sold our products during the Track Record Period represent over 80% of our total turnover for each of the two years ended 31 December 2013 and 2014 and the three months ended 31 March 2015. Since mid 2015 and up to the Latest Practicable Date, we have approached several new customers with whom we have been marketing our products under our name “Top Dynamic”. We have already submitted application as vendor to some of our new customers for approval on a single “Top Dynamic” name basis. We have not submitted application to all of our customers as not all customers require us to apply for their internal approval before they will conduct business with us. However, as the decision whether or not to approve our Company rests solely on our customers, we cannot be certain whether such re-approval process would be completed within our expected timeframe or that we would be able to totally eliminate the use of the ST Mark in the future.

Our relationship with SEL, Super Victory and the Sino-Tech Group

Super Victory is one of our top five suppliers and a customer during the Track Record Period. Purchases from Super Victory attributed to approximately 12.0%, 27.2% and 11.2%, respectively, of our total purchases for each of the two years ended 31 December 2013 and 2014, and the three months ended 31 March 2015. We mainly purchase glass diodes and TO92 products from Super Victory. We purchase these products from Super Victory for sale to our customers as we do not manufacture these products ourselves. Apart from Super Victory, we also purchase similar products from our other suppliers. We consider factors such as prevailing market prices, quality and lead time when deciding whether to purchase such products from Super Victory or other suppliers.

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Sales to Super Victory attributed to approximately 5.7%, 3.5% and 3.0%, respectively, of our total turnover for each of the two years ended 31 December 2013 and 2014 and the three months ended 31 March 2015. Our products sold to Super Victory mainly include DFN1006 and SOD123FL, the price of which were mainly determined based on costs plus the expected profit margin determined by our management team. The profit margin for the products sold to Super Victory is at similar level to the profit margin of the same product sold to our other customers.

Super Victory is a wholly-owned subsidiary of Sino-Tech. Other than Super Victory, we did not and do not conduct business transactions with other members of the Sino-Tech Group. The Sino-Tech Group holds 50% equity interest in SEL.

Milestones in our business development

The following table sets out the milestones of our Group's business development:

<u>Time</u>	<u>Business achievements</u>
December 2012	Mr. Chow Hin Keong and Mr. Chow Hin Kok co-founded our Group via setting up TD Enterprises and commenced trading in power supply sector products with customers in the PRC and Hong Kong
January 2013	We commenced trading display monitor sector products to customers in Korea
April 2013	Dongguan Jia Jun obtained its business license
August 2013	We commenced trading products to customers in Taiwan
September 2013	Our production facilities at Songshan Lake, Dongguan, the PRC commenced manufacturing operation and we commenced supplying self-manufactured products to customers in PRC
	We commenced trading household appliances sector and mobile phone sector products
	Our TD Trademarks were registered in Hong Kong
October 2013	We commenced selling self-manufactured products to customers in Hong Kong

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<u>Time</u>	<u>Business achievements</u>
November 2013	We commenced selling self-manufactured products in the mobile phone and battery pack sector We commenced trading products to customers in Europe
December 2013	We commenced selling self-manufactured products to customers in the charger sector We commenced trading products in the healthcare sector
March 2014	We commenced selling our self-manufactured products to customers in Europe
April 2014	We commenced selling our self-manufactured products to customers in Taiwan We commenced trading products in the MP3 and Bluetooth sector and products used in printer and LCD TV panel
August 2014	We commenced selling self-manufactured products in the mobile phone charger sector
December 2014	We commenced selling self-manufactured products in the computer motherboard sector, CCD camera sector and mobile surface mount sector
February 2015	We commenced selling our self-manufactured products in the display monitor sector
March 2015	We commenced selling our self-manufactured products in household appliance sector
April 2015	We commenced trading products in the travel adaptor and battery charger sector to customers in Vietnam
June 2015	Our TD Trademarks were registered in Japan

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CORPORATE HISTORY

Our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 September 2014. On the date of incorporation, the authorised share capital of the Company was HK\$50,000 divided into 500,000 ordinary shares of HK\$0.1 each and one Share was allotted and issued nil-paid to the initial subscriber (an Independent Third Party), which was subsequently transferred to Platinum Dynamic on the same date. Another one share in the Company was allotted and issued nil-paid to Silver Dynamic on the same date. On 30 October 2014, the Chinese name of our Company changed from 泰邦國際控股有限公司 to 泰邦集團國際控股有限公司.

Pursuant to the Reorganisation, on 22 September 2015, our Company acquired from Mr. Chow Hin Keong and Mr. Chow Hin Kok their respective 50% shareholding in TD Int'l (BVI) for HK\$32.3 million, being the net asset value of TD Int'l (BVI) and its subsidiaries as of 31 March 2015, which was settled by (i) the issuance by our Company of one share in the Company to each of Platinum Dynamic and Silver Dynamic as the respective nominees of Mr. Chow Hin Keong and Mr. Chow Hin Kok and (ii) our Company crediting the nil-paid shares in the Company held by each of Platinum Dynamic and Silver Dynamic as fully paid.

On 22 September 2015, our Shareholders approved the Subdivision, pursuant to which each issued and unissued share in the Company of HK\$0.10 each was sub-divided into ten Shares of HK\$0.01 each.

On 22 September 2015, the authorised share capital of our Company was increased from HK\$50,000 to HK\$20,000,000 by the creation of an additional 1,995,000,000 Shares ranking *pari passu* in all respects with the then existing Shares.

On 22 September 2015, our Company acquired two loans each in the amount of HK\$30,000,000 owed by TD Enterprises to Mr. Chow Hin Keong and Mr. Chow Hin Kok respectively on a dollar-for-dollar basis, and as a result, our Company is indebted to Mr. Chow Hin Keong and Mr. Chow Hin Kok two loans, each in the amount of HK\$30,000,000 (the “Loans”). On the same date, the Loans were respectively capitalised in full by our Company by the issue of (i) 30,000,000 Shares, credited as fully paid, to Platinum Dynamic as the nominee of Mr. Chow Hin Keong, and (ii) 30,000,000 Shares, credited as fully paid, to Silver Dynamic as the nominee of Mr. Chow Hin Kok.

Pursuant to the Capitalisation Issue and the Placing, our Company will have in issue 800,000,000 Shares immediately prior to Listing.

Our Company is principally engaged in investment holding. As at the Latest Practicable Date, our Group comprised the Company and its wholly-owned subsidiaries, namely TD Int'l (BVI), TD (BVI), TD Enterprises, TD Electronics, Top Empire and Dongguan Jia Jun.

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The Other Members of Our Group

TD Int'l (BVI)

TD Int'l (BVI) was incorporated under a former name in the BVI with limited liability on 25 August 2009 and is authorised to issue a maximum of 50,000 shares with no par value. Upon its incorporation, 1,000 shares were issued fully paid for US\$1,000 to its first shareholder, an Independent Third Party, which were subsequently transferred to Mr. Chow Hin Keong and Mr. Chow Hin Kok on 30 November 2012. On 22 September 2015, Mr. Chow Hin Keong and Mr. Chow Hin Kok transferred their respective shareholding in TD Int'l (BVI) to our Company under the Sale and Purchase Agreement. As a result, TD Int'l (BVI) became a direct wholly-owned subsidiary of our Company. TD Int'l (BVI) is principally engaged in investment holding.

TD (BVI)

TD (BVI) was incorporated under a former name in the BVI with limited liability on 13 October 2009 and is authorised to issue a maximum of 50,000 shares with no par value. Upon its incorporation, 100 shares were issued fully paid for US\$100 to TD Int'l (BVI), its sole shareholder. TD (BVI) is principally engaged in investment holding.

TD Enterprises

TD Enterprises was incorporated in Hong Kong as a private company with limited liability on 11 July 2012. On the date of its incorporation, one share in its share capital was allotted and issued fully paid to its initial subscriber, an Independent Third Party, for a consideration of HK\$1.00, which was subsequently transferred to TD (BVI) on 14 December 2012. As a result, TD Enterprises became a wholly-owned subsidiary of TD (BVI). TD Enterprises is principally engaged in the business of sourcing of raw materials and production plant and equipment for our Group's products and sale and distribution of the Group's products outside the PRC.

TD Electronics

TD Electronics was incorporated in Hong Kong as a private company with limited liability on 23 August 2013. On the date of its incorporation, one share in its share capital was allotted and issued fully paid for a consideration of HK\$1.00 to TD (BVI), its sole shareholder. TD Electronics has not commenced any business operation and is the holder of our registered TD Trademarks and the ST Mark.

Top Empire

Top Empire was incorporated in Hong Kong as a private company with limited liability on 18 March 2013. On the date of its incorporation, one share in its share capital was allotted and issued fully paid for a consideration of HK\$1.00 to its initial subscriber, an Independent Third

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Party, which was subsequently transferred to TD (BVI) on 9 July 2013. As a result, Top Empire became a wholly-owned subsidiary of TD (BVI). Top Empire is principally engaged in the provision of inter-company management services within the Group.

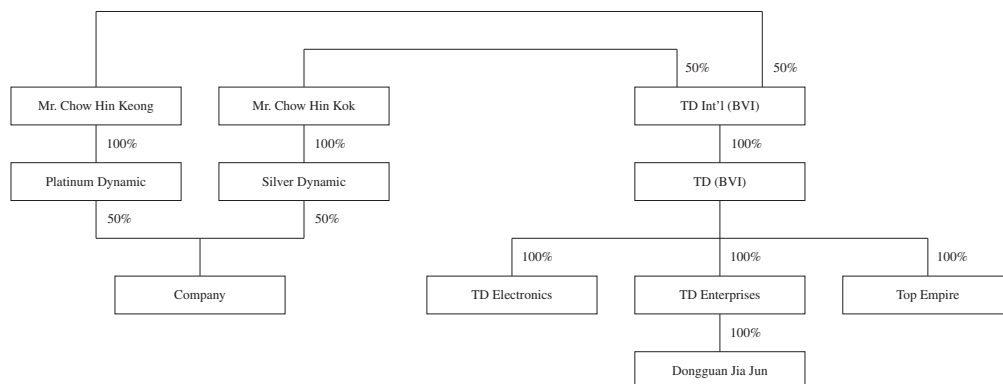
Dongguan Jia Jun

Dongguan Jia Jun was established in the PRC with limited liability on 27 April 2013 and its entire equity interest is wholly-owned by TD Enterprises. The initial registered capital of Dongguan Jia Jun is US\$8,000,000 which was fully paid up on 23 January 2015. Dongguan Jia Jun commenced operations in September 2013. It is principally engaged in the business of manufacturing and selling semiconductor products and trading of other semiconductor products in the PRC.

THE REORGANISATION

Corporate Structure of our Group

The following chart illustrates the corporate structure of our Group immediately prior to the Reorganisation:



Reorganisation

Our Group underwent the Reorganisation in preparation for the Listing pursuant to which our Company became the holding company of TD Int'l (BVI) and its subsidiaries. On 22 September 2015, Mr. Chow Hin Keong, Mr. Chow Hin Kok and our Company entered into the Sale and Purchase Agreement under which (i) Mr. Chow Hin Keong transferred to our Company his entire shareholding in TD Int'l (BVI); and (ii) Mr. Chow Hin Kok transferred to our Company his entire shareholding in TD Int'l (BVI). The aggregate consideration for the above transfer was HK\$32.3 million, being the net asset value of TD Int'l (BVI) and its subsidiaries as of 31 March 2015, was satisfied by (i) our Company issuing one share in the Company to Platinum Dynamic and one share in the Company to Silver Dynamic as the respective nominees of each of Mr. Chow Hin Keong and Mr. Chow Hin Kok; and (ii) our Company crediting the nil-paid shares in the Company held by each of Platinum Dynamic and Silver Dynamic as fully paid.

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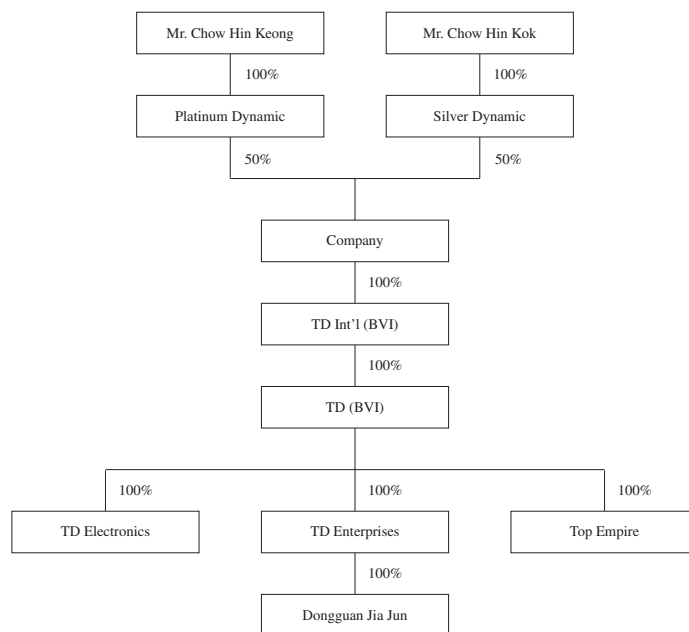
On 22 September 2015, our Shareholders approved the Subdivision, pursuant to which each issued and unissued share in the Company of HK\$0.10 each was sub-divided into ten Shares of HK\$0.01 each.

On 22 September 2015, the authorised share capital of our Company was increased from HK\$50,000 to HK\$20,000,000 by creation of an additional 1,995,000,000 Shares ranking *pari passu* in all respects with the then existing Shares.

On 22 September 2015, our Company acquired two loans each in the amount of HK\$30,000,000 owed by TD Enterprises to Mr. Chow Hin Keong and Mr. Chow Hin Kok respectively on a dollar-for-dollar basis, and as a result our Company is indebted to each of Mr. Chow Hin Keong and Mr. Chow Hin Kok the two Loans. On the same date, the Loans were respectively capitalised in full by our Company by the issue of (i) 30,000,000 Shares, credited as fully paid, to Platinum Dynamic as nominee of Mr. Chow Hin Keong, and (ii) 30,000,000 Shares, credited as fully paid, to Silver Dynamic as nominee of Mr. Chow Hin Kok.

Pursuant to the Capitalisation Issue and the Placing, our Company will have in issue 800,000,000 Shares immediately prior to Listing.

The following diagram shows the shareholding and corporate structure of our Group upon completion of the Reorganisation:



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PRC REGULATORY COMPLIANCE

Our PRC Legal Advisers have confirmed that the Reorganisation is not in violation of the applicable PRC laws and regulations and that no approval or license from PRC regulatory authorities is required in order to effect the Reorganisation. It has also confirmed that the Listing does not require approval from PRC authorities including MOFCOM and the China Securities Regulatory Commission.

SAFE Circular No. 37 requires a PRC Resident to register with the local SAFE branch before he or she contributes assets or equity interests in a SPV that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing. Following the initial registration, the PRC Resident is also required to register with the local SAFE branch for any major change in respect of the SPV, including, among other things, any major change of a PRC Resident shareholder, name or term of operation of the SPV, or any increase or reduction of the SPV's registered capital, share transfer or swap, merger or division. Failure to comply with the registration procedures of SAFE Circular No. 37 may result in penalties and sanctions, including the imposition of restrictions on the ability of the SPV's PRC subsidiary to distribute dividends to its overseas parent. For definitions of the terms "PRC Resident" and "SPV", please refer to the section headed "*Regulatory Overview*" of this prospectus.

Our PRC Legal Advisers have advised that as neither Mr. Chow Hin Keong nor Mr. Chow Hin Kok is a PRC Resident under the provisions of SAFE Circular No. 37, they are not subject to the registration requirements under SAFE Circular No. 37.

HISTORY, REORGANISATION AND GROUP STRUCTURE

The following diagram shows the shareholding and corporate structure of our Group immediately after the Reorganisation and completion of the Placing and Capitalisation Issue, but without taking into account of any Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme:

