SINO-TECH INTERNATIONAL HOLDINGS LIMITED
泰豐國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the "Board") of directors (the "Director(s)") of Sino-Tech International Holdings Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015.

RESULTS OVERVIEW

For the year ended 31 December 2015 (the "Reporting Period"), the Group reported revenue of approximately HK$545.1 million, representing a decrease of 9.1% as compared with approximately HK$599.9 million for the year ended 31 December 2014 (the "Corresponding Period").

Loss for the Reporting Period decreased to approximately HK$23.2 million from approximately HK$40.4 million for the Corresponding Period. Loss attributable to owners of the Company was approximately HK$23.2 million for the Reporting Period as compared with approximately HK$40.4 million for the Corresponding Period. The reduction in loss for the Reporting Period was mainly due to the gain on modification of terms of convertible notes, which partly offset, among others, the increased operating loss and the imputed interest expenses on convertible notes. The increase in operating loss was mainly due to the expansion of loss from the electronic products business as a result of, among others, the drop in revenue, the increase in distribution costs and the increase in minimum wages in the People's Republic of China (the "PRC" or "China").

* *For identification purpose only*

The gain on modification of terms of convertible notes, the impairment loss on interests in joint ventures and the imputed interest expenses on convertible notes (collectively, the "Non-cash Items") arose as a result of accounting treatment under the provisions of the applicable accounting standards and were of non-cash nature. Before the Non-cash Items, the Group made a loss of approximately HK$38.7 million for the Reporting Period, as compared with a loss of approximately HK$20.5 million for the Corresponding Period.

FINANCIAL HIGHLIGHTS

	2015	2014
	HK$'000	*HK$'000*
Revenue	**545,055**	599,867
Gross profit	**32,620**	33,300
Loss for the year	**(23,211)**	(40,434)
Gain on modification of terms of convertible notes	**27,821**	–
Impairment loss on interests in joint ventures (included in other expenses)	**–**	(998)
Imputed interest expenses on convertible notes	**(12,287)**	(18,941)
Loss for the year before gain on modification of terms of convertible notes, impairment loss on interests in joint ventures and imputed interest expenses on convertible notes	**(38,745)**	(20,495)

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the Reporting Period (2014: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	3	**545,055**	599,867
Cost of sales		**(512,435)**	(566,567)
Gross profit		**32,620**	33,300
Other income		**192**	7,641
Gain on modification of terms of convertible notes		**27,821**	–
Distribution costs		**(20,375)**	(11,247)
Administrative expenses		**(50,079)**	(50,166)
Share of results of joint ventures		**(678)**	(9)
Other expenses		**(424)**	(1,011)
Finance costs	4	**(12,288)**	(18,942)
Loss before taxation	5	**(23,211)**	(40,434)
Taxation	6	**–**	–
Loss for the year attributable to owners of the Company		**(23,211)**	(40,434)
Loss per share	8		
Basic and diluted *(HK cents)*		**(0.18)**	(0.34)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(23,211)**	(40,434)
Other comprehensive income for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**264**	22
Total comprehensive expenses for the year attributable to owners of the Company	**(22,947)**	(40,412)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**25,248**	28,687
Interests in joint ventures	*9*	**4,306**	4,984
		29,554	33,671
Current assets			
Inventories		**86,098**	108,239
Trade and bills receivables	*10*	**212,304**	204,778
Prepayments, deposits and other receivables		**2,975**	2,699
Amount due from a joint venture		**–**	31
Amounts due from former subsidiaries		**–**	–
Tax recoverable	*6*	**10,127**	4,910
Deposits in other financial institutions		**446**	446
Bank balances and cash		**66,813**	45,097
		378,763	366,200
Current liabilities			
Trade and bills payables	*11*	**60,144**	47,547
Other payables and accruals		**12,342**	13,862
Amount due to a joint venture		**2,519**	–
Amounts due to former subsidiaries		**4,417**	4,417
Obligations under finance leases		**–**	4
Convertible notes	*12*	**247,978**	302,400
		327,400	368,230
Net current assets (liabilities)		**51,363**	(2,030)
Total assets less current liabilities		**80,917**	31,641

	Note	**2015**	2014
		HK$'000	*HK$'000*
Non-current liability			
Employee benefits		**144**	143
Net assets		**80,773**	31,498
Capital and reserves			
Share capital	*13*	**138,892**	119,667
Reserves		**(58,119)**	(88,169)
Total equity		**80,773**	31,498

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs"), amendments and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated and have been approved for issue by the Board on 24 March 2016.

2. Principal accounting policies

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

In the current year, the Group has applied for the first time the following amendments to HKFRSs issued by the HKICPA.

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

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current year and prior years and/or on the disclosures set out in the consolidated financial statements.

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics"; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors consider that the application of the amendments to HKFRSs 2010 – 2012 Cycle has had no material impact in the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The Annual Improvements to HKFRSs 2011 – 2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The amendments are applied prospectively. The Directors consider that the application of the amendments to HKFRSs 2011 – 2013 Cycle has had no material impact in the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements HKFRSs 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 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]

[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] *Effective date not yet been determined.*

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss ("FVTPL"), HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014), it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 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 or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contact;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvement to HKFRSs 2012 – 2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report". The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgment in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Directors anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

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

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue; or

ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the Directors do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

i) at cost;

ii) in accordance with HKFRS 9 (or HKAS 39); or

iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

The Directors do not anticipate that the application of the amendments to HKAS 27 will have a material impact on the Company's financial statements.

3. Revenue and segment information

Information reported to the Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. The Group is principally engaged in the manufacturing and trading of electronic and electrical parts and components. The Group's operation is attributable to a single reportable and operating segment under HKFRS 8 and no segment information is presented. No operating segments have been aggregated in arriving at the reportable segment of the Group.

Revenue represents revenue arising on manufacturing and trading of electronic and electrical parts and components.

(a) Geographical information

The Group's operation is mainly located in Hong Kong and the PRC. However, the external customers of the Group are located world-wide, such as Hong Kong, the PRC and Asia Pacific etc.

Information about the Group's revenue from external customers is presented based on the location of customers and information about its non-current assets is presented based on the location of assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	Year ended 31 December 2015	Year ended 31 December 2014	**As at 31 December 2015**	As at 31 December 2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**156,993**	195,549	**4,926**	5,565
Elsewhere in the PRC	**311,109**	312,445	**24,628**	28,106
Asia Pacific	**62,556**	67,188	**–**	–
Others	**14,397**	24,685	**–**	–
Total	**545,055**	599,867	**29,554**	33,671

(b) Information about major customers

During the year ended 31 December 2015, there was a Group's individual customer contributed revenue of approximately HK$55,866,000, which accounted for more than 10% to the total revenue of the Group (2014: none).

4. Finance costs

	2015	2014
	HK$'000	*HK$'000*
Borrowing costs on obligations under finance leases	**1**	1
Imputed interest expenses on convertible notes *(note 12)*	**12,287**	18,941
	12,288	18,942

5. Loss before taxation

Loss before taxation has been arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Cost of inventories recognised as expenses	**512,435**	566,567
Staff costs	**27,449**	32,526
Depreciation of property, plant and equipment		
– owned assets	**13,308**	23,817
– assets held under finance leases	**4**	5
Auditor's remuneration	**695**	674
Write-offs of property, plant and equipment (included in other expenses)	**2**	13
Net exchange loss	**4,285**	682
Net loss on disposals of property, plant and equipment (included in other expenses)	**198**	–
Impairment loss on property, plant and equipment (included in other expenses)	**224**	–
Impairment loss on interests in joint ventures (included in other expenses)	**–**	998
Impairment loss on trade receivables	**1,385**	–

6. Taxation

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2015 and 2014 as the Group either has no assessable profits arising in Hong Kong or has sufficient tax losses brought forward from previous years to offset the estimated assessable profits for both reporting periods. The tax rate of Hong Kong Profits Tax is 16.5% (2014: 16.5%).

The Hong Kong Inland Revenue Department (the "IRD") enquired the Hong Kong Profits Tax of a subsidiary of the Company in respect of the years of assessment 2006/07 to 2014/15 (the "Tax Enquiries"). As the assessment would be statutorily time-barred within 7 years from the beginning of the year of assessment which the assessment is related, a protective assessment of approximately HK$1,555,000, HK$2,395,000 and HK$5,217,000, in respect of years of assessment 2006/07, 2007/08 and 2008/09, were raised by the IRD on 7 March 2013, 18 March 2014 and 18 March 2015 respectively. The subsidiary lodged objections against the assessment and the IRD held over the payment of the profits tax and an equal amount of tax reserve certificates were purchased and recorded as tax recoverable as at 31 December 2014 and 2015 accordingly.

Subsequent to the reporting period, in respect of the Tax Enquiries, as the assessment for the year of assessment 2009/10 would be statutorily time-barred by 31 March 2016, a protective assessment of approximately HK$1,488,000 was raised by the IRD on 15 March 2016. The subsidiary lodged an objection against the assessment. As at the date of this announcement, no replies have been received from the IRD.

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 subsidiary registered in the PRC is 25% from 1 January 2008 onwards. No provision for the Enterprise Income Tax have been made for the years ended 31 December 2015 and 2014 as the subsidiary of the Company has no assessable profits for both reporting periods.

7. Dividends

No dividend was paid or proposed for the year ended 31 December 2015, nor has any dividend been proposed since the end of the Reporting Period (2014: nil).

8. Loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK$23,211,000 (2014: HK$40,434,000) and the weighted average number of approximately 12,765,308,000 (2014: approximately 11,966,699,000) ordinary shares in issue during the Reporting Period.

For the years ended 31 December 2015 and 2014, the diluted loss per share is the same as the basic loss per share.

The computation of diluted loss per share for the years ended 31 December 2015 and 2014 did not assume the exercise of the Company's share options as the exercise prices of the share options were higher than the average market price for shares. The computation of diluted loss per share for the years ended 31 December 2015 and 2014 did not assume the conversion of the Company's outstanding convertible notes as the conversion of convertible notes would result in a decrease in loss per share.

9. Interests in joint ventures

	2015	2014
	HK$'000	*HK$'000*
Cost of unlisted investment in joint ventures	**5,998**	5,998
Share of post-acquisition losses and other comprehensive expenses and impairment loss	**(1,692)**	(1,014)
	4,306	4,984

Details of each of the Group's joint ventures, which are accounted for using the equity method in the consolidated financial statements, as at 31 December 2015 and 2014, are as follows:

Name	**Form of business structure**	**Place of incorporation**	**Principal place of operation**	**Class of shares held**	**Proportion of ownership interest and voting power held by the Group**				**Principal activities**
					2015		**2014**		
					Direct	**Indirect**	**Direct**	**Indirect**	
Semtech International (B.V.I.) Limited ("Semtech BVI")	Corporation	British Virgin Islands	Hong Kong	Ordinary	50%	–	50%	–	Investment holding
Semtech Electronics Limited ("Semtech Electronics")	Corporation	Hong Kong	Hong Kong	Ordinary	–	50%	–	50%	Trademark holding

Semtech BVI and its wholly-owned subsidiary, Semtech Electronics (collectively referred to as "Semtech BVI Group") have been classified as joint ventures on the basis that certain significant decisions about the financial and operating activities of the Semtech BVI Group require the unanimous consent of both the Group and the other shareholder of Semtech BVI Group.

Semtech BVI is the only directly held joint venture of the Group. Summarised financial information of Semtech BVI Group is set out below. The summarised financial information below represents amounts shown in Semtech BVI's consolidated management accounts prepared in accordance with HKFRSs.

	2015	2014
	HK$'000	*HK$'000*
Current assets	**2,526**	4
Non-current assets	**6,100**	12,000
Current liabilities	**(14)**	(41)
The above amounts of assets and liabilities include the following:		
Current financial liabilities (excluding trade and other payables and provisions)	**–**	(31)

	2015	2014
	HK$'000	*HK$'000*
Net assets of Semtech BVI Group	**8,612**	11,963
Proportion of the Group's ownership interest in Semtech BVI Group	**50%**	50%
Impairment losses recognised	**–**	(998)
Carrying amount of the Group's interest in Semtech BVI Group	**4,306**	4,984

As at 31 December 2015 and 2014, the management of the Group reviewed the interests in joint ventures for impairment and determined that interests in joint ventures was impaired based on a valuation on trademarks held by the joint ventures. The fair value of trademarks, measured by an independent professional valuer not connected with the Group, was determined using the income approach based on financial budgets prepared by the management. The unobservable inputs used in level 3 fair value measurements included the following:

(i) royalty rate of 0.38% (2014: 0.38%);

(ii) after-tax discount rate of 18.11% (2014: 17.99%) per annum; and

(iii) negative revenue growth rate of 8% per annum for the year 2016 and 3% per annum for periods beyond 2016 (2014: revenue growth rate in the range of 1% to 5% per annum for the first three years and 3% per annum for periods beyond three years).

Based on the results of the valuation, the management of the Group determined that no impairment losses on interests in joint ventures recognised for the year ended 31 December 2015 (2014: approximately HK$998,000).

10. Trade and bills receivables

The Group allows an average credit period of 30 to 120 days (2014: 30 to 120 days) to its trade customers.

The following is an aged analysis of trade and bills receivables, net of impairment, presented based on the due date at the end of the reporting periods:

	2015	2014
	HK$'000	*HK$'000*
Current	**172,076**	157,245
Overdue:		
– within 3 months	**34,654**	35,405
– 4-6 months	**4,406**	10,393
– 7-12 months	**1,114**	1,735
– over 12 months	**54**	–
	40,228	47,533
	212,304	204,778

11. Trade and bills payables

The following is an aged analysis of trade and bills payables presented based on the due date at the end of the reporting periods:

	2015	2014
	HK$'000	*HK$'000*
Current	**55,259**	42,577
Overdue:		
– within 3 months	**3,801**	3,876
– 4-6 months	**979**	905
– 7-12 months	**4**	4
– over 12 months	**101**	185
	60,144	47,547

12. Convertible notes

On 19 November 2009, the Company issued unsecured convertible notes for the partial settlement of the consideration for the acquisition of CITIC Logistics (International) Company Limited (in liquidation) ("CLI"). Details of the transaction are set out in the Company's circular dated 16 October 2009. The sole holder of the convertible notes, Mr. Li Weimin ("Mr. Li"), was appointed as an executive Director on 1 December 2015 and resigned subsequently on 26 February 2016.

Details of the Group's convertible notes outstanding as at 31 December 2015 and 2014 are set out below:

		2015	2014
Date of issue	:	**19 November 2009**	19 November 2009
Date of modification	:	**9 January 2015**	N/A
Principal amount	:	**HK$950,400,000**	HK$950,400,000
Coupon rate	:	**Nil**	Nil
Conversion price	:	**HK$0.035 per share**	HK$0.12 per share
Conversion period	:	**The period commencing from the date of modification of the convertible notes and ending on the maturity date**	The period commencing from the date of issue of the convertible notes and ending on the maturity date
Collaterals	:	**Nil**	Nil
Maturity date	:	**31 December 2016**	15 November 2014

Subject to the occurrence of an event of default (as defined in the terms and conditions of the convertible notes), the convertible notes may be redeemed in amounts of HK$100,000 or integral multiples thereof at the option and in the absolute discretion of the Company on any business day prior to the maturity date by giving not less than seven days notice to the holder of the convertible notes.

The convertible notes contain two components, liability and equity components. The equity component is presented in equity under the heading of convertible notes reserve. The effective interest rate of the liability component of the convertible notes is 5.00% (2014: 7.60%) per annum. The liability and equity components of the convertible notes are measured at fair values at the date of modification (2014: date of issue) and the valuation was determined by an independent valuer.

On 14 November 2014, the Company and Mr. Li entered into a deed of variation, pursuant to which it was agreed that, subject to the fulfillment of conditions precedent, (i) the maturity date of the outstanding convertible notes with aggregate principal amount of HK$302,400,000 would be extended from 15 November 2014 to 31 December 2016; and (ii) the original conversion price of HK$0.12 per share would be adjusted to the conversion price of HK$0.035 per share. Save for the above alterations, all other terms and conditions of the outstanding convertible notes remained unchanged. On 9 January 2015, the relevant ordinary resolution was duly passed at the special general meeting and the extension of the maturity date and the adjustment of conversion price of the outstanding convertible notes became effective. For details, please refer to the announcements of the Company dated 14 November 2014, 17 November 2014 and 9 January 2015, as well as the circular of the Company dated 19 December 2014 and the Company's annual report for the year ended 31 December 2014 (the "2014 Annual Report").

The extension of the maturity date and the adjustment of the conversion price resulted in the extinguishment of the financial liability of the convertible notes and the recognition of new financial liability and equity components. On 9 January 2015, the carrying values of liability component and equity component of the convertible notes immediately before the modification were approximately HK$302,400,000 and HK$92,707,000 respectively. According to a valuation report issued by an independent professional valuer not connected with the Group, the fair value of the new liability component and equity component immediately following the modification are approximately HK$274,579,000 and HK$57,442,000 respectively. These caused a recognition of gain of approximately HK$27,821,000 credited to profit or loss and a transfer of a net amount of approximately HK$35,265,000 from the convertible notes reserve to accumulated losses for the year ended 31 December 2015.

Convertible notes of the Company with aggregate principal amount of HK$42,000,000 were converted into 1,199,999,998 ordinary shares of HK$0.01 each at a conversion price of HK$0.035 per share on 4 June 2015.

Movements of the liability and equity components of the convertible notes for the years ended 31 December 2015 and 2014 are set out below.

	Liability component	**Equity component**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2014	283,459	92,707	376,166
Imputed interest charged to the consolidated statement of profit or loss *(note 4)*	18,941	–	18,941
At 31 December 2014 and 1 January 2015	302,400	92,707	395,107
Derecognition of original liability/equity component upon modification of terms of convertible notes	(302,400)	(92,707)	(395,107)
Recognition of new liability/equity component upon modification of terms of convertible notes	274,579	57,442	332,021
Conversion into shares of the Company *(note 13a)*	(38,888)	(7,978)	(46,866)
Imputed interest charged to the consolidated statement of profit or loss *(note 4)*	12,287	–	12,287
At 31 December 2015	247,978	49,464	297,442

As at 31 December 2015, the principal amount of convertible notes remained outstanding is HK$260,400,000 (2014: HK$302,400,000).

13. Share capital

	Number of shares '000	HK$'000
Authorised ordinary shares of HK$0.01 each:		
At 1 January 2014, 31 December 2014 and 31 December 2015	30,000,000	300,000
Issued and fully paid ordinary shares of HK$0.01 each:		
At 1 January 2014 and 31 December 2014	11,966,699	119,667
Issue of new shares upon conversion of convertible notes *(note a)*	1,200,000	12,000
Issue of new shares on subscriptions *(note b)*	722,500	7,225
At 31 December 2015	13,889,199	138,892

Notes:

(a) On 4 June 2015, convertible notes of the Company with aggregate principal amount of HK$42,000,000 were converted into 1,199,999,998 new ordinary shares of HK$0.01 each at a conversion price of HK$0.035 per share. These new shares issued ranked pari passu with other shares then in issue in all aspects. Details of the convertible notes are set out in note 12 to the consolidated financial statements in this announcement.

(b) On 27 October 2015, the Company entered into two subscription agreements with two independent third parties for subscription of an aggregate of 722,500,000 new ordinary shares at a subscription price of HK$0.047 per share. The issue and allotment of subscription shares were completed on 9 November 2015. These new shares issued ranked pari passu with other shares then in issue in all aspects. Details of the subscription for new ordinary shares are set out in the Company's announcements dated 27 October 2015 and 9 November 2015.

14. Contingent liabilities

On 15 July 2009, one of the subsidiaries of Classic Line International Limited ("Classic Line"), a former subsidiary of the Company, has been and is the subject of a judgement (in the amount of US$13.5 million) obtained in a United States court in an action in respect of damages allegedly arising out of use of fire lighters sold by the subsidiary of Classic Line. The Company is one of the co-defendants in the case. On 28 September 2009, the Company entered into an agreement to dispose of the entire equity interest in Classic Line and the disposal was completed on 31 October 2009.

Based on the legal advice received by the Company, the Directors considered that the Company has valid grounds in opposing the enforcement of any judgement of the said case against the Company, if obtained, in Hong Kong and Bermuda. Accordingly, no provision has been made in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

The electronic products business reported a drop of 9.1% in revenue to approximately HK$545.1 million for the Reporting Period from approximately HK$599.9 million for the Corresponding Period. During the Reporting Period, the gross profit for the electronic products business decreased by 2.1% to approximately HK$32.6 million from approximately HK$33.3 million for the Corresponding Period. The decreases were mainly attributable to the volatility and uncertainty of the business environment in the PRC during the Reporting Period. Furthermore, the increase in minimum wages in the PRC resulted in an increase in labour costs, which has also lowered the gross profit during the Reporting Period.

On 9 January 2015, the ordinary resolution of the special general meeting was duly passed and the extension of the maturity date and the adjustment of the conversion price of the outstanding convertible notes became effective. For details, please refer to the announcements of the Company dated 14 November 2014, 17 November 2014 and 9 January 2015, as well as the circular of the Company dated 19 December 2014 and the 2014 Annual Report and interim report for the six months ended 30 June 2015 (the "2015 Interim Report"). Immediately following the modification of terms of convertible notes, as disclosed in the 2014 Annual Report and the 2015 Interim Report and set out in note 12 to the consolidated financial statements in this announcement, the estimated financial effect of the modification was a recognition of gain of approximately HK$27.8 million credited to profit or loss and a transfer of approximately HK$35.3 million from the convertible notes reserve to accumulated losses during the Reporting Period.

During the Reporting Period, the convertible notes with aggregate principal amount of HK$42.0 million were converted into 1,199,999,998 new ordinary shares of HK$0.01 each in the capital of the Company (the "Conversion"), as disclosed in the 2015 Interim Report and set out in notes 12 and 13 to the consolidated financial statements in this announcement. Following the Conversion and as at 31 December 2015, the principal amount of convertible notes remained outstanding was HK$260.4 million with a conversion price of HK$0.035 per share and the maturity date is 31 December 2016. The Company is considering various alternatives to more permanently improve the Group's financial position.

The Company completed the issue and allotment of an aggregate of 722,500,000 fully-paid subscription shares to two subscribers on 9 November 2015 in accordance with the terms and conditions of the Subscription Agreements (as defined below). The net proceeds from the issue of the subscription shares were approximately HK$33.1 million and the Company intended to utilise the net proceeds as general working capital of the Group. As at the date of this announcement, the net proceeds are held as bank deposits and not yet utilised. For details, please refer to the announcements of the Company dated 27 October 2015 and 9 November 2015 and the paragraph headed "Liquidity, Financial Resources and Capital Structure" in the Management Discussion and Analysis on page 24 of this announcement. As at the date of this announcement, the winding-up of CLI is still in process. During the Reporting Period, as disclosed in the 2015 Interim Report, the disposal of the entire 90% equity interest in CITIC Logistics Company Limited ("CLBJ") was completed, according to CLBJ and the liquidators of CLI.

Liquidity, Financial Resources and Capital Structure

The Group mainly finances its business operations with internally generated cash flows and general banking facilities.

As at 31 December 2015, the Group had bank balances and cash of approximately HK$66.8 million (2014: HK$45.1 million). The Group's current ratio (measured as total current assets to total current liabilities) was 1.2 times (2014: 1.0 time).

As at 31 December 2015, the Company had outstanding zero coupon convertible notes due on 31 December 2016 with aggregate principal amount of HK$260.4 million (2014: HK$302.4 million) and a conversion price of HK$0.035 (2014: an initial conversion price of HK$0.12) per share. During the Reporting Period, the convertible notes with aggregate principal amount of HK$42.0 million were converted into 1,199,999,998 new ordinary shares of HK$0.01 each in the capital of the Company. Details are set out in the 2015 Interim Report and notes 12 and 13 to the consolidated financial statements in this announcement.

On 27 October 2015, the Company entered into two subscription agreements (the "Subscription Agreements") with two subscribers, respectively for the subscription of an aggregate of 722,500,000 new ordinary shares at the subscription price of HK$0.047 per share for an aggregate consideration of approximately HK$34.0 million (the "Subscription"). The subscription price represented a discount of approximately 16.1% to the closing price of HK$0.056 per share as quoted on the Stock Exchange on 27 October 2015, being the date of the Subscription Agreements. Under the Subscription Agreements, the subscribers, namely Active Shell Investment Limited and Regency Eagle Investment Limited (帝鷹投資有限公司), have agreed to subscribe for 484,000,000 and 238,500,000 subscription shares, respectively. The Directors have considered that the Subscription would allow the Group to raise additional funds and widen the Company's shareholder base. The Directors considered that the terms of the Subscription Agreements were fair and reasonable and were in the interests of the Company and the shareholders of the Company (the "Shareholders") as a whole. The Subscription was completed on 9 November 2015. For details, please refer to the announcements of the Company dated 27 October 2015 and 9 November 2015 and note 13 to the consolidated financial statements in this announcement. The Company intended to utilise the net proceeds of approximately HK$33.1 million from the Subscription as general working capital of the Group. Up to the date of approval of these consolidated financial statements, the net proceeds from the Subscription were held as bank deposits and not yet utilised.

As at 31 December 2015, the Group had no outstanding bank borrowings (2014: nil). The gearing ratio, which is calculated by total interest bearing borrowings to total equity, was nil as at 31 December 2015 and 2014.

As at 31 December 2015, the Group had no capital expenditure commitments (2014: nil).

Significant Investments

The Group did not have any significant investments during the Reporting Period.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

The Group did not have any material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

Charge on Group's Assets

As at 31 December 2015, the Group did not have any assets pledged (2014: nil).

Foreign Exchange Exposures

The Group mainly earns revenue and incurs costs in Hong Kong dollars, U.S. dollars and Renminbi ("RMB"). The management is aware of the possible exchange rate exposure resulted from the fluctuation of RMB against the Hong Kong dollars and will closely monitor its impact on the performance of the Group to determine if any hedging policy is necessary. With regard to the U.S. dollars, foreign exchange exposure would be minimal so long as the Hong Kong SAR Government's policy to peg the Hong Kong dollars to the U.S. dollars remains in effect.

Contingent Liabilities

Details of the contingent liabilities of the Group are set out in note 14 to the consolidated financial statements in this announcement.

Employee and Remuneration Policy

As at 31 December 2015, the Group had 664 (2014: 794) full time employees in Hong Kong and the PRC. Total staff costs (including Directors' remuneration) for the Reporting Period amounted to approximately HK$27.4 million (2014: HK$32.5 million). The employees are remunerated with reference to the qualification, experience, responsibility and performance of the individual, the performance of the Group and the market practices. Apart from the basic remuneration package, the mandatory provident fund scheme and the central provident scheme in the PRC, the Company also operates a share option scheme based on which the Board may, at its discretion, grant options to eligible employees of the Group.

FUTURE OUTLOOK

According to the International Monetary Fund (the "IMF"), global growth is projected at 3.4% in 2016 and 3.6% in 2017. Overall, forecasts for global growth have been revised downward by 0.2 percentage points for both 2016 and 2017. These revisions in January 2016 reflected to a substantial degree, but not exclusively, a weaker pickup in emerging economies than what was forecast in October 2015. According to the IMF, the slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016 and 2017. In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. Overall activity remains resilient in the United States, supported by still-easy financial conditions and strengthening housing and labour markets, but with dollar strength weighing on manufacturing activity and lower oil prices curtailing investment in mining structures and equipment. According to the IMF, risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy including the gradual exit from extraordinarily accommodative monetary conditions in the United States.

China's economy grew 6.9% in 2015, its slowest pace since 1990 though in line with the government's target of around 7.0%. Growth this year is likely to slow down further, however, as Beijing tries to tackle problems of excessive stock and manufacturing overcapacity as one of the major tasks of its supply-side structural reform plan, according to a report dated 19 January 2016 in the South China Morning Post (the "SCMP"). Beijing's supply-side polices should benefit manufacturers in the long run, but the push is unable to address the slowdown in growth in the short term, according to a report dated 1 February 2016 in the SCMP. According to a report dated 1 March 2016 in the Financial Times (the "FT"), activity in China's factory and services sectors fell in February 2016 to its lowest level since the aftermath of the global financial crisis, the latest signal of a deepening economic slowdown that prompted the central bank to inject cash into the banking system.

According to the FT report dated 1 March 2016, China's official manufacturing purchasing managers' index (the "PMI") fell to 49 in February 2016 from 49.8 in January 2016, equaling its weakest since February 2009 and the seventh straight month of decline. The official services sector PMI, which had previously held up better than the manufacturing index in China's economic slowdown, also slipped to 52.7 in February 2016, its weakest level since December 2008. China has set a lower target for its 2016 economic growth, calling for an expansion of 6.5% to 7.0%. The broader range suggests that the government is still prioritising growth, even as it seeks a balance between short-term stimulus and long-term structural reform, according to a report dated 5 March 2016 in the FT. The IMF expects growth in China to slow to 6.3% in 2016 and 6.0% in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. According to the IMF, China can avoid a hard landing if Beijing pursues reforms to state enterprises and sticks to a more market-driven and well-communicated exchange rate policy, as per a report dated 5 February 2016 in the SCMP.

Against this backdrop, the operating environment for manufacturers in the PRC is likely to remain challenging and would continue to have an impact on the performance of the Group's electronic products business in the future. Competition is expected to be keen not only in the PRC but also in other Asia countries. As Europe is hard to build a momentum in their economic recovery, and for these reasons, the selling price of consumable products will be under pressure and thus the selling price of our electronic components will be under pressure as well. Profit margin of the Group's electronic products has been squeezed by growing competition within the industry due to fixed production costs as well as the increasing wages rate. Cost control will be a priority to the Group and we will explore and consider ways to increase profitability including the outsourcing of some labour intensive process. As a result, the Group will take a cautious view of its electronic products business in the coming year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 9 November 2015, the Company completed the Subscription of an aggregate of 722,500,000 new ordinary shares at the subscription price of HK$0.047 per share. For details, please refer to the announcements of the Company dated 27 October 2015 and 9 November 2015, the paragraph headed "Liquidity, Financial Resources and Capital Structure" in the Management Discussion and Analysis on page 24 of this announcement, and note 13 to the consolidated financial statements in this announcement.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining high standards of corporate governance. During the Reporting Period, the Company has applied the principles of and complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules except for the following deviations:

Under the Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The duties and responsibilities of the chief executive were shared among the members of the Board during the Reporting Period. In view of the size of operation of the Group, the Board considers that it will be suitable for implementing of the Company's strategies under this arrangement. The Board shall review this arrangement from time to time to ensure appropriate and timely action is taken to meet changing circumstances.

Moreover, under the Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. Mr. Ho Chi Fai, an independent non-executive Director, is not appointed for a specific term but his directorship is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company (the "Bye-laws") and the Listing Rules. Under the Bye-laws, one-third of the Directors shall retire from office by rotation at each annual general meeting. According to the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Directors will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making process are regulated in a proper and prudent manner.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code for the Reporting Period.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed with the management the Group's consolidated financial statements for the Reporting Period, including the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, in conjunction with the auditors of the Company.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at http://www.irasia.com/listco/hk/sinotech and the website of the Stock Exchange. The Company's annual report for the year ended 31 December 2015 will be despatched to the Shareholders and will be available at the above websites in due course.

By order of the Board
Sino-Tech International Holdings Limited
Wang Zhaofeng
Chairman

Hong Kong, 24 March 2016

As at the date of this announcement, the Board comprises Mr. Wang Zhaofeng (Chairman), Mr. Lam Yat Keung and Mr. Huang Hanshui as executive Directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Mr. Zhang Jue as independent non-executive Directors.