



峻凌國際控股有限公司

Regent Manner International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1997



CONTENTS

	<i>Pages</i>
Corporate Information	2
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Cash Flow Statement	7
Notes to Condensed Financial Statements	8
Management Discussion and Analysis	24
Dividend	27
Date of Book Closure	28
Corporate Governance Practices	28
Model Code for Securities Transactions by Directors	28
Directors' Interests and Short Position in Shares, Underlying Shares and Debentures of the Company or any Associated Corporations	29
Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares	31
Audit Committee	32
Purchase, Redemption or Sale of the Company's Listed Securities	32



CORPORATE INFORMATION

Executive Directors

Wu Kai-Hsiung
(Chief Executive Officer)
Han Min *(Chief Marketing Officer)*
Tseng Yu-Ling *(Chief Financial Officer)*

Non-executive Director

Wu Kai-Yun *(Chairman)*

Independent Non-executive Directors

Kwok Kwan Hung *FCPA (Practising),
FCCA, B.S.C. (Hons), FHKIoD*
Wang Mie-Nan
Lin Yen-Yu

Audit Committee

Kwok Kwan Hung *(Chairman)*
Wang Mie-Nan
Lin Yen-Yu

Remuneration Committee

Wang Mie-Nan *(Chairman)*
Lin Yen-Yu
Kwok Kwan Hung

Nomination Committee

Lin Yen-Yu *(Chairman)*
Kwok Kwan Hung
Wang Mie-Nan

Company Secretary and Qualified Accountant

Chan Lai Yi, Karen *FCPA, FCCA*

Authorized Representatives

Wu Kai-Hsiung
Chan Lai Yi, Karen *FCPA, FCCA*

Auditor

Ernst & Young
Certified Public Accountants

Principal Banker

Standard Chartered Bank
(Hong Kong) Limited

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

20th Floor
No. 168 Queen's Road Central
Hong Kong

Website

<http://www.rmih.com>

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

		For the six months ended 30 June	
		2009	2008
	Notes	US\$'000	US\$'000
		(Unaudited)	(Unaudited)
Revenue	4	280,170	255,600
Cost of sales		(251,220)	(219,814)
Gross profit		28,950	35,786
Other income and gain	4	688	2,205
Selling and distribution costs		(505)	(377)
Administrative expenses		(5,957)	(6,343)
Other expenses		(773)	(352)
Finance costs	5	(330)	(605)
Profit before income tax	6	22,073	30,314
Income tax	7	(3,032)	(3,704)
Profit for the period attributable to equity holders of the parent		19,041	26,610
Dividends	8	9,032	10,901
Earning per share – Basic	9	US\$0.0190	US\$0.0266

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

	Notes	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	97,444	90,494
Leasehold land prepayments		6,854	7,775
Deferred tax asset		646	651
Total non-current assets		104,944	98,920
Current assets			
Inventories	11	35,087	15,228
Trade receivables	12	208,009	108,415
Prepayments, deposits and other receivables		9,835	8,222
Due from a related company	13	52	52
Due from the ultimate holding company	13	5,001	746
Cash and bank balances	14	70,285	83,928
Total current assets		328,269	216,591
Current liabilities			
Trade payables	15	211,751	108,685
Accruals and other payables		9,923	9,938
Interest-bearing bank borrowings	16	15,534	12,837
Finance lease payables		669	831
Due to the ultimate holding company	17	1,581	1,193
Tax payable		3,429	1,152
Total current liabilities		242,887	134,636
Net current assets		85,382	81,955
Total assets less current liabilities		190,326	180,875



	30 June 2009	31 December 2008
<i>Notes</i>	US\$'000	<i>US\$'000</i>
	(Unaudited)	(Audited)
Non-current liabilities		
Finance lease payables	–	244
Deferred tax liability	454	1,413
Total non-current liabilities	454	1,657
Net assets	189,872	179,218
Equity		
Equity attributable to equity holders of the parent		
Issued capital	<i>18</i> 1,282	1,282
Reserves	179,558	169,549
Proposed dividend	9,032	8,387
Total equity	189,872	179,218

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to equity holders of the parent								
	Issued capital	Share premium account	Statutory reserve fund	Share-based payment reserve	Merger reserve	Retained profits	Proposed dividend	Total reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2008	1,282	49,891	3,372	842	39,363	58,595	8,975	161,038	162,320
Profit for the period	-	-	-	-	-	26,610	-	26,610	26,610
Transferred from retained profits	-	-	2,933	-	-	(2,933)	-	-	-
Proposed 2008 interim dividend	-	-	-	-	-	(10,901)	10,901	-	-
Dividend paid	-	-	-	-	-	-	(8,975)	(8,975)	(8,975)
At 30 June 2008	1,282	49,891	6,305	842	39,363	71,371	10,901	178,673	179,955
At 1 January 2009	1,282	49,891	6,305	842	39,363	73,148	8,387	177,936	179,218
Profit for the period	-	-	-	-	-	19,041	-	19,041	19,041
Transferred from retained profits	-	-	2,253	-	-	(2,253)	-	-	-
Proposed 2009 interim dividend	-	-	-	-	-	(9,032)	9,032	-	-
Dividend paid	-	-	-	-	-	-	(8,387)	(8,387)	(8,387)
At 30 June 2009	1,282	49,891*	8,558*	842*	39,363*	80,904*	9,032	188,590	189,872

* These reserve accounts comprise the consolidated reserves of US\$179,558 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Net cash inflow from operating activities	5,611	31,577
Net cash outflow from investing activities	(22,232)	(10,084)
Net cash outflow from financing activities	(6,230)	(11,603)
Net (decrease)/increase in cash and cash equivalents	(22,851)	9,890
Cash and cash equivalents at beginning of period	70,212	49,278
Cash and cash equivalents at end of period	47,361	59,168
Analysis of balances of cash and cash equivalents		
Cash on hand	262	76
Cash at banks, unrestricted	47,099	59,092
	47,361	59,168

NOTES TO CONDENSED FINANCIAL STATEMENTS

30 June 2009

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Regent Manner International Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 9 August 2006. The registered office of the Company is located at 20th Floor, No. 168 Queen's Road Central, Hong Kong.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 July 2007. The Group is principally engaged in the manufacture and sale of electronic products and the provision of related subcontracting services.

Particulars of the subsidiaries of the Company are as follows:

Name	Place of incorporation/ registration and operations	Nominal value of issued and fully paid- up share/ registered capital <i>US\$'000</i>	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Regent Manner (BVI) Limited ("Regent BVI")	British Virgin Islands 10 August 2006	5,050	100	–	Investment holding
Regent Manner Limited ("Regent HK")	Hong Kong 11 April 1997	83,963	–	100	Manufacture and sale of electronic products, provision of subcontracting services and investment holding
Regent Electron (Ningbo) Co., Ltd. ("Regent Ningbo") (note b)	The People's Republic of China (the "PRC") 25 January 2006	10,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Ningbo) Free Trade Zone Co., Ltd. ("Regent Ningbo FTZ") (note b)	The PRC 19 January 2006	10,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services

Name	Place of incorporation/ registration and operations	Nominal value of issued and fully paid- up share/ registered capital <i>US\$'000</i>	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Regent Electron (Suzhou) Co., Ltd. ("Regent Suzhou") <i>(note a)</i>	The PRC 9 August 1999	25,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Xiamen) Co., Ltd. ("Regent Xiamen")	The PRC 10 April 2006	20,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Foshan) Co., Ltd. ("Regent Foshan")	The PRC 16 March 2007	2,500 of 5,000 registered capital	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Langfang) Co., Ltd. ("Regent Langfang")	The PRC 16 September 2007	2,000 of 10,000 registered capital	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Taiwan Surface Mounting Technology (Nanjing) Co., Ltd. ("TSMT Nanjing") <i>(note a)</i>	The PRC 19 January 2004	2,500	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Taiwan Surface Mounting Technology (Ningbo) Co., Ltd. ("TSMT Ningbo") <i>(note b)</i>	The PRC 8 February 2006	5,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services

Name	Place of incorporation/ registration and operations	Nominal value of fully paid- up share/ registered capital <i>US\$'000</i>	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Taiwan Surface Mounting Technology (Suzhou) Electronic Co., Ltd. ("TSMT Suzhou")	The PRC 24 June 2002	21,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Chengdu) Co., Ltd. ("Regent Chengdu")	The PRC 28 January 2008	2,550 of 17,000 registered capital	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Tianjin) Co., Ltd. ("Regent Tianjin")	The PRC 21 February 2008	1,500 of 10,000 registered capital	–	100	Manufacture and sale of electronic products and provision of subcontracting services

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Taiwan Surface Mounting Technology (B.V.I.) Co., Limited ("TSMT BVI") and Taiwan Surface Mounting Technology Corp. ("TSMT Taiwan"), which were incorporated in the British Virgin Islands and Taiwan, respectively. TSMT Taiwan is listed on the GreTai Securities Market, an over-the-counter securities market in Taiwan.

Notes:

- (a) Pursuant to a merger agreement dated 16 October 2008 entered into between Regent Suzhou and TSMT Nanjing, TSMT Nanjing will be merged with Regent Suzhou, after which TSMT Nanjing will be dissolved. The merger has been approved by relevant government authorities and is expected to be completed in the second half of 2009.

- (b) Pursuant to the resolutions of the board of directors of Regent Ningbo FTZ, Regent Ningbo and TSMT Ningbo dated 19 December 2008, Regent Ningbo FTZ and TSMT Ningbo plan to be merged with Regent Ningbo, after which Regent Ningbo FTZ and TSMT Ningbo will be dissolved. The Group is in the process of obtaining relevant governmental approvals.

The directors of the Company believe these mergers/proposed mergers would not have any material impact on the Group's unaudited interim condensed consolidated financial statements for the period ended 30 June 2009.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the companies comprising the Group for the year ended 31 December 2008.

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards (the "HKFRSs")_ for the first time for the condensed consolidated financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKFRS 1 and HKAS 27 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	<i>Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	<i>Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>

The Group has not applied the following new and revised HKFRSs relevant to the condensed consolidated financial statements, that have been issued but are not yet effective.

HKFRS 3 (Revised)	<i>Business Combinations¹</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements¹</i>
HKAS 39 Amendments	<i>Amendments to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items¹</i>
HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners¹</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers¹</i>

¹ Effective for annual periods beginning on or after 1 July 2009

3. SEGMENTAL INFORMATION

The Group's revenue and profit for the six months ended 30 June 2009 are mainly derived from the manufacture and trading of electronic products. The products of the Group are subject to similar risks and returns and, therefore, the Group has only one business segment.

The Group's revenue is substantially derived from its end customers in the PRC and the Group's operating assets are substantially located in the PRC.

Accordingly, no segment analysis by business and geographical segments is provided for the six months ended 30 June 2009.

4. REVENUE AND OTHER INCOME AND GAIN

An analysis of revenue and other income and gain is as follows:

	For the six months ended 30 June	
	2009 US\$'000 (Unaudited)	2008 US\$'000 (Unaudited)
Revenue		
Sale of goods	278,356	248,620
Subcontracting service income	1,814	6,980
	280,170	255,600
Other income and gain		
Interest income	395	621
Exchange gain	4	1,386
Others	289	198
	688	2,205
	280,858	257,805

5. FINANCE COSTS

	For the six months ended 30 June	
	2009 US\$'000 (Unaudited)	2008 US\$'000 (Unaudited)
Interest on bank and other borrowings	64	181
Interest on finance leases	72	110
Bank charges	194	314
	330	605

6. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging the following items:

	For the six months ended 30 June	
	2009 US\$'000 (Unaudited)	2008 US\$'000 (Unaudited)
Employee benefits expense:		
Wages and salaries	9,627	9,893
Pension scheme contributions	616	873
	10,243	10,766
Cost of inventories sold	232,861	192,430
Cost of services provided	1,556	6,003
Depreciation of property, plant and equipment	5,286	4,774
Amortization of leasehold land prepayments	50	49
Loss on disposal of property, plant and equipment	394	292
Minimum lease payments under operating leases in respect of:		
Buildings	252	312
Plant and machinery	384	375
Research and development costs	1,897	1,956
Impairment of trade receivables	–	128
(Reversal)/write-down of inventories to net realizable value	(1,399)	722

7. INCOME TAX

The major components of income tax expenses are as follows:

	For the six months ended 30 June	
	2009	2008
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax	554	451
Corporate Income Tax of the People's Republic of China	2,478	3,253
	3,032	3,704

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

Regent BVI was incorporated in the British Virgin Islands under the International Business Companies Acts of the British Virgin Islands and is exempted from payment of the British Virgins Islands income tax.

In accordance with Departmental Interpretation and Practice Note 21 (Revised) paragraph 16 published by the Inland Revenue Department of Hong Kong, the directors of the Company considered that Regent HK, a Hong Kong manufacturing business involved in the manufacturing activities in the PRC, is entitled to 50:50 apportionment of profits generated from the sales of good manufactured in the PRC. As a result, Regent HK provides for Hong Kong profits tax at 8.25% (six months ended 30 June 2008: 8.25%) on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2009.

Regent HK operates through a subcontracting factory in Dongguan, the PRC. The factory is subject to PRC corporate income tax at a rate of 25% (six months ended 30 June 2008: 25%) on the deemed profit generated in the PRC. The deemed profit is calculated at a rate of 7% on the total deemed revenue which is determined by applying 7% mark-up on the total processing costs incurred by the subcontracting factory.

Other PRC subsidiaries are subject to the PRC Corporate Income Tax. The New Corporate Income Tax Law, which became effective on 1 January 2008, introduced the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. Grandfather provisions are available to TSMT Suzhou, Regent Ningbo (FTZ), Regent Ningbo, TSMT Ningbo, TSMT Nanjing, Regent Xiamen and Regent Foshan, who are entitled to full exemption from the Corporate Income Tax for the first and second profitable years, or for the first and second year since 1 January 2008, where this is a shorter period, and further 50% exemption for the succeeding three years.

8. DIVIDENDS

On 12 August 2009, the directors of the Company proposed and declared an interim dividend of HK 7 cents per share, totalling HK\$70,000,000 (equivalent to approximately US\$9,032,000) for the six months ended 30 June 2009 (30 June 2008: approximately US\$10,901,000). These condensed financial statements do not reflect this dividend payable.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the period attributable to the ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2009	2008
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the parent (US\$'000)	19,041	26,610
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000

Basic earnings per share for the six months ended 30 June 2009 is calculated by dividing the profit attributable to equity holders of the parent of US\$19,041,000 (six months ended 30 June 2008: US\$26,610,000) by the weighted average number of 1,000,000,000 (six months ended 30 June 2008: 1,000,000,000) ordinary shares in issue during the six months ended 30 June 2009.

Diluted earnings per share has not been disclosed as there are no dilutive options and other potential dilutive ordinary shares in issues during the period.

10. PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to US\$12,874,000 (six months ended 30 June 2008: US\$13,372,000). Items of property, plant and equipment with net book value totaling US\$394,000 were disposed of during the period (six months ended 30 June 2008: US\$402,000), resulting in a loss on disposal of US\$394,000 (six months ended 30 June 2008: US\$292,000).

As at 30 June 2009, the net book value of the Group's plant and machinery held under finance leases amounted to US\$2,135,000 (31 December 2008: US\$2,299,000).

11. INVENTORIES

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Raw materials	22,230	12,061
Work-in-progress	1,955	–
Finished goods	10,902	3,167
	35,087	15,228

12. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit terms granted to customers range from 60 days to 120 days. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Outstanding balances with ages:		
Within 90 days	177,072	75,058
Between 91 days to 180 days	30,646	33,357
Between 181 days to 365 days	291	–
	208,009	108,415

An aged analysis of the trade receivables that are not considered to be impaired is as follows:

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Neither past due nor impaired	202,056	108,060
Less than 30 days past due	5,953	355
	208,009	108,415

Receivables that were neither past due nor impaired related to about thirty customers for whom there was no recent history of default.

Receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality of those customers and that the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

As at 30 June 2009, the provision for impairment of trade receivables amounted to US\$128,000 (31 December 2008: US\$128,000).

13. DUE FROM A RELATED COMPANY AND THE ULTIMATE HOLDING COMPANY

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Trade receivables from:		
(i) A related company:		
Hitop Communications Corporation (controlled by the same ultimate holding company: TSMT Taiwan)	52	52
(ii) The ultimate holding company:		
TSMT Taiwan	5,001	746

Trade receivables from the related company and the ultimate holding company aged within 1 year. They are unsecured, interest free and repayable on demand.

14. CASH AND BANK BALANCES

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Cash on hand	262	105
Cash at banks, unrestricted	47,099	70,107
Time deposits with initial term of more than three months	22,924	13,101
Pledged bank balances	-	615
	70,285	83,928

As at 30 June 2009, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to US\$23,201,000 (31 December 2008: US\$22,886,000). The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorization to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for periods of less than three months depending on the immediate cash requirements, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of cash and cash equivalents and the pledged deposits approximate to their fair values.

15. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Outstanding balances with ages:		
Within 90 days	165,785	64,532
Between 91 days to 180 days	45,868	44,109
Between 181 days to 365 days	98	44
	211,751	108,685

Trade payables are non-interest-bearing and are generally on terms of 30 to 150 days.

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Unsecured bank borrowings repayable within one year, classified as current liabilities	15,534	12,837

The Group's bank borrowings bear interest at rates ranging from 0.97% to 2.33% (31 December 2008: 1.46% to 3.87%) per annum.

The carrying amounts of the Group's interest-bearing bank borrowings approximate to their fair values.

As at 30 June 2009, total bank loan facilities of US\$22,000,000 (31 December 2008: US\$17,500,000) were granted to the Group. The loan facilities are unsecured, and have not been utilised by the Group as at 30 June 2009.

17. DUE TO THE ULTIMATE HOLDING COMPANY

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Trade payables to TSMT Taiwan	1,581	1,193

Trade payables to the ultimate holding company aged less than 180 days. They are unsecured, interest-free and repayable on demand.

18. ISSUED CAPITAL

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Authorised – 5,000,000,000 shares of HK\$0.01 each	6,410	6,410
Issued and fully paid – 1,000,000,000 shares of HK\$0.01 each	1,282	1,282

19. PLEDGE OF ASSETS

The Group had no pledged assets as at 30 June 2009 (31 December 2008: see Note 14).

20. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties and machinery under operating lease arrangements. Leases for properties are negotiated for terms ranging from 6 months to 4 years, and those for machinery are 4 years.



At 30 June 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Contracted, but not provided for:		
Within one year	1,253	1,235
In the second to fifth years, inclusive	489	935
	<hr/> 1,742	<hr/> 2,170

21. COMMITMENTS

	30 June 2009 US\$'000 (Unaudited)	31 December 2008 US\$'000 (Audited)
Contracted, but not provided for:		
Purchases of plant and machinery	534	544
Construction of buildings	535	426
Capital injection to certain PRC subsidiaries	33,450	33,450
	<hr/> 34,519	<hr/> 37,420

22. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

	For the six months ended 30 June	
	2009	2008
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Purchases of raw materials from (note (i)):		
TSMT Taiwan	789	2,120
Purchases of goods from (note (i)):		
TSMT Taiwan	100	589
Sales of goods to (note (i)):		
TSMT Taiwan	9,238	–
Hitop Communications Corporation	299	23

Note:

- (i) The directors of the Company consider that the selling prices of goods and the purchase prices of raw materials and goods are determined according to the terms mutually agreed by both parties after taking into account the prevailing market prices.

Pursuant to an undertaking provided by Mr. Wu Kai-Yun, a director and shareholder of the Company, Mr. Wu Kai-Yun agreed to compensate the Group for certain PRC individual income tax liabilities incurred by certain non-PRC employees of the Group upon actual payment of these liabilities to the PRC tax bureau. As at 30 June 2009, individual income tax liabilities amounting to US\$1,721,000 have been recorded in the Group's condensed consolidated financial statements.

23. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The unaudited interim condensed financial statements were approved and authorized for issue by the directors of the Company on 12 August 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is principally engaged in the provision of integrated production solutions deploying surface-mount technology ("SMT") for manufacturers of thin-film transistor liquid crystal display ("TFT-LCD") panels and various electronic products, with an aim to become a specialized provider of electronic manufacturing services ("EMS"). At present, the Group's scope of services includes materials procurement and management, process engineering design, SMT processing, quality assurance, logistics management and after-sales services. The Company's shares were listed on the Main Board of the Stock Exchange on 10 July 2007.

Business and Financial Review

Revenue

For the six months ended 30 June 2009, the Group recorded an unaudited consolidated revenue of approximately US\$280,170,000 (six months ended 30 June 2008: approximately US\$255,600,000), representing a growth of approximately 9.6% over the corresponding period of last year. Increase in revenue was attributed to the increased orders from the Group's key customers as a result of the resumption of the TFT-LCD industry following the stabilization of the global economy.

Gross Profit

The unaudited consolidated gross profit for the six months ended 30 June 2009 was approximately US\$28,950,000, representing a decline of approximately US\$6,836,000 (about 19.1%) over the corresponding period of last year.

The gross profit margin of the Group for the six months ended 30 June 2009 reduced to approximately 10.3% from approximately 14.0% for the corresponding period of last year. It was due to (i) the exceptionally low economy of scale during the first quarter of 2009, (ii) the relatively lower gross profit margin at the early stage of launching new products as compared with that of the existing products.

Net Profit

The unaudited consolidated net profit for the six months ended 30 June 2009 was approximately US\$19,041,000, representing a decline of approximately US\$7,569,000 (about 28.4%) over the corresponding period of last year. It was mainly due to the reduction of gross profit during the period.

Liquidity and Financial Resources

As at 30 June 2009, the Group's unaudited net current assets were approximately US\$85,382,000 (31 December 2008: approximately US\$81,955,000) which consisted of current assets amounting to approximately US\$328,269,000 (31 December 2008: approximately US\$216,591,000) and current liabilities amounting to approximately US\$242,887,000 (31 December 2008: approximately US\$134,636,000). The current ratio, defined as current assets over current liabilities, was approximately 1.4 times as at 30 June 2009 (31 December 2008: approximately 1.6 times).

As at 30 June 2009, the unsecured bank loan repayable within one year was approximately US\$15,534,000 (31 December 2008: approximately US\$12,837,000). As at 30 June 2009, the Group has no other bank loans and borrowings repayable beyond one year (31 December 2008: Nil).

The gearing ratio, defined as total borrowings (other than payables in ordinary course of business) over total equity, as at 30 June 2009 was approximately 15.8% (31 December 2008: approximately 14.7%).

As at 30 June 2009, the cash and bank balances amounted to approximately US\$70,285,000 (31 December 2008: approximately US\$83,928,000).

The directors of the Company (the "Directors") are in the opinion that the Group will be in a strong and healthy financial position and has sufficient resources in support of its working capital requirement and to meet its foreseeable capital expenditure.

Treasury Policy and Exchange Risk Exposure

The Group centralizes funding for all of its operations at the Group level where foreign exchange exposure is reviewed and monitored. This policy allows the Group to better control its treasury operations and lower average cost of capital.

As the Group's sales and procurements were mainly transacted in US dollars, the Group does not foresee significant exposure to exchange rate risk and no financial instruments are used for hedging such risk.



Capital Expenditure

The Group invested approximately US\$12,874,000 during the six months ended 30 June 2009 in the construction of factory premises, purchase and installation of plant, machinery and equipment, as compared to approximately US\$13,372,000 for the six months ended 30 June 2008. These capital expenditures were fully financed by the net proceeds from the placing and public offer of the Company's shares on 10 July 2007 (the "Share Offer"), internal resources of the Group and bank borrowings.

Capital Commitments and Contingent Liabilities

As at 30 June 2009, the future capital commitments for which the Group had contracted but not provided for amounted to approximately US\$34,519,000 which relate mainly to the capital injection to certain PRC subsidiaries. Save for the above, the Group had no significant contingent liabilities.

Pledge of Assets

The Group had no pledged assets as at 30 June 2009 (31 December 2008: approximately US\$615,000).

Human Resources and Remuneration Policies

The Group offers competitive remuneration package to its employees in Hong Kong and in the Mainland China, including quality staff quarter, training and development opportunities, medical benefits, insurance coverage and retirement benefits in order to attract, retain and motivate employees. As at 30 June 2009, the Group has 6,174 (30 June 2008: 5,970) employees. The total salaries and related cost for the six months ended 30 June 2009 amounted to approximately US\$10,243,000 (six months ended 30 June 2008: approximately US\$10,766,000).

The Group also has a share reward programme and a share option scheme from its ultimate holding company TSMT Taiwan. The objectives of the programme and the scheme are to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Prospects

Due to the exceptionally low level of sales for the first three months of 2009 caused by the global economy downturn, and the relatively lower gross profit margin at the early stage of launching new products as compared with that of the existing products, the overall interim gross profit, and thus the net profit, for the first six months of 2009 was lower than last half-year level.

However, along with the improvement of the global economy condition, the financial performance of the Group for the second quarter of 2009 picked up substantially as compared to the first quarter. Furthermore, the Group has been gradually launching surface mounting technology for a new product, LED light bar, since the end of 2008. Being benefited from technology evolution, as well as increasing awareness and promotion of the market for environmental protection, the demand from TFT-LCD Industry for the application of LED light bar is surging. The management looks forward to a further increase of the revenue and profitability of the Group as the economy recovers and the sales of the new product become mature.

The Group strives to become a leading EMS provider in the global TFT-LCD panel industry. In this regard, the Group intends to strengthen its relationships with leading TFT-LCD panel makers by continuously adopting co-location strategy. The Group will also expand its production capacity to cater for increasing demand from customers and to continuously invest in advanced production facilities to enhance production efficiency and product quality. Furthermore, the Group will maintain its focus on market leaders of TFT-LCD panel industry, and will enlarge its clientele by establishing relationship with other large-scale panel makers. The Group also strives to enhance its profitability by engaging in other high-end electronic products.

The Group will continue to expand its business by (1) installing additional SMT production lines mainly in Suzhou and Xiamen to strengthen the production capability; (2) launching new products such as LED light bar to meet new application demand in the TFT-LCD panel industry; (3) capturing business opportunities from new customers; and (4) setting up production premises in the northern and central part of the PRC to broaden the business platform of the Group.

In the long run, the TFT-LCD industry is expected to exhibit steady growth driven by growing market demand for LCD products. With the positive momentum to be resumed gradually after the recovery of global economy, the Group's management is confident that its business will continue to grow in the future and generate good returns to the Company's shareholders.

DIVIDEND

The Directors proposed and declared an interim dividend of HK\$0.07 per share, totalling HK\$70,000,000 (equivalent to approximately US\$9,032,000) for the six months ended 30 June 2009 (30 June 2008: approximately US\$10,901,000).



DATE OF BOOK CLOSURE

The register of members will be closed from 17 September 2009 to 21 September 2009, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 16 September 2009. Dividend warrants are expected to be dispatched on or about 29 September 2009.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to ensure high standards of corporate governance in the interest of its shareholders. The Directors confirm, to the best of their knowledge, the Group has complied with the code provisions set out in the Code of Corporate Governance Practices (the "Corporate Governance Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding securities transactions by the Directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. All Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2009.

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2009, the interests and short positions of the existing Directors and chief executives of the Company in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which the Directors and chief executives of the Company were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Interests in shares

Name of Director	Company/name of associated corporation	Nature of interest	Number and class of securities	Percentage of interest in the relevant issued share capital
Wu Kai-Yun	the Company	Personal	3,436,314 Shares	0.34%
Wu Kai-Hsiung	the Company	Personal	1,963,608 Shares	0.20%
Tseng Yu-Ling	the Company	Personal	1,546,341 Shares	0.15%
Wang Mie-Nan	the Company	Personal	82,000 Shares	0.01%
Wu Kai-Yun	TSMT Taiwan	Personal	7,835,841 ordinary shares	4.69%
Wu Kai-Yun	TSMT Taiwan	Family <i>Note 1</i>	7,999,801 ordinary shares	4.78%
Wu Kai-Hsiung	TSMT Taiwan	Personal	900,601 ordinary shares	0.54%

Name of Director	Company/name of associated corporation	Nature of interest	Number and class of securities	Percentage of interest in the relevant issued share capital
Wa Kai-Hsiung	TSMT Taiwan	Family <i>Note 2</i>	147,220 ordinary shares	0.09%
Tseng Yu-Ling	TSMT Taiwan	Personal	79,053 ordinary shares	0.05%
Wu Kai-Yun	TSMT BVI, TSMT HK, TSMT USA, High-Toned, and Hitop	Personal & Family <i>Note 1</i>	<i>Note 3</i>	<i>Note 3</i>
Wu Kai-Hsiung	TSMT BVI, TSMT HK, TSMT USA, High-Toned, and Hitop	Personal & Family <i>Note 2</i>	<i>Note 3</i>	<i>Note 3</i>
Tseng Yu-Ling	TSMT BVI, TSMT HK, TSMT USA, High-Toned, and Hitop	Personal	<i>Note 3</i>	<i>Note 3</i>

Notes:

1. The relevant shares were held by the spouse of Wu Kai-Yun and his children aged under 18.
2. The relevant shares were held by the children aged under 18 of Wu Kai-Hsiung.
3. TSMT Taiwan is the holding company of Taiwan Surface Mounting Technology (B.V.I.) Co., Limited ("TSMT BVI"), Taiwan Surface Mounting Technology Co., Limited ("TSMT HK"), Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd. ("TSMT USA"), High-Toned Opto Technology Corp. ("High-Toned") and HITOP Communication Corp. ("Hitop"). The Relevant Directors are deemed to be interested in these associated corporations by virtue of their interests in TSMT Taiwan.

Save as disclosed above, as at 30 June 2009, none of the Directors or their associate(s) had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director, as at 30 June 2009, shareholders (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Interests in shares

Name	Nature of interest	Number of shares	Approximate percentage of interest in the Company
TSMT BVI	Beneficial owner	734,831,130	73.48%
TSMT Taiwan	Interest of a controlled corporation	734,831,130	73.48%

Note: TSMT BVI is a direct wholly-owned subsidiary of TSMT Taiwan and, therefore, TSMT Taiwan is deemed or taken to be interested in the Company's shares which are beneficially owned by TSMT BVI for the purpose of the SFO. TSMT Taiwan is a company listed on the GreTai Securities Market in Taiwan.



Save as disclosed above, as at 30 June 2009, there was no person (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who (i) had an interest or short position in the shares and underlying shares of the Company which (a) would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO; or (b) were required, pursuant to Section 336 of the SFO, to be entered in the register referred therein; or (ii) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Corporate Governance Code. The Audit Committee will meet at least four times each year with the purpose of monitoring the effectiveness of the Group's financial reporting process, internal control and risk management systems. The Audit Committee comprises all of the independent non-executive Directors, namely, Mr. Kwok Kwan Hung (chairman of the Audit Committee), Mr. Wang Mie-Nan and Ms. Lin Yen-Yu. The Audit Committee has reviewed the unaudited condensed consolidated interim results, including the accounting principles adopted by the Group, for the six months ended 30 June 2009.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 June 2009.

By order of the Board
Wu Kai-Yun
Chairman

Hong Kong, 12 August 2009