Interim Report 2011

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

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*
Hsu Wey-Tyng
Lin Yen-Yu

Audit Committee

Kwok Kwan Hung *(Chairman)*
Hsu Wey-Tyng
Lin Yen-Yu

Remuneration Committee

Hsu Wey-Tyng *(Chairman)*
Lin Yen-Yu
Kwok Kwan Hung

Nomination Committee

Lin Yen-Yu *(Chairman)*
Kwok Kwan Hung
Hsu Wey-Tyng

Company Secretary

Chan Lai Yi, Karen *FCPA, FCCA*

Authorized Representatives

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

Auditor

PricewaterhouseCoopers
Certified Public Accountants

Legal Adviser

PHILLIPS Solicitors

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 STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011
(All amounts in USD thousands unless otherwise stated)

	Notes	For the six months ended 30 June 2011 (Unaudited)	2010 (Unaudited)
Revenue	*6*	**727,321**	526,070
Cost of sales		**(663,022)**	(472,535)
Gross profit		**64,299**	53,535
Selling and distribution costs		**(1,089)**	(1,093)
Administrative expenses		**(11,779)**	(8,299)
Other gains – net		**1,955**	1,117
Operating profit	*17*	**53,386**	45,260
Finance income, net	*18*	**891**	194
Profit before income tax		**54,277**	45,454
Income tax expense	*19*	**(9,730)**	(8,797)
Profit for the period attributable to equity holders of the Company		**44,547**	36,657
Other comprehensive income			
Currency translation differences		**1,169**	49
Total comprehensive income for the period attributable to equity holders of the Company		**45,716**	36,706
Earnings per share for profit attributable to the equity holders of the Company during the period			
– basic	*20*	**US$0.0219**	US$0.0183
– diluted	*20*	**US$0.0219**	US$0.0183
Dividends	*21*	**18,239**	12,868

The notes on pages 8 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2011

(All amounts in USD thousands unless otherwise stated)

	Notes	30 June 2011 (Unaudited)	31 December 2010 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	**174,416**	144,798
Land use rights	8	**4,588**	4,623
Prepayments for land use rights	8	**2,668**	2,435
Deferred tax assets		**17**	30
		181,689	151,886
Current assets			
Inventories	9	**103,083**	58,688
Trade receivables	10	**474,172**	340,038
Prepayments, deposits and other receivables		**25,139**	22,665
Due from related companies	11	**5,583**	39
Due from the ultimate holding company	11	**6,264**	9,151
Cash and bank balances	12	**73,898**	91,883
		688,139	522,464
Total assets		**869,828**	674,350
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	13	**1,302**	1,302
Share premium		**56,709**	56,709
Other reserves			
– Proposed interim/final dividend		**18,239**	18,247
– Others		**227,928**	200,413
Total equity		**304,178**	276,671

	Notes	30 June 2011 (Unaudited)	31 December 2010 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**4,095**	3,259
Current liabilities			
Trade payables	*14*	**430,748**	323,614
Accruals and other payables		**23,272**	17,919
Bank borrowings	*15*	**81,587**	36,220
Due to the ultimate holding company	*16*	**8,338**	4,541
Due to a related company	*16*	**133**	76
Current income tax liabilities		**17,477**	12,050
		561,555	394,420
Total liabilities		**565,650**	397,679
Total equity and liabilities		**869,828**	674,350
Net current assets		**126,584**	128,044
Total assets less current liabilities		**308,273**	279,930

The notes on pages 8 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011
(All amounts in USD thousands unless otherwise stated)

	Unaudited Attributable to equity holders of the Company			
	Share capital	Share premium	Other reserves	Total equity
Balance as at 1 January 2010	1,282	49,891	165,746	216,919
Total comprehensive income for the period ended 30 June 2010	–	–	36,706	36,706
Transaction with owners				
2009 final dividend	–	–	(12,903)	(12,903)
Balance as at 30 June 2010	1,282	49,891	189,549	240,722
Balance as at 1 January 2011	**1,302**	**56,709**	**218,660**	**276,671**
Total comprehensive income for the period ended 30 June 2011	**–**	**–**	**45,716**	**45,716**
Transaction with owners				
Proceeds from warrants issued	**–**	**–**	**38**	**38**
2010 final dividend	**–**	**–**	**(18,247)**	**(18,247)**
	–	**–**	**(18,209)**	**(18,209)**
Balance as at 30 June 2011	**1,302**	**56,709**	**246,167**	**304,178**

The notes on pages 8 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2011

(All amounts in USD thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June 2011	2010
Cash flows from operating activities:			
– Cash (used in)/generated from operations		**(4,024)**	27,277
– Interest paid		**(107)**	(66)
– Income tax paid		**(3,454)**	(3,337)
Net cash (used in)/generated from operating activities		**(7,585)**	23,874
Cash flows from investing activities:			
– Purchases of property, plant and equipment	*7*	**(38,653)**	(35,019)
– Payment for land use rights		**(233)**	(434)
– Proceeds from disposal of property, plant and equipment	*7*	**220**	229
– Proceeds from disposal of land use rights		**–**	1,716
– Decrease in time deposits with initial term of more than three months		**13,802**	2,774
– Interest received		**635**	357
Net cash used in investing activities		**(24,229)**	(30,377)
Cash flows from financing activities:			
– Dividends paid		**(18,247)**	(12,903)
– Repayments of borrowings	*15*	**(134,161)**	(42,077)
– Payment of finance lease payables		**–**	(244)
– Proceeds from borrowings	*15*	**179,391**	76,766
– Proceeds from warrants issued		**38**	–
Net cash generated from financing activities		**27,021**	21,542
Net (decrease)/increase in cash and cash equivalents		**(4,793)**	15,039
Cash and cash equivalents at beginning of period		**70,200**	34,725
Exchange differences		**610**	(107)
Cash and cash equivalents at end of period	*12*	**66,017**	49,657

The notes on pages 8 to 27 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011
(All amounts in USD thousands unless otherwise stated)

1 GENERAL INFORMATION

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 Company together with its subsidiaries are hereinafter collectively referred to as the Group. The Group is principally engaged in the manufacture and sale of electronic products and the provision of related subcontracting services.

This condensed consolidated interim financial information has not been audited and was approved for issue on 22 August 2011.

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	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		US$'000	*%*	*%*	
Regent Manner (BVI) Limited ("Regent BVI")	British Virgin Islands	55,630	100	–	Investment holding
Regent Manner Limited ("Regent HK")	Hong Kong	94,963	–	100	Manufacture and sale of electronic products, provision of subcontracting services and investment holding
Regent Electron (Ningbo) Co., Ltd. ("Regent Ningbo")	The People's Republic of China (the "PRC")	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	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		US$'000	*%*	*%*	
High-Toned Opto Technology (Ningbo) Limited ("Ningbo Junhong")	The PRC	10,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Suzhou) Co., Ltd. ("Regent Suzhou")	The PRC	27,500	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Xiamen) Co., Ltd. ("Regent Xiamen")	The PRC	20,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Foshan) Co., Ltd. ("Regent Foshan")	The PRC	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	2,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Taiwan Surface Mounting Technology (Suzhou) Electronic Co., Ltd. ("TSMT Suzhou")	The PRC	35,000	–	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	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		US$'000	*%*	*%*	
Regent Electron (Chengdu) Co., Ltd. ("Regent Chengdu")	The PRC	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	1,500 of 10,000 registered capital	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Dongguan) Co., Ltd. ("Regent Dongguan")	The PRC	8,000 of 10,000 registered capital	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Ningbo Yongfu Trade Co., Ltd. ("Ningbo Yongfu")	The PRC	5,300	–	100	Wholesale of electronic and other products; Imports and exports activities
Regent Electron (Qingdao) Co., Ltd. ("Regent Qingdao")	The PRC	17,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Hefei) Co., Ltd. ("Regent Hefei")	The PRC	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	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
		US$'000	*%*	*%*	
Regent Electron (Chongqing) Co., Ltd. ("Regent Chongqing")	The PRC	7,000 of 12,000 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 are Taiwan Surface Mounting Technology (B.V.I.) Co. Limited ("TSMT BVI") and Taiwan Surface Mounting Technology Corp. ("TSMT Taiwan"), which are incorporated in the British Virgin Islands and Taiwan, respectively. TSMT Taiwan is listed on the Main Board Securities Market in Taiwan.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with HKAS 34, "Interim financial reporting". This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2.1 Going-concern basis

The Group meets its day-to-day working capital requirements through its bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011:

- Amendment to HKAS 34 'Interim financial reporting' is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The changes in accounting policy only results in additional disclosures.

(b) Standards, amendments and interpretations to existing standards effective in 2011 but not relevant to the Group

- Amendment to HKAS 32 'Classification of rights issues' is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

- Amendment to HKFRS 1 'Limited exemption from comparative HKFRS 7 disclosures for first-time adopters' is effective for annual periods beginning on or after 1 July 2010. This is not applicable to the Group, as it is not a first-time adopter of HKFRS.

- HKFRIC – Int 19 'Extinguishing financial liabilities with equity instruments' is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments.

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

  - The name of the government and the nature of their relationship;

  - The nature and amount of any individually significant transactions; and

  - The extent of any collectively-significant transactions qualitatively or quantitatively.

  It also clarifies and simplifies the definition of a related party.

- Amendment to HKFRIC – Int-14 'Prepayments of a minimum funding requirement' is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 'Interim financial reporting' as disclosed in note 3(a), all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2011 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 7 (Amendment)	Disclosures – Transfers of financial assets	1 July 2011
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets	1 January 2012
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKFRS 9	Financial Instruments	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HKAS 19 (Amendment)	Employee benefits	1 January 2013

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk, and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

5.2 Fair value estimation

There are no financial assets/liabilities carried at fair value determined by valuation method. The carrying value of trade and other receivables less impairment, trade and other payables, due from/to related companies and ultimate holding company, borrowings are assumed to approximate their fair values.

6 REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents (i) the net invoiced value or contracted value of goods sold upon dispatch of goods, after allowances for returns, trade discounts and sales tax, where applicable; and (ii) the value of subcontracting services rendered.

An analysis of revenue is as below:

	Unaudited Six months ended 30 June	
	2011	2010
Sales of goods	**724,897**	525,253
Subcontracting service income	**2,424**	817
Total revenue	**727,321**	526,070

For management purpose, the Group is organised into one operating unit – electronic products. Management monitors the results of this segment in making decisions about resources allocation and performance assessment.

The Group's revenue is substantially derived from its external customers in overseas and majority of the goods sold are transported directly to the external customers' subsidiaries located in the PRC. The Group's operating assets are substantially located in the PRC.

Accordingly, no segment analysis by operating and geographical segments is provided for the six months ended 30 June 2011.

7 PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to US$38,069,000 (six months ended 30 June 2010: US$35,019,000). Items of property, plant and equipment with net book value totalling US$1,386,000 were disposed of during the period (six months ended 30 June 2010: US$599,000), resulting in a loss on disposal of US$1,166,000 (six months ended 30 June 2010: US$370,000).

8 LAND USE RIGHTS

As at 30 June 2011, the Group is in the process of applying for land use right certificates from the relevant PRC government authorities for certain parcels of land in use located in the PRC. The net book value of the underlying land use rights was US$987,374 as at 30 June 2011 (31 December 2010: US$1,018,000).

As at 30 June 2011, the Group has entered into contracts with relevant PRC government authorities for acquiring certain parcels of land located in the PRC with the prepayments of US$2,668,000 as at 30 June 2011 (as at 31 December 2010: US$2,435,000) and unpaid amount of US$495,000 as at 30 June 2011 (as at 31 December 2010: US$189,000). The Group has not started to use these parcels of land and the prepayments for land use rights are not subject to amortisation.

9 INVENTORIES

	As at	
	30 June 2011	31 December 2010
	Unaudited	Audited
Raw materials	**79,836**	44,703
Work in progress	**4,705**	379
Finished goods	**18,542**	13,606
	103,083	58,688

10 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:

	As at 30 June 2011 Unaudited	As at 31 December 2010 Audited
Within 90 days	**380,620**	246,217
Between 91 days to 180 days	**90,142**	92,138
Between 181 days to 365 days	**3,410**	1,683
	474,172	340,038

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

	As at 30 June 2011 Unaudited	As at 31 December 2010 Audited
Neither past due nor impaired	**470,317**	337,990
Past due but not impaired	**3,855**	2,048
	474,172	340,038

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

Receivables that were 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 of 30 June 2011, trade receivables of US$193,000 (31 December 2010: US$193,000) were impaired and fully provided for.

11 DUE FROM RELATED COMPANIES AND THE ULTIMATE HOLDING COMPANY

	As at 30 June 2011 Unaudited	31 December 2010 Audited
Trade receivables from:		
(i) Related companies:		
Hitop Communications Corporation (controlled by the same ultimate holding company: TSMT Taiwan)	**5,575**	–
High-Toned Opto Technology (Suzhou) Limited (controlled by the same ultimate holding company: TSMT Taiwan)	**8**	–
High-Toned Opto Technology Corporation (controlled by the same ultimate holding company: TSMT Taiwan)	**–**	39
	5,583	39
(ii) The ultimate holding company:		
TSMT Taiwan	**6,264**	9,151

An aged analysis of the amounts due from related companies and the ultimate holding company as at the balance sheet date, based on the invoice date, is as follows:

	As at 30 June 2011 Unaudited	31 December 2010 Audited
Within 90 days	**10,610**	9,190
Between 91 days to 180 days	**1,237**	–
	11,847	9,190

Trade receivables from the related companies and the ultimate holding company are unsecured, interest free and repayable on demand.

12 CASH AND BANK BALANCES

	As at	
	30 June 2011	31 December 2010
	Unaudited	Audited
Cash on hand	**35**	80
Cash at banks, unrestricted	**65,982**	70,120
Cash and cash equivalents	**66,017**	70,200
Time deposits with initial term of more than three months	**7,881**	21,683
	73,898	91,883

As at 30 June 2011, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to US$42,352,000 (31 December 2010: US$45,888,000). 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 to conduct foreign exchange transactions.

13 SHARE CAPITAL

	As at	
	30 June 2011	31 December 2010
	Unaudited	Audited
Authorised	**6,410**	6,410
Issued and fully paid	**1,302**	1,302

As at 31 December 2010, the par value of authorised and issued ordinary shares was HK$0.01 per share. The authorised share capital of the Company was HK$50,000,000 divided into 5,000,000,000 ordinary shares, among which, 1,015,000,000 ordinary shares were in issue and fully paid.

As approved in the extraordinary general meeting held on 25 February 2011, each of the existing issued and unissued shares of par value of HK$0.01 each in the share capital of the Company was subdivided into two subdivided shares of par value of HK$0.005 each. Upon the share subdivision became effective, the authorised share capital of the Company is HK$50,000,000 divided into 10,000,000,000 subdivided shares. As at 30 June 2011, 2,030,000,000 subdivided shares are in issue and fully paid.

On 10 January 2011, the Company entered into a placing agreement with the placing agent to place warrants to no less than six placees, who are independent institutions or private investors determined solely by the Placing Agent. The issue price per warrant is HK$0.03 and the subscription price per new share is HK$5.40 (subject to adjustment). Upon the exercise of the subscription rights attaching to the warrants in full, a maximum of 10,000,000 new shares will be issued and allotted. The subscription period ends in one year from the date of issue of the warrants. In accordance with the terms of the instruments constituting the warrants, the exercise price of share issuable under such warrants has been adjusted from HK$5.40 per share to HK$2.70 per share while the number of new shares to be issued and allotted has been adjusted from 10,000,000 new shares to 20,000,000 new shares, as a result of subdivision of shares as mentioned in preceding paragraph.

As at 30 June 2011, the placing of warrants has been completed and there have been no shares issued and allotted.

14 TRADE PAYABLES

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

	As at	
	30 June 2011	31 December 2010
	Unaudited	Audited
Within 90 days	**317,095**	233,668
Between 91 days to 180 days	**113,245**	89,418
Between 181 days to 365 days	**10**	240
More than 365 days	**398**	288
	430,748	323,614

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

15 BANK BORROWINGS

	As at	
	30 June	31 December
	2011	2010
	Unaudited	Audited
Bank borrowings		
Unsecured, repayable within one year	**81,587**	36,220

The Group's bank borrowings bear interest at rates ranging from 0.70% to 1.00% (as at 31 December 2010: 0.68% to 5.10%) per annum as at 30 June 2011.

As at 30 June 2011, total unsecured bank loan facilities that have not been utilized by the Group amounted to US$96,505,000 (as at 31 December 2010: US$87,195,000) and will mature between August 2011 and April 2012.

Movements in borrowings are analysed as follows:

	Unaudited
	US$'000
Six months ended 30 June 2010	
Opening amount as at 1 January 2010	13,113
New borrowings	76,766
Repayments of borrowings	(42,077)
Exchange differences	(107)
Closing amount as at 30 June 2010	47,695
Six months ended 30 June 2011	
Opening amount as at 1 January 2011	**36,220**
New borrowings	**179,391**
Repayments of borrowings	**(134,161)**
Exchange differences	**137**
Closing amount as at 30 June 2011	**81,587**

16 DUE TO A RELATED COMPANY AND THE ULTIMATE HOLDING COMPANY

	As at	
	30 June	31 December
	2011	2010
	Unaudited	Audited
Trade payables to the ultimate holding company:		
TSMT Taiwan	**8,338**	4,541
Other payables to related companies:		
High-Toned Opto Technology (Suzhou) Limited	**133**	–
High-Toned Opto Technology Corporation	**–**	76
	133	76

Trade and other payables to the related parties aged less than 180 days. They are unsecured, interest-free and repayable on demand.

17 OPERATING PROFIT

The Group's operating profit is arrived at after charging the following items:

	Unaudited	
	Six months ended 30 June	
	2011	2010
Employee benefit expenses	**26,215**	17,296
Depreciation of property, plant and equipments	**8,213**	6,284
Amortisation of land use rights	**54**	59
Loss on disposal of property, plant and equipment	**1,166**	370
(Reversal)/write-down of inventories to net realisable value	**(966)**	450
(Reversal)/write-down of property, plant and equipments to net realisable value	**(2)**	367

18 FINANCE INCOME, NET

	Unaudited Six months ended 30 June 2011	2010
Interest income	**635**	357
Interest expense on bank borrowings	**(107)**	(43)
Interest expense on finance leases	**–**	(23)
Others	**363**	(97)
	891	194

19 INCOME TAX EXPENSE

The major components of income tax expense are as follows:

	Unaudited Six months ended 30 June 2011	2010
Current income tax		
– Hong Kong profits tax	**1,699**	1,292
– PRC Corporate Income Tax	**7,182**	6,424
Deferred income tax	**849**	1,081
	9,730	8,797

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 wholly owned subsidiary with Hong Kong manufacturing business involved in the manufacturing activities in the PRC, is entitled to 50:50 apportionment of profits generated from the sale of goods manufactured in the PRC. As a result, Regent HK provided for Hong Kong profits tax at 8.25% on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2011 (for the six months ended 30 June 2010: 8.25%).

Regent HK operates through a subcontracting factory in Dongguan, the PRC. The factory is subject to the PRC corporate income tax at a rate of 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%. Grand father provisions are available to certain subsidiaries including Ningbo Junhong, Regent Ningbo and Regent Xiamen, which are entitled to full exemption from the Corporate Income Tax for the first and second profit-making years, or for the first and second year since 1 January 2008, if the profit-making years have not started before that date, and further 50% exemption for the succeeding three years.

20 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average numbers of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2011	2010
Profit attributable to equity holders of the Company	**44,547**	36,657
Weighted average number of ordinary shares in issue ('000)	**2,030,000**	2,000,000
Basic earnings per share (US$ per share)	**0.0219**	0.0183

The calculation of basic earnings per share for the six months ended 30 June 2011 and 2010 has reflected the subdivision of ordinary shares as disclosed in Note 13.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has only one category of dilutive potential ordinary shares, which is the warrant mentioned in Note 13. For the warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the company's shares during the period) based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

	Unaudited	
	Six months ended 30 June	
	2011	2010
Profit attributable to equity holders of the Company	**44,547**	36,657
Weighted average number of ordinary shares in issue ('000)	**2,030,000**	2,000,000
Adjustments for:		
Warrants ('000)	**701**	–
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,030,701**	2,000,000
Diluted earnings per share (US$ per share)	**0.0219**	0.0183

21 DIVIDENDS

A dividend that relate to the period to 31 December 2010 and that amounted to US$18,247,000 was paid in May 2011 (six months ended 30 June 2010: US$12,903,000).

In addition, on 22 August 2011, the directors of the Company proposed and declared an interim dividend of HKD7 cent per share, totalling HKD142,100,000 (equivalent to approximately US$18,239,000) for the six months ended 30 June 2011 (for the six months ended 30 June 2010: approximately US$12,868,000). The condensed consolidated interim financial information does not reflect this dividend payable.

The interim dividend will be payable in cash but shareholders will be given the option of electing to receive the interim dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. The new shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of the Stock Exchange.

A circular containing details of the scrip dividend scheme will be dispatched to shareholders together with the form of election for the scrip dividend on or about 27 September 2011. It is expected that the interim dividend warrants and share certificates will be dispatched to shareholders on or about 26 October 2011.

22 OPERATING LEASE COMMITMENTS

As at 30 June 2011, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	As at	
	30 June 2011 Unaudited	31 December 2010 Audited
Not later than one year	**570**	1,147
Later than one year but not later than five years	**193**	593
	763	1,740

23 CAPITAL COMMITMENTS

	As at	
	30 June 2011 Unaudited	31 December 2010 Audited
Contracted but not provided for:		
Construction of plants	**5,983**	12,709
Purchase of machineries	**413**	1,106
	6,396	13,815

24 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

(a) Information on related parties and their relationships with the Group are as follows:

Name of related party	Relationship
TSMT Taiwan	Ultimate holding company
High-Toned Opto Technology Corporation	Controlled by the same ultimate company
High-Toned Opto Technology (Suzhou) Limited	Controlled by the same ultimate company
Hitop Communications Corporation	Controlled by the same ultimate company

(b) Significant related party transactions

Other than the related party transactions disclosed elsewhere in the condensed consolidated interim financial information, significant related party transactions of the Group during the six months ended 30 June 2011 also include:

	Unaudited	
	Six months ended 30 June	
	2011	2010
(1) Sales of goods to:		
– TSMT Taiwan	**13,049**	13,456
– Hitop Communications Corporation	**8,638**	527
– High-Toned Opto Technology Corporation	**–**	1,754
– High-Toned Opto Technology (Suzhou) Limited	**–**	49
	21,687	15,786
(2) Sales of raw materials to:		
– Hitop Communications Corporation	**243**	–

(3) Sub-contracting fee received/receivable from:		
– High-Toned Opto Technology (Suzhou) Limited	**8**	–
– Hitop Communications Corporation	**6**	–
	14	–
(4) Purchase of raw materials from:		
– TSMT Taiwan	**10,081**	1,242
– Hitop Communications Corporation	**10**	27
	10,091	1,269
(5) Purchase of goods from:		
– TSMT Taiwan	**2,885**	–
(6) Purchase of machinery from:		
– High-Toned Opto Technology (Suzhou) Limited	**133**	–

The directors of the Company consider that the selling prices of raw materials and goods, the charge for sub-contracting services and the purchase prices of raw materials, goods and machinery are determined according to the terms mutually agreed by both parties.

Mr. Wu Kai-Yun, a director of the Company, provided an undertaking to the Group to compensate the Group for certain potential PRC individual income tax liabilities amounting to approximately US$1,721,000 in respect of certain of the Group's expatriates for the period up to 31 December 2008. Accrual of US$1,721,000 for these liabilities have been recorded in the Group's condensed consolidated interim financial information as at 30 June 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial review

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 has been listed on the Main Board of the Stock Exchange since 10 July 2007.

Revenue

For the six months ended 30 June 2011, the Group recorded an unaudited consolidated revenue of approximately US$727,321,000 (for the six months ended 30 June 2010: approximately US$526,070,000), representing a growth of approximately 38.3% over the corresponding period of last year. Increase in revenue during the period was primarily attributable to the accelerated increase of demand for LED light bar as well as the launching of new products especially developed for LED general lighting and white appliances in the first half of the year.

Gross Profit

The unaudited consolidated gross profit for the six months ended 30 June 2011 was approximately US$64,299,000 (for the six months ended 30 June 2010: approximately US$53,535,000), representing a growth of approximately 20.1% over the corresponding period of last year.

The overall gross profit margin of the Group for the six months ended 30 June 2011 reduced to approximately 8.8% from approximately 10.2% in the corresponding period of last year. It was due to the relatively lower gross profit margin of the new products during its early stage of launching as compared with that of the existing products. Despite the overall gross profit margin was affected as initial cost were devoted to the newly launched products, the individual gross profit margin of the existing products, particularly the LED light bars, are increasing steadily as a result of economy of scale.

Net Profit

In line with the increase of the unaudited consolidated gross profit for the six months ended 30 June 2011, the unaudited consolidated net profit for the period increased approximately 21.5% to US$44,547,000 from approximately US$36,657,000 for the six months ended 30 June 2010. However, being affected by the decrease of overall gross profit margin, the net profit margin also reduced to approximately 6.1% for the six months ended 30 June 2011 from approximately 7.0% in the corresponding period of 2010.

Liquidity and Financial Resources

As at 30 June 2011, the Group's unaudited net current assets was approximately US$126,584,000 (31 December 2010: approximately US$128,044,000) which consisted of current assets amounted to approximately US$688,139,000 (31 December 2010: approximately US$522,464,000) and current liabilities amounted to approximately US$561,555,000 (31 December 2010: approximately US$394,420,000). The current ratio, defined as current assets over current liabilities, was 1.2 times as at 30 June 2011, which was similar to 1.3 times as at 31 December 2010.

As at 30 June 2011, the cash and bank balances amounted to approximately US$73,898,000 (31 December 2010: approximately US$91,883,000) while the unsecured bank loan repayable within one year was approximately US$81,587,000 (31 December 2010: approximately US$36,220,000).

The gearing ratio, defined as total borrowings (other than payables in ordinary course of business) over total equity, as at 30 June 2011 was approximately 26.8% (31 December 2010: approximately 13.1%). The increase of gearing ratio was mainly due to the increase of bank borrowings in relation to the expansion of plant facilities for the newly launched products.

The Board is in the opinion that the Group is in a strong and healthy financial position and has sufficient resources in support of its working capital requirement and 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.

The Group's sales and procurements were mainly transacted in US dollars. The Group does not foresee significant exposure to exchange risk.

Capital Expenditure

The Group invested approximately US$38,069,000 during the six months ended 30 June 2011 for the construction of factory premises, purchase and installation of plant machinery, equipment and other tangible assets, as compared to approximately US$35,019,000 for the six months ended 30 June 2010. These capital expenditures were fully financed by the internal resources of the Group and bank borrowings.

Capital Commitments and Contingent Liabilities

As at 30 June 2011, the future capital commitments for which the Group had contracted but not provided for amounted to approximately US$6,396,000 which relate mainly to the construction of plants in PRC regions. As at 30 June 2011, the Group had no significant contingent liabilities.

Human Resources and Remuneration Policies

The Group offers competitive remuneration package to its employees in Hong Kong and in the PRC, 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 2011, the Group had 12,210 employees (as at 30 June 2010: 8,930 employees). The total wages and related cost for the six months ended 30 June 2011 amounted to approximately US$26,215,000(six months ended 30 June 2010: approximately US$17,296,000)

Prospects

Products

Thanks to the favourable government policy, technology evolution, as well as the increasing desire for advanced and energy-saving devices in the customer market, the sales orders for SMT production solutions applied to LED light bars and main board for television sets, keep surging. Since early this year, the Group had further launched new SMT production solutions for LED general lighting and white appliances. The Group will keep developing new products for more advanced applications and other high-end electronic products in order to expand the source of income and enhance profitability.

Customers

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. Furthermore, the Group maintain its focus on the global major players of TFT-LCD panel industry from Korea and Taiwan and will enlarge its customer base by exploring opportunity of business with the international brand of LED lighting and white appliances manufacturers in the PRC.

Production capacity

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 quality.

During the first half of 2011, the Group has kept enhancing the production facilities of the plants in Hefei, Qingdao and Chongqing respectively to cope with the new orders from two of the major TV and white appliances manufacturers in PRC. It has also built 16 additional SMT production lines over its seven bases in PRC regions including Suzhou, Ningbo, Xiamen and Dongguan, making up 169 lines in total as at 30 June 2011. It is expected that about 30-40 new production lines will be installed, making up 185 lines in operation by the end of 2011.

Industry

Moving forward, the TFT-LCD industry is expected to show healthy growth driven by growing market demand for new generation of LCD products, the Group will capture this business opportunity by working closely with its major customers to strive for promising operating results and enhance shareholders' value. With the positive momentum continuing since the beginning of the year, the Group's management is confident that its business will continue to grow in the foreseeable future and generate good returns to the Company's shareholders.

DIVIDENDS

On 22 August 2011, the directors of the Company proposed and declared an interim dividend of HK$0.07 per share, totalling HK$142,100,000 (equivalent to approximately US$18,239,000) for the six months ended 30 June 2011 (for the six months ended 30 June 2010: approximately US$12,868,000). The condensed consolidated interim financial information does not reflect this dividend payable.

The interim dividend will be payable in cash but shareholders will be given the option of electing to receive the interim dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. The new shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of the Stock Exchange.

A circular containing details of the scrip dividend scheme will be dispatched to shareholders together with the form of election for the scrip dividend on or about 27 September 2011. It is expected that the interim dividend warrants and share certificates will be dispatched to shareholders on or about 26 October 2011.

DATE OF BOOK CLOSURE

The register of shareholders will be closed from 16 September 2011 to 20 September 2011, 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 15 September 2011.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to ensure high standards of corporate governance in the interest of its shareholders. The Directors confirm that, 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 to the Listing Rules during the six months ended 30 June 2011.

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 2011.

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

As at 30 June 2011, 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	6,872,628 Shares	0.34%
Wu Kai-Hsiung	the Company	Personal	3,927,216 Shares	0.19%
Tseng Yu-Ling	the Company	Personal	3,092,682 Shares	0.15%
Kwok Kwan Hung	the Company	Personal	50,000 Shares	0.01%
Wu Kai-Yun	TSMT Taiwan	Personal	7,415,322 ordinary shares	3.39%
Wu Kai-Yun	TSMT Taiwan	Family *Note 1*	12,036,060 ordinary shares	5.51%
Wu Kai-Hsiung	TSMT Taiwan	Personal	600,600 ordinary shares	0.27%

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 *Note 2*	189,002 ordinary shares	0.09%
Tseng Yu-Ling	TSMT Taiwan	Personal	80,289 ordinary shares	0.04%
Hsu Wey-Tyng	TSMT Taiwan	Personal	695,251 ordinary shares	0.32%
Wu Kai-Yun	TSMT BVI, TSMT HK, TSMT USA, High-Toned, and Hitop	Personal & Family *Note 1*	*Note 3*	*Note 3*
Wu Kai-Hsiung	TSMT BVI, TSMT HK, TSMT USA, High-Toned, and Hitop	Personal & Family *Note 2*	*Note 3*	*Note 3*
Tseng Yu-Ling	TSMT BVI, TSMT HK, TSMT USA, High-Toned, and Hitop	Personal	*Note 3*	*Note 3*

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 2011, 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 2011, 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	1,469,662,260	72.4%
TSMT Taiwan	Interest of a controlled corporation	1,469,662,260	72.4%

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 Taiwan Stock Exchange.

Save as disclosed above, as at 30 June 2011, 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 three independent non-executive Directors, namely, Mr. Kwok Kwan Hung (chairman of the Audit Committee), Ms. Hsu Wey-Tyng and Ms. Lin Yen-Yu. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information, including the accounting principles adopted by the Group, for the six months ended 30 June 2011.

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 2011.

By order of the Board
Wu Kai-Yun
Chairman

Hong Kong, 22 August 2011