



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

## 2013 Interim Report



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## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Wu Kai-Yun (*Chairman*) (*Note 1*)  
Han Min  
Tseng Yu-Ling

#### Non-executive Directors

Wu Kai-Hsiung (*Note 2*)

#### Independent non-executive Directors

Kwok Kwan Hung *FCPA (Practising),  
FCCA, B.S.C. (Hons), FHKIoD*  
Hsu Wey-Tyng  
Lin Yen-Yu

#### Members of audit committee

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

#### Members of remuneration committee

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

#### Members of nomination committee

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

#### Company secretary

Chan Lai Yi, Karen *FCPA, FCCA*

#### Authorized representatives

Wu Kai-Yun (appointed on 22 January 2013)  
Wu Kai-Hsiung (resigned on 22 January 2013)  
Chan Lai Yi, Karen *FCPA, FCCA*

#### Notes

- 1 Re-designated from a non-executive director to an executive director on 22 January 2013.
- 2 Re-designated from an executive director to a non-executive director on 22 January 2013.

#### Auditor

PricewaterhouseCoopers  
Certified Public Accountants

#### Legal Adviser

PHILLIPS Solicitors

#### Principal bankers

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 2013

(All amounts in USD thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June 2013	2012
<b>Revenue</b>	6	<b>697,310</b>	796,761
Cost of sales		<b>(640,041)</b>	(740,919)
<b>Gross profit</b>		<b>57,269</b>	55,842
Selling and distribution costs		<b>(2,705)</b>	(1,452)
Administrative expenses		<b>(18,774)</b>	(14,093)
Other losses – net		<b>(12)</b>	(95)
<b>Operating profit</b>	17	<b>35,778</b>	40,202
Finance income, net	18	<b>2,141</b>	757
<b>Profit before income tax</b>		<b>37,919</b>	40,959
Income tax expense	19	<b>(9,593)</b>	(7,818)
<b>Profit for the period attributable to equity holders of the Company</b>		<b>28,326</b>	33,141
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss			
– Currency translation differences		<b>728</b>	(251)
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>		<b>29,054</b>	32,890
<b>Earnings per share for profit attributable to the equity holders of the Company</b>			
– basic	20	<b>US\$0.0132</b>	US\$0.0159
– diluted	20	<b>US\$0.0132</b>	US\$0.0159
<b>Dividends</b>	21	<b>13,858</b>	13,857

The notes on pages 8 to 30 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 30 June 2013

(All amounts in USD thousands unless otherwise stated)

	Note	<b>30 June 2013 Unaudited</b>	31 December 2012 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	<b>210,021</b>	205,622
Land use rights	8	<b>5,648</b>	5,690
Prepayments for land use rights	8	<b>566</b>	557
Deferred tax assets		<b>2,172</b>	1,061
<b>Total non-current assets</b>		<b>218,407</b>	212,930
<b>Current assets</b>			
Inventories	9	<b>55,465</b>	71,022
Trade receivables	10	<b>425,276</b>	461,750
Prepayments, deposits and other receivables		<b>28,079</b>	33,711
Due from related companies	11	<b>1,032</b>	1,634
Due from the ultimate holding company	11	<b>26,196</b>	15,001
Cash and bank balances	12	<b>161,472</b>	150,612
<b>Total current assets</b>		<b>697,520</b>	733,730
<b>Total assets</b>		<b>915,927</b>	946,660
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	13	<b>1,379</b>	1,379
Share premium	13	<b>84,070</b>	84,070
Other reserves			
– Proposed interim/final dividend		<b>13,858</b>	13,861
– Others		<b>300,841</b>	285,487
<b>Total equity</b>		<b>400,148</b>	384,797

	<i>Note</i>	<b>30 June 2013 Unaudited</b>	31 December 2012 Audited
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	15	<b>30,821</b>	41,200
Deferred tax liabilities		<b>5,735</b>	5,679
<b>Total non-current liabilities</b>		<b>36,556</b>	46,879
<b>Current liabilities</b>			
Trade payables	14	<b>401,800</b>	439,561
Accruals and other payables		<b>17,705</b>	22,693
Borrowings	15	<b>18,320</b>	20,439
Due to the ultimate holding company	16	<b>6,872</b>	7,530
Due to related companies	16	<b>5,937</b>	4,328
Current income tax liabilities		<b>28,589</b>	20,433
<b>Total current liabilities</b>		<b>479,223</b>	514,984
<b>Total liabilities</b>		<b>515,779</b>	561,863
<b>Total equity and liabilities</b>		<b>915,927</b>	946,660
<b>Net current assets</b>		<b>218,297</b>	218,746
<b>Total assets less current liabilities</b>		<b>436,704</b>	431,676

The notes on pages 8 to 30 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 2013

(All amounts in USD thousands unless otherwise stated)

	Unaudited			
	Attributable to equity holders of the Company			
	Share capital	Share premium	Other reserves	Total equity
<b>Balance as at 1 January 2012</b>	1,337	70,277	268,934	340,548
Total comprehensive income for the six months ended 30 June 2012	–	–	32,890	32,890
<b>Transaction with owners</b>				
Shares issued under scrip dividend scheme	42	13,793	–	13,835
2011 final dividend	–	–	(18,808)	(18,808)
	42	13,793	(18,808)	(4,973)
<b>Balance as at 30 June 2012</b>	1,379	84,070	283,016	368,465
<b>Balance as at 1 January 2013</b>	<b>1,379</b>	<b>84,070</b>	<b>299,348</b>	<b>384,797</b>
Total comprehensive income for the six months ended 30 June 2013	–	–	29,054	29,054
<b>Transaction with owners</b>				
Employees share option scheme				
– Value of directors and employee services	–	–	158	158
2012 final dividend	–	–	(13,861)	(13,861)
	–	–	(13,703)	(13,703)
<b>Balance as at 30 June 2013</b>	<b>1,379</b>	<b>84,070</b>	<b>314,699</b>	<b>400,148</b>

The notes on pages 8 to 30 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2013

(All amounts in USD thousands unless otherwise stated)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities:</b>			
– Cash generated from operations		<b>57,137</b>	30,237
– Interest paid		<b>(482)</b>	(506)
– Income tax paid		<b>(4,407)</b>	(4,834)
<b>Net cash generated from operating activities</b>		<b>52,248</b>	24,897
<b>Cash flows from investing activities:</b>			
– Purchases of property, plant and equipment		<b>(17,918)</b>	(12,539)
– Payment for land use rights		–	(605)
– Proceeds from disposal of property, plant and equipment	7	<b>263</b>	88
– Increase in time deposits with initial term of more than three months		<b>(2,434)</b>	(23,603)
– Interest received		<b>1,027</b>	1,256
<b>Net cash used in investing activities</b>		<b>(19,062)</b>	(35,403)
<b>Cash flows from financing activities:</b>			
– Dividends paid		<b>(13,858)</b>	(4,968)
– Repayments of borrowings	15	<b>(23,615)</b>	(108,141)
– Proceeds from borrowings	15	<b>11,117</b>	103,700
<b>Net cash used in financing activities</b>		<b>(26,356)</b>	(9,409)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,830</b>	(19,915)
Cash and cash equivalents at beginning of period		<b>120,278</b>	133,291
Exchange differences		<b>1,596</b>	(222)
<b>Cash and cash equivalents at end of period</b>	12	<b>128,704</b>	113,154

The notes on pages 8 to 30 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 2013

(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 reviewed, and was approved for issue on 12 August 2013.

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	84,630	100	–	Investment holding
Regent Manner Limited ("Regent HK")	Hong Kong	123,963	–	100	Manufacture and sale of electronic products, provision of subcontracting services and investment holding
Regent Electron (Ningbo) Co., Ltd.	The People’s Republic of China (the “PRC”)	20,000	–	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.	The PRC	27,500	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Xiamen) Co., Ltd.	The PRC	20,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Foshan) Co., Ltd.	The PRC	2,500	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Langfang) Co., Ltd.	The PRC	2,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Taiwan Surface Mounting Technology (Suzhou) Electronic Co., Ltd.	The PRC	35,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Chengdu) Co., Ltd.	The PRC	12,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Dongguan) Co., Ltd. (“Regent Dongguan”)	The PRC	20,000	–	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 %	
Ningbo Yongfu Trade Co., Ltd.	The PRC	5,300	–	100	Wholesale of electronic and other products; Imports and exports activities
Regent Electron (Qingdao) Co., Ltd.	The PRC	17,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Hefei) Co., Ltd.	The PRC	15,000	–	100	Manufacture and sale of electronic products and provision of subcontracting services
Regent Electron (Chongqing) Co., Ltd.	The PRC	12,000	–	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 2013 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 2012, 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 funds from its operations and 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 2012, 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 and amended standards are mandatory for the first time for the financial year beginning 1 January 2013:

HKAS 1 (Amendment) “Presentation of financial statements” is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

HKFRS 10 “Consolidated financial statements”, with related amendment for transition guidance, is effective for annual periods beginning on or after 1 January 2013. The objective of HKFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities to present consolidated financial statements. Defines the principle of control, and establishes controls as the basis for consolidation. Set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

HKAS 27(Revised 2011) “Separate financial statements” is effective for annual periods beginning on or after 1 January 2013. HKAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

HKFRS 13 “Fair value measurements” is effective for annual periods beginning on or after 1 January 2013. HKFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs or US GAAP.

There is no significant impact to the Group for adoption of these new and amended standards.

**(b) Standards, amendments and interpretations to existing standards effective in 2013 but not relevant to the Group**

		<b>Effective for annual periods beginning on or after</b>
HKFRS 1 (Amendment)	‘First time adoption’, on government loans	1 January 2013
HKFRSs 11 and 12 (Amendment)	Transition guidance	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKAS 28 (Revised 2011)	Associates and joint ventures	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Offsetting financial assets and financial liabilities	1 January 2013
HKFRIC 20	Stripping costs in the production phase of a surface mine	1 January 2013

Apart from the above, the HKICPA has issued the annual improvements project (2011) which addresses several issues in the 2009-2011 reporting cycle, and includes changes to the following standards.

		<b>Effective for annual periods beginning on or after</b>
HKFRS 1	First time adoption	1 January 2013
HKAS 1	Financial statement presentation	1 January 2013
HKAS 16	Property plant and equipment	1 January 2013
HKAS 32	Financial instruments: Presentation	1 January 2013
HKAS 34	Interim financial reporting	1 January 2013

**(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 2013 and have not been early adopted:**

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

		<b>Effective for annual periods beginning on or after</b>
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1 January 2014
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (revised 2011)	Investment entities	1 January 2014
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets	1 January 2014
HK (IFRIC) Interpretation 21	Levies	1 January 2014
HKFRS 9	Financial Instruments	1 January 2015
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures	1 January 2015

#### **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 2012.

#### **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 for the year ended 31 December 2012.

##### **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 and current 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:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
Sales of goods	<b>692,237</b>	794,627
Subcontracting service income	<b>5,073</b>	2,134
<b>Total revenue</b>	<b>697,310</b>	796,761

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

Although the Group's revenue is derived from its external customers located in and outside the PRC, majority of the goods sold are delivered 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 2013.

## 7 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, additions of property, plant and equipment amounted to US\$15,946,000 (six months ended 30 June 2012: US\$10,670,000). Items of property, plant and equipment with net book value totalling US\$751,000 were disposed of during the six months ended 30 June 2013 (six months ended 30 June 2012: US\$564,000), resulting in a loss on disposal of US\$488,000 (six months ended 30 June 2012: US\$476,000).



## 8 LAND USE RIGHTS

As at 30 June 2013, 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\$700,000 as at 30 June 2013 (31 December 2012: US\$708,000).

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\$566,000 as at 30 June 2013 (as at 31 December 2012: US\$557,000) and unpaid amount of US\$1,117,000 as at 30 June 2013 (as at 31 December 2012: US\$1,098,000). The prepayments for land use rights are not subject to amortisation.

## 9 INVENTORIES

	As at	
	<b>30 June 2013 Unaudited</b>	31 December 2012 Audited
Raw materials	<b>40,756</b>	48,958
Work in progress	<b>112</b>	477
Finished goods	<b>14,597</b>	21,587
	<hr/> <b>55,465</b>	<hr/> 71,022

## 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 30 days to 120 days. Trade receivables are non-interest-bearing.

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

	As at	
	30 June 2013 Unaudited	31 December 2012 Audited
Within 90 days	348,650	379,753
Between 91 days to 180 days	74,917	80,168
Between 181 days to 365 days	6,128	3,126
More than 365 days	688	648
	<b>430,383</b>	463,695
Less: Provision for impairment	<b>(5,107)</b>	(1,945)
	<b>425,276</b>	461,750

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

	As at	
	30 June 2013 Unaudited	31 December 2012 Audited
Neither past due nor impaired	409,662	446,859
Past due but not impaired	15,614	11,729
	<b>425,276</b>	458,588

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 are no significant change in the credit quality of those customers and 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 2013, trade receivables of US\$5,107,000 (31 December 2012: US\$5,107,000) were impaired and provided for.

**11 DUE FROM RELATED COMPANIES AND THE ULTIMATE HOLDING COMPANY**

	As at	
	<b>30 June</b>	31 December
	<b>2013</b>	2012
	<b>Unaudited</b>	Audited
Trade receivables from:		
<b>(i) Related companies:</b>		
Hitop Communications Corporation (controlled by the same ultimate holding company: TSMT Taiwan)	<b>620</b>	907
Gene Han (Shenzhen) Limited (controlled by the same ultimate holding company: TSMT Taiwan)	<b>322</b>	317
High-Toned Opto Technology (Suzhou) Limited (controlled by the same ultimate holding company: TSMT Taiwan)	<b>90</b>	159
High-Toned Opto Technology Corporation (controlled by the same ultimate holding company: TSMT Taiwan)	–	251
	<b>1,032</b>	1,634
<b>(ii) The ultimate holding company:</b>		
TSMT Taiwan	<b>26,196</b>	15,001

The aging 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 2013 Unaudited	31 December 2012 Audited
Within 90 days	16,536	16,635
Between 91 days to 180 days	10,317	–
Between 181 days to 365 days	375	–
	<b>27,228</b>	16,635

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

## 12 CASH AND BANK BALANCES

	As at	
	30 June 2013 Unaudited	31 December 2012 Audited
Cash on hand	47	81
Cash at banks, unrestricted	128,657	120,197
Cash and cash equivalents	128,704	120,278
Time deposits with initial term of more than three months	32,768	30,334
	<b>161,472</b>	150,612

As at 30 June 2013, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to US\$96,891,000 (31 December 2012: US\$72,291,000). 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 AND SHARE PREMIUM**

	Number of authorised shares '000	Number of issued and fully paid shares '000	Amount		
			Ordinary shares US\$'000	Share premium US\$'000	Total US\$'000
<b>At 31 December 2011</b>	10,000,000	2,084,461	1,337	70,277	71,614
Shares issued under scrip dividend scheme	–	65,304	42	13,793	13,835
<b>At 30 June 2012</b>	10,000,000	2,149,765	1,379	84,070	85,449
<b>At 31 December 2012 and 30 June 2013</b>	10,000,000	2,149,765	1,379	84,070	85,449

As at 30 June 2013, the par value of authorised and issued ordinary shares was HK\$0.005 per share. The authorised share capital of the Company was HK\$50,000,000 divided into 10,000,000,000 ordinary shares, among which, 2,149,765,464 ordinary shares were issued and fully paid.

**14 TRADE PAYABLES**

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

	As at	
	30 June 2013 Unaudited	31 December 2012 Audited
Within 90 days	300,817	291,447
Between 91 days to 180 days	98,338	145,306
Between 181 days to 365 days	2,474	2,114
More than 365 days	171	694
	<b>401,800</b>	439,561

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

**15 BORROWINGS**

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2013</b>	2012
	<b>Unaudited</b>	Audited
<b>Non-current</b>		
Bank borrowings, unsecured, repayable between one and five years	<b>30,821</b>	41,200
<b>Current</b>		
Bank borrowings, unsecured	<b>2,241</b>	16,839
Current portion of long-term bank borrowings, unsecured	<b>16,079</b>	3,600
	<b>18,320</b>	20,439
	<b>49,141</b>	61,639

The Group's bank borrowings bear interest at rates ranging from 0.95% to 1.63% (as at 31 December 2012: 0.90% to 1.80%) per annum as at 30 June 2013.

As at 30 June 2013, total unsecured bank loan facilities that have not been utilised by the Group amounted to US\$237,079,000 (as at 31 December 2012: US\$221,361,000) and will mature between August 2013 and October 2016.

Movements in borrowings are analysed as follows:

	<b>Unaudited</b>
	<i>US\$'000</i>
<b>Six months ended 30 June 2012</b>	
Opening amount as at 1 January 2012	85,416
New borrowings	103,700
Repayments of borrowings	(108,141)
Exchange differences	(229)
<b>Closing amount as at 30 June 2012</b>	<b>80,746</b>
<b>Six months ended 30 June 2013</b>	
Opening amount as at 1 January 2013	<b>61,639</b>
New borrowings	<b>11,117</b>
Repayments of borrowings	<b>(23,615)</b>
<b>Closing amount as at 30 June 2013</b>	<b>49,141</b>

**16 DUE TO RELATED COMPANIES AND THE ULTIMATE HOLDING COMPANY**

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2013</b>	2012
	<b>Unaudited</b>	Audited
Trade payables to:		
<b>(i) Related companies:</b>		
Uniflex Technology Inc. (associate of the ultimate holding company; TSMT Taiwan)	<b>5,372</b>	4,325
High-Toned Opto Technology Corporation	<b>490</b>	2
High-Toned Opto Technology (Suzhou) Limited	<b>39</b>	–
Uniflex Technology (Jiangsu) Limited (associate of the ultimate holding company; TSMT Taiwan)	<b>22</b>	1
Hitop Communications Corporation	<b>14</b>	–
	<b>5,937</b>	4,328
<b>(ii) The ultimate holding company:</b>		
TSMT Taiwan	<b>6,872</b>	7,530



The aging analysis of the amounts due to related companies and the ultimate holding company as at the balance sheet date, based on the invoice date, is as follows:

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2013</b>	2012
	<b>Unaudited</b>	Audited
Within 90 days	<b>11,216</b>	9,066
Between 91 days to 180 days	<b>1,593</b>	2,792
	<b>12,809</b>	11,858

Trade and other payables to 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:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
Employee benefit expenses	<b>35,140</b>	31,938
Depreciation of property, plant and equipment	<b>11,481</b>	11,030
Amortisation of land use rights	<b>63</b>	75
Loss on disposal of property, plant and equipments	<b>488</b>	476
Provision for/(reversal of) write-down of inventories to net realisable value	<b>357</b>	(2,989)

**18 FINANCE INCOME, NET**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
Interest income	<b>1,027</b>	1,256
Interest expense on bank borrowings	<b>(482)</b>	(506)
Net foreign exchange gains	<b>1,596</b>	7
	<b>2,141</b>	757

**19 INCOME TAX EXPENSE**

The major components of income tax expense are as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
Current income tax		
– Hong Kong profits tax	<b>134</b>	1,597
– PRC Corporate Income Tax	<b>10,514</b>	5,937
Deferred income tax	<b>(1,055)</b>	284
	<b>9,593</b>	7,818

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 2013 (for the six months ended 30 June 2012: 8.25%).

Regent HK operated through a subcontracting factory in Dongguan, the PRC. The factory was subject to the PRC corporate income tax at a rate of 25% on the deemed profit generated in the PRC. The deemed profit was calculated at a rate of 7% on the total deemed revenue which was determined by applying 7% mark-up on the total processing costs incurred by the subcontracting factory. The subcontracting factory has stopped its operation in 2013 and all of its business has been moved to Regent Dongguan as at 30 June 2013.

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%.

## 20 EARNINGS PER SHARE

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to equity holders of the Company (US\$'000)	<b>28,326</b>	33,141
Weighted average number of ordinary shares in issue ('000)	<b>2,149,765</b>	2,086,256
Basic and diluted earnings per share (US\$ per share)	<b>0.0132</b>	0.0159

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.

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 employees share option scheme. For the employees share option scheme, 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 when the options are outstanding) based on the monetary value of the subscription rights attached to outstanding options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the options. The result of the comparison is anti-dilutive and therefore does not result in dilutive ordinary shares for the calculation of diluted earnings per share for the six months ended 30 June 2013.

## 21 DIVIDENDS

On 18 March 2013, the directors of the Company proposed and declared a final dividend in respect of the year ended 31 December 2012 of HK\$0.05 per ordinary share, totalling HK\$107,488,273 (equivalent to approximately US\$13,861,000) (for the six months ended 30 June 2012: approximately US\$18,808,000). Such final dividend was paid on 26 June 2013.

In addition, on 12 August 2013, the directors of the Company proposed and declared an interim dividend of HK\$0.05 per ordinary share, totalling HK\$107,488,273 (equivalent to approximately US\$13,858,000) for the six months ended 30 June 2013 (for the six months ended 30 June 2012: approximately US\$13,857,000). The condensed consolidated interim financial information does not reflect this dividend payable.

## 22 OPERATING LEASE COMMITMENTS

As at 30 June 2013, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	As at	
	30 June 2013 Unaudited	31 December 2012 Audited
Not later than one year	150	274
Later than one year but not later than five years	4	29
	<b>154</b>	<b>303</b>

## 23 CAPITAL COMMITMENTS

	As at	
	30 June 2013 Unaudited	31 December 2012 Audited
Contracted but not provided for:		
Construction of plants	14,465	25,935
Purchase of machineries	523	360
	<b>14,988</b>	<b>26,295</b>

## 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 holding company
High-Toned Opto Technology (Suzhou) Limited	Controlled by the same ultimate holding company
Hitop Communications Corporation	Controlled by the same ultimate holding company
Gene Han (Shenzhen) Limited	Controlled by the same ultimate holding company
Tai Ming Green Power Co., Ltd.	Controlled by the same ultimate holding company
Uniflex Technology (Jiangsu) Limited	Associate of the ultimate holding company
Uniflex Technology Inc.	Associate of the ultimate holding 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 2013 also include:

	Unaudited	
	Six months ended 30 June	
	2013	2012
<b>(1) Sales of goods to:</b>		
– TSMT Taiwan	27,458	16,667
– High-Toned Opto Technology Corporation	684	–
– Hitop Communications Corporation	388	32,105
– Gene Han (Shenzhen) Limited	–	3
	<b>28,530</b>	<b>48,775</b>

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
<b>(2) Sales of raw materials to:</b>		
– Hitop Communications Corporation	<b>312</b>	–
– Gene Han (Shenzhen) Limited	–	1
	<b>312</b>	1
<b>(3) Sub-contracting fee received/receivable from:</b>		
– High-Toned Opto Technology (Suzhou) Limited	<b>71</b>	205
– Hitop Communications Corporation	–	128
– Uniflex Technology (Jiangsu) Limited	–	27
	<b>71</b>	360
<b>(4) Purchase of raw materials from:</b>		
– TSMT Taiwan	<b>13,772</b>	3,729
– Uniflex Technology Inc.	<b>6,282</b>	4,419
– High-Toned Opto Technology Corporation	<b>1,234</b>	–
– Hitop Communications Corporation	<b>26</b>	163
– Uniflex Technology (Jiangsu) Limited	<b>21</b>	–
– Tai Ming Green Power Co., Ltd.	–	27
	<b>21,335</b>	8,338

**Unaudited**  
**Six months ended 30 June**

**2013**                      2012

**(5) Purchase of goods from:**

– High-Toned Opto Technology (Suzhou) Limited	<b>687</b>	–
– TSMT Taiwan	<b>122</b>	34
– Tai Ming Green Power Co., Ltd.	–	2
	<b>809</b>	36

**(6) Purchase of machinery from:**

– High-Toned Opto Technology (Suzhou) Limited	<b>21</b>	49

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 the underlying 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 2013.

## 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”). The Group’s integrated production solutions include materials procurement and management, process engineering design, SMT processing, quality assurance, logistics management and after-sales services.

#### *Revenue*

For the six months ended 30 June 2013, the Group recorded an unaudited consolidated revenue of approximately US\$697,310,000 (for the six months ended 30 June 2012: approximately US\$796,761,000), representing a decline of approximately 12.5% over the corresponding period of last year. Decrease in revenue during the period was primarily due to the reduction of sales of LED light bars applicable to high-end large-size tablet computers as compared with the corresponding period of last year.

#### *Gross Profit*

Due to (1) the increasing proportion of sales of control boards for TFT-LCD and touch-panels which have higher gross profit margins and (2) increase of overall utilization rate of production facilities as a result of the consolidation of production capacity of the factory that was running in relatively lower utilization rate in the past, the overall gross profit margin of the Group for the six months ended 30 June 2013 increased to approximately 8.2% from approximately 7.0% for the corresponding period of last year.

Due to the increase of overall gross profit margin, the unaudited consolidated gross profit for the six months ended 30 June 2013 increased by approximately 2.6% to approximately US\$57,269,000 (for the six months ended 30 June 2012: approximately US\$55,842,000).

#### *Net Profit*

Despite the growth of gross profit, the unaudited consolidated profit before income tax for the six months ended 30 June 2013 dropped by approximately 7.4% to approximately US\$37,919,000 (for the six months ended 30 June 2012: approximately US\$40,959,000) due to an one-off provision for impairment of trade receivables of a particular customer amounted to approximately US\$3,162,000.



Having deducted the income tax expense for the six months ended 30 June 2013, the unaudited consolidated net profit after tax became approximately US\$28,326,000 as compared with approximately US\$33,141,000 for the corresponding period of last year, representing a decline of approximately 14.5%. The net profit margin for the six months ended 30 June 2013 also reduced to approximately 4.1% from 4.2% for the corresponding period of last year.

#### *Liquidity and Financial Resources*

As at 30 June 2013, the Group's unaudited net current assets was approximately US\$218,297,000 (31 December 2012: approximately US\$218,746,000) which consisted of current assets amounted to approximately US\$697,520,000 (31 December 2012: approximately US\$733,730,000) and current liabilities amounted to approximately US\$479,223,000 (31 December 2012: approximately US\$514,984,000). The current ratio, defined as current assets over current liabilities, was 1.46 times as at 30 June 2013, which was higher than 1.42 times as at 31 December 2012.

As at 30 June 2013, the cash and bank balances amounted to approximately US\$161,472,000 (31 December 2012: approximately US\$150,612,000) while the unsecured bank loan repayable within one year was approximately US\$18,320,000 (31 December 2012: approximately US\$20,439,000); and the bank loan repayable beyond one year was approximately US\$30,821,000 (31 December 2012: approximately US\$41,200,000).

The gearing ratio, defined as total borrowings (other than payables in ordinary course of business) over total equity, as at 30 June 2013 was approximately 12% (31 December 2012: approximately 16%).

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 foreign exchange risk.

### *Capital Expenditure*

The Group invested approximately US\$15,946,000 during the six months ended 30 June 2013 for the construction of factory premises, purchase and installation of plant machinery, equipment and other tangible assets, as compared to approximately US\$10,670,000 for the six months ended 30 June 2012. 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 2013, the future capital commitments for which the Group had contracted but not provided for amounted to approximately US\$14,988,000 which relate mainly to the construction of plants in PRC. As at 30 June 2013, 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 mainland China, including quality staff quarter, training and development opportunities, medical benefits, insurance coverage, retirement benefits and employees share option scheme in order to attract, retain and motivate employees. As at 30 June 2013, the Group had 9,486 employees (as at 30 June 2012: 11,982 employees). The total wages and related cost for the six months ended 30 June 2013 amounted to approximately US\$35,140,000 (six months ended 30 June 2012: approximately US\$31,938,000).

### *Prospects*

#### Products and business

During the first half of 2013, the sales orders for SMT production solutions applied to LED light bars for tablet computers and control boards for touch-panels kept surging. In the future, the above businesses, together with the business of SMT production solutions specialized for TFT-LCD products, will continue to be the main business of the Group. The Group's new business in relation to the SMT production solutions for LED general lighting and white appliances has started to make contribution to the Group. The Group will keep developing new solutions 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 will continue to maintain its focus on the global major players of TFT-LCD panel as well as touch-panel industry from China, Japan, Korea and Taiwan, the international brands of LED lighting equipment and white appliances manufacturers in the PRC, and will enlarge its customer base by exploring opportunity of business with other global manufacturers.

## 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 2013, the Group has kept enhancing the production facilities of the plants in Xiamen and Suzhou respectively to cope with the new orders for manufacturers of touch-panels and control panels of advanced tablet-computers. The total number of SMT production lines as at 30 June 2013 was 179. The Group expects that 5 to 10 production lines will be built in 2013 mainly in Suzhou, Chongqing and Xiamen plants to cope with the increasing orders from customers in those regions.

## Industry

In the long run, thanks to the government policies to promote energy-saving in many countries, technology evolution, as well as the increasing desire for advanced and energy-saving devices in the consumer market, particularly the common application of touch-panel. With those surging demand, the TFT-LCD industry is expected to show healthy growth driven by growing market demand for new generation of TFT-LCD products. Furthermore, the demand from the consumer and industrial and commercial market for energy-saving devices and LED lighting equipment is accelerating. It is favourable for the Group to expand its new business in those markets.

The Group will capture this business opportunity by working closely with its major customers to strive for promising operating results and enhance shareholders' value. 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 12 August 2013, the directors of the Company proposed and declared an interim dividend of HK\$0.05 per share, totalling HK\$107,488,273 (equivalent to approximately US\$13,858,000) for the six months ended 30 June 2013 (for the six months ended 30 June 2012: approximately US\$13,857,000). The condensed consolidated interim financial information does not reflect this dividend payable.

It is expected that the dividend warrants will be dispatched on or about 22 October 2013.

## DATE OF BOOK CLOSURE

The register of shareholders will be closed from 9 October 2013 to 11 October 2013, 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 8 October 2013.

## 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 Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2013 except for the deviation as explained below:

### Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should not be performed by the same individual. As Mr. Wu Kai-Hsiung, a director, resigned as the chief executive officer and was re-designated as a non-executive director with effect from 22 January 2013, and since then Mr. Wu Kai-Yun, the chairman of the Company, took over as the chief executive officer, the Company deviated from code provision A.2.1 for the period from 22 January 2013 to 30 June 2013.

Currently, Mr. Wu Kai-Yun serves as the chairman of the Board and the chief executive officer of the Company. Mr. Mu is the founder of the Group. He has extensive experience in the surface-mount technology business and possesses good reputation, which are key qualifications for the chairmanship. The Group has been moving forward under his leadership as the chairman. Meanwhile, Mr. Wu possesses such competent management skills and business acumen as shall be required for the chief executive officer in his performance of daily management. The Board is comprised of three executive directors (including the chairman), one non-executive director and three independent non-executive directors, each of whom has appropriate skills and experience required by the Group. In addition, the general managers in charge of the operations of the Company's subsidiaries are acted by other unconnected persons. Rules of proceeding Board meetings also maintain a mechanism for reporting of interest and abstention from voting. The Board believes that the current structure of the Board and voting mechanism have already ensured a balance between directors' rights and responsibilities. The Board believes that with Mr. Wu's rich experience in the industry, his roles as both the chairman and chief executive officer not only can enhance communications between the Board and the management team, but also assure that the management team can effectively carry out the policies approved by the Board.

### **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 2013.

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

As at 30 June 2013, 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 were as follows:

**Interests in shares**

Name of Director	Company/ name of associated corporation	Number of ordinary shares held			Percentage of interest in the relevant issued share capital	Number of share options
		Personal interest	Family interest <i>(Note 1)</i>	Total		
Wu Kai-Yun	the Company	6,872,628		6,872,628	0.32%	600,000
Wu Kai-Hsiung	the Company	3,927,216		3,927,216	0.18%	350,000
Han Min	the Company	–		–	0.00%	500,000
Tseng Yu-Ling	the Company	992,682		992,682	0.05%	350,000
Lin Yen-Yu	the Company	–		–	0.00%	300,000
Kwok Kwan Hung	the Company	50,000		50,000	0.00%	300,000
Hsu Wey-Tyng	the Company	–		–	0.00%	300,000
Wu Kai-Yun	TSMT Taiwan	8,993,333	11,142,731	20,136,064	7.83%	
Wu Kai-Hsiung	TSMT Taiwan	341,906	222,454	564,360	0.22%	
Tseng Yu-Ling	TSMT Taiwan	83,429		83,429	0.03%	
Hsu Wey-Tyng	TSMT Taiwan	1,108,829		1,108,829	0.43%	

<b>Name of Director</b>	<b>Company/name of associated corporation</b>	<b>Nature of interest</b>	<b>Number and class of securities</b>	<b>Percentage of interest in the relevant issued share capital</b>
Wu Kai-Yun	<i>Note 2</i>	Personal & Family <i>Note 1</i>	<i>Note 3</i>	<i>Note 3</i>
Wu Kai-Hsiung	<i>Note 2</i>	Personal & Family <i>Note 1</i>	<i>Note 3</i>	<i>Note 3</i>
Tseng Yu-Ling	<i>Note 2</i>	Personal	<i>Note 3</i>	<i>Note 3</i>
Hsu Wey-Tyng	<i>Note 2</i>	Personal	<i>Note 3</i>	<i>Note 3</i>

*Notes:*

1. The relevant shares were held by the spouse and/or children aged under 18 of the relevant Directors.
2. Subsidiaries of TSMT Taiwan:  
 Taiwan Surface Mounting Technology (B.V.I.) Co., Limited  
 Taiwan Surface Mounting Technology Co. Limited  
 Taiwan Surface Mounting Technology (U.S.A.) Co., Limited  
 High-Toned Opto Technology Corporation  
 High-Toned Opto Technology (Suzhou) Limited  
 Hitop Communications Corporation  
 Gene Han (Shenzhen) Limited  
 Tai Ming Green Power Co., Limited  
  
 Associated companies of TSMT Taiwan:  
 Uniflex Technology (Jiangsu) Limited  
 Uniflex Technology Inc.
3. 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 2013, 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 2013, 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	1,587,355,634	73.84%
TSMT Taiwan	Interest of a controlled corporation	1,587,355,634	73.84%

*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 2013, 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 2013.

## 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 2013.

By order of the Board

**Wu Kai-Yun**  
*Chairman*

Hong Kong, 12 August 2013