



PacMOS Technologies Holdings Limited
(Stock Code : 1010)

Interim Report 2015

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Cheng Chow-Chun (*Chairman*)

Mr. Lee Chao-Chun

(*Chief Executive Officer*)

Mr. Sun Tao-Heng

Mr. Yuan Chun-Tang

Independent Non-executive Directors

Mr. Suen Sai Wah Simon

Mr. Li Kwan In

Mr. Wang Chiang-Ming

Board Committees

Audit Committee

Mr. Suen Sai Wah Simon (*Chairman*)

Mr. Li Kwan In

Mr. Wang Chiang-Ming

Remuneration Committee

Mr. Suen Sai Wah Simon (*Chairman*)

Mr. Wang Chiang-Ming

Nomination Committee

Mr. Suen Sai Wah Simon (*Chairman*)

Mr. Wang Chiang-Ming

Company Secretary

Ms. Yuen Wing Yan, Winnie

(*FCIS, FCS*)

Website

<http://pacmos.etnet.com.hk>

Auditor

PricewaterhouseCoopers
Certified Public Accountants

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Prince's Building
Central
Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Place of Business in Hong Kong

Unit 408, 4/F,
Nan Fung Tower
88 Connaught Road Central
Hong Kong

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda)
Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
The Hong Kong & Shanghai Banking
Corporation Limited
Dah Sing Bank, Limited

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	<i>Note</i>	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>11</i>	2,906	3,112
Long-term deposits		182	182
		3,088	3,294
Current assets			
Inventories		4,439	4,489
Trade and bills receivables	<i>12</i>	3,425	1,306
Deposits, prepayments and other receivables		1,953	1,472
Amount due from a related party	<i>17(b)</i>	3	3
Financial assets at fair value through profit or loss	<i>13</i>	78,637	132,847
Cash and cash equivalents	<i>14</i>	93,964	53,326
		182,421	193,443
Total assets		185,509	196,737
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	<i>15</i>	134,922	134,922
Other reserves		1,150	1,115
Accumulated profits		45,955	57,228
Total equity		182,027	193,265

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET *(Continued)*

<i>Note</i>	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
LIABILITIES		
Non-current liabilities		
	314	269
Current liabilities		
	265	252
<i>16</i>	2,903	1,930
	—	1,021
	3,168	3,203
Total liabilities	3,482	3,472
Total equity and liabilities	185,509	196,737
Net current assets	179,253	190,240
Total assets less current liabilities	182,341	193,534

The notes on pages 8 to 20 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2015	2014
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	6,887	6,465
Cost of sales	6	(2,511)	(2,174)
Gross profit		4,376	4,291
Distribution costs	6	(37)	(30)
General and administrative expenses	6	(10,352)	(6,984)
Other income		49	33
Other (losses)/gains, net	5, 7	(5,385)	27,550
Operating (loss)/profit	5	(11,349)	24,860
Finance income, net		133	250
(Loss)/Profit before income tax		(11,216)	25,110
Income tax	8	(57)	(90)
(Loss)/Profit for the period attributable to equity holders of the Company		(11,273)	25,020
(Loss) Earnings per share attributable to the equity holders of the Company		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted	9	(3.35)	7.43
Dividends	10	—	—

The notes on pages 8 to 20 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/Profit for the period	(11,273)	25,020
Other comprehensive income		
<i>Items that may be reclassified subsequently to income statement in subsequent periods:</i>		
Currency translation differences	35	(321)
Total comprehensive (expense) income for the period	(11,238)	24,699
Total comprehensive (expense) income attributable to:		
Equity holders of the Company	(11,238)	24,699

The notes on pages 8 to 20 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited			
	Attributable to equity holders of the Company			
	Share Capital <i>HK\$ '000</i>	Exchange reserve <i>HK\$ '000</i>	Accumulated profits/ (losses) <i>HK\$ '000</i>	Total equity <i>HK\$ '000</i>
Balance at 1 January 2014	134,922	1,258	39,960	176,140
Profit for the period	—	—	25,020	25,020
Currency translation differences	—	(321)	—	(321)
Total comprehensive income for the period	—	(321)	25,020	24,699
Balance at 30 June 2014	134,922	937	64,980	200,839
Balance at 1 January 2015	134,922	1,115	57,228	193,265
Loss for the period	—	—	(11,273)	(11,273)
Currency translation differences	—	35	—	35
Total comprehensive (expense) for the period	—	35	(11,273)	(11,238)
Balance at 30 June 2015	134,922	1,150	45,955	182,027

The notes on pages 8 to 20 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

		Unaudited Six months ended 30 June	
		2015	2014
Note		HK\$'000	HK\$'000
Cash flows from operating activities			
	Cash used in operations	(8,210)	(2,492)
	Overseas taxes paid	(57)	(90)
	Net cash used in operating activities	(8,267)	(2,582)
Cash flows from investing activities			
	Purchases of property, plant and equipment	(144)	(561)
11	Proceeds from disposal of financial assets at fair value through profit and loss	48,830	—
	Interest received	133	250
	Dividend received	27	—
	Net cash generated/(used in) from investing activities	48,846	(311)
Net increase/(decrease) in cash and cash equivalents			
	Cash and cash equivalents at the beginning of the year	53,326	59,508
	Exchange gains/(losses) on cash and cash equivalents	59	(77)
	Cash and cash equivalents at the end of the period	93,964	56,538

The notes on pages 8 to 20 form an integral part of this condensed consolidated interim financial information.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

PacMOS Technologies Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) is principally engaged in the design, distribution and trading of integrated circuits and semi-conductor parts in the People’s Republic of China (the “PRC”) and investment holding. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is a limited liability company incorporated in Bermuda. The address of its principal place of business is Unit 408, 4/F., Nan Fung Tower, 88 Connaught Road Central, Hong Kong.

This unaudited condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. This unaudited condensed consolidated interim financial information has been approved for issue by the board of directors of the Company (the “Board”) on 14 August 2015.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation and accounting policies

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies applied are consistent with those of the annual financial statements of the Group for the year ended 31 December 2014, as described in 2014 annual financial statements.

Amendments to HKFRSs effective for the financial year ended 31 December 2015 do not have a material impact on the Group.

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

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

3 Estimates

The preparation of 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 expense. Actual results may differ from these estimates.

In preparing this 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 2014.

4 Financial risk management

4.1 Financial risk factors

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

The interim condensed consolidated 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 2014.

There have been no changes in the risk management policies since the year end.

4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2015.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	78,637	—	—	78,637

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	132,847	—	—	132,847

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

5 Segment information

The Group is principally engaged in the design, distribution and trading of integrated circuits and semi-conductor parts in the PRC and investment holding.

For management purpose, the Group is organised into two main operations:

- (i) corporate administration and investment functions performed by the Hong Kong headquarters; and
- (ii) design and sales of integrated circuits used in industrial and household measuring tools conducted through the Group's subsidiary in the PRC, namely Shanghai SyncMOS Semiconductor Company Limited.

These operating segments are the basis on which the Group reports its primary segment information to the chief operating decision maker who is the Chairman of the Board.

The chief operating decision maker assesses the performance of the operating segments based on a measure of revenue, operating profit and net profit.

	Hong Kong <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2015			
Revenue from external customers	—	6,887	6,887
Operating (loss) /profit	(11,730)	381	(11,349)
(Loss)/profit for the period	(11,597)	324	(11,273)
Other (losses), net, included in operating profit	(5,379)	(6)	(5,385)
Capital expenditures (<i>note 11</i>)	—	144	144
As at 30 June 2015			
Segment assets	173,138	12,371	185,509
Segment liabilities	1,946	1,536	3,482

	Hong Kong <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2014			
Revenue from external customers	—	6,465	6,465
Operating profit	24,263	597	24,860
Profit for the period	24,510	510	25,020
Other gains/(losses), net, included in operating profit	27,560	(10)	27,550
Capital expenditures (<i>note 11</i>)	50	511	561
As at 31 December 2014			
Segment assets	184,972	11,765	196,737
Segment liabilities	2,182	1,290	3,472

For the six months ended 30 June 2015, revenue of approximately HK\$1,297,000 was derived from a single external customer. This revenue was attributable to the PRC segment (six months ended 30 June 2014: HK\$2,791,000).

6 Expenses by nature

Expenses included in cost of sales, distribution costs and general and administrative expenses are analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Cost of inventories sold	2,511	2,174
Auditor's remuneration	388	469
Depreciation of property, plant and equipment	357	306
Operating lease rentals in respect of properties	1,319	1,301
Research and development costs	13	19
Marketing costs	37	30
Employee benefit expenses (including directors' emoluments) (<i>Note</i>)	4,548	3,530
Other expenses	3,727	1,359
Total cost of sales, distribution costs and general and administrative expenses	12,900	9,188

Note: At the annual general meeting held on 30 June 2014, the resolutions in relation to the payment of remuneration to Directors for the year ending 31 December 2014 were not passed, therefore, no provision is made for directors' remuneration for the six months ended 30 June 2014.

7 Other (losses)/gains, net

Other (losses)/gains recognised during the period are as follows:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss:		
— unrealised fair value (losses)/gains	(5,311)	27,638
— realised (losses)	(38)	—
Exchange (losses), net	(36)	(88)
Total other (losses)/gains, net	(5,385)	27,550

8 Income tax

The Company is exempted from taxation in Bermuda. Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2014: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates prevailing in the countries in which the Group operates. Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

The amount of tax charged to the condensed consolidated interim income statement represents:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Current income tax		
— Overseas tax	(57)	(90)

9 (Loss) Earnings per share

The calculation of basic (loss) earnings per share is based on the (loss) for the period attributable to equity holders of the Company of approximately HK\$11,273,000 (2014: profits HK\$25,020,000) and 336,587,142 shares (2014: 336,587,142 shares) in issue during the period. Details of basic (loss) earnings per share are analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
(Loss)/Profit attributable to equity holders of the Company	(11,273)	25,020
Weighted average number of ordinary shares in issue (thousands)	336,587	336,587
	HK cents	HK cents
Basic (loss) earnings per share	(3.35)	7.43

Basic (loss) earnings per share is the same as diluted (loss) earnings per share as the Group does not have any potentially dilutive ordinary shares (six months ended 30 June 2014: Same).

10 Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (2014: Nil).

11 Property, plant and equipment

	Property, plant and equipment <i>HK\$ '000</i>
Opening net book amount as at	
1 January 2014	2,755
Additions	561
Depreciation	(306)
Currency translation differences	(45)
	<hr/>
Closing net book amount as at 30 June 2014	2,965
	<hr/>
Opening net book amount as at 1 January 2015	3,112
Additions	144
Depreciation	(357)
Currency translation differences	7
	<hr/>
Closing net book amount as at 30 June 2015	2,906
	<hr/>

12 Trade and bills receivables

The Group's credit terms to trade debtors range from 30 to 60 days. The ageing analysis of trade receivables based on due date is as follows:

	Unaudited 30 June 2015 HK\$ '000	Audited 31 December 2014 HK\$ '000
Current	—	200
1 to 30 days	391	179
Over 30 days	282	108
	<hr/>	<hr/>
	673	487
	<hr/>	<hr/>

As at 30 June 2015, bill receivables of HK\$2,752,000 (31 December 2014: HK\$819,000) will mature as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
0 to 30 days	1,012	126
31 to 90 days	1,361	378
91 to 180 days	379	315
	2,752	819

13 Financial assets at fair value through profit or loss

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Listed equity securities in		
— The United States of America	77,828	131,993
— Hong Kong	809	854
Market value of listed securities	78,637	132,847

Changes in fair value of the financial assets at fair value through profit or loss are recorded in “other (losses)/gains, net” in the condensed consolidated interim income statement.

The fair value of all equity securities is based on their current bid prices in active markets.

As at 30 June 2015, the carrying amount of the Group’s interests in the shares of ChipMOS Technologies (Bermuda) Ltd. (“ChipMOS”) represented 42% (31 December 2014: 67%) of the total assets of the Group.

Name	Place of incorporation	Principal activities	Particulars of issued shares held	Interest held
ChipMOS Technologies (Bermuda) Ltd.	Bermuda	Provision of semi-conductor testing and packaging solutions to fabless companies, integrated device manufacturers and foundries	Issued capital of US\$1.2 million at par value US\$0.04 per share	459,678 common shares, representing 1.6% of the issued share capital of ChipMOS

The quoted market price of ChipMOS as at 13 August 2015 was approximately US\$15.62 per share.

14 Cash and cash equivalents

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Cash at bank	53,187	51,852
Term deposits with original maturities of three months or less	40,763	1,468
Cash on hand	14	6
Total cash and cash equivalents	93,964	53,326

15 Share capital

	Number of issued share (thousands)	Issued ordinary shares HK\$'000	Share premium HK\$'000	Total share capital HK\$'000
At 1 January 2014, 31 December 2014 and 30 June 2015	336,587	33,659	101,263	134,922

The total authorised number of ordinary shares is 500 million shares (31 December 2014: 500 million shares) with a par value of HK\$0.1 per share (31 December 2014: HK\$0.1 per share). All issued shares are fully paid.

16 Trade payables

The ageing analysis of trade payables is as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
0 – 30 days	265	252

17 Related party transactions

As at 30 June 2015, approximately 43.3% and 31.5% of the Company's shares were owned by Full Global International Limited (incorporated in the British Virgin Islands) and Vision2000 Venture Ltd. (incorporated in the Cayman Islands). Full Global International Limited and Vision2000 Venture Ltd. are wholly owned by Pacific Electric Wire & Cable Co., Ltd. (incorporated in Taiwan) and Mosel Vitelic Inc. ("MVI") (incorporated in Taiwan) respectively.

(a) Key management compensation

	Unaudited Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Basic salaries and allowances	1,107	604
Bonuses	—	—
	1,107	604

(b) Period end balances arising from expenses paid on behalf

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Amount due from MVI, a related company	3	3
Amount due to PEWC Overseas Investment Management Limited, a fellow subsidiary	—	(1,021)

The amount due from MVI, a related company and the amount due to PEWC Overseas Investment Management Limited, a fellow subsidiary are unsecured, interest-free and repayable on demand. The carrying amounts of the balances approximate their fair values and are denominated in Hong Kong dollars.

18 Operating lease commitments

As at 30 June 2015, the future aggregate minimum lease payments for office premises under non-cancellable operating leases were as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
— Not later than 1 year	1,917	2,090
— Later than one year and not later than five years	820	57
	2,737	2,147

RESULTS

During the six months ended 30 June 2015, the Group achieved a turnover of approximately HK\$6.9 million, representing an increase of approximately 6.53% as compared to the corresponding period last year. The loss attributable to equity holders of the Company was approximately HK\$11.3 million, as compared to profit approximately HK\$25.0 million in the corresponding period last year.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (2014: Nil).

BUSINESS REVIEW

Design and distribution of integrated circuit and semi-conductor parts

For the six months ended 30 June 2015, our operation in Shanghai recorded a turnover of approximately HK\$6.9 million, an increase of approximately 6.53% as compared to the corresponding period last year. The gross profit margin of our operation in Shanghai was approximately 64% (2014: approximately 66%). For the period under review, the operation in Shanghai recorded a net profit of approximately HK\$324,000, a decrease of 36.5% as compared to the corresponding period last year. (2014: approximately HK\$510,000). The decrease in net profit was mainly due to rise in operating cost. The Group continues to focus on strengthening our existing products and to develop new products.

Investment holding

As at 30 June 2015, the Group held approximately 459,678 common shares of ChipMOS Technologies (Bermuda) Ltd. (“ChipMOS”), a company listed on the NASDAQ. ChipMOS is a leading provider of semi-conductor testing and assembly services to customers in Taiwan, Japan and the United States of America.

During the period under review, the Company disposed of 270,241 common shares of ChipMOS.

As at 30 June 2015, the quoted market price of ChipMOS was approximately US\$21.84 per share, as compared to approximately US\$23.32 per share as at 31 December 2014. An unrealised loss of approximately HK\$5.3 million was recorded during the period under review due to mark-to-market valuation of the shares.

The quoted market price of ChipMOS as at 13 August 2015 was approximately US\$15.62 per share.

Future plans and prospects

Given the current management and members of the Board were all appointed on or after 27 November 2014, we are currently undertaking an extensive review into the business operation and financial affairs of the Group. We will continue to enhance our existing business in the design and trading of integrated circuit products in China. In addition, we are evaluating several other business options to diversify and increase our top-line growth with the aim of improving the Group’s value in order to benefit our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the cash and cash equivalents of the Group amounted to approximately HK\$94.0 million (31 December 2014: approximately HK\$53.3 million).

For the six months ended 30 June 2015, the net cash inflow of the Group amounted to approximately HK\$40.6 million (2014: net cash outflow amounted to approximately HK\$2.9 million).

As at 30 June 2015, the Group had no outstanding bank loan and no financing cost was incurred for the six months ended 30 June 2015 (2014: Nil).

As at 30 June 2015, the Group had short-term bank deposits of approximately HK\$40.8 million (31 December 2014: approximately HK\$1.5 million) which were classified as cash and cash equivalents.

GEARING RATIO

No debt financing had been raised for the period under review.

As at 30 June 2015, the gearing ratio of the Group, computed as total liabilities expressed as a percentage of total assets, was approximately 1.9% (31 December 2014: approximately 1.8%).

FOREIGN CURRENCY EXPOSURE

The Group's results were exposed to exchange fluctuations of Renminbi as the Group had overseas operations in the PRC. The Group's result is mainly exposed to exchange fluctuations of the Renminbi.

For the period under review, a net exchange loss of approximately HK\$36,000 (2014: approximately HK\$88,000) was recognised in the condensed consolidated interim income statement. Exchange differences, arising upon translation of overseas operations, amounted to approximately HK\$35,000 was credited to the exchange reserve (2014: debit of approximately HK\$321,000).

CAPITAL STRUCTURE

The loss attributable to shareholders of the Company for the six months ended 30 June 2015 of approximately HK\$11.3 million (2014: profit of approximately HK\$25.0 million) was transferred to accumulated profits of the Group. There was no change in the capital of the Company for the six months ended 30 June 2015. As at 30 June 2015, the shareholders' fund amounted to approximately HK\$182.0 million (31 December 2014: approximately HK\$193.3 million).

INVESTMENTS AND CAPITAL ASSETS

The Group acquired property, plant and equipment of approximately HK\$144,000 for the six months ended 30 June 2015.

As at 30 June 2015, the Group held approximately 459,678 common shares of ChipMOS after the disposal of 270,241 common shares of ChipMOS during the period under review and its quoted market price was approximately US\$21.84 per share. On 13 August 2015, the quoted market price of ChipMOS was approximately US\$15.62 per share.

As at 30 June 2015, the Group also held shares of a Hong Kong listed company amounted to approximately HK\$0.8 million (31 December 2014: approximately HK\$0.9 million).

CHARGE ON ASSETS

As at 30 June 2015, the Group had no charge on its assets.

SEGMENTAL INFORMATION

For the period under review, the Hong Kong and PRC segments contributed mainly to the Group's business operation. Due to slow economic growth in China, the operating environment remained challenging. Despite this, our operation in Shanghai recorded a steady growth in revenue of approximately 6.53% as compared to the same period last year. The gross profit margin of our operation in Shanghai was approximately 64% (2014: approximately 66%).

HUMAN RESOURCES

As at 30 June 2015, the number of staff of the Group was approximately 33.

The remuneration packages of employees are reviewed annually with reference to market level and individual staff performance. The Group's remuneration packages include basic salaries, bonus, contributions to provident fund and medical benefits.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no material contingent liabilities.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, none of the directors nor the chief executives of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2015, the interest and short positions in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) of the substantial shareholders (other than the directors and chief executives of the Company) as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange, were as set out below:

Name of Shareholders	Capacity	Number of ordinary shares/ Percentage of total issued share capital as at 30 June 2015 (Note 1)						Note
		Long positions	%	Short positions	%	Lending pool	%	
Full Global International Limited	Beneficial Owner	145,609,999	43.3%	—	—	—	—	(2)
Pacific Electric Wire & Cable Co., Ltd.	Interest of Controlled Corporation	145,609,999	43.3%	—	—	—	—	(2)
Vision2000 Venture Ltd.	Beneficial Owner	106,043,142	31.5%	—	—	—	—	(3)
Mosel Vitelic Inc.	Interest of Controlled Corporation	106,043,142	31.5%	—	—	—	—	(3)

Notes:

1. Based on 336,587,142 ordinary shares of the Company in issue as at 30 June 2015.
2. The 145,609,999 shares relate to the same batch of shares of the Company. According to the form of disclosure of interests submitted by Full Global International Limited on 31 May 2012, Full Global International Limited is the controlled corporation of Pacific Electric Wire & Cable Co., Ltd. and accordingly, Pacific Electric Wire & Cable Co., Ltd. is deemed to be interested in the 145,609,999 shares of the Company held by Full Global International Limited.
3. The 106,043,142 shares relate to the same batch of shares of the Company. According to the form of disclosure of interests submitted by Mosel Vitelic Inc. on 27 June 1997, Vision2000 Venture Ltd. is the controlled corporation of Mosel Vitelic Inc. and accordingly, Mosel Vitelic Inc. is deemed to be interested in the 106,043,142 shares of the Company held by Vision2000 Venture Ltd.

Save for those disclosed above, as at 30 June 2015, no other persons had any interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

PUBLIC FLOAT

On 19 May 2015, the Company published an announcement disclosing, inter alia, receipt by the Company an application (the “**Application**”) from Texan Management Limited (“**Texan**”) for the issue of 4 replacement share certificates for the share certificates numbered 91064, 91065, 90986 and 90987 in respect of the 36,024,000 shares (representing 10.7% of the entire issued shares) in the Company (the “**Subject Shares**”). The Board stated that if such information given by Texan under the Application is true and correct, and therefore the Subject Shares are owned by Texan, the Subject Shares would not be qualified as “public float” under the Listing Rules and thus less than 25% of the issued share capital of the Company would be held in public hands. On 20 May 2015, trading in the shares of the Company was suspended pending the release of an announcement clarifying the shareholding structure of the Company. As at 30 June 2015, the Company had been undertaking review on information relating to the Application and in discussion with its professional advisers to identify the course of actions to allow the Company to meet the minimum public float requirement under the Listing Rules and to resume trading of the shares in the Company. Details of public float status of the Company have been disclosed in the Company’s announcements dated 19 May 2015, 20 May 2015, 9 July

2015 and 24 July 2015. The Company will, as and when appropriate, make further announcement to inform its shareholders and potential investors for the development pursuant to the Listing Rules and/or the SFO.

DISCLOSURE OF CHANGE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

During the period under review, the changes in the information of the Directors and chief executives of the Company as required to be disclosed pursuant to the Rule 13.51B of the Listing Rules were as follows:

- (i) Mr. Maa Kwo-Juh resigned from his office as independent non-executive Director, chairman of the Remuneration Committee, Audit Committee and Nomination Committee of the Company on 7 January 2015;
- (ii) Mr. Wang Chiang-Ming was appointed as independent non-executive Director, member of the Remuneration Committee, Audit Committee and Nomination Committee of the Company on 7 January 2015;
- (iii) Mr. Suen Sai Wah Simon was appointed as chairman of the Remuneration Committee, Audit Committee and Nomination Committee of the Company on 7 January 2015;
- (iv) Ms. Wong Xavier Julia Maria resigned as company secretary and authorized representative under Part 16 of the Companies Ordinance of the Company on 11 March 2015; and
- (v) Ms. Yuen Wing Yan Winnie was appointed as company secretary and authorized representative under Part 16 of the Companies Ordinance of the Company on 11 March 2015.

Save as disclosed above, there is no change in information of the Directors and chief executives of the Company since the date of the 2014 annual report of the Company which is required to be disclosed pursuant to the Rule 13.51B of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors who together have substantial experience in auditing, business and regulatory affairs.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee had reviewed with management the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2015.

CORPORATE GOVERNANCE PRACTICES

The board confirmed that the Company had adopted and complied with all code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules for the period under review except for the following deviations:

Code provision A.4.1

This code provision stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

The independent non-executive directors of the Company were not appointed for specific terms but are subject to retirement by rotation at least once every three years and re-election at the Company’s annual general meeting in accordance with the bye-laws of the Company. At every annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the nearest but no less than one-third shall retire from office by rotation. Every Director should be subject to retirement by rotation at least once every three years.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company had adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the Directors’ securities transactions. The Company had made specific enquiry of all Directors regarding any non-compliance with the Model Code for the period under review, and they all confirmed their respective full compliance with the required standard set out in the Model Code.

On behalf of the Board
PacMOS Technologies Holdings Limited
Cheng Chow-Chun
Chairman

Hong Kong, 14 August 2015