

# Regent Manner International Holdings Limited

## 峻凌國際控股有限公司

8 June 2007

### OFFERING STATISTICS

Company	◆ Regent Manner International Holdings Limited
Sector	◆ SMT service
Stock code	◆ To be confirmed
Type of transaction	◆ HK Main Board
Total offer size (no greenshoe)	◆ 250m new shares
Offering structure	◆ 90% placing (225m new shares) + 10% public offer (25m new shares)
Offer price per share	◆ HK\$1.51 - \$1.88
Market capitalisation	◆ HK\$1,510m - \$1,880m
Basic PER	◆ *6.11x – 7.60x (Historical FY06)
Total issue size	◆ HK\$377.5m - \$470m
Joint-sponsors	◆ TSC Capital & Mega Capital
Joint-bookrunners & Joint-lead managers	◆ Taiwan Securities & Mega Capital
Co-managers ( <i>alphabetic order</i> )	◆ CCB, Guotai Juan, Karl-Thomson, Nomura, SinoPac, Sun Hun Kai & Taifook
Major shareholders	◆ Before listing: TSMT Taiwan <Stock Code: 6278TW> (97.98%) & Employee Shareholders (2.02%) ◆ After listing: TSMT Taiwan <Stock Code: 6278TW> (73.48%), Employee Shareholders (1.52%) & Public (25%)

\* The calculation of basic historical PER is based on the historical EPS of USD0.0317 (approx. HKD0.2473) for FY06. The calculation of historical EPS is based on the net profit for FY06 of USD23,804,000 and on the assumption that 750m shares of HKD0.01 had been in issue on 1 January 2004 and throughout the Track Record Period.

### TENTATIVE TIMETABLE

Placing book opens	Thursday, 14 June 2007
Placing book closes	Friday, 29 June 2007 at 8:00pm (HK time)
Public offer commences	Tuesday, 26 June 2007
Public offer closes	Friday, 29 June 2007 at 12:00 noon (HK time)
Listing (HKSE)	Tuesday, 10 July 2007

### FINANCIAL DATA

	Year ended 31 December				
	2004		2005		2006
	<i>US\$'000</i>	YoY	<i>US\$'000</i>	YoY	<i>US\$'000</i>
<b>Turnover</b>	111,972	81.85%	203,624	34.62%	274,110
<b>COGS</b>	(106,214)	76.20%	(187,149)	28.04%	(239,627)
<b>Gross Profit</b>	5,758	186.12%	16,475	109.31%	34,483
<b>Net Profit</b>	1,436	531.20%	9,064	162.62%	23,804
<b>GP Margin</b>	5.14%		8.09%		12.58%
<b>Net Margin</b>	1.28%		4.45%		8.68%

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### COMPANY DESCRIPTION

#### BUSINESS

- ◆ Regent Manner International Holdings Limited (together with its subsidiaries as the "Group") is principally engaged in the provision of integrated SMT production solutions for manufacturers of TFT-LCD panels and various electronic products. The Group's immediate customers include some of the leading international manufacturers in the electronic components, including AUO Optonics Corp, Chi Mei Optoelectronics Corporation, Innolux Display Corporation, Proview International Holdings Limited, BOE Technology Group Company Limited, USC Corporation, AmTRAN Technology Company Limited and Avison Inc. etc.
- ◆ The Group's scope of services include materials procurement and management, process engineering design, SMT processing, quality assurance, logistics management and after-sale services.
- ◆ The Group provides SMT production solutions either on a turnkey basis or on a consignment basis.

#### PRODUCTION FACILITIES

- ◆ The existing production premises of the Group are located across several provinces in the PRC: Dongguan of Guangdong Province, Suzhou and Nanjing of Jiangsu Province, and Ningbo of Zhejiang Province.

##### Existing production bases

Location	Total building area (sq.m.)	Major product application	Number of production lines as at 31 December			Average annual utilization rate for the year ended 31 December		
			2004	2005	2006	2004	2005	2006
Dongguan	23,081	LCD monitor, LCD TV, motherboard, DVD-RW, DVD recorders, GPS, mobile phone	18	21	27	81.8%	83.3%	88.5%
Suzhou	26,538	LCD monitor, LCD TV, notebook PC, DSC, mobile phone	12	28	37	88.4%	85.1%	85.1%
Nanjing	3,440	Mobile phone, LCD monitor, LCD TV, notebook PC, scanner, DVD	2	2	2	N/A	84.1%	84.1%
Ningbo Free Trade Zone	4,363	LCD monitor, LCD TV, notebook PC, DSC, mobile phone	-	-	10	N/A	N/A	90.0%
<b>Total:</b>			<b>32</b>	<b>51</b>	<b>76</b>	<b>85.1%</b>	<b>84.4%</b>	<b>86.1%</b>

#### REVENUE

From FY04 to FY06, the Group's sales revenue increased by a CAGR of 56%.

Revenue breakdown by contract type						
	Revenue for the year ended 31 December					
	2004		2005		2006	
	USD'000	%	USD'000	%	USD'000	%
Arising from						
Consignment project	9,154	8.2%	12,693	6.2%	21,014	7.7%
Turnkey project	102,818	91.8%	190,931	93.8%	253,096	92.3%
<b>Total</b>	<b>111,972</b>	<b>100.0%</b>	<b>203,624</b>	<b>100.0%</b>	<b>274,110</b>	<b>100.0%</b>

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Revenue breakdown by product category						
Revenue for the year ended 31 December						
	2004		2005		2006	
	USD'000	%	USD'000	%	USD'000	%
Arising from						
TFT-LCD panels:						
Large-sized	88,775	79.3	125,958	61.9	198,499	72.4
Small-sized	10,768	9.6	70,946	34.8	68,484	25.0
Others	12,429	11.1	6,720	3.3	7,127	2.6
<b>Total</b>	<b>111,972</b>	<b>100.0</b>	<b>203,624</b>	<b>100.0</b>	<b>274,110</b>	<b>100.0</b>

### COMPETITIVE STRENGTHS

◆ **Well established business relationships with leading players in the TFT-LCD industry by adopting co-location strategy**

In order to serve customers better and in a timelier fashion, the Group adopts a co-location strategy by establishing its production facilities in the PRC within the proximity of the production plants of its major customers. Through the co-location strategy, the Company has established solid business relationship with AU Optronics Corporation, Innolux Display Corporation and Chi Mei Optoelectronics Corporation etc., the leading players in the TFT-LCD industry.

◆ **Intra-group collaboration to maintain cost competitiveness and operational efficiency**

The production facilities of the Group form a strategic business network spanning over four coastal provinces of the PRC, namely, Guangdong Province, Fujian Province, Jiangsu Province and Zhejiang Province, thereby enabling it to explore and capture new business opportunities. All the production facilities are inter-connected through a central ERP system to facilitate effective supply chain management.

◆ **High quality products and services at competitive prices with economics of scale**

The Group places a strong emphasis on the quality of its products and services by adopting a stringent quality control system throughout the entire production process. Not only has the Group obtained ISO9001 accreditation in respect of its quality management system, but it has also consistently met the stringent requirement by its customers in respect of specification and quality. Moreover, upon requests by customers, the Group is able to flexibly adjust its production process to comply with RoHS by using lead-free solder paste and deploying lead-free reflow ovens.

◆ **Strong engineering capabilities and experience to optimize advanced technology**

Having engaged in the provision of integrated SMT production solutions for nearly 10 years, the Group has gained ample experiences in the application and optimization of advanced technology in its production processes, thereby effectively enhances its production efficiency and minimizes defection rates. With ample operational experiences, the Group's engineers are capable of scrutinizing the software systems preloaded in the SMT machines to design the best machine combination to balance the difference in processing speed of different machines such that the time lag between each production step is minimized, thereby optimizing the overall production speed.

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### ◆ Strong management team with extensive industry experience

On top of its strong technical capabilities, the success of the Group lies in the extensive and pragmatic experience of its directors and management. The founder of the Group, Mr. Wu Kai-Yun, has more than 24 years of experience in the electronics industry. The Group's management team also has ample experience in the SMT processing business.

### ◆ Integrated services with flexible, efficient and swift manufacture solutions

The Group offers a wide range of vertically integrated services including materials procurement and management, process engineering design, SMT processing, quality assurance, logistics management and after-sales services. The Group strives to offer its customers one-stop production solutions with customized services of high quality in a timely manner. The Group's production lines can be flexibly adjusted and customized in a short period of time to suit specific requirements of different customers. The Group continuously seeks to improve the efficiency of its supply chain with a view to deliver the right products, in the right condition and quantity at the right place and time.

### FUTURE PLANS

- ◆ Strengthen existing customer intimacy by co-location strategy;
- ◆ Consolidate market position by expansion of production capacity;
- ◆ Enhancement of product range;
- ◆ Deploy timely investment in advanced production facilities; and
- ◆ Strengthen the human resources capabilities.

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### USE OF PROCEEDS

Based on HK\$1.70\* per share

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|--|----------|
| ◆ Construction of production facilities in Ningbo, Xiamen and Foshan | HK\$78m  |
| ◆ Purchase and installation of 33 additional SMT production lines    | HK\$327m |

(\* Being the mid-point of the indicative Offer Price range)

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