TC INTERCONNECT HOLDINGS LIMITED

達進精電控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

website: www.tatchun.com

(Stock Code: 515)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

The Board of Directors (the "Board") is pleased to announce the unaudited consolidated interim results of TC Interconnect Holdings Limited ("the Company") and its subsidiaries (collectively known as the "Group") for the six months ended 30 June 2010.

The unaudited condensed consolidated financial information for the six months ended 30 June 2010 have been reviewed by the Group's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	NOTES	**For the six months ended 30 June 2010** *HK$'000* **(unaudited)**	2009 *HK$'000* (unaudited)
Turnover	*3*	**418,805**	331,460
Cost of sales		**(364,380)**	(283,490)
Gross profit		**54,425**	47,970
Other income		**18,244**	8,960
Other gains and losses		**(4,522)**	(4,061)
Selling and distribution expenses		**(18,440)**	(14,642)
Administrative expenses		**(30,476)**	(21,124)
Finance costs		**(4,487)**	(5,999)
Profit before tax		**14,744**	11,104
Income tax expense	*4*	**(2,657)**	(1,347)
Profit for the period and total comprehensive income for the period	*5*	**12,087**	9,757
Earnings per share	*7*		
– Basic (HK cents)		**4.27**	4.07
– Diluted (HK cents)		**4.16**	4.07

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010

	NOTES	**30 June 2010** **HK$'000** **(unaudited)**	31 December 2009 *HK$'000* (audited)
Non-current assets			
Investment properties		**3,800**	3,800
Property, plant and equipment		**428,028**	439,599
Prepaid lease payments – non-current portion		**22,228**	22,535
Deposits paid for acquisition of property, plant and equipment		**6,103**	5,962
Prepayment	*8*	**23,400**	–
		483,559	471,896
Current assets			
Inventories		**129,810**	107,924
Prepaid lease payments – current portion		**615**	615
Trade and other receivables	*9*	**267,658**	229,973
Bills receivable	*9*	**5,574**	530
Tax recoverable		**2,940**	2,940
Derivative financial instruments		**2,320**	520
Restricted bank deposits		**167,217**	80,105
Bank balances, deposits and cash		**110,865**	50,312
		686,999	472,919
Current liabilities			
Trade and other payables	*10*	**235,573**	180,910
Bills payable	*10*	**108,983**	88,497
Derivative financial instruments		**4,902**	459
Taxation payable		**18,208**	16,999
Bank and other borrowings – due within one year		**290,604**	207,089
Obligations under finance leases – due within one year		**23,469**	33,675
Amount due to a shareholder		**1,711**	–
		683,450	527,629
Net current assets (liabilities)		**3,549**	(54,710)
Total assets less current liabilities		**487,108**	417,186

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Non-current liabilities		
Bank and other borrowings – due after one year	**9,877**	13,099
Obligations under finance leases – due after one year	**14,479**	15,139
Amount due to a shareholder	**–**	21,142
Deferred tax liabilities	**13,251**	13,381
	37,607	62,761
Net assets	**449,501**	354,425
Capital and reserves		
Share capital	**30,605**	24,000
Reserves	**418,896**	330,425
Total equity	**449,501**	354,425

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2010

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties, buildings and certain financial instruments, which are measured at fair values or revalued amounts, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except as described below.

Warrants

Warrants issued by the Company that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments are classified as an equity instrument.

The fair value of warrants on the date of issue is recognised in equity (warrant reserve). The warrant reserve will be transferred to share capital and share premium upon exercise of the warrants. Where the warrants remain unexercised at the expiry date, the amount previously recognised in warrants reserve will be released to the accumulated profits.

In the current interim period, the following revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA have become effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

Amendment to HKAS 17 *Leases*

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. The amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of leases. The application of amendment to HKAS 17 has had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[2]
HKAS 32 (Amendment)	Classification of Rights Issues[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[4]
HKFRS 9	Financial Instruments[5]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[2]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[4]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 January 2011
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 July 2010
5 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the condensed consolidated financial statements.

3. SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by operating segment for the periods under review:

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Turnover – external sales		
Single-sided	**108,795**	86,673
Double-sided	**144,788**	96,527
Multi-layered	**165,222**	148,260
Total	**418,805**	331,460
Segment results		
Single-sided	**4,479**	4,024
Double-sided	**8,193**	2,969
Multi-layered	**13,089**	11,363
	25,761	18,356
Other income	**1,879**	1,187
Central administrative costs	**(7,056)**	(3,566)
Fair value changes of investment designated at fair value through profit or loss	**–**	(459)
Fair value changes of derivative financial instruments	**(1,353)**	1,585
Finance costs	**(4,487)**	(5,999)
Profit before tax	**14,744**	11,104

Segment profit represents the profit earned by each segment after allocation of selling and administrative staff cost with reference to turnover and without allocation of certain other income, central administrative costs (mainly including audit fee and depreciation of property, plant and equipment for administrative purpose), fair value changes of investment designated at fair value through profit or loss, fair value changes of derivative financial instruments and finance costs. This is the measure reported to the Group's Chief Executive Officer for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The charge comprises:		
Enterprise Income Tax ("EIT") in other regions of the PRC	**2,657**	1,173
Deferred tax	**–**	174
	2,657	1,347

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2009: 16.5%) of the estimated assessable profit for the period. No provision for Hong Kong Profits Tax has been made as there was no assessable profit for both periods.

PRC EIT is calculated at 12.5% to 25% relevant to the PRC subsidiaries where applicable.

Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to the undistributed retained profits amounting to approximately HK$103,770,000 (31 December 2009: HK$64,123,000) earned by the subsidiaries in the PRC, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Directors emoluments	**3,935**	2,284
Other staff costs	**59,045**	41,526
Equity-settled share-based payment expenses other than directors	**1,411**	194
Total staff costs	**64,391**	44,004
Depreciation and amortisation	**26,130**	25,501
Impairment loss recognised on trade receivables (included in other gains and losses)	**–**	986
Fair value changes of investment designed at fair value through profit or loss (included in other gains and losses)	**–**	459
Fair value changes of derivative financial instruments (included in other gains and losses)	**1,353**	(1,585)
Reversal of impairment loss recognised on trade receivables (included in other gains and losses)	**(2,045)**	(856)
Interest income	**(584)**	(453)
Sales of scrap materials	**(16,365)**	(8,027)

6. DIVIDENDS

During the period, a dividend of HK1 cent per share amounting to HK$3,060,000 (six months ended 30 June 2009: 2008 final dividend of HK1 cent per share amounting to HK$2,400,000) was paid to the shareholders as the final dividend for 2009.

The Board did not recommend the payment of an interim dividend for both periods.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for purposes of basic and diluted earning per share	**12,087**	9,757
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**283,377**	240,000
Effect of dilutive potential ordinary shares:		
Share options	**5,145**	–
Warrants	**1,911**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**290,433**	240,000

8. PREPAYMENT

Pursuant to investment co-operation agreement as supplemented by the first supplemental agreement and second supplemental agreement entered into by the Company and certain investors, details of which are set out in the Company's circular dated 22 April 2010, the Company, Orient Opto-Semiconductors Corporation ("Dongfang"), an independent third party, Mr. Zhu Jianqin ("Mr. Zhu"), a shareholder and director of Dongfang, TC (BVI) Limited ("TC (BVI)"), a wholly owned subsidiary of the Company, agreed to jointly establish a company ("Newco") initially to be held as to 51% by TC (BVI), 30% by Dongfang and 19% by Mr. Zhu, in which the contribution from Mr. Zhu represents the intellectual properties held by Mr. Zhu. Following the establishment of Newco, the Company shall acquire Mr. Zhu's 19% equity interest in the Newco, by an agreed consideration of HK$28,400,000, which represented the fair value of the intellectual properties and shall be satisfied by way of payment of cash (as to HK$10,000,000) and by way of issuance and allotment of 15,137,803 Company's shares (the "Acquisition"). The Acquisition is considered as acquisition of the intellectual properties by the Group which will be injected to Newco. On 31 May 2010, the Company issued an aggregate of 15,137,803 ordinary shares of HK$0.1 each at an agreed price of HK$1.2155 per share (the aggregate amount of the ordinary shares is HK$18,400,000) and paid cash of HK$5,000,000 to Mr. Zhu. A further supplemental agreement was entered into by the Company and investors to defer the payment of the remaining cash of HK$5,000,000 to May 2011.

Since the capital of Newco was not yet verified at 30 June 2010, including the intellectual properties contributed by Mr. Zhu, the amount paid was recognised as a prepayment for acquisition of intellectual properties, and therefore classified as a non-current asset.

The fair value of the intellectual properties at the transaction date have been arrived at on the basis of a valuation carried out by an independent qualified professional valuers.

9. TRADE, BILLS AND OTHER RECEIVABLES

(a) Trade and other receivables

The Group generally allows an average credit period of 30 days to 150 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	30 June 2010 *HK$'000* **(unaudited)**	31 December 2009 *HK$'000* (audited)
0 – 30 days	**46,959**	72,010
31 – 60 days	**72,846**	65,173
61 – 90 days	**59,713**	43,704
91 – 180 days	**50,620**	21,348
Over 180 days	**2,298**	2,399
	232,436	204,634
Deposits, prepayments and other receivables	**35,222**	25,339
	267,658	229,973

(b) Bills receivable

The aged analysis of bills receivable represented based on the invoice date at the end of the reporting period is as follows:

	30 June 2010 *HK$'000* **(unaudited)**	31 December 2009 *HK$'000* (audited)
0 – 30 days	**4,078**	530
31 – 60 days	**1,054**	–
61 – 90 days	**442**	–
	5,574	530

10. TRADE, BILLS AND OTHER PAYABLES

(a) Trade and other payables

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**50,001**	30,900
31 – 60 days	**49,720**	34,135
61 – 90 days	**35,138**	21,950
91 – 180 days	**47,199**	62,111
Over 180 days	**3,470**	1,069
	185,528	150,165
Other payables, accruals and temporary receipts	**50,045**	30,745
	235,573	180,910

(b) Bills payable

The aged analysis of bills payable represented based on the invoice date at the end of the reporting period is as follows:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**35,296**	23,291
31 – 60 days	**23,878**	14,568
61 – 90 days	**20,095**	10,207
91 – 180 days	**29,714**	40,431
	108,983	88,497

BUSINESS REVIEW

The Group is principally engaged in manufacturing and trading of board range of PCBs including single-sided PCBs, double-sided PCBs and multi-layered PCBs up to 12 layers, the breakdown are summarized as follows:

	Fox the six months ended 30 June 2010		For the six months ended 30 June 2009		Increase/ (Decrease)	Change in
	HK$'000	**%**	*HK$'000*	*%*	*HK$'000*	*%*
Single-sided	**108,795**	**26.0**	86,673	26.2	22,122	25.5
Double-sided	**144,788**	**34.6**	96,527	29.1	48,261	50.0
Multi-layered	**165,222**	**39.4**	148,260	44.7	16,962	11.44
	418,805		331,460		87,345	26.35

The products in the three categories are mainly applied in consumer electronics, computers and computer peripherals, communications equipment and automotive applications. During the review period, application wise, consumer electronics remained to contribute the highest turnover that accounted for approximately 55.0% of the Group's turnover. By products, the Group has achieved the highest growth from double-sided PCBs, accounted for approximately 50% where there were stable increases in single-sided and multi-layered PCBs. Due to this temporary shift in product mix, multi-layered PCBs contributed only approximately 39.4% of the turnover under the review period, as compared to approximately 44.7% for the same period in 2009. The multi-layered PCBs, during the review period, could not be the drive engine was mainly due to the pressure of raw material costs that cut the gross margins of these products and the Company took time to reflect the increasing costs in the selling prices under this category.

Moreover, the Group's turnovers by geographical regions are summarized as follows:

	Fox the six months ended 30 June 2010		Fox the six months ended 30 June 2009		Increase/ (Decrease)	Change in
	HK$'000	**%**	*HK$'000*	*%*	*HK$'000*	*%*
Hong Kong	**108,338**	**25.9**	67,151	20.2	41,187	61.3
PRC	**111,517**	**26.7**	51,420	15.5	60,097	116.9
Europe	**38,593**	**9.2**	92,316	27.9	(53,723)	(58.2)
Asia	**144,321**	**34.5**	113,235	34.2	31,086	27.5
Others	**16,036**	**3.7**	7,338	2.2	8,698	118.5
	418,805		331,460		87,345	26.4

FINANCIAL REVIEW

For the six months ended 30 June 2010, the Group's turnover amounted to approximately HK$418.8 million, representing an increase of 26.4% as compared to approximately HK$331.5 million for the corresponding period last year.

The Groups' gross profit has increased by 13.5% to approximately HK$54.4 million. Gross profit margin dropped to approximately 13.0%. The decrease in gross profit was mainly attributable by under-utilisation of the Group's existing production capacities particularly in the first quarter of the year due to decrease in demand of PCB. Profit attributable to shareholders was approximately HK$12.1 million, (2009: HK$9.8 million), representing an increase of 23.9%.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2010, the Group had total assets of approximately HK$1,170.6 million (31 December 2009: HK$944.8 million) and interest-bearing borrowings of approximately HK$338.4 million (31 December 2009: HK$269.0 million), representing a gearing ratio, defined as interest-bearing borrowings over total assets, of approximately 28.9% (31 December 2009: 28.5%).

The Group's net current asset of approximately HK$3.5 million (31 December 2009: net current liabilities HK $ 54.7 million) consisted of current assets of approximately HK$687.0 million (31 December 2009: HK$472.9 million) and current liabilities of approximately HK$683.4 million (31 December 2009: HK$527.6 million), representing a current ratio of approximately 1.0 (31 December 2009: 0.9).

As at 30 June 2010, the Group had cash and bank balances of approximately HK$278.1 million (31 December 2009: HK$130.4 million).

DIVIDENDS

The Board does not recommend the payment of the interim dividend for the six months ended 30 June 2010 (30 June 2009: Nil).

HUMAN RESOURCES

As at 30 June 2010, the Group employed a total of approximately 3,750 employees (31 December 2009: 3,362), including approximately 3,727 employees in its Zhongshan production site and approximately 23 employees in its Hong Kong office.

The Group's remuneration policy is reviewed regularly, with reference to the legal framework, market conditions and the performance of the Group and individual staff. The remuneration policy and remuneration packages of the executive Directors and members of the senior management are also reviewed by the remuneration committee. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals. Under the Group's remuneration policy, employees are rewarded in line with the market rate in compliance with statutory requirements of all jurisdictions where it operates. The Group also holds regular training programmes and also encourages staff to attend training courses and seminars that are related directly and indirectly to the Group's business.

PROSPECTS

The Group will continue to focus on its core PCB business which provides a steady cashflow, and proactively engage in the new LED lighting business, which serves as the highlight of future business growth.

PCB business will remain as the Group's core business and we are confident in its prospect by leveraging on our strong research and development ability and long term relationship with existing clients in the automobile and electronic industry. In view of the "Rural Area Subsidized Electrical Appliances Purchase Policy" and "Home Appliances Replacement Policy", the electronic appliances consumption in domestic market in the PRC is increasing and thus demand for PCB is expected to keep growing continuously.

In respect of LED lighting business, the Group strategically strives to be the market leader in the LED lighting industry in the PRC. The LED lighting industry in the PRC is very fragmented with small local enterprises not having technology and working capital. Most of them are not qualified to bid for the LED road lamps installation contracts from the local government. With our strong financial position and our proprietary technological expertise, the Group is well positioned to aim for the LED lighting market leader in the PRC.

The demand for LED lights and road lamps is promising. Given the implementation of the government policies "10 Cities 10,000 LED Lights" and "Lights over Thousand Miles" in 2009, there will be an installation of approximately 300,000 LED road lamps in 10 to 20 cities in the PRC in 2010. With 21 cities including Beijing, Shanghai, Shenzhen, etc are participating in these projects, it is expected that the demand for road lamps will significantly increase in the coming three years to approximately 2.5 million road lamps installation.

To capture this appealing market opportunity, the Group formed a strategic alliance with AV Concept Holdings Limited in July 2010 to jointly explore the LED lighting market in the PRC, with the first batch of target areas including Chengdu, Yangzhou and Tianjin. In April 2010, the Group also formed a joint venture with LED lighting technology developer and operator, Orient Opto – Semiconductors Corp., to carry out the operation and management of energy saving projects and the sales and marketing of LED lighting and other energy saving products. These strategic alliances create synergy and pave the way for further development of LED lighting business in the PRC.

The Group is also constantly exploring high growth and potential projects in order to broaden the income stream and increase shareholders' value. A joint venture is formed in Shenzhen between the Group and Feng Run Enterprise Limited ("Feng Run") in June 2010. The joint venture will be engaged in LED lighting installation projects, maintenance of LED lighting and business development in the LED lighting market. Through the extensive market experience and sales network of Feng Run, it is expected that the joint venture will contribute profit to the Group in coming years. Going forward, the Group will seek merger and acquisition or joint venture opportunities to further capture the tremendous potential of LED lighting business in the PRC.

OTHER INFORMATION

Connected Transaction

On 29 December 2008, the Company entered into an agreement with Mr. Yeung Hoi Shan, being the substantial shareholder and executive director of the Company, to advance an amount of approximately HK$22,457,000 to the Group for the purpose of financing the daily operation of the

Group (the "Advance"). The amount is unsecured, interest-free and repayable on 29 June 2010. The Advance has been extended on 22 June 2009 for seven months under the same terms and repayable on 31 January 2011. As at 30 June 2010, the outstanding was HK$1,711,000.

The Advance constituted an exempted connected transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

Purchase, Sale or Redemption of the Company's Listed Securities

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 2010.

Compliance with the Code of Corporate Governance Practices

The Company and the Directors confirm, to the best of their knowledge, that the Company has complied with the Code of Corporate Governance practices as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2010.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code")

The Company has also adopted the Model Code as set out in Appendix 10 to the Listing Rules for securities transactions by the Directors. Specific enquiry was made with all the Directors and they confirmed that they had complied with the required standards set out in the Model Code regarding securities transactions by Directors for the six months ended 30 June 2010.

AUDIT COMMITTEE

The Company has set up an audit committee, in accordance with the requirements of the Code of Corporate Governance Practices, for the purpose of reviewing and providing supervision on the financial reporting process and internal control system of the Group. The Committee comprises three independent non-executive directors with Mr. Cheung Sui Wing, Darius as chairman. The interim results for the six months ended 30 June 2010 had been reviewed by the Audit Committee.

By Order of the Board of
TC Interconnect Holdings Limited
YEUNG HOI SHAN
Chairman

Hong Kong, 23 August 2010

As at the date hereof, the executive Directors are Mr. YEUNG Hoi Shan and Mr. PAK Shek Kuen. the non-executive Directors are Madam LI Jinxia, Mr. YEUNG Tai Hoi and Mr. CHEUNG Kwok Ping and the independent non-executive Directors are Mr. CHEUNG Sui Wing, Darius, Ms. HO Man Kay and Mr. WONG Siu Fai, Albert.

* *For identification purposes only*