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**Taiwan Surface Mounting
Technology (B.V.I.) Co. Limited**
*(incorporated in the British Virgin Islands with
limited liability)*



Regent Manner International Holdings Limited
峻凌國際控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1997)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATIZATION OF REGENT MANNER
INTERNATIONAL HOLDINGS LIMITED BY WAY OF A SCHEME
OF ARRANGEMENT (UNDER SECTION 86 OF THE CAYMAN
ISLANDS COMPANIES LAW)**

**(2) PROPOSED WITHDRAWAL OF LISTING OF REGENT
MANNER INTERNATIONAL HOLDINGS LIMITED**

AND

(3) RESUMPTION OF TRADING

Financial Adviser to the Offeror



凱基金融亞洲
KGI CAPITAL ASIA

中華開發金控
CHINA DEVELOPMENT FINANCIAL

INTRODUCTION

On 29 April 2014, the Offeror requested the Board to put forward to the Scheme Shareholders the proposed privatization of the Company by way of a scheme of arrangement under Section 86 of the Cayman Islands Companies Law involving cancellation of all the Scheme Shares and allotment and issue of new Shares in the same number of cancelled Scheme Shares to the Offeror. As part of the Proposal, the Offeror will make a comparable cash offer to the Optionholders to cancel their outstanding Options. Upon the Scheme becoming effective, the Company will be wholly-owned by the Offeror, and the Board will, as soon as practicable thereafter, make an application for the withdrawal of listing of the Shares on the Stock Exchange.

TERMS OF THE PROPOSAL

The Proposal will be implemented by way of the Scheme and the Option Offer. Subject to the Scheme becoming effective, all the Scheme Shares will be cancelled in consideration of the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$1.80 in cash for each Scheme Share.

The Cancellation Price of HK\$1.80 per Scheme Share represents:

- a premium of approximately 32.35% over the closing price of HK\$1.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 31.20% over the average closing price of approximately HK\$1.372 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 33.63% over the average closing price of approximately HK\$1.347 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 37.51% over the average closing price of approximately HK\$1.309 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 39.00% over the average closing price of approximately HK\$1.295 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day; and
- a premium of approximately 20.24% to the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$1.497 as at 31 December 2013.

CONDITIONS OF THE PROPOSAL

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in section headed “Terms of the Proposal – Conditions of the Proposal and the Scheme” below, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

THE OPTION OFFER

The Offeror will make (or procure to be made on its behalf) the Option Offer, to the Optionholders for the cancellation of every vested and unvested Option in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer the Optionholders cash equal to the “see-through” price (being the Cancellation Price minus the relevant exercise price of Options) for each Option that they hold. The Options held by the parties acting in concert with the Offeror will also form part of the Option Offer. The last day for acceptance of the Option Offer shall be 14 days after the Effective Date, and payment to accepting Optionholders under the Option Offer will be made within seven business days following the later of the date the Option Offer becomes unconditional and the date of receipt of a valid acceptance.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, (i) there are 2,149,765,464 Shares in issue and the Scheme Shareholders are interested in 562,409,830 Shares, representing approximately 26.16% of the issued share capital of the Company; and (ii) there are 12,140,000 outstanding Options. An aggregate of 12,140,000 new Shares may fall to be issued if all other outstanding Options are exercised by the Optionholders in full.

As at the date of this announcement, (i) the Offeror holds 1,587,355,634 Shares, representing approximately 73.84% of the issued share capital of the Company; (ii) TSMT Taiwan is beneficially interested in such 1,587,355,634 Shares, representing approximately 73.84% of the issued share capital of the Company through the Offeror; and (iii) the parties acting in concert with the Offeror hold 21,901,257 Shares, representing approximately 1.02% of the issued share capital of the Company. Save as disclosed above and save for the 950,000 Options held by the parties acting in concert with the Offeror, the Offeror and parties acting in concert with it do not have any interest in, nor do they have any control or direction over, the issued share capital, voting rights or other securities of the Company as at the date of this announcement. The Shares held by the Offeror will not form part of the Scheme Shares and the Offeror and parties acting in concert with it will not vote on the Scheme at the Court Meeting. The Shares held by the parties acting in concert with the Offeror will form part of the Scheme Shares and the same will be cancelled upon the Scheme becoming effective. All Independent Shareholders are entitled to vote at the Court Meeting and all Shareholders are entitled to vote at the EGM.

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

The amount of cash required for the Proposal is approximately HK\$1,034,189,694 (assuming all Optionholders exercise their outstanding Options to become Scheme Shareholders before the Record Date) or approximately HK\$1,017,072,294 (assuming none of the Optionholders exercise their outstanding Options to become Scheme Shareholders before the Record Date). The amount of HK\$1,017,072,294 includes the amount required to satisfy the Option Offer.

The Offeror intends to finance the cash required for the Proposal from the Facility. KGI Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations to the Scheme Shareholders and the Optionholders under the Proposal.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Proposal, the expected timetable, an explanatory memorandum for the Scheme as required under the Cayman Islands Companies Law and the Grand Court Rules of the Cayman Islands 1995 (revised), information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, a letter of advice from the independent financial adviser to the Independent Board Committee, and notices of the Court Meeting and the EGM, together with related proxies, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Cayman Islands Companies Law, the said rules of the Cayman Islands Grand Court, and other applicable regulations.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, which comprises Mr. Kwok Kwan Hung, Ms. Hsu Wey-Tyng and Ms. Lin Yen-Yu, all of whom are independent non-executive Directors, has been established by the Board to make recommendations to the Scheme Shareholders and the Optionholders on the Scheme and the Option Offer respectively. As Mr. Wu Kai-Yun is also the chairman and president of TSMT Taiwan and Mr. Wu Kai-Hsiung is the brother of Mr. Wu Kai-Yun, they are regarded as being interested in the Proposal and therefore they had abstained from voting in respect of the board resolutions of the Company in relation to the Proposal and the Option Offer and will not sit on the Independent Board Committee.

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in connection with the Proposal. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser.

WITHDRAWAL OF LISTING OF THE SHARES

The Board will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Scheme becoming effective. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day of dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective. A detailed timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of Shares on the Stock Exchange will not be withdrawn. If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, or acquire any voting rights of the Company if the Offeror or persons acting in concert with it would become obliged under Rule 26 of the Takeovers Code to make an offer, except with the consent of the Executive.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended from 9:00 a.m. on 30 April 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 May 2014.

WARNINGS

Shareholders, Optionholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

1. INTRODUCTION

On 29 April 2014, the Offeror requested the Board to put forward to the Scheme Shareholders the proposed privatization of the Company by way of a scheme of arrangement under Section 86 of the Cayman Islands Companies Law involving cancellation of all the Scheme Shares and allotment and issue of new Shares in the same number of cancelled Scheme Shares to the Offeror. As part of the Proposal, the Offeror will make a comparable cash offer to the Optionholders to cancel their outstanding Options.

Under the Scheme, the share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the liability on the Scheme Shares. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror. Upon the Scheme becoming effective, the Company will be wholly-owned by the Offeror, and the Board will, as soon as practicable thereafter, make an application for the withdrawal of listing of the Shares on the Stock Exchange.

2. TERMS OF THE PROPOSAL

The Scheme

As at the date of this announcement, there are 2,149,765,464 Shares in issue and the Scheme Shareholders are interested in 562,409,830 Shares, representing approximately 26.16% of the issued share capital of the Company.

Subject to the Scheme becoming effective, all the Scheme Shares will be cancelled in consideration of the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$1.80 in cash for each Scheme Share.

Comparison of value

The Cancellation Price of HK\$1.80 per Scheme Share represents:

- a premium of approximately 32.35% over the closing price of HK\$1.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 31.20% over the average closing price of approximately HK\$1.372 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 33.63% over the average closing price of approximately HK\$1.347 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 37.51% over the average closing price of approximately HK\$1.309 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 39.00% over the average closing price of approximately HK\$1.295 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day; and
- a premium of approximately 20.24% to the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$1.497 as at 31 December 2013.

The Cancellation Price has been determined on a commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable companies and with reference to other privatization transactions in Hong Kong in recent years.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares was HK\$1.43 on 27 November 2013 and the lowest closing price of the Shares was HK\$1.24 on 27 January 2014 and 14 March 2014.

Conditions of the Proposal and the Scheme

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Independent Shareholders representing not less than 75% in value of the Scheme Shares held by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (i) the Scheme is approved (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Independent Shareholders;
- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at an extraordinary general meeting of the Company to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the liability on the Scheme Shares, and (ii) the passing of an ordinary resolution by the Shareholders at an extraordinary general meeting of the Company to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (c) the Cayman Islands Grand Court's sanction of the Scheme (with or without modifications) and its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Cayman Islands Grand Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Cayman Islands Companies Law in relation to the reduction of the issued share capital of the Company;
- (e) all Authorizations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdictions (including the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan);

- (f) all Authorizations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;
- (g) all necessary consents which may be required under any existing contractual obligations of the Company being obtained;
- (h) if required, the obtaining by the Offeror of such other necessary consent, approval, authorization, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under the applicable laws and regulations;
- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (j) save as publicly announced prior to the date of this announcement (and except in so far as such event forms part of the Proposal), since 31 December 2013 (being the date to which the latest published audited accounts of the Company were made up):
 - (i) there having been no material adverse change in the business, financial or trading position or prospects of any member of the Group; or
 - (ii) there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any Relevant Authorities against or in respect of any member of the Group (or the business carried on by any such member) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member, in each case which is material and adverse in the context of the Group taken as a whole; and
 - (iii) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets or undertakings of any member of the Group up to the date immediately preceding the Effective Date, in each case which is material and adverse in the context of the Group taken as a whole.

The Offeror reserves the right to waive conditions (e), (f), (g), (h), (i) and (j) either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c) and (d) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

The Proposal has been approved by the board of directors of the Offeror, but is not required to be approved by the shareholder of the Offeror.

Warnings:

Shareholders, Optionholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

3. THE OPTION OFFER

As at the date of this announcement, there are 12,140,000 outstanding Options granted under the Share Option Schemes (including 8,498,000 Options which have not been vested as of the date of this announcement), each giving the Optionholders the right to subscribe for one new Share. The exercise of such Options in full would result in the issue of 12,140,000 new Shares, representing approximately 0.565% of the issued share capital of the Company as at the date of this announcement and approximately 0.562% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Offeror will make (or procure to be made on its behalf) an appropriate offer, namely the Option Offer, to the Optionholders for the cancellation of every vested and unvested Option in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer the Optionholders cash equal to the “see-through” price (being the Cancellation Price minus the relevant exercise price of Options) for each Option that they hold. The Options held by the parties acting in concert with the Offeror will also form part of the Option Offer. The last day for acceptance of the Option Offer shall be 14 days after the Effective Date, and payment to accepting Optionholders under the Option Offer will be made within seven business days following the later of the date the Option Offer becomes unconditional and the date of receipt of a valid acceptance.

The relevant exercise price applicable to each Option is HK\$1.41 per Share.

Option exercise price (HK\$)	“See-through” price (HK\$)	Total outstanding options (vested and unvested)
1.41	0.39	12,140,000

Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched at or around the same time as the despatch of the Scheme Document.

If any Option is vested and is exercised in accordance with the terms of the Share Option Schemes prior to the Record Date, any Shares issued as a result of the exercise of Options prior to the Record Date will be subject to and eligible to participate in the Scheme.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, (i) there are 2,149,765,464 Shares in issue and the Scheme Shareholders are interested in 562,409,830 Shares, representing approximately 26.16% of the issued share capital of the Company; and (ii) there are 12,140,000 outstanding Options. An aggregate of 12,140,000 new Shares may fall to be issued if all other outstanding Options are exercised by the Optionholders in full.

As at the date of this announcement, (i) the Offeror holds 1,587,355,634 Shares, representing approximately 73.84% of the issued share capital of the Company; (ii) TSMT Taiwan is beneficially interested in such 1,587,355,634 Shares, representing approximately 73.84% of the issued share capital of the Company through the Offeror; and (iii) the parties acting in concert with the Offeror hold 21,901,257 Shares, representing approximately 1.02% of the issued share capital of the Company. Save as disclosed above and save for the 950,000 Options held by the parties acting in concert with the Offeror, the Offeror and parties acting in concert with it do not have any interest in, nor do they have any control or direction over, the issued share capital, voting rights or other securities of the Company as at the date of this announcement. The Shares held by the Offeror will not form part of the Scheme Shares and the Offeror and parties acting in concert with it will not vote on the Scheme at the Court Meeting. The Shares held by the parties acting in concert with the Offeror will form part of the Scheme Shares and the same will be cancelled upon the Scheme becoming effective. All Independent Shareholders are entitled to vote at the Court Meeting and all Shareholders are entitled to vote at the EGM.

On the assumption that no Options are exercised before the Record Date and there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Proposal:

Shareholders	As at the date of this announcement		Immediately upon completion of the Proposal	
	Number of Shares	Approximately % of the total issued share capital	Number of Shares	Approximately % of the total issued share capital
Offeror (<i>Note 1</i>)	1,587,355,634	73.84	2,149,765,464	100.00
Parties acting in concert with the Offeror				
Shares held subject to the Scheme:				
Mr. Wu Kai-Yun (<i>Note 2</i>)	6,872,628	0.32	–	–
Mr. Wu Kai-Hsiung (<i>Note 3</i>)	3,927,216	0.18	–	–
Mr. Lin Wen-Ching (<i>Note 4</i>)	1,414,388	0.07	–	–
Ms. Wang Chia-Chen (<i>Note 5</i>)	2,590,862	0.12	–	–
Mr. Hwu, Shou-Chyang (<i>Note 6</i>)	1,650,000	0.08	–	–
Ms. Chang, May-Yuan (<i>Note 7</i>)	380,000	0.02	–	–
Mr. Lin Wen-Chang (<i>Note 8</i>)	1,189,000	0.06	–	–
Mr. Shen Shian-Ho (<i>Note 9</i>)	3,877,163	0.18	–	–
Aggregate number of Shares held by the parties acting in concert with the Offeror	21,901,257	1.02	–	–
Aggregate number of Shares held by the Offeror and parties acting in concert with it	1,609,256,891	74.86	2,149,765,464	100.00
Independent Shareholders	540,508,573	25.14	–	–
Total	<u>2,149,765,464</u>	<u>100.00</u>	<u>2,149,765,464</u>	<u>100.00</u>

Notes:

1. The Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled.
2. Mr. Wu Kai-Yun, who is an executive Director of the Company, the chairman and president of TSMT Taiwan and the director of the Offeror, is acting in concert with the Offeror in relation to the Company. As at the date of this announcement, Mr. Wu Kai-Yun is also interested in 600,000 Options, of which 180,000 are vested.
3. Mr. Wu Kai-Hsiung, is the non-executive Director of the Company and the brother of Mr. Wu Kai-Yun, which falls within the definition of class (2) of the persons acting in concert with the Offeror under the Takeovers Code. As at the date of this announcement, Mr. Wu Kai-Hsiung is also interested in 350,000 Options, of which 105,000 are vested.
4. Mr. Lin Wen-Ching, who is a director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.

5. Ms. Wang Chia-Chen, who is a director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
6. Mr. Hwu, Shoou-Chyang, who is an independent director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
7. Ms. Chang, May-Yuan, who is an independent director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
8. Mr. Lin Wen-Chang, who is a supervisor of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
9. Mr. Shen Shian-Ho, who is a director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.

On the assumption that all the Options are vested and exercised in full before the Record Date and there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company before completion of the Proposal and immediately upon completion of the Proposal:

Shareholders	Assuming that all the Options are vested and exercised in full before the Effective Date and there is no other change in shareholding of the Company before completion of the Proposal		Immediately upon completion of the Proposal	
	Number of Shares	Approximately % of the total issued share capital	Number of Shares	Approximately % of the total issued share capital
Offeror (<i>Note 1</i>)	1,587,355,634	73.42	2,161,905,464	100.00
Parties acting in concert with the Offeror				
Shares held subject to the Scheme:				
Mr. Wu Kai-Yun (<i>Note 2</i>)	7,472,628	0.35	–	–
Mr. Wu Kai-Hsiung (<i>Note 3</i>)	4,277,216	0.20	–	–
Mr. Lin Wen-Ching (<i>Note 4</i>)	1,414,388	0.07	–	–
Ms. Wang Chia-Chen (<i>Note 5</i>)	2,590,862	0.12	–	–
Mr. Hwu, Shoou-Chyang (<i>Note 6</i>)	1,650,000	0.08	–	–
Ms. Chang, May-Yuan (<i>Note 7</i>)	380,000	0.02	–	–
Mr. Lin Wen-Chang (<i>Note 8</i>)	1,189,000	0.05	–	–
Mr. Shen Shian-Ho (<i>Note 9</i>)	3,877,163	0.18	–	–
Aggregate number of Shares held by the parties acting in concert with the Offeror	22,851,257	1.06	–	–
Aggregate number of Shares held by the Offeror and parties acting in concert with it	1,610,206,891	74.48	2,161,905,464	100.00
Independent Shareholders	551,698,573	25.52	–	–
Total	2,161,905,464	100.00	2,161,905,464	100.00

Notes:

1. The Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled.
2. Mr. Wu Kai-Yun, who is an executive Director of the Company, the chairman and president of TSMT Taiwan and the director of the Offeror, is acting in concert with the Offeror in relation to the Company.
3. Mr. Wu Kai-Hsiung, is the non-executive Director of the Company and the brother of Mr. Wu Kai-Yun, which falls within the definition of class (2) of persons acting in concert with the Offeror under the Takeovers Code.
4. Mr. Lin Wen-Ching, who is a director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
5. Ms. Wang Chia-Chen, who is a director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
6. Mr. Hwu, Shouu-Chyang, who is an independent director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
7. Ms. Chang, May-Yuan, who is an independent director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
8. Mr. Lin Wen-Chang, who is a supervisor of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.
9. Mr. Shen Shian-Ho, who is a director of TSMT Taiwan, is acting in concert with the Offeror in relation to the Company.

Following the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange, the Company will be wholly-owned by the Offeror.

As at the date of this announcement:

- (a) save for the 12,140,000 Options, the Company does not have any outstanding options, warrants, derivatives or other convertible securities;
- (b) save as disclosed in the section headed “4. Shareholding Structure of the Company” in this announcement, none of the Offeror or any party acting in concert with it owns or controls or has directions over any Shares or any options, warrants, derivatives or other convertible securities in respect of Shares;
- (c) none of the Offeror or any party acting in concert with it has entered into any derivatives in respect of securities of the Company;
- (d) save for the arrangements contemplated under the Proposal, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror which might be material to the Proposal;
- (e) there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal;

- (f) none of the Offeror or any party acting in concert with it has received any irrevocable commitment from any Shareholders in respect of voting at the Court Meeting and/or the EGM; and
- (g) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any of the Offeror or any party acting in concert with the Offeror has borrowed or lent.

5. OVERSEAS SHAREHOLDERS

The making of (i) the Proposal to the Scheme Shareholders and (ii) the Option Offer to the Optionholders, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and such Optionholders are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders wishing to take any action in relation to the Scheme and the Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company, TSMT Taiwan and their respective advisers, that those local laws and requirements have been complied with. If any Scheme Shareholder or Optionholder is in doubt as to its position, it should consult its professional advisers.

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal or the Option Offer. It is emphasised that none of the Offeror, TSMT Taiwan, the Company and advisers or any of their respective directors, officers or associates or any other person involved in the Proposal or the Option Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Option Offer.

6. TOTAL CONSIDERATION AND FINANCIAL RESOURCES

The amount of cash required for the Proposal is approximately HK\$1,034,189,694 (assuming all Optionholders exercise their outstanding Options to become Scheme Shareholders before the Record Date) or approximately HK\$1,017,072,294 (assuming none of the Optionholders exercise their outstanding Options to become Scheme Shareholders before the Record Date). The amount of HK\$1,017,072,294 includes the amount required to satisfy the Option Offer.

The Offeror intends to finance the cash required for the Proposal from the Facility. KGI Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations to the Scheme Shareholders and the Optionholders under the Proposal.

7. REASONS AND BENEFITS OF THE PROPOSAL

The Proposal will facilitate business integration between TSMT Taiwan, the Offeror and the Company and will provide TSMT Taiwan with greater flexibility to support the future business development of the Company. TSMT Taiwan, through the Offeror, currently holds approximately 73.84% of the total issued Shares and the Listing Rules require a minimum public float of 25%. TSMT Taiwan accordingly considers that the Proposal would be in the interests of TSMT Taiwan and its shareholders as it will simplify the group structure and create more flexibility to manage the Company's business in an efficient and sustainable manner.

The Directors (other than members of the Independent Board Committee who will express their view after receiving advice from the independent financial adviser) are of the view that the terms of the Proposal are attractive to the Independent Shareholders and that the proposed privatisation of the Company will be beneficial to the Independent Shareholders in a number of ways.

During the past 12 months period prior to the date of this announcement, the Board noted that the average daily trading volume of the Company were approximately 1,050,754 Shares, representing approximately 0.049% of the existing issued share capital of the Company. Given the low liquidity of the Shares, the Directors (other than members of the Independent Board Committee) believe that the Company's ability to raise funds from the public equity markets is currently limited and any significant improvement in this regard in the foreseeable future is unlikely. Consequently, the Directors (other than members of the Independent Board Committee) consider that the costs and management resources associated with the maintenance of the Company's listing on the Stock Exchange and its publicly listed status, which are needed in order to access the public equity capital markets, are no longer warranted.

Given the low liquidity and the weak performance of the Shares traded on the Stock Exchange, the directors of the Offeror believe that there is currently limited opportunity for the Independent Shareholders to divest their investment in the Company. The Directors (other than members of the Independent Board Committee) consider that the Proposal provides an opportunity for the Scheme Shareholders to dispose of their Shares and receive cash at a price above the prevailing market price of the Shares. In addition, the Proposal allows the Independent Shareholders a chance to redeploy capital from accepting the Proposal into other investment opportunities that they may consider more attractive in the current market environment.

8. INFORMATION ON THE OFFEROR, TSMT TAIWAN AND THE GROUP

The Offeror is an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of TSMT Taiwan. It is the immediate holding company of the Company. TSMT Taiwan is the ultimate controlling Shareholder, indirectly holding approximately 73.84% of the issued shares of the Company through the Offeror. TSMT Taiwan is a company listed on the Taiwan Stock Exchange. Both of TSMT Taiwan and the Group are principally engaged in the provision of integrated SMT production solutions. In terms of geographical market, TSMT Taiwan Group mainly focuses on the Taiwan market whereas the Group focuses on the PRC market.

9. THE OFFEROR'S INTENTION REGARDING THE GROUP

Following the implementation of the Proposal, the Offeror intends that the Group will continue to operate its business in its current state. The Offeror does not have any intention to (i) make any changes to the existing business of the Group (including any material redeployment of its fixed assets); or (ii) make any changes to the continued employment of the employees of the Group, as a result of the Proposal. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations, to explore opportunities arising from time to time for acquisitions, disposals and other structuring possibilities, and that the Company will continue to explore such opportunities as they arise from time to time, subject to compliance with any relevant rules and regulations.

10. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Proposal, the expected timetable, an explanatory memorandum for the Scheme as required under the Cayman Islands Companies Law and the Grand Court Rules of the Cayman Islands 1995 (revised), information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, a letter of advice from the independent financial adviser to the Independent Board Committee, and notices of the Court Meeting and the EGM, together with related proxies, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Cayman Islands Companies Law, the said rules of the Cayman Islands Grand Court, and other applicable regulations.

11. WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Board will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Scheme becoming effective. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day of dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective. A detailed timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of Shares on the Stock Exchange will not be withdrawn. If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, or acquire any voting rights of the Company if the Offeror or persons acting in concert with it would become obliged under Rule 26 of the Takeovers Code to make an offer, except with the consent of the Executive.

If the Independent Board Committee or the independent financial adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

12. GENERAL

The Offeror has appointed KGI Capital as its financial adviser in connection with the Proposal.

An Independent Board Committee, which comprises Mr. Kwok Kwan Hung, Ms. Hsu Wey-Tyng and Ms. Lin Yen-Yu, all of whom are independent non-executive Directors, has been established by the Board to make recommendations to the Scheme Shareholders and the Optionholders on the Scheme and the Option Offer respectively. As Mr. Wu Kai-Yun is also the chairman and president of TSMT Taiwan and Mr. Wu Kai-Hsiung is the brother of Mr. Wu Kai-Yun, they are regarded as being interested in the Proposal and therefore they had abstained from voting in respect of the board resolutions of the Company in relation to the Proposal and the Option Offer and will not sit on the Independent Board Committee.

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in connection with the Proposal. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser.

The executive Directors believe that the terms of the Scheme and the Option Offer are fair and reasonable and in the interests of the Shareholders and the Optionholders respectively.

13. DISCLOSURE OF DEALINGS

Associates of the Offeror, the Company or TSMT Taiwan (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Offeror, the Company or TSMT Taiwan) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

14. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended from 9:00 a.m. on 30 April 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 May 2014.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Authorizations”	all the necessary authorizations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$1.80 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Cayman Islands Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised of the Cayman Islands
“Cayman Islands Grand Court”	the Grand Court of the Cayman Islands
“Company”	Regent Manner International Holdings Limited (峻凌國際控股有限公司), a company incorporated with limited liability under the laws of the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as described in the section headed “2. Terms of the Proposal – Conditions of the Proposal and the Scheme” of this announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Cayman Islands Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Directors”	the directors of the Company

“Effective Date”	the date on which the Scheme becomes effective in accordance with the Cayman Islands Companies Law
“EGM”	an extraordinary general meeting to be held by the Company to consider and, if thought fit, approve all necessary resolutions for the implementation of the Proposal
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate for the time being thereof
“Facility”	the bank facility which the Offeror has obtained from CTBC Bank Co., Ltd., Hong Kong Branch (in its capacity as a lender) with an amount of up to US\$150 million for the purpose of financing the Proposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Kwok Kwan Hung, Ms. Hsu Wey-Tyng and Ms. Lin Yen-Yu, established by the Board to make recommendations to the Scheme Shareholders and the Optionholders in respect of the Scheme and the Option Offer respectively
“Independent Shareholder(s)”	Shareholders(s) other than the Offeror and parties acting in concert with it (including Mr. Wu Kai-Yun, Mr. Wu Kai-Hsiung, Mr. Lin Wen-Ching, Ms. Wang Chia-Chen, Mr. Hwu, Shoou-Chyang, Ms. Chang May-Yuan, Mr. Lin Wen-Chang and Mr. Shen Shian-Ho)
“KGI Capital”	KGI Capital Asia Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and being the financial adviser to the Offeror in respect of the Proposal
“Last Trading Day”	29 April 2014, being the last trading day prior to the date of suspension of trading in the Shares on the Stock Exchange pending the issuance of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 August 2014 or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Cayman Islands Grand Court may direct
“Offeror” or “TSMT BVI”	Taiwan Surface Mounting Technology (B.V.I.) Co. Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of TSMT Taiwan and the controlling shareholder of the Company

“Option Offer”	the conditional offer to be made by or on behalf of the Offeror to the Optionholders to cancel their Option(s)
“Option(s)”	the outstanding, vested and unvested, share option(s) granted under the Share Option Scheme from time to time
“Optionholder(s)”	holder(s) of the Options
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposal”	the proposal for the privatization of the Company by the Offeror by way of the Scheme and the Option Offer
“Record Date”	record date to be announced for determining entitlements under the Proposal
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement under Section 86 of the Cayman Islands Companies Law involving the cancellation of all the Scheme Shares and reduction of share capital and the restoration of the share capital of the Company to the amount immediately before such cancellation and reduction of share capital
“Scheme Document”	the composite scheme document of the Company and the Offeror containing, among other things, further details of the Proposal together with the additional information specified in the section headed “10. Despatch of Scheme Document” of this announcement
“Scheme Share(s)”	Share(s) in issue as at the Record Date other than those beneficially owned by the Offeror
“Scheme Shareholder(s)”	holder(s) of the Scheme Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 19 June 2007
“SMT”	surface-mount technology

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Taiwan”	the Republic of China, Taiwan
“TSMT Taiwan”	Taiwan Surface Mounting Technology Corp. (台灣表面黏著科技股份有限公司), a company incorporated under the laws of Taiwan with limited liability, the issued shares of which are listed on the Taiwan Stock Exchange and the parent of the Offeror
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

By order of the Board of Taiwan Surface Mounting Technology (B.V.I.) Co. Limited Wu Kai-Yun <i>Sole director</i>	By order of the Board of Regent Manner International Holdings Limited Wu Kai-Yun <i>Chairman</i>
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Hong Kong, 8 May 2014

As at the date of this announcement, the director of the Offeror is Wu Kai-Yun. The director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the executive directors of the Company are Mr. Wu Kai-Yun, Ms. Tseng Yu-Ling and Ms. Han Min, the non-executive director of the Company is Mr. Wu Kai-Hsiung and the independent non-executive directors of the Company are Mr. Kwok Kwan Hung, Ms. Hsu Wey-Tyng and Ms. Lin Yen-Yu.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.