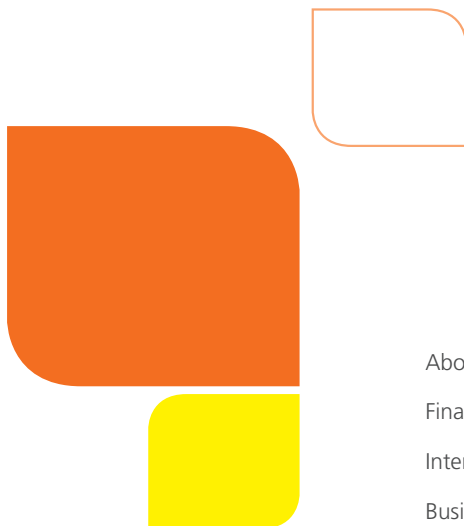


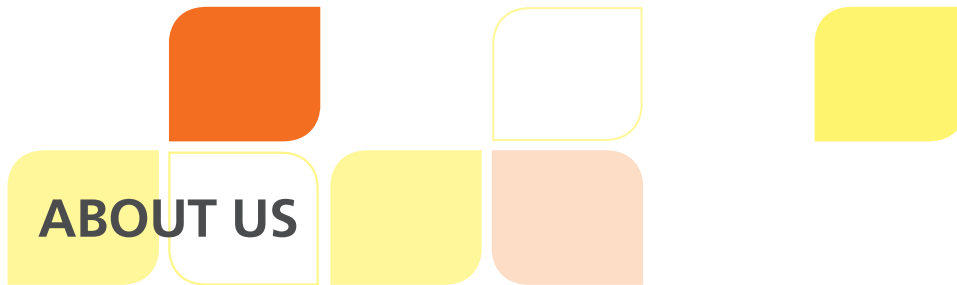
The logo for TPV Technology Limited, consisting of the letters 'TPV' in a large, white, sans-serif font. The letters are positioned in the upper right corner of the page, overlapping the patterned background.The background of the page is a repeating pattern of rounded squares in a grid. The squares alternate in color between yellow and red, with a white space between them, creating a vibrant, textured effect.

**ALWAYS
ON THE
MOVE!**

CONTENTS



About Us	1
Financial Highlights	2
Interim Dividend	3
Business Review	4
Directors' Interests	9
Substantial Shareholders' Interests	10
Corporate Governance Practices	15
Closure of Registers of Members	19
Condensed Consolidated Interim Income Statement	20
Condensed Consolidated Interim Balance Sheet	22
Condensed Consolidated Interim Statement of Comprehensive Income	24
Condensed Consolidated Interim Statement of Changes in Equity	25
Condensed Consolidated Interim Cash Flow Statement	27
Notes to the Condensed Consolidated Interim Financial Information	29



ABOUT US



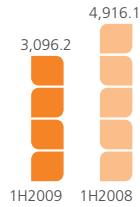
TPV Technology Limited is a leading display solutions provider. The Group designs and produces a full range of PC monitors and LCD TVs on ODM basis for its long list of customers which comprise many of the top-tier PC and TV brands. TPV's products add value to customer through cost leadership, timely delivery and superior quality.

The Group also distributes its products globally under its own brands AOC and Envision.

Today, TPV is the world's largest PC monitor and fifth largest TV maker in terms of unit shipment. The Company has been listed on both Hong Kong and Singapore stock exchanges since October 1999.

FINANCIAL HIGHLIGHTS

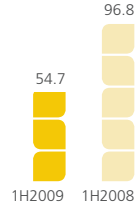
Revenue
(US\$ Million)



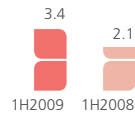
PC Monitor
(Million Units)



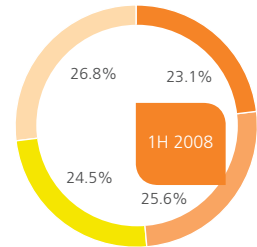
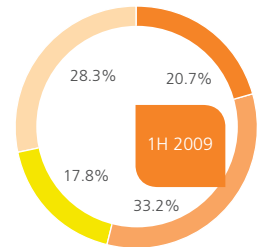
Profit attributable to equity holders
(US\$ Million)



LCD TV
(Million Units)



Contribution by geographical market
Percentage (%)



■ North America ■ PRC
■ Europe ■ Rest of the World

With the global economy gradually steering out of the doldrums, the TFT-LCD industry staged a strong recovery in the second quarter and finished the first half of 2009 on a high note.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend of US0.60 cent (six months ended 30th June 2008: US0.88 cent) per share for the six months ended 30th June 2009 to shareholders.

The interim dividend is payable in cash to shareholders in US dollars save that those shareholders whose names appearing on the register of members of the Company in Hong Kong will receive the equivalent amount in HK dollars and those shareholders whose names appearing on the record of members of the Company in Singapore will receive the equivalent amount in Singapore dollars, both calculated at the relevant exchange rates quoted by Standard Chartered Bank in Hong Kong at or about 11:00 a.m. on Tuesday, 13th October 2009.

The dividend cheques will be distributed to shareholders on or about Wednesday, 21st October 2009.

BUSINESS REVIEW

With the global economy gradually steering out of the doldrums, the TFT-LCD industry staged a strong recovery in the second quarter and finished the first half of 2009 on a high note. Mainstream LCD panel prices in the month of June were on average 21 percent higher than that of the January lows on the back of production cutback at the fabs and active re-stocking by retailers and distributors, not to mention a robust China demand. Outside of China, TV demand in the US was surprisingly resilient in spite of the stagnant economy.

During the first six months of 2009, global PC monitor shipments declined 12.1 percent to 79.6 million units from 90.6 million units a year ago. However, there were some signs of recovery on a sequential quarterly basis as stock replenishment along the channels had pushed shipment up by 5.5 percent to 40.9 million units in the second quarter.

As for the flourishing LCD TV segment, shipment surged by 26.7 percent to 56.7 million units in the first half of 2009 compared to the corresponding period a year ago. Sequentially, the second quarter shipment of 30 million units was 12.3 percent higher than that of the first quarter. DisplaySearch, an independent research house, recently revised up its global TV shipment forecast for 2009 to 127 million units from 120 million units in view of the strong showing in the first half.

In tandem with the improving business environment, TPV recorded sequential double-digit unit growth for both monitor and TV segments in the second quarter. Despite this, the weak start to the year, coupled with a sluggish PC monitor market, had slowed down the Group's PC monitor shipment by 14.9 percent year-on-year to 20.8 million units in the first half of 2009. LCD TV unit shipment, on the other hand, grew 62.7 percent year-on-year to 3.4 million units in the first half, helped by the increasing outsourcing needs of the major TV brands.



BUSINESS REVIEW (Continued)

For the period under review, the Group recorded a consolidated revenue of US\$3.1 billion, down 37.0 percent from US\$4.9 billion in the first half of 2008. On a sequential quarterly basis, the Group's consolidated revenue grew 24.4 percent to US\$1.7 billion in the second quarter. Profit attributed to equity holders declined 43.6 percent to US\$54.7 million versus US\$96.8 million during the same period a year ago. Basic earnings per share was US2.59 cents (1H 2008: US4.88 cents).

The PC monitor business segment contributed 69.4 percent of the total revenue while contribution from the LCD TV business segment had grown to 28.0 percent. Average selling prices ("ASPs") of PC monitor and LCD TV for the first six months were US\$103.5 (1H 2008: US\$161.2) and US\$255.0 (1H 2008: US\$399.6) respectively. On a quarterly sequential basis, these ASPs went up to US\$104.6 and US\$267.0 from US\$102.2 and US\$239.2 correspondingly, reflecting the higher panel prices and the consumer migration towards bigger display products.

Gross profit margin in the first half of 2009 improved to 5.7 percent from 4.9 percent a year ago in a challenging macro-economic environment. As a result of the Group's continuous cost-cutting initiatives, selling, general and administration (SG&A) expenses in the first half year were pared by 31.5 percent from the second half of 2008. The net finance cost was also cut significantly due to lower interest rates and a much improved balance sheet. Research and development spendings, however, were kept at the same level to further expand the Group's TV design capabilities.

In terms of geographical contribution, sales to the PRC, North America and Europe contributed 33.2 percent (1H 2008: 25.6 percent), 28.3 percent (1H 2008: 26.8 percent) and 20.7 percent (1H 2008: 23.1 percent) respectively to the Group's consolidated revenue in the six-month period. The fluctuation in percentage contribution more or less reflected the economic strength in these regions over the periods.

BUSINESS REVIEW (Continued)

Under a five-year license agreement with Koninklijke Philips Electronics N.V., which took effect from 1st June 2009, TPV assumed the full responsibility to design, source, manufacture, distribute, market and sell PC monitors globally using the Philips trademark. The business transfer was concluded smoothly and the initial response from the sales channels has been heartening.

The Group has been generating strong operating cash flow since the second half of 2008, which was used to pay down bank debts and fund operational needs. Total borrowings were reduced by almost US\$250 million in the first half of 2009 to US\$355 million. With a cash balance of over US\$480 million, the Group was in a net cash position as at the end of June. In view of the strong financial position, the Group does not envisage either its leverage or bank borrowings to go up significantly in the coming quarters.

PROSPECTS

As the global economy stabilizes and demand strength continues, LCD panel has become a hot commodity with prices continuing to firm up well into the third quarter. In this situation, it is a challenge for system integrators to secure sufficient supply of panels to meet customer orders in the coming peak season. With our long-standing relationships with key panel suppliers and a strong balance sheet, TPV is in a vantage position to capitalize on this window of opportunity to win new orders and market share.

Despite the seemingly sanguine economic outlook, the management will stay vigilant in this rapidly changing environment and continue to exercise rigid cost control to lift profitability.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June 2009, the Group's cash and bank balances were US\$484.0 million (31st December 2008: US\$171.1 million) and it has total available general banking facilities of US\$4.0 billion (31st December 2008: US\$4.5 billion), out of which US\$0.55 billion (31st December 2008: US\$1.06 billion) were utilized.

All bank debts were borrowed on floating-rate basis and mostly denominated in US Dollars. The maturity profile of bank debts as of 30th June 2009 is as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
Within one year	141,249	397,240
In the second year	6,124	–

The Group's inventory turnover days became 44.1 days as compared to 36.6 days for the year ended 31st December 2008. Trade receivables turnover days and trade payables turnover days were 79.6 days (31st December 2008: 57.0 days) and 72.1 days (31st December 2008: 49.0 days) respectively.

The Group's gearing ratio, representing the ratio of total debts to total assets, was 9.8 percent (31st December 2008: 18.0 percent), while current ratio was 143.5 percent (31st December 2008: 145.1 percent).

FOREIGN EXCHANGE RISK

As at 30th June 2009, the total notional principal amounts of the outstanding foreign exchange forward contracts were as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
Sell US dollars for Renminbi	2,633,500	4,268,000
Sell Renminbi for US dollars	2,628,500	4,045,000
Sell Brazilian real for US dollars	102,200	–
Sell Euros for US dollars	28,429	24,753
Sell Mexican peso for US dollars	8,500	–
Sell Japanese Yen for US dollars	5,500	19,550
Sell India rupees for US dollars	1,250	–
Sell US dollars for Euros	–	7,550
Sell US dollars for Japanese Yen	–	2,000

INTEREST RATE RISK

As at 30th June 2009, the total notional principal amount of outstanding interest rate swaps, which were used to hedge against the Group's exposure in interest rate risk, was US\$324.1 million (31st December 2008: US\$363.8 million).

WORKFORCE

As at 30th June 2009, TPV employed 26,200 personnel (31st December 2008: 28,500) globally. The employees' remuneration terms were consistent with industry practice in the respective locations where the Group operates.

DIRECTORS' INTERESTS

As at 30th June 2009, the interests of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO including interests and short positions in which they were taken or deemed to have under such provisions of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on the Exchange (the "Listing Rules") were as follows:

Interests in ordinary shares of US\$0.01 each of the Company

Name of director	Type of interest	Number of shares held (long position)
Dr Hsuan, Jason	Corporate and Family (note 1)	28,485,823
Mr Houg Yu-Te	Personal	3,619,537

Notes:

- (1) The interest of Dr Hsuan, Jason disclosed herein includes the holding of 26,754,803 shares by Bonstar International Limited, a company beneficially and wholly owned by Dr Hsuan, Jason; and the holding of 1,731,020 shares by the spouse of Dr Hsuan, Jason.
- (2) The interests of directors in share options of the Company are detailed in the paragraph headed "Share Options".

DIRECTORS' INTERESTS (Continued)

Save as disclosed above, as at 30th June 2009, none of the directors of the Company had or was deemed to have any interest or short position in the shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company pursuant to the Model Code.

Furthermore, at no time during the six months ended 30th June 2009 was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangement to enable the directors of the Company or any of their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other corporations. As at 30th June 2009, the Company has no ultimate holding company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June 2009, so far as was known to the directors or chief executives of the Company, the following persons (not being a director or chief executive of the Company) had an interest in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company pursuant to section 336 of the SFO:

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Interest in ordinary shares of US\$0.01 each and the convertible bonds of the Company

Name of shareholder	Number of shares held (long position)	Maximum number of shares that may be converted under the convertible bonds (long position)
Philips Electronics Hong Kong Limited	263,176,463 (note 1)	313,300,433 (note 1)
Koninklijke Philips Electronics N.V.	263,176,463 (note 1)	313,300,433 (note 1)
Philips Electronics China B.V.	263,176,463 (note 1)	313,300,433 (note 1)
China Great Wall Computer (H.K.) Holding Limited	359,580,000 (note 2)	Nil
China Great Wall Computer Shenzhen Company Limited	559,580,000 (note 2)	Nil
Great Wall Technology Company Limited	559,580,000 (note 2)	Nil
China Great Wall Computer Group Company	559,580,000 (note 2)	Nil
China Electronics Corporation	559,580,000 (note 2)	Nil
Chi Mei Optoelectronics Corporation	150,500,000 (note 3)	Nil
Chi Mei Corporation	150,500,000 (note 3)	Nil

Notes:

- (1) These shares are held by Philips Electronics Hong Kong Limited ("PEHKL"). PEHKL is owned as to 42 percent by Koninklijke Philips Electronics N.V. ("Philips") and as to 58 percent by Philips Electronics China B.V. ("PEC"). PEC is a wholly-owned subsidiary of Philips.

Pursuant to the terms of the said convertible bonds, PEHKL may exercise the conversion rights attaching thereto and the Company may issue a maximum of 313,300,433 shares to PEHKL upon conversion of the convertible bonds by PEHKL.

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Notes: (Continued)

- (2) Among these shares, 359,580,000 shares are held by China Great Wall Computer (H.K.) Holding Limited ("CGCHK"). CGCHK is a wholly-owned subsidiary of China Great Wall Computer Shenzhen Company Limited ("CGC"). The remaining 200,000,000 shares are held by CGC. CGC is owned as to 47.82 percent by Great Wall Technology Company Limited ("GWT"). GWT is a company owned as to 62.11 percent by China Great Wall Computer Group Company, which is a wholly-owned subsidiary of China Electronics Corporation ("CEC").
- (3) These shares are held by Chi Mei Optoelectronics Corporation ("CMO"). CMO is owned as to 28.73 percent by Chi Mei Corporation.

SHARE OPTION

At the annual general meeting held on 15th May 2003, shareholders of the Company approved the adoption of a new share option scheme (the "New Scheme") in place of the Company's share option scheme adopted on 21st September 1999 (the "Previous Scheme") such that no further options should thereafter be granted under the Previous Scheme but the provisions of the Previous Scheme should remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to the date of its termination.

During the six months ended 30th June 2009, no share options have been granted or cancelled.

SHARE OPTION (Continued)

Particulars of outstanding options under the New Scheme at the beginning and at the end of the financial period for the six months ended 30th June 2009 and options exercised and lapsed during the period were as follows:

	Date of grant	Exercise Price HK\$	Exercisable Period	Number of options			As at 30/06/2009
				As at 01/01/2009	Exercised	Lapsed	
Directors							
Dr Hsuan, Jason	20/05/2004	4.735 (Note 1)	08/06/2007 – 19/05/2009	1,500,000	0	(1,500,000)	0
Mr Hsung Yu-Te	20/05/2004	4.735 (Note 1)	08/06/2005 – 19/05/2009	600,000	0	(600,000)	0
			08/06/2006 – 19/05/2009	900,000	0	(900,000)	0
			08/06/2007 – 19/05/2009	1,500,000	0	(1,500,000)	0
Mr Chan Boon-Teong	12/12/2007	5.750 (Note 2)	12/12/2008 – 11/12/2012	80,000	0	0	80,000
			12/12/2009 – 11/12/2012	120,000	0	0	120,000
			12/12/2010 – 11/12/2012	200,000	0	0	200,000
Dr Ku Chia-Tai	12/12/2007	5.750 (Note 2)	12/12/2008 – 11/12/2012	60,000	0	0	60,000
			12/12/2009 – 11/12/2012	90,000	0	0	90,000
			12/12/2010 – 11/12/2012	150,000	0	0	150,000

SHARE OPTION (Continued)

	Date of grant	Exercise Price HK\$	Exercisable Period	Number of options			
				As at 01/01/2009	Exercised	Lapsed	As at 30/06/2009
Directors							
Mr Wong Chi Keung	12/12/2007	5.750 (Note 2)	12/12/2008 – 11/12/2012	60,000	0	0	60,000
			12/12/2009 – 11/12/2012	90,000	0	0	90,000
			12/12/2010 – 11/12/2012	150,000	0	0	150,000
Employees							
	20/05/2004	4.735 (Note 1)	08/06/2005 – 19/05/2009	4,948,800	0	(4,948,800)	0
			08/06/2006 – 19/05/2009	14,659,000	0	(14,659,000)	0
			08/06/2007 – 19/05/2009	38,288,000	0	(38,288,000)	0
	12/12/2007	5.750 (Note 2)	12/12/2008 – 11/12/2012	4,240,805	0	(129,200)	4,111,605
			12/12/2009 – 11/12/2012	6,361,208	0	(193,800)	6,167,408
			12/12/2010 – 11/12/2012	10,602,013	0	(323,000)	10,279,013
				<u>84,599,826</u>	<u>0</u>	<u>(63,041,800)</u>	<u>21,558,026</u>

SHARE OPTION (Continued)

Notes:

- (1) These options are exercisable at HK\$4.735 (US\$0.61) per share in three tranches: the maximum percentage of share options exercisable within the periods commencing from 8th June 2005 to 19th May 2009, from 8th June 2006 to 19th May 2009 and from 8th June 2007 to 19th May 2009 are 20 percent, 50 percent and 100 percent respectively. The exercisable period of these options expired on 19th May 2009.
- (2) These options are exercisable at HK\$5.750 (US\$0.73) per share in three tranches: the maximum percentage of share options exercisable within the periods commencing from 12th December 2008 to 11th December 2012, from 12th December 2009 to 11th December 2012 and from 12th December 2010 to 11th December 2012 are 20 percent, 50 percent and 100 percent respectively.

PURCHASE, SALE AND REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months period ended 30th June 2009. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE PRACTICES

TPV is committed to ensuring and maintaining high standards of corporate governance.

During the six months ended 30th June 2009, the Company has complied with all the code provisions in the "Code on Corporate Governance Practices" (the "CG Code") set out in Appendix 14 to the Listing Rules except for the deviation from code provisions A.2.1 and A.4.1 of the CG Code which are explained below.

The board will continue to review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

CORPORATE GOVERNANCE PRACTICES (Continued)

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

Dr Hsuan, Jason currently holds the offices of chairman and chief executive officer of the Company. The board believes that vesting the roles of both positions in Dr Hsuan provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. The board also believes that the Company already has a strong corporate governance structure in place to ensure effective supervision of management. Such a structure provides many of the benefits of having a separate chairman and chief executive officer. The structure includes:

- having non-executive directors and independent non-executive directors comprising a majority of the board;
- having the audit committee composed exclusively of independent non-executive directors;
- having independent non-executive directors comprising a majority of the remuneration committee; and
- ensuring that independent non-executive directors have free and direct access to both the Company's management, internal audit division, external auditor and independent professional adviser where considered necessary.

The board believes that these measures will ensure that independent non-executive directors continue to effectively monitor the Group's management and to review and provide recommendation on key issues relating to strategy, risk and integrity. The board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes, including the separation of the roles of chairman and chief executive officer, are necessary.



CORPORATE GOVERNANCE PRACTICES (Continued)

Re-election of directors

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The Company's non-executive directors are not appointed for a specific term. However, one-third of all the directors of the Company for the time being are subject to retirement by rotation at each annual general meeting pursuant to bye-law 99 of the Bye-laws of the Company. The board considers that sufficient measures have been made to ensure that the Company's corporate governance practices are no less exacting than those stipulated in the CG Code.

The board considers the determination of the appointment and removal of directors to be the board's collective decision and accordingly, it does not intend to adopt the recommended best practice of the CG Code to set up a nomination committee in the meantime.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by directors of the Company (the "Internal Rules") on terms no less exacting than the required standard set out in the Model Code in the Listing Rules.

Specific enquiries have been made with all directors who have confirmed that they have complied with the required standard set out in the Model Code and in the Internal Rules during the six months ended 30th June 2009.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are subject to compliance with the Company's "Code for Securities Transactions by Relevant Employees" (the "RE Code") in respect of their dealings in the securities of the Company. Likewise, the RE Code is prepared on terms no less exacting than the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee with specific written terms of reference which are in line with the relevant code provisions of the CG Code. All the members of the audit committee are independent non-executive directors.

The audit committee meets the external auditor regularly to discuss any areas of concerns during the audits and review. The audit committee reviews the quarterly, interim and annual results before submission to the board. The audit committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's financial results.

The audit committee is provided with sufficient resources by the Company, including the advice of the external auditor and internal auditor, to discharge its duties.

REMUNERATION COMMITTEE

The Company has established a remuneration committee with specific written terms of reference which are in line with the relevant code provisions of the CG Code.

Chaired by an independent non-executive director, the remuneration committee currently has a membership comprising three independent non-executive directors and the chairman and chief executive officer of the Company.

The remuneration committee is responsible for reviewing and evaluating the remuneration packages of executive directors and senior management and making recommendations to the board from time to time.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial information for the six months ended 30th June 2009 have been reviewed by the Company's auditor, PricewaterhouseCoopers, 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. The audit committee has reviewed the interim results for the six months ended 30th June 2009.

CLOSURE OF REGISTERS OF MEMBERS

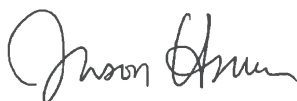
The registers of members of the Company will be closed from Tuesday, 13th October 2009 to Wednesday, 14th October 2009, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 12th October 2009 or the Company's share transfer office in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street, #08-01 Samsung Hub, Singapore 049483, not later than 5:00 p.m. on Monday, 12th October 2009 (as the case may be).

COMPOSITION OF THE BOARD

As at the date of this report, the Board comprises Dr Hsuan, Jason and Mr Hounq Yu-Te as executive directors, Mr Maarten Jan de Vries, Mr Robert Theodoor Smits, Mr Lu Ming and Mr Chen Yen-Sung, Eddie as non-executive directors and Mr Chan Boon-Teong, Dr Ku Chia-Tai and Mr Wong Chi Keung as independent non-executive directors.

On behalf of the Board



Dr Hsuan, Jason

Chairman and Chief Executive Officer

Hong Kong, 1st September 2009

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30th June 2009

	Note	Unaudited Six months ended 30th June	
		2009 US\$'000	2008 US\$'000
Revenue	4	3,096,199	4,916,094
Cost of goods sold		(2,920,346)	(4,676,007)
Gross profit		175,853	240,087
Other income		6,852	8,797
Other gains – net		22,594	45,806
Selling and distribution expenses		(62,927)	(75,929)
Administrative expenses		(41,409)	(52,497)
Research and development expenses		(32,205)	(32,665)
Operating profit	4 & 5	68,758	133,599
Finance income		1,885	902
Finance costs		(7,888)	(28,322)
Finance costs – net	6	(6,003)	(27,420)
Share of profits less losses of associated companies		1,523	2,668
Profit before income tax		64,278	108,847
Income tax expense	7	(8,677)	(11,956)
Profit for the period		55,601	96,891

		Unaudited	
		Six months ended 30th June	
	Note	2009 US\$'000	2008 US\$'000
<hr/>			
Attributable to:			
Equity holders of the Company		54,652	96,818
Minority interest		949	73
		<u>55,601</u>	<u>96,891</u>
Earnings per share for profit attributable to equity holders of the Company	8		
– Basic		<u>US2.59 cents</u>	<u>US4.88 cents</u>
– Diluted		<u>US2.47 cents</u>	<u>US4.42 cents</u>
Interim dividend	9	<u>12,668</u>	<u>18,609</u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30th June 2009

	Note	Unaudited 30th June 2009 US\$'000	Audited 31st December 2008 US\$'000
Assets			
Non-current assets			
Intangible assets	10	409,672	389,366
Property, plant and equipment	10	344,535	334,844
Land use rights	10	15,860	16,000
Investment properties	10	11,546	15,912
Interests in associated companies		16,046	14,523
Available-for-sale financial assets		3,532	3,031
Deferred income tax assets		13,348	15,712
		<u>814,539</u>	<u>789,388</u>
Current assets			
Inventories		742,504	669,978
Trade receivables	11	1,333,632	1,366,436
Deposits, prepayments and other receivables		173,689	229,764
Financial assets at fair value through profit or loss		311	275
Current income tax recoverable		2,951	6,182
Derivative financial instruments		57,214	120,364
Pledged bank deposits		200	200
Cash and cash equivalents		483,999	171,066
		<u>2,794,500</u>	<u>2,564,265</u>
Total assets		<u>3,609,039</u>	<u>3,353,653</u>

	Note	Unaudited 30th June 2009 US\$'000	Audited 31st December 2008 US\$'000
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	21,112	21,112
Other reserves		1,389,967	1,343,956
Proposed dividend		12,668	10,556
		<u>1,423,747</u>	<u>1,375,624</u>
Minority interest		1,725	776
Total equity		<u>1,425,472</u>	<u>1,376,400</u>
Liabilities			
Non-current liabilities			
Borrowings	13	213,748	206,015
Pension obligations		4,590	4,590
Other payables and accruals		17,400	–
		<u>235,738</u>	<u>210,605</u>
Current liabilities			
Trade payables	14	1,379,169	929,623
Other payables and accruals		300,925	266,682
Current income tax liabilities		9,166	9,793
Warranty provisions	15	59,127	56,945
Derivative financial instruments		58,193	106,365
Borrowings	13	141,249	397,240
		<u>1,947,829</u>	<u>1,766,648</u>
Total liabilities		<u>2,183,567</u>	<u>1,977,253</u>
Total equity and liabilities		<u>3,609,039</u>	<u>3,353,653</u>
Net current assets		<u>846,671</u>	<u>797,617</u>
Total assets less current liabilities		<u>1,661,210</u>	<u>1,587,005</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2009

	Unaudited	
	Six months ended 30th June	
	2009	2008
	US\$'000	US\$'000
Profit for the period	55,601	96,891
Other comprehensive income		
Fair value gains/(losses) on available-for-sale financial assets	567	(1,607)
Exchange differences	2,682	8,339
Other comprehensive income for the period	3,249	6,732
Total comprehensive income for the period	58,850	103,623
Total comprehensive income attributable to:		
– Equity holders of the Company	57,901	103,550
– Minority interest	949	73
	58,850	103,623

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2009

	Unaudited														Total equity US\$'000
	Attributable to equity holders of the Company														
	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Share redemption reserve US\$'000	Employee share-based compensation reserve US\$'000	Exchange reserve US\$'000	Reserve fund US\$'000	Merger difference US\$'000	Available-for-sale financial assets fair value reserve US\$'000	Assets revaluation surplus US\$'000	Convertible bonds US\$'000	Other reserves US\$'000	Retained profits US\$'000	Minority interest US\$'000	
Balance at 1st January 2009	21,112	604,764	68,202	12	8,513	3,463	52,935	10,001	(3,210)	5,308	58,271	(9,423)	555,676	776	1,376,400
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	54,652	949	55,601
Other comprehensive income:															
Fair value gains on available-for-sale financial assets	-	-	-	-	-	-	-	-	567	-	-	-	-	-	567
Exchange differences	-	-	-	-	-	2,682	-	-	-	-	-	-	-	-	2,682
Total comprehensive income for the period ended 30th June 2009	-	-	-	-	-	2,682	-	-	567	-	-	-	54,652	949	58,850
Employee share option scheme:															
– Employee share-based compensation benefits	-	-	-	-	778	-	-	-	-	-	-	-	-	-	778
2008 final dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(10,556)	-	(10,556)
Balance at 30th June 2009	21,112	604,764	68,202	12	9,291	6,145	52,935	10,001	(2,643)	5,308	58,271	(9,423)	599,772	1,725	1,425,472
Represented by:													587,104		
Reserves													12,668		
Proposed interim dividend															
Balance at 30th June 2009													599,772		

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2008

	Unaudited														Total equity US\$ '000
	Attributable to equity holders of the Company														
	Share capital US\$ '000	Share premium US\$ '000	Capital reserve US\$ '000	Share redemption reserve US\$ '000	Employee share-based compensation reserve US\$ '000	Exchange reserve US\$ '000	Reserve fund US\$ '000	Merger difference US\$ '000	Available-for-sale financial assets fair value reserve US\$ '000	Assets revaluation surplus US\$ '000	Convertible bonds US\$ '000	Other reserves US\$ '000	Retained profits US\$ '000	Minority interest US\$ '000	
Balance at 1st January 2008	19,647	503,346	64,883	12	6,039	9,223	47,550	10,001	-	5,308	58,271	(9,423)	525,461	123	1,240,441
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	96,818	73	96,891
Other comprehensive income:															
Fair value losses on available-for-sale financial assets	-	-	-	-	-	-	-	-	(1,607)	-	-	-	-	-	(1,607)
Exchange differences	-	-	-	-	-	8,339	-	-	-	-	-	-	-	-	8,339
Total comprehensive income for the period ended 30th June 2008	-	-	-	-	-	8,339	-	-	(1,607)	-	-	-	96,818	73	103,623
Transfer from retained profits	-	-	21,506	-	-	-	-	-	-	-	-	-	(21,506)	-	-
Employee share option scheme:															
- Employee share-based compensation benefits	-	-	-	-	1,293	-	-	-	-	-	-	-	-	-	1,293
- Issue of new shares pursuant to exercise of share options, net of expenses	7	445	-	-	-	-	-	-	-	-	-	-	-	-	452
Repurchase of the Company's shares	(5)	(286)	-	-	-	-	-	-	-	-	-	-	-	-	(291)
Issue of new shares, net of expenses	1,505	102,568	-	-	-	-	-	-	-	-	-	-	-	-	104,073
Formation of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	250	250
2007 final dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(39,677)	-	(39,677)
Exercise of share options	-	49	-	-	(49)	-	-	-	-	-	-	-	-	-	-
Balance at 30th June 2008	21,154	606,122	86,389	12	7,283	17,562	47,550	10,001	(1,607)	5,308	58,271	(9,423)	561,096	446	1,410,164
Represented by:															
Reserves													542,487		
Proposed interim dividend													18,609		
Balance at 30th June 2008													561,096		

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30th June 2009

		Unaudited	
		Six months ended 30th June	
	Note	2009	2008
		US\$'000	US\$'000
Net cash generated from operating activities		624,167	139,806
Cash flows from investing activities:			
– Purchase of property, plant and equipment	10	(48,195)	(80,738)
– Proceeds from disposals of property, plant and equipment		2,415	2,947
– Purchase of land use rights	10	–	(3,733)
– Proceeds from disposals of investment properties		3,622	–
– Investment in an associated company		–	(286)
– Acquisition of a business operation	19	(8,100)	(32,900)
– Minority shareholders' contribution to a new subsidiary		–	250
– Payments for derivative financial instruments		(500)	–
– Other investing cash flows – net		1,869	(2,063)
Net cash used in investing activities		(48,889)	(116,523)

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30th June 2009

		Unaudited	
		Six months ended 30th June	
	Note	2009	2008
		US\$'000	US\$'000
<hr/>			
Cash flows from financing activities:			
– Dividends paid		(10,556)	(39,677)
– Inception/(repayments) of long-term bank borrowings		6,124	(10,000)
– Net (repayments)/inception of short-term bank borrowings		(255,991)	89,923
– Proceeds from issuance of new shares	12	–	104,525
– Repurchase of the Company's shares	12	–	(291)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(260,423)	144,480
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase in cash and cash equivalents		314,855	167,763
Cash and cash equivalents at beginning of the period		171,066	135,061
Effect of foreign exchange rate changes		(1,922)	(1,011)
		<hr/>	<hr/>
Cash and cash equivalents at end of the period		483,999	301,813
		<hr/>	<hr/>
Analysis of cash and cash equivalents:			
Bank balances and cash		483,999	301,813
		<hr/>	<hr/>

1 GENERAL INFORMATION

TPV Technology Limited (the “Company”) and its subsidiaries (together the “Group”) designs, manufactures and sells computer monitors and flat TV products. The Group manufactures mainly in the People’s Republic of China (the “PRC”) and sells to Europe, North and South America, the PRC and other Asian countries.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The shares of the Company are primarily listed on The Stock Exchange of Hong Kong Limited and secondarily listed on Singapore Exchange Limited.

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 1st September 2009.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30th June 2009 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim Financial Reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December 2008, as described in the annual financial statements.

The following new/revised standards to existing standards are mandatory for the first time for the financial year beginning 1st January 2009.

HKAS 1 (Revised), 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.

HKFRS 8, 'Operating Segments'. HKFRS 8 replaces HKAS 14, 'Segment Reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Group's Chief Executive Officer and Chief Financial Officer that make strategic decisions.

3 ACCOUNTING POLICIES (Continued)

HKFRS 7 (Amendment), “Financial Instruments: Disclosures”. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31st December 2009.

HKFRS 2 (Amendment), “Share-based Payment: Vesting Conditions and Cancellations”. The amendment clarifies the definition of a vesting condition and prescribes the accounting treatment for an award that is effectively cancelled. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

HKAS 23 (Revised), “Borrowing Costs”. The standard has been revised to require capitalization of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group’s current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard did not have any impact on the financial position or performance of the Group.

3 ACCOUNTING POLICIES (Continued)

The following amendments and interpretations to existing standards are mandatory for the first time for the financial year beginning 1st January 2009, but are not currently relevant to the Group.

HKFRS 1 (Amendment)	First-time Adoption of HKFRS
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The following revised standards, amendments and interpretations to existing standards have been issued but are not effective for the financial year beginning 1st January 2009 and have not been early adopted:

HKFRS 3 (Revised)	Business Combinations (effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2009)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1st July 2009)
HKAS 39 and HK(IFRIC) – Int 9 (Amendments)	Embedded Derivatives (effective for annual periods beginning on or after 30th June 2009)
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners (effective for annual periods beginning on or after 1st July 2009)
HK(IFRIC) – Int 18	Transfers of Assets from Customers (effective for annual periods beginning on or after 1st July 2009)

3 ACCOUNTING POLICIES (Continued)

In May 2009, Hong Kong Institute of Certified Public Accountants issued modifications to the following existing accounting standards which are not yet effective and have not been early adopted.

HKFRS 2 (Amendment)	Share-based Payment (effective for annual periods beginning on or after 1st July 2009)
HKFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1st July 2009)
HKFRS 8 (Amendment)	Operating Segments (effective for annual periods beginning on or after 1st January 2010)
HKAS 1 (Amendment)	Presentation of Financial Statements (effective for annual periods beginning on or after 1st January 2010)
HKAS 7 (Amendment)	Statement of Cash Flows (effective for annual periods beginning on or after 1st January 2010)
HKAS 17 (Amendment)	Leases (effective for annual periods beginning on or after 1st January 2010)
HKAS 36 (Amendment)	Impairment of Assets (effective for annual periods beginning on or after 1st January 2010)
HKAS 38 (Amendment)	Intangible Assets (effective for annual periods beginning on or after 1st July 2009)
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1st January 2010)
HK(IFRIC) – Int 9 (Amendment)	Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1st July 2009)
HK(IFRIC) – Int 16 (Amendment)	Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1st July 2009)

3 ACCOUNTING POLICIES (Continued)

All the above revised standards, amendments and interpretations to existing standards are currently relevant to the Group's operations except for HKAS 39 and HK(IFRIC) – Int 9 (Amendments), HK(IFRIC) – Int 16, HK(IFRIC) – Int 17 and HK(IFRIC) – Int 18.

The Group plans to adopt the above revised standards, amendments and interpretations to existing standards when they become effective.

Certain comparative figures have been reclassified in order to conform to the current period's presentation.

4 SEGMENT INFORMATION

The Group's businesses are managed according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments.

The Group is organized on a worldwide basis into two main operating segments. They are (i) Monitors; and (ii) TVs.

Others mainly comprise the sales of chassis, spare parts, CKD/SKD and other general corporate items.

The Group's chief operating decision-maker assesses the performance of the operating segments based on a measure of adjusted operating profit. Export incentives received, fiscal refund received, localization incentives received, other gains – net, finance income, finance costs and share of profits less losses of associated companies are not included in the result for each operating segment that is reviewed by the Group's chief operating decision-maker.



4 SEGMENT INFORMATION (Continued)

Sales are categorized according to the final destination of shipment. There are no inter-segment sales.

Segment assets consist primarily of intangible assets, property, plant and equipment, land use rights, inventories, trade receivables and deposits, prepayments and other receivables. They exclude investment properties, interests in associated companies, available-for-sale financial assets, deferred income tax assets, financial assets at fair value through profit or loss, current income tax recoverable, derivative financial instruments, pledged bank deposits and cash and cash equivalents, which are managed on a central basis. These are included in the reconciliation to total balance sheet assets.

Segment liabilities mainly comprise pension obligations, trade payables, other payables and accruals and warranty provisions. They exclude borrowings, current income tax liabilities and derivative financial instruments, which are managed on a central basis. These are included in the reconciliation to total balance sheet liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30th June 2009 are as follows:

	For the six months ended 30th June 2009			
	Monitors US\$'000	TVs US\$'000	Others US\$'000	Total US\$'000
Revenue from external customers	<u>2,148,139</u>	<u>866,424</u>	<u>81,636</u>	<u>3,096,199</u>
Cost of goods sold	(2,024,928)	(815,599)	(79,819)	(2,920,346)
Other income excluding export incentives received, fiscal refund received and localization incentives received	3,003	1,211	115	4,329
Operating expenses	<u>(95,904)</u>	<u>(38,770)</u>	<u>(1,867)</u>	<u>(136,541)</u>
Adjusted operating profit	<u>30,310</u>	<u>13,266</u>	<u>65</u>	<u>43,641</u>
Depreciation of property, plant and equipment	26,978	12,635	203	39,816
Amortization of land use rights	–	–	140	140
Amortization of intangible assets	294	–	–	294

4 SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30th June 2008 are as follows:

	For the six months ended 30th June 2008			
	Monitors US\$'000	TVs US\$'000	Others US\$'000	Total US\$'000
Revenue from external customers	<u>3,931,756</u>	<u>834,842</u>	<u>149,496</u>	<u>4,916,094</u>
Cost of goods sold	(3,731,031)	(796,391)	(148,585)	(4,676,007)
Other income excluding export incentives received, fiscal refund received and localization incentives received	3,119	662	120	3,901
Operating expenses	<u>(127,753)</u>	<u>(32,164)</u>	<u>(1,174)</u>	<u>(161,091)</u>
Adjusted operating profit/(loss)	<u>76,091</u>	<u>6,949</u>	<u>(143)</u>	<u>82,897</u>
Depreciation of property, plant and equipment	21,506	6,344	226	28,076
Amortization of land use rights	–	–	163	163
Amortization of intangible assets	27	–	–	27

The segment assets and liabilities at 30th June 2009 are as follows:

	Monitors US\$'000	TVs US\$'000	Others US\$'000	Total US\$'000
Segment assets	<u>2,075,271</u>	<u>899,749</u>	<u>44,872</u>	<u>3,019,892</u>
Segment liabilities	<u>(1,318,012)</u>	<u>(438,608)</u>	<u>(4,591)</u>	<u>(1,761,211)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 SEGMENT INFORMATION (Continued)

The segment assets and liabilities at 31st December 2008 are as follows:

	Monitors US\$'000	TVs US\$'000	Others US\$'000	Total US\$'000
Segment assets	<u>2,151,087</u>	<u>797,109</u>	<u>58,192</u>	<u>3,006,388</u>
Segment liabilities	<u>(1,026,265)</u>	<u>(226,984)</u>	<u>(4,591)</u>	<u>(1,257,840)</u>

A reconciliation of adjusted operating profit for reportable segments to total profit before income tax is provided as follows:

	Six months ended 30th June	
	2009 US\$'000	2008 US\$'000
Adjusted operating profit for reportable segments	43,641	82,897
Export incentives received	1,413	334
Fiscal refund received	1,110	1,243
Localization incentives received	–	3,319
Other gains – net	<u>22,594</u>	<u>45,806</u>
Operating profit	68,758	133,599
Finance income	1,885	902
Finance costs	(7,888)	(28,322)
Share of profits less losses of associated companies	<u>1,523</u>	<u>2,668</u>
Profit before income tax	<u>64,278</u>	<u>108,847</u>

4 SEGMENT INFORMATION (Continued)

A reconciliation of segment assets to total assets is provided as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
Segment assets	3,019,892	3,006,388
Investment properties	11,546	15,912
Interests in associated companies	16,046	14,523
Available-for-sale financial assets	3,532	3,031
Deferred income tax assets	13,348	15,712
Financial assets at fair value		
through profit or loss	311	275
Current income tax recoverable	2,951	6,182
Derivative financial instruments	57,214	120,364
Pledged bank deposits	200	200
Cash and cash equivalents	483,999	171,066
Total assets	3,609,039	3,353,653

A reconciliation of segment liabilities to total liabilities is provided as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
Segment liabilities	1,761,211	1,257,840
Current income tax liabilities	9,166	9,793
Derivative financial instruments	58,193	106,365
Borrowings	354,997	603,255
Total liabilities	2,183,567	1,977,253

4 SEGMENT INFORMATION (Continued)

The entity is domiciled in the PRC. The result of its revenue from external customers in the PRC for the six months ended 30th June 2009 is US\$1,027,665,000 (for the six months ended 30th June 2008: US\$1,259,913,000), and the total of its revenue from external customers from other countries is US\$2,068,534,000 (for the six months ended 30th June 2008: US\$3,656,181,000).

At 30th June 2009, the total of non-current assets other than financial instruments and deferred income tax assets located in the PRC is US\$282,476,000 (at 31st December 2008: US\$289,347,000), and the total of these non-current assets located in other countries is US\$515,183,000 (at 31st December 2008: US\$481,298,000).

For the six months ended 30th June 2009, revenues of approximately US\$341,059,000 (for the six months ended 30th June 2008: US\$784,977,000) are derived from a single external customer. These revenues are attributable to the monitors and TVs.

5 OPERATING PROFIT

The following items have been credited/(charged) to the operating profit during the interim period:

	Six months ended 30th June	
	2009 US\$'000	2008 US\$'000
Net exchange gains	28,235	31,658
Realized and unrealized (losses)/gains on foreign exchange forward contracts – net	(14,122)	25,219
Realized and unrealized gains/(losses) on interest rate swaps – net	9,274	(9,669)
Gain on disposal of available-for-sale financial assets	–	8
Fair value gains/(losses) on financial assets at fair value through profit or loss	33	(508)
(Provision)/reversal of provision for impairment of trade receivables	(15)	604
Reversal of write-down/(write-down) of inventories to net realizable value	1,051	(1,045)
Employee benefit expense (including directors' emoluments)	(100,256)	(104,985)
Depreciation of property, plant and equipment	(39,816)	(28,076)
Amortization of land use rights	(140)	(163)
Amortization of intangible assets	(294)	(27)
Loss on disposal of property, plant and equipment	(874)	(512)
Loss on disposal of investment properties	(744)	–
Impairment losses on available-for-sale financial assets	(82)	(902)
Provision for warranty (Note 15)	(25,446)	(35,928)

6 FINANCE COSTS – NET

	Six months ended 30th June	
	2009	2008
	US\$'000	US\$'000
Interest expense on bank borrowings wholly repayable within five years	2,773	23,207
Interest expense on convertible bonds wholly repayable within five years (Note 13)	<u>5,115</u>	<u>5,115</u>
	7,888	28,322
Interest income on short-term bank deposits	<u>(1,885)</u>	<u>(902)</u>
Finance costs – net	<u>6,003</u>	<u>27,420</u>

No borrowing costs were capitalized during the six months ended 30th June 2009 and 2008.

7 INCOME TAX

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the six months ended 30th June 2009 (six months ended 30th June 2008: Nil).

Taxation on overseas profits has been calculated on the estimated assessable profits for the six months ended 30th June 2009 at the rates of taxation prevailing in the countries/places in which the Group operates.

7 INCOME TAX (Continued)

According to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law"), the income tax rates for both domestic and foreign investment enterprises were unified at 25% effective from 1st January 2008. However, for enterprises which were established before the publication of the CIT Law and were entitled to preferential treatments of reduced income tax rate granted by relevant tax authorities, the income tax rate is gradually increased to 25% within 5 years after the effective date of the CIT Law. For the region that enjoyed a reduced income tax rate at 15%, the income tax rate is gradually increased to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012 according to grandfathering rules stipulated in the Detail Implementation Regulations ("DIR") and related circular. Enterprises that were entitled to exemptions or reductions from the standard income tax rate for a fixed term before the publication of the CIT Law continue to enjoy such treatment until the fixed term expires.

For the six months ended 30th June 2008, Top Victory Electronics (Fujian) Company Limited and TPV Electronics (Fujian) Company Limited were subject to the PRC corporate income tax rate of 18% according to the aforementioned grandfathering rules stipulated in the DIR and related circular while TPV Technology (Beijing) Company Limited and TPV Technology (Suzhou) Company Limited were subject to the PRC corporate income tax rate of 25% upon the adoption of the CIT Law.

For the six months ended 30th June 2009, three subsidiaries of the Group, TPV Electronics (Fujian) Company Limited, TPV Technology (Beijing) Company Limited and TPV Technology (Suzhou) Company Limited were able to enjoy a preferential PRC corporate income tax rate of 15% according to the CIT Law since they were New and High Technology Enterprises.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INCOME TAX (Continued)

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

	Six months ended 30th June	
	2009 US\$'000	2008 US\$'000
Current income tax – Overseas taxation	6,313	15,391
Deferred income tax expense/(credit)	2,364	(3,435)
Income tax expense	8,677	11,956

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June	
	2009	2008
Profit attributable to equity holders of the Company (US\$'000)	54,652	96,818
Weighted average number of ordinary shares in issue (thousands)	2,111,253	1,985,971
Basis earnings per share (US cents per share)	2.59	4.88

8 EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options. The convertible bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense. For the share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30th June	
	2009	2008
Profit attributable to equity holders of the Company (US\$'000)	54,652	96,818
Interest expense on convertible bonds (US\$'000)	5,115	5,115
Profit used to determine diluted earnings per share (US\$'000)	59,767	101,933
Weighted average number of ordinary shares in issue (thousands)	2,111,253	1,985,971
Adjustments for		
– assumed conversion of convertible bonds (thousands)	313,289	313,289
– share options (thousands)	–	4,398
Weighted average number of ordinary shares for diluted earnings per share (thousands)	2,424,542	2,303,658
Diluted earnings per share (US cents per share)	2.47	4.42

9 INTERIM DIVIDEND

	Six months ended 30th June	
	2009	2008
	US\$'000	US\$'000
Interim, proposed, of US0.60 cent (2008: US0.88 cent) per ordinary share	<u>12,668</u>	<u>18,609</u>

The directors declared on 1st September 2009 an interim dividend of US0.60 cent per share (2008: US0.88 cent) payable in cash to equity holders. This interim dividend is not reflected as a dividend payable in this condensed consolidated interim financial information, but will be reflected as an appropriation of retained profits for the year ending 31st December 2009.

10 CAPITAL EXPENDITURE

	Property, plant and equipment US\$'000	Land use rights US\$'000	Investment properties US\$'000	Intangible assets		
				Goodwill US\$'000	Trademarks US\$'000	Total US\$'000
Six months ended 30th June 2009						
Opening net book amount at 1st January 2009	334,844	16,000	15,912	389,098	268	389,366
Exchange differences	4,601	-	-	-	-	-
Additions	48,195	-	-	-	-	-
Acquisition of a business operation	-	-	-	-	20,600	20,600
Disposals	(3,289)	-	(4,366)	-	-	-
Depreciation and amortization	(39,816)	(140)	-	-	(294)	(294)
Closing net book amount at 30th June 2009	<u>344,535</u>	<u>15,860</u>	<u>11,546</u>	<u>389,098</u>	<u>20,574</u>	<u>409,672</u>
Six months ended 30th June 2008						
Opening net book amount at 1st January 2008	250,697	15,278	10,403	359,098	321	359,419
Exchange differences	8,936	70	-	-	-	-
Additions	80,738	3,733	-	-	-	-
Acquisition of a business operation	2,900	-	-	30,000	-	30,000
Disposals	(3,459)	-	-	-	-	-
Depreciation and amortization	(28,076)	(163)	-	-	(27)	(27)
Closing net book amount at 30th June 2008	<u>311,736</u>	<u>18,918</u>	<u>10,403</u>	<u>389,098</u>	<u>294</u>	<u>389,392</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 TRADE RECEIVABLES

	30th June 2009 US\$'000	31st December 2008 US\$'000
Trade receivables	1,337,611	1,370,406
Less: provision for impairment of receivables	(3,979)	(3,970)
Trade receivables – net	<u>1,333,632</u>	<u>1,366,436</u>

The carrying amounts of trade receivables approximate their fair values.

The Group's sales are on credit terms from 30 to 120 days and certain of its export sales are on letters of credit or documents against payment.

As of 30th June 2009 and 31st December 2008, the ageing analysis of trade receivables is as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
0 – 30 days	769,045	622,704
31 – 60 days	361,640	448,369
61 – 90 days	167,924	249,420
91 – 120 days	27,234	37,877
Over 120 days	<u>11,768</u>	<u>12,036</u>
	<u>1,337,611</u>	<u>1,370,406</u>

12 SHARE CAPITAL

	30th June 2009 US\$'000	31st December 2008 US\$'000
Authorized:		
4,000,000,000 ordinary shares of US\$0.01 each	<u>40,000</u>	<u>40,000</u>
Issued and fully paid:		
2,111,252,525 ordinary shares of US\$0.01 each	<u>21,112</u>	<u>21,112</u>

A summary of the movements in issued share capital of the Company is as follows:

	<u>2009</u>		<u>2008</u>	
	Number of issued ordinary shares of US\$0.01 each	Par value US\$'000	Number of issued ordinary shares of US\$0.01 each	Par value US\$'000
Opening balance at 1st January	2,111,252,525	21,112	1,964,728,525	19,647
Issue of new shares (Note (a))	-	-	150,500,000	1,505
Repurchase of the Company's shares (Note (b))	-	-	(530,000)	(5)
Issue of shares pursuant to exercise of share options (Note (c))	-	-	744,000	7
Closing balance at 30th June	<u>2,111,252,525</u>	<u>21,112</u>	<u>2,115,442,525</u>	<u>21,154</u>

12 SHARE CAPITAL (Continued)

Notes:

- (a) The Company issued 150,500,000 shares of HK\$5.390 (US\$0.69) each on 4th June 2008 to CMO.
- (b) For the six months ended 30th June 2008, the Company repurchased 530,000 shares of its own issued shares from the market, according to the general mandate passed at the annual general meeting, at the prices ranging from HK\$4.250 (US\$0.55) to HK\$4.300 (US\$0.55) per shares. All the repurchased shares were cancelled accordingly.
- (c) As at 30th June 2009, the Company has two share option schemes, under which the Company may grant options in subscribing the Company's ordinary shares to the employees of the Group.

For the six months ended 30th June 2008, 744,000 new shares of US\$0.01 each were issued upon exercise of share options under the share option schemes approved by the shareholders of the Company at the exercise price of HK\$4.735 (US\$0.61) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

Date of grant	Exercise price HK\$	Number of share options		
		At 1st January 2009	Lapsed during the period	At 30th June 2009
20th May 2004	4.735	62,395,800	(62,395,800)	–
12th December 2007	5.750	22,204,026	(646,000)	21,558,026
		<u>84,599,826</u>	<u>(63,041,800)</u>	<u>21,558,026</u>

For the six months ended 30th June 2009, 63,041,800 share options (six months ended 30th June 2008: 1,431,429) were lapsed as a result of the cessation of employment of certain employees or expiry of the share options.

12 SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) For the six months ended 30th June 2008, 744,000 ordinary shares being issued at HK\$4.735 (US\$0.61), yielding the following proceeds:

	Six months ended 30th June	
	2009 US\$'000	2008 US\$'000
Ordinary share capital – at par	–	7
Share premium	–	445
	–	452
Proceeds	–	452

For the six months ended 30th June 2008, the related weighted average share price at the time of exercise was HK\$5.264 (US\$0.67) per share.

13 BORROWINGS

	30th June 2009 US\$'000	31st December 2008 US\$'000
Non-current		
Bank borrowings	6,124	–
Convertible bonds	207,624	206,015
	213,748	206,015
Current		
Bank borrowings	141,249	397,240
	141,249	397,240
Total borrowings	354,997	603,255

13 **BORROWINGS** (Continued)

Movements in borrowings are analysed as follows:

	US\$'000
Six months ended 30th June 2009	
Opening amount at 1st January 2009	603,255
Inceptions of borrowings	856,673
Repayments of borrowings	(1,106,540)
Convertible bonds – liability component	<u>1,609</u>
Closing amount at 30th June 2009	<u>354,997</u>
Six months ended 30th June 2008	
Opening amount at 1st January 2008	788,145
Inceptions of borrowings	4,475,659
Repayments of borrowings	(4,395,736)
Convertible bonds – liability component	<u>1,700</u>
Closing amount at 30th June 2008	<u>869,768</u>

The carrying amounts of bank borrowings approximate their fair values as the bank borrowings are at floating interest rate.

The Company issued 3.35% convertible bonds in the principal amount of US\$211 million to Philips on 5th September 2005 as part of the purchase consideration for a business combination.

The bonds mature five years from the issue date at their principal amount of US\$211 million and can be converted into the Company's ordinary shares at the holder's option at a conversion price of HK\$5.241 (US\$0.672) per share.

13 BORROWINGS (Continued)

The conversion price will be subject to adjustment for subdivision or consolidation of shares, bonus issues, rights issues, distribution of reserves, any dividend payment(s) in excess of the dividend payout ratio cap, capital reduction and other dilutive events.

The fair values of the liability component and the equity conversion component were determined at the time of the issuance of the bonds.

At the time of issuance, the fair value of the liability component, included in long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The equity conversion component is included in shareholders' equity.

The convertible bonds recognized in the balance sheet are calculated as follows:

	Six months ended 30th June	
	2009	2008
	US\$'000	US\$'000
Equity component	<u>58,271</u>	<u>58,271</u>
Liability component		
At 1st January	206,015	202,956
Interest expense (Note 6)	5,115	5,115
Interest paid	<u>(3,506)</u>	<u>(3,415)</u>
At 30th June	<u>207,624</u>	<u>204,656</u>

13 BORROWINGS (Continued)

The fair value of the liability component of the convertible bonds as at 30th June 2009 amounted to US\$197,901,000 (31st December 2008: US\$169,377,000). The fair value was calculated by using cash flows discounted at a rate of 9.80% (31st December 2008: 18.12%).

14 TRADE PAYABLES

As of 30th June 2009 and 31st December 2008, the ageing analysis of trade payables is as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
0 – 30 days	667,743	274,506
31 – 60 days	397,404	270,550
61 – 90 days	161,077	170,162
Over 90 days	152,945	214,405
	<u>1,379,169</u>	<u>929,623</u>

The carrying amounts of trade payables approximate their fair values.

15 WARRANTY PROVISIONS

	2009	2008
	US\$'000	US\$'000
At 1st January	56,945	47,627
Charged to the income statement (Note 5)	25,446	35,928
Utilized during the period	(23,264)	(28,057)
At 30th June	59,127	55,498

The Group gives warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily within a period ranging from twelve months to thirty-six months. The provision as of 30th June 2009 had been made for expected warranty claims on products sold during the last thirty-six months. It is expected that the majority of this provision will be utilized in the next twelve months, and all will be utilized within three years of the balance sheet date.

16 CORPORATE GUARANTEES

	30th June	31st December
	2009	2008
	US\$'000	US\$'000
Guarantees in respect of banking facilities granted to an associated company	3,000	3,000

17 CONTINGENT LIABILITIES

- (a) In February 2004, a third party company filed a complaint in the United States of America against the Group, one of its associated companies and certain other third party companies.

The complaint concerns claims of damages related to alleged infringement of certain patents in respect of technology of the design and manufacture of LCD ("Patent I").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

- (i) they had infringed, actively induced and/or contributed to the infringement of Patent I by making, using, causing to be used, offering to sell, causing to be offered for sale, selling, causing to be sold, importing and/or causing to be imported LCDs and/or LCD products in the United States of America; and
- (ii) as a consequence of the infringement, the plaintiff has been damaged and would continue to sustain damages unless the court grants an award of damages to it covering reasonably attorneys' fees, costs and expenses that incurred by it for pursuing this action.

The directors are of the opinion that while proceedings were stayed according to the court's Memorandum Order on 13th May 2004, it is not probable to assess the future outcome of the litigation for the time being. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

17 CONTINGENT LIABILITIES (Continued)

- (b) In January 2007, a third party company filed a complaint in the United States of America against the Group, one of its associated companies and certain other third party companies. The complaint claims damages related to alleged infringement of an US Patent in respect of technology to decode Program Map Information in the Digital TVs (“Patent II”).

As far as the Group and its associated company are concerned, it is alleged among other matters that:

- (i) they have directly infringed, contributed to and/or actively induced infringement of the Patent II and are continuing to directly infringe, contribute to and/or actively induce infringement by making, using, importing, offering for sale, soliciting sales by others of, enabling or assisting with sales by others of, and/or selling in the United States of America, including, without limitation, ATSC TVs under the AOC brand name, which are covered by one or more claims of the Patent II; and
- (ii) as a consequence of their infringement complained of herein, the plaintiff had been damaged and will continue to sustain damages by such acts in an amount to be determined at trial and will continue to suffer irreparable loss and injury.

The directors are of the opinion that while the proceedings were stayed to the extent the Group is concerned according to the Court’s Stipulation and Order of 23rd October 2007, it is not probable to assess the outcome of the litigation for the time being. Even if the outcome of the litigation turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

17 CONTINGENT LIABILITIES (Continued)

- (c) In November 2007, the U.S. International Trade Commission instituted an investigation based on a complaint filed by a third party against the Group, one of its associated companies and certain other third party companies. The claims of the complaint related to alleged infringement of Patent II.

As far as the Group and its associated company are concerned, it is alleged among other matters that:

- (i) their unfair acts include the unlicensed importation, sale for importation and/or sale after importation of digital televisions and products containing the same in the United States of America. The accused televisions employ patented technology related to Patent II; and
- (ii) the complainant requested for issuance of limited exclusion order prohibiting the entry into the United States of America all of respondents' imported televisions and products containing digital television covered by Patent II; and cease and desist order stopping importing, offering for sale, marketing, advertising, demonstrating, warehousing, distributing, selling and/or using such imported products of respondents in the United States of America.

The directors are of the opinion that while the case is currently pending decision by the Court of Appeals for the Federal Circuit, it is not probable to assess the outcome of the investigation for the time being. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

17 CONTINGENT LIABILITIES (Continued)

- (d) In December 2008, a third party company filed a complaint in the United States of America against the Group, one of its associated companies and certain other third party companies.

The complaint concerns claims of damages related to alleged infringement of certain patents in respect of technology of the manufacture of computer monitor ("Patent III").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

- (i) they manufacture, assemble, service, including unlicensed monitors, and sell those products through the United States of America, and know, expect, and intend that the products, including unlicensed monitors, will be sold in the market of the United States of America.
- (ii) as a consequence of the infringement, the plaintiff has been damaged and would continue to sustain damages unless the court issues an injunction, enjoining them from further infringement of said patents.

The directors are of the opinion that while the proceedings are still ongoing, it is not probable to assess the outcome of the case for the time being. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

17 CONTINGENT LIABILITIES (Continued)

- (e) In January 2009, a third party company filed a complaint in Germany against the Group, one of its associated companies and certain other third party companies.

The complaint concerns claims of damages related to alleged infringement of certain patents in respect of technology of the manufacture of computer monitor ("Patent IV").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

- (i) they had infringed, actively induced, contributed to the infringement of Patent IV by making, using, causing to be used, offering to sell, selling, causing to be sold, importing and/or causing to be imported monitors in Germany; and
- (ii) as a consequence of the infringement, the plaintiff has been damaged and would continue to sustain damages unless the court grants an award of damages to it covering reasonably attorneys' fees, costs and expenses that incurred by it for pursuing this action.

The directors are of the opinion that while the investigation is ongoing, it is not probable to assess the outcome of the investigation for the time being. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

18 COMMITMENTS

(a) Capital commitments

	30th June 2009 US\$'000	31st December 2008 US\$'000
Capital commitments for plant and equipment		
– Contracted but not provided for	<u>25,061</u>	<u>11,893</u>

(b) Commitments under operating leases

As at 30th June 2009, the Group had total future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
Not later than one year	4,487	4,025
Later than one year and not later than five years	10,112	3,170
Later than five years	<u>13,181</u>	<u>490</u>
	<u>27,780</u>	<u>7,685</u>

18 COMMITMENTS (Continued)

(c) **Future operating lease receivable arrangements**

As at 30th June 2009, the Group's future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	30th June 2009 US\$'000	31st December 2008 US\$'000
Not later than one year	517	866
Later than one year and not later than five years	33	127
	550	993

19 BUSINESS COMBINATION

On 9th February 2009, the Company and Philips, a major shareholder of the Company, entered into a five-year trademark license agreement, pursuant to which part of the Philips's IT display and public signage business was acquired for a provisional consideration of US\$10,700,000. The acquisition was completed on 1st June 2009.

The revenues and results contributed by the business operation to the Group for the period ended 30th June 2009 since the acquisition date are not material to the Group. The Group's revenues and profit for the period ended 30th June 2009 would not be materially different if this acquisition had occurred on 1st January 2009.

19 BUSINESS COMBINATION (Continued)

Details of the net identifiable assets acquired are as follows:

	30th June 2009 US\$'000
Provisional purchase consideration:	
– cash paid	10,700
Less: provisional fair value of net identifiable assets acquired (see below)	<u>(10,700)</u>
Provisional goodwill	<u>–</u>

As at the date of this condensed consolidated interim financial information, the initial accounting for the acquisition is determined on a provisional basis as the allocation of fair value to the identifiable assets and liabilities of the acquisition is still progressing. Adjustments to those provisional values of identifiable assets and liabilities, including any additional depreciation, amortization, and other profit or loss effect, if any, will be recognized on completion of the initial accounting.

19 BUSINESS COMBINATION (Continued)

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount US\$'000	Provisional fair value US\$'000
Intangible assets	–	20,600
Inventories	11,620	11,620
Cash and cash equivalents	2,600	2,600
Other payables and accruals	(3,520)	(24,120)
Net identifiable assets acquired	<u>10,700</u>	<u>10,700</u>
Outflow of cash to acquire business, net of cash acquired:		
– provisional cash consideration		10,700
– cash and cash equivalents in business operation acquired		<u>(2,600)</u>
Cash outflow on acquisition		<u>8,100</u>

20 RELATED PARTY TRANSACTIONS

As at 30th June 2009, the major shareholders of the Company are CGC, Philips and CMO, which owned 26.50%, 12.47% and 7.13% of the Company's issued shares respectively.

20 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties

During the six months ended 30th June 2009 and 2008, the Group had the following significant transactions with its associated companies, Envision Peripherals, Inc., CPT TPV Optical (Fujian) Co., Ltd., and HannStar Display (Wuhan) Corp. and its substantial shareholders, Philips and CMO.

All of the transactions were carried out in the normal course of the Group's business and summarised as follows:

	Six months ended 30th June	
	2009	2008
	US\$'000	US\$'000
Sales of finished goods to an associated company	290,639	149,656
Sales of finished goods to Philips and its subsidiaries	145,157	626,211
Sales of finished goods to CMO and its subsidiaries	403	67,901
Purchases of raw materials from Philips and its subsidiaries	(26,711)	(358,384)
Purchases of raw materials from CMO and its subsidiaries	(408,928)	(880,200)
Commission to an associated company	(1,541)	(341)
Royalty to Philips and its subsidiaries (Note (i))	(575)	–
Rental income from an associated company	503	447

20 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties (Continued)

The above transactions were conducted in the normal course of business at prices and terms as agreed between the transacting parties.

Note:

- (i) For the six months ended 30th June 2009, the Group entered into a trademark license agreement with Philips to use the word mark "Philips" and the trademark "Brilliance" on monitors and public signage products for a term of five years. The royalty for the trademark license agreement is calculated based on the net selling price of the monitors and public signage products. The royalty has a minimum annual payment level for the entire license period of five years of US\$3,200,000 to US\$4,600,000 and a maximum annual payment level of US\$4,000,000 and US\$4,800,000 for the first and the second year of the license period, respectively.

(b) Key management compensation

	Six months ended 30th June	
	2009	2008
	US\$'000	US\$'000
Salaries and other short-term employee benefits	421	442
Share-based payments	—	—
	421	442

20 RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances arising from sales/purchases of goods

	30th June 2009 US\$'000	31st December 2008 US\$'000
Receivables from related parties:		
Associated company (Note (i))		
– Envision Peripherals, Inc.	181,546	120,141
Substantial shareholders and their subsidiaries (Note (ii)):		
– Philips and its subsidiaries	71,170	153,158
– CMO and its subsidiaries	395	19,924
	71,565	173,082
Payables to related parties:		
Substantial shareholders and their subsidiaries (Note (iii)):		
– Philips and its subsidiaries	15,078	15,676
– CMO and its subsidiaries	163,174	45,115
	178,252	60,791

20 RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances arising from sales/purchases of goods (Continued)

Notes:

- (i) Receivable from an associated company was presented in the condensed consolidated interim balance sheet within trade receivables.
- (ii) Receivables from substantial shareholders and their subsidiaries of US\$69,886,000 (31st December 2008: US\$151,483,000) and US\$1,679,000 (31st December 2008: US\$21,599,000) were presented in the condensed consolidated interim balance sheet within trade receivables and deposits, prepayments and other receivables respectively.
- (iii) Payables to substantial shareholders and their subsidiaries of US\$156,614,000 (31st December 2008: US\$60,791,000) and US\$586,000 (31st December 2008: Nil) were presented in the condensed consolidated interim balance sheet within trade payables and other payables and accruals respectively.

21 SEASONALITY

The sales of computer monitors and flat TVs are subject to seasonal fluctuations, with peak demand in the third and fourth quarters of the year. This is due to seasonal holiday periods.

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