

TTM TECHNOLOGIES INC

Form S-4/A

February 04, 2010

**Table of Contents**

**As filed with the Securities and Exchange Commission on February 4, 2010**  
**Registration No. 333-164012**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 1  
to  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**TTM TECHNOLOGIES, INC.**  
*(Exact Name of Registrant as Specified in Its Charter)*

<b>Delaware</b> <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	<b>3672</b> <i>(Primary Standard Industrial Classification Code Number)</i>	<b>91-1033443</b> <i>(I.R.S. Employer Identification Number)</i>
--	--	---

**2630 South Harbor Boulevard  
Santa Ana, California 92704  
(714) 327-3000**

*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive  
Offices)*

**Steven W. Richards  
Executive Vice President and Chief Financial Officer  
TTM Technologies, Inc.  
2630 South Harbor Boulevard  
Santa Ana, California 92704  
(714) 327-3000**

*(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)*

***Copies to:***

**Brian H. Blaney, Esq.  
Brian R. Buckham, Esq.**

**Jonathan Stone, Esq.  
Skadden, Arps, Slate, Meagher & Flom LLP**

**Greenberg Traurig, LLP**  
**2375 East Camelback Road, Suite 700**  
**Phoenix, Arizona 85016**  
**(602) 445-8000 (phone)**  
**(602) 445-8100 (facsimile)**

**c/o 42/F Edinburgh Tower, The Landmark**  
**15 Queen s Road Central**  
**Hong Kong**  
**+852-3740-4703 (phone)**  
**+852-3740-4727 (facsimile)**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions under the stock purchase agreement described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer, solicitation, or sale is not permitted.

**PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 4, 2010**

**PROXY STATEMENT/PROSPECTUS**

To the Stockholders of TTM Technologies, Inc. and the Shareholders of Meadville Holdings Limited:

On behalf of the board of directors of TTM Technologies, Inc., we are pleased to deliver to you this proxy statement/prospectus relating to the proposed issuance and sale by us of 36,334,000 shares of our common stock in connection with the acquisition transaction described below.

On November 16, 2009, we and certain of our subsidiaries entered into a stock purchase agreement with Meadville Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands and listed on the Stock Exchange of Hong Kong, and one of Meadville's subsidiaries, pursuant to which we have agreed to acquire the entire outstanding capital stock of all of Meadville's indirect wholly owned subsidiaries that comprise and operate Meadville's printed circuit board, or PCB, business. The aggregate purchase price consideration will consist of \$114,034,328 in cash and the issuance of 36,334,000 shares of our common stock to Meadville, plus our assumption of indebtedness of those subsidiaries. In this proxy statement/prospectus we refer to the transactions contemplated by the stock purchase agreement as the PCB Combination and to the subsidiaries we have agreed to acquire from Meadville as the PCB Subsidiaries.

The proposed PCB Combination is being effected through the purchase by TTM Hong Kong Limited, one of our indirect wholly owned subsidiaries, of all of the capital stock of the PCB Subsidiaries owned by MTG Investment (BVI) Limited, or MTG, a wholly owned subsidiary of Meadville. Completion of the PCB Combination requires the approval by our stockholders of the issuance of 36,334,000 shares of our common stock. Our board of directors has scheduled a special meeting of our stockholders to obtain this approval on March 12, 2010. We currently estimate that approximately 46% of the shares of our common stock outstanding after completion of the PCB Combination will be held by Meadville and, following the effectiveness of Meadville's special dividend of our shares to its shareholders or their transferees as described in this proxy statement/prospectus, ultimately by Meadville's shareholders or their transferees.

Consummation of the PCB Combination is subject to a number of conditions described in this proxy statement/prospectus, including the approval by our stockholders of the issuance and sale to Meadville of 36,334,000 shares of our common stock. For a description of these conditions, see the section entitled "The PCB Combination Conditions to Completion of the PCB Combination" in this proxy statement/prospectus.

Except for the approval by our stockholders of the issuance and sale by us of 36,334,000 shares of our common stock, our stockholders are not being requested, and are not entitled, to vote to approve the PCB Combination itself or any of the other transactions contemplated by the stock purchase agreement.

Approval of the proposed issuance of shares of our common stock in the PCB Combination requires the affirmative vote of the holders of our shares representing not less than a majority (greater than 50%) of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon, provided that a quorum consisting of the

holders of not less than a majority (greater than 50%) of the votes entitled to be cast by our stockholders is present at the special meeting in person or by proxy.

We believe that the PCB Combination will:

create a leading global PCB company with high-technology capabilities and a highly diversified revenue mix by geography and end-market;

result in a one stop global solution from quick-turn through volume production and a focused facility specialization strategy;

---

**Table of Contents**

create an opportunity for us to capture significant incremental volume business from existing and new customers in North America, Europe, the Middle East, and Africa;

position us to serve the growing Asian market demand;

result in a global sales force and manufacturing platform;

create a combination of entities with complementary footprints, customers, and end-markets;

further diversify our end-market exposure and customer base;

result in the creation of operational efficiencies; and

combine deep, talented management teams with leading expertise in the U.S. and the People's Republic of China, or PRC.

This proxy statement/prospectus also provides information about us, Meadville, the PCB Subsidiaries, and our proposed acquisition of the PCB Subsidiaries that our stockholders should know when they vote. **In particular, the section entitled Risk Factors beginning on page 19 contains a description of risks that you should consider in evaluating the proposed PCB Combination. We urge you to read this entire proxy statement/prospectus carefully.**

**Our board of directors previously approved our execution of the stock purchase agreement, which we executed on November 16, 2009 and pursuant to which we agreed to acquire the PCB Subsidiaries, and the issuance of shares of our common stock pursuant to the stock purchase agreement. Accordingly, our board of directors unanimously recommends that our stockholders vote for approval of the proposed issuance of 36,334,000 shares of our common stock in connection with the PCB Combination.**

If you are a holder of our shares of common stock, whether or not you plan to attend the special meeting, your vote is very important. Please sign and submit your proxy as soon as possible so that your shares can be voted at the special meeting in accordance with your instructions. Record holders of our common stock can vote via the Internet, by telephone, or by mailing the enclosed proxy card (beneficial owners may vote via the Internet, by telephone, or by mailing the enclosed voting instructions). Instructions for using these convenient services appear on the instructions on the enclosed proxy card or voting instructions.

On behalf of our company, we look forward to seeing our stockholders at the special meeting and we thank you for your support.

Sincerely,

Kenton K. Alder  
*Chief Executive Officer and President*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

Proxy statement/prospectus dated [ ], 2010 and first mailed to our stockholders and Meadville shareholders on or about [ ], 2010.

**In addition to this proxy statement/prospectus, we, certain of our subsidiaries, and Meadville will prepare a joint Circular to be issued to Meadville's shareholders in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the Hong Kong Code on Takeovers and Mergers. The Circular is subject to the approval of the Stock Exchange of Hong Kong and the Corporate Finance Division of the Securities Futures Commission of Hong Kong.**

---

**Table of Contents**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MARCH 12, 2010**

To the Stockholders of TTM Technologies, Inc.:

We will hold a special meeting of stockholders at our corporate offices located at 2630 South Harbor Boulevard, Santa Ana, California 92704, on March 12, 2010 at 10:00 a.m., Pacific time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of 36,334,000 shares of our common stock in connection with the proposed acquisition of certain companies engaged in the printed circuit board business pursuant to the terms of a Stock Purchase Agreement, dated as of November 16, 2009, among our company, Meadville Holdings Limited, MTG Investment (BVI) Limited, TTM Technologies International, Inc., and TTM Hong Kong Limited; and
2. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Our board of directors has unanimously approved the PCB Combination and the issuance of our shares of common stock in the PCB Combination pursuant to the stock purchase agreement, and recommends that you vote for the proposal to approve the issuance of 36,334,000 shares of our common stock in connection with the proposed PCB Combination. A copy of the stock purchase agreement is attached as Annex A to the accompanying proxy statement/prospectus. The proposal is described in more detail in the accompanying proxy statement/prospectus, which we encourage you to read in its entirety before voting.

Only our stockholders of record at the close of business on February 1, 2010, which we refer to as the Record Date, are entitled to notice of the special meeting and to vote at the special meeting and at any adjournments or postponements thereof. A list of such holders as of the Record Date will be available during normal business hours for examination by any such holder for a period of ten days prior to the date of the special meeting, at our principal executive offices located at 2630 South Harbor Boulevard, Santa Ana, California 92704.

All of our stockholders are urged to attend the meeting in person or by proxy. **Your vote is important. Whether or not you expect to attend the meeting in person, please sign and submit your proxy as soon as possible so that your shares can be voted at the special meeting in accordance with the instructions on the enclosed proxy card.** The proxy is revocable and will not affect your right to vote in person in the event you attend the special meeting. You may revoke your proxy at any time before it is voted. If you receive more than one proxy card because your shares are registered in different names or at different addresses, please sign and return each proxy card so that all of your shares will be represented at the special meeting.

By Order of the Board of Directors,

Steven W. Richards  
*Secretary*

Santa Ana, California  
[ ], 2010



**Table of Contents**

**IMPORTANT**

We file annual, quarterly, and special reports, proxy statements, and other information with the Securities and Exchange Commission, or SEC, under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. You may read and copy these reports and other information filed by us at the Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet web site that contains reports, proxy statements, and other information about issuers, like us, who file electronically with the SEC through the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. The address of this site is [www.sec.gov](http://www.sec.gov).

This proxy statement/prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this proxy statement/prospectus. You may request this information, which includes copies of our annual, quarterly, and special reports, proxy statements, and other information, from us, without charge, excluding all exhibits, unless we have specifically incorporated by reference an exhibit in this proxy statement/prospectus. Our stockholders and Meadville shareholders may obtain documents incorporated by reference in this proxy statement/prospectus by requesting them from us in writing or by telephone at the following address or telephone number:

TTM Technologies, Inc.  
2630 South Harbor Boulevard  
Santa Ana, California 92704  
(714) 327-3000

**To obtain timely delivery, holders of our common stock must request any information no later than March 4, 2010.**

In addition, we provide copies of our Forms 8-K, 10-K, 10-Q, Proxy Statement, and Annual Report at no charge to investors upon request and we make electronic copies of our most recently filed reports available through our website at [www.ttmtech.com/investors/investors.jsp](http://www.ttmtech.com/investors/investors.jsp) as soon as reasonably practicable after filing such material with the SEC.

For a more detailed description of the information incorporated by reference into this proxy statement/prospectus and how you may obtain it, see the sections entitled **Where You Can Find More Information** and **Incorporation of Certain Information by Reference**.

Holders of our common stock who have questions about the special meeting or how to vote or revoke their proxy should contact The Altman Group by telephone at (866) 521-4428 (toll-free) or via email at [www.ttmproxyinfo@altmangroup.com](mailto:www.ttmproxyinfo@altmangroup.com).

---

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	5
<u>TTM Technologies, Inc.</u>	5
<u>Recent Events Relating to TTM Technologies, Inc.</u>	6
<u>Information Regarding Meadville and the PCB Subsidiaries</u>	6
<u>The PCB Combination</u>	6
<u>Why You Are Receiving this Proxy Statement/Prospectus</u>	7
<u>Recommendation of TTM's Board of Directors</u>	7
<u>What Meadville Shareholders will Receive in the PCB Combination</u>	7
<u>Principal Agreements</u>	8
<u>Approval by Holders of TTM Common Stock</u>	9
<u>Opinion of TTM's Financial Advisor</u>	9
<u>Risk Factors</u>	9
<u>Conditions to the PCB Combination</u>	10
<u>Termination of the Stock Purchase Agreement</u>	10
<u>Termination Fees and Expenses</u>	11
<u>Interests of Certain Persons in the PCB Combination</u>	11
<u>Dealing Facility for Meadville Shareholders</u>	11
<u>Material U.S. Federal Income Tax Consequences to TTM Stockholders</u>	11
<u>Anticipated Accounting Treatment of the PCB Combination</u>	11
<u>Regulatory Matters</u>	12
<u>Directors and Management of TTM and the PCB Subsidiaries Following Completion of the PCB Combination</u>	12
<u>Appraisal Rights</u>	12
<u>Comparison of Stockholder Rights</u>	12
<u>SUMMARY SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA</u>	13
<u>Summary Selected Consolidated Financial Data of TTM</u>	13
<u>Summary Selected Combined Financial Data of the PCB Business of Meadville</u>	14
<u>Summary Selected Unaudited Pro Forma Condensed Combined Financial Data</u>	15
<u>Exchange Rate Information</u>	16
<u>Comparative Historical and Pro Forma Per Share Data</u>	17
<u>Stock Price Information</u>	18
<u>RISK FACTORS</u>	19
<u>Risks Related to the PCB Combination</u>	19
<u>Risks Related to the Combined Company</u>	27
<u>Risks Related to the Combined Company's International Operations</u>	41
<u>Risks Related to an Investment in TTM Common Stock</u>	44
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION</u>	48
<u>STOCK PRICE AND DIVIDEND INFORMATION</u>	49
<u>Stock Price Information</u>	49
<u>Dividend Policies</u>	50
<u>SPECIAL MEETING OF TTM STOCKHOLDERS</u>	51
<u>General</u>	51



**Table of Contents**

	<b>Page</b>
<u>Date, Time, and Place</u>	51
<u>Purpose of the TTM Special Meeting</u>	51
<u>Board Recommendation</u>	51
<u>Record Date and Outstanding Shares</u>	51
<u>Approval by Holders of TTM Common Stock</u>	51
<u>Votes Required</u>	52
<u>Quorum, Abstentions, and Broker Non-Votes</u>	52
<u>Voting in Person</u>	52
<u>Voting by Proxy</u>	52
<u>Revocation of Proxies</u>	53
<u>Proxy Solicitation</u>	53
<u>Other Business; Adjournments</u>	53
<b><u>PROPOSAL TO BE CONSIDERED AND VOTED UPON BY HOLDERS OF TTM COMMON STOCK AT THE SPECIAL MEETING</u></b>	53
<b><u>THE PCB COMBINATION</u></b>	54
<u>Overview of the PCB Combination</u>	54
<u>Background on the PCB Combination</u>	55
<u>Reasons for the PCB Combination</u>	57
<u>Opinion of TTM's Financial Advisor</u>	58
<u>Recommendation of TTM's Board of Directors</u>	64
<u>Conditions to Completion of the PCB Combination</u>	65
<u>Expected Timing of the PCB Combination</u>	66
<u>Consideration Payable in the PCB Combination</u>	66
<u>Financing of the Cash Portion of the PCB Combination</u>	67
<u>Material U.S. Federal Income Tax Consequences of the PCB Combination to TTM Stockholders</u>	67
<u>Regulatory Approvals Required For the PCB Combination</u>	67
<u>Certain Arrangements Pertaining to National Security Matters</u>	69
<u>Fees and Expenses of the PCB Combination</u>	69
<u>Anticipated Accounting Treatment of the PCB Combination</u>	69
<u>Appraisal Rights of Holders of TTM Common Stock</u>	70
<u>Restrictions on Sales of Shares by Affiliates of Meadville</u>	70
<u>Rights Pertaining to the Shares of TTM Common Stock Received in the PCB Combination</u>	70
<u>Dividends on TTM Common Stock Received in the PCB Combination</u>	70
<u>Interests of Certain Meadville Directors, Officers, and Affiliates in the PCB Combination</u>	70
<u>Special Dividend by Meadville to its Shareholders</u>	71
<u>Approval of the PCB Combination by Meadville Shareholders</u>	71
<u>Directors and Management of TTM and the PCB Subsidiaries Following the PCB Combination</u>	71
<u>Indemnification</u>	72
<u>NASDAQ Listing and Trading</u>	72
<u>SEC Reports and Reporting Requirements</u>	73
<b><u>THE STOCK PURCHASE AGREEMENT AND RELATED AGREEMENTS</u></b>	73
<u>The Stock Purchase Agreement</u>	73
<u>The Shareholders Agreement</u>	83
<u>The Registration Rights Agreements</u>	90
<u>The Credit Agreement</u>	92



**Table of Contents**

	<b>Page</b>
<u>COMPARISON OF MEADVILLE SHAREHOLDER AND TTM STOCKHOLDER RIGHTS</u>	92
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	105
<u>INFORMATION REGARDING MEADVILLE S PCB OPERATIONS AND THE PCB SUBSIDIARIES</u>	113
<u>Overview</u>	113
<u>Competitive Strengths</u>	113
<u>Business Strategy</u>	115
<u>History of Meadville s PCB Operations</u>	117
<u>Products and Services</u>	117
<u>Value-Added Services</u>	121
<u>Production Plants</u>	122
<u>Competition</u>	130
<u>Environmental Matters</u>	131
<u>Labor and Safety Matters</u>	132
<u>Legal Proceedings</u>	133
<u>Premises, Land Use Rights, and Property Interests</u>	133
<u>Intellectual Property</u>	134
<u>Insurance and Products Liability</u>	134
<u>Subsidiaries</u>	135
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF MEADVILLE</u>	136
<u>SELECTED HISTORICAL FINANCIAL DATA OF THE PCB BUSINESS OF MEADVILLE</u>	136
<u>MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF</u>	
<u>OPERATIONS OF THE PCB BUSINESS OF MEADVILLE</u>	140
<u>Overview</u>	140
<u>Factors Affecting the Results of Operations of the PCB Business</u>	140
<u>Critical Accounting Policies</u>	142
<u>Description of Selected Profit and Loss Account Items</u>	145
<u>Review of Operating Results of the PCB Business</u>	147
<u>Reconciliation of HKFRS to U.S. GAAP</u>	154
<u>Liquidity and Capital Resources</u>	154
<u>Related Party Transactions</u>	161
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	162
<u>PLAN OF DISTRIBUTION</u>	165
<u>DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS</u>	165
<u>EXPERTS</u>	166
<u>LEGAL MATTERS</u>	166
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	166
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	167
<u>OTHER MATTERS</u>	167
<u>INDEX TO FINANCIAL STATEMENTS OF THE PRINTED CIRCUIT BOARD BUSINESS OF</u>	
<u>MEADVILLE HOLDINGS LIMITED</u>	F-1
<u>Annex A Stock Purchase Agreement</u>	A-1
<u>Annex B Shareholders Agreement</u>	B-1
<u>Annex C Opinion of UBS</u>	C-1
<u>EX-23.1</u>	
<u>EX-23.2</u>	



**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING**

**What is the proposed transaction to which this proxy statement/prospectus relates?**

This proxy statement/prospectus relates to the issuance by our company of 36,334,000 shares of our common stock in the proposed acquisition by us of the PCB Subsidiaries, as contemplated by the Stock Purchase Agreement, dated November 16, 2009, between us, TTM Technologies International, Inc., TTM Hong Kong Limited, Meadville Holdings Limited, and MTG Investment (BVI) Limited, which we refer to as the stock purchase agreement. The PCB Combination is being effected through TTM Hong Kong Limited's purchase of all of the shares of capital stock of the PCB Subsidiaries owned by MTG Investment (BVI) Limited, a wholly owned subsidiary of Meadville. Completion of the PCB Combination requires the approval by holders of our common stock of the issuance of 36,334,000 shares of our common stock.

Our stockholders are not being requested and are not entitled under applicable Delaware law or our Certificate of Incorporation to vote to approve the PCB Combination itself or any of the other transactions contemplated by the stock purchase agreement.

**When and where will the special meeting be held and what business will occur at the meeting?**

The special meeting will be held at 10:00 a.m., Pacific time, on March 12, 2010, at our corporate offices located at 2630 South Harbor Boulevard, Santa Ana, California 92704. At the special meeting, holders of our common stock will be asked to consider and vote upon the issuance of 36,334,000 shares of our common stock in connection with the PCB Combination. You do not need to be present at the special meeting to have your vote counted. By utilizing any one of the various voting procedures described in this proxy statement/prospectus prior to the date of the special meeting, your vote will be counted and included in the final results.

**How does TTM's board of directors recommend that holders of its common stock vote with respect to the proposal?**

Our board of directors recommends a vote for approval of the issuance of 36,334,000 shares of our common stock in connection with the PCB Combination.

**Why is it important for holders of TTM's common stock to vote?**

We cannot complete the PCB Combination unless the issuance of 36,334,000 shares of our common stock is approved by the affirmative vote of not less than a majority (greater than 50%) of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon.

**Why are holders of TTM's common stock being asked to approve the issuance of shares of its common stock?**

We will issue 36,334,000 shares of our common stock, or up to approximately 46% of our common stock outstanding after completion of the PCB Combination, to Meadville in connection with the PCB Combination. Meadville will subsequently distribute the shares of our common stock that it receives in the PCB Combination to Meadville's shareholders by way of a special dividend or, to the extent a Meadville shareholder so elects, Meadville will sell the shares of our common stock that such Meadville shareholder would have been entitled to receive and remit the net cash proceeds of sale thereof to such electing Meadville shareholder. The rules of the Nasdaq Stock Market, where our



shares of common stock are listed for trading, require the approval of holders of our common stock prior to the issuance of additional shares of our common stock in connection with the acquisition of the stock or assets of another company if:

the common stock will have voting power equal to or in excess of 20% of the voting power outstanding before the issuance of such stock; or

the number of shares of common stock issued will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of such stock.

Therefore, your approval is required for the issuance of shares of our common stock in connection with the PCB Combination.

We and Meadville, among other parties, executed the stock purchase agreement on November 16, 2009. Our stockholders are not being asked to vote on the proposed PCB Combination itself, but instead solely on whether we may issue 36,334,000 shares of our common stock in connection with the PCB Combination. If the requisite number of our shares are not voted

**Table of Contents**

in favor of the issuance, we will be unable to effect the PCB Combination under the terms set forth in the stock purchase agreement.

**Who may vote at the special meeting?**

Only holders of record of our common stock listed on our books at the close of business on February 1, 2010, which we refer to as the Record Date, will be entitled to notice of, and to vote at, the special meeting. As of the Record Date, there were outstanding 43,186,855 shares of our common stock.

**Are there different voting procedures depending on how I hold my TTM common stock?**

Many holders of our common stock hold their shares through a stockbroker, bank, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares of our common stock held of record and those owned beneficially.

*Holder of Record*

If your shares of our common stock are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered, with respect to those shares of our common stock, the holder of record, and these proxy materials are being sent directly to you by us. As the holder of record, you have the right to grant your voting proxy directly to our company or to vote in person at the special meeting. We have enclosed a proxy card for you to use.

*Beneficial Owner*

If your shares of our common stock are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of securities held in street name, and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those securities, the holder of record. As the beneficial owner, you have the right to direct your broker or nominee on how to vote and you are also invited to attend the special meeting. Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee regarding how to vote your securities. The voting instruction card provides various alternative voting methods, such as via the Internet, by telephone, or by mail.

**How many votes may a holder of TTM s common stock cast?**

Each share of our common stock has one vote. The enclosed proxy card shows the number of shares of our common stock that you are entitled to vote.

**How can I vote my TTM common stock in person at the special meeting?**

Shares of our common stock held directly in your name as the holder of record may be voted in person at the special meeting. If you choose to do so, please bring the enclosed proxy card and proof of identification. Even if you plan to attend the special meeting, we recommend that you also submit your proxy as described below so that your vote will be counted if you later decide not to attend the special meeting. Securities held in street name may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the securities in person.

**How can I vote my TTM common stock without attending the special meeting?**

Whether you hold securities directly as the holder of record or beneficially in street name, you may direct your vote without attending the special meeting. You may vote your directly held securities by granting a proxy or, for securities held in street name, by submitting voting instructions to your broker, bank, or nominee following the instructions on the form included with this proxy statement/prospectus by the deadline indicated on that form.

**How do I vote?**

If you are the stockholder of record (that is, the shares are held in your name), you may vote your proxy in one of three convenient ways:

*By the Internet*

Go to [www.voteproxy.com](http://www.voteproxy.com) and follow the instructions. You will need the control number that appears on your proxy card included in this proxy statement/prospectus. This method of voting will be available until 8:59 p.m., Pacific time, on March 11, 2010.

*By telephone*

On a touch-tone telephone, call toll-free (800) 776-9437 and follow the instructions. You will need the control number that appears in the box on the front of your proxy card included in this proxy

**Table of Contents**

statement/prospectus. This method of voting will be available until 8:59 p.m., Pacific time, on March 11, 2010.

*By mail*

If you vote by traditional proxy card, mark your selections on the proxy card, date the card, and sign your name exactly as it appears on the card, then mail it in the postage-paid envelope enclosed with the materials. You should mail the proxy card in plenty of time to allow delivery to our transfer agent prior to the meeting.

If you are a stockholder of record and attend the meeting, you may deliver your completed proxy card in person. If you are not the stockholder of record (that is, your shares are held in the name of a bank, broker, or other holder of record, which is often referred to as held in street name ) then you will receive instructions from the holder of record that you must follow to ensure that your shares are voted as you wish. You will not be able to vote those shares at the meeting unless you have received, in advance, a proxy card from the record holder (that is, the bank, broker, or other holder of record).

If you complete and properly sign and timely return a proxy card to us or complete your proxy by telephone or online, your shares will be voted as you direct.

**What vote is required to take action at the special meeting?**

In order to conduct business at the special meeting, a quorum must be present. The presence of the holders of not less than a majority (greater than 50%) of the votes entitled to be cast by holders of our common stock constitutes a quorum. We will treat our common stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the special meeting for the purposes of determining the existence of a quorum. If a quorum is not present, it is expected that the special meeting will be adjourned or postponed to solicit additional proxies.

Assuming a quorum is present, approval of the issuance of shares of our common stock in connection with the PCB Combination requires the affirmative vote of holders of shares representing not less than a majority (greater than 50%) of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon.

**What does it mean if I receive more than one proxy card or voting instruction card?**

It means that your securities are registered differently or are in more than one account. Please complete and return all proxy cards and voting instruction cards you receive.

**May I change my vote after I have given it?**

You may change your proxy instructions and your vote at any time prior to the vote at the special meeting. For shares held directly in your name, you may accomplish this by granting a new proxy bearing a later date, which automatically revokes the earlier proxy, and delivering such new proxy to our Secretary either by mail or by calling the phone number, or accessing the Internet address, listed on the proxy card or by attending the special meeting and voting in person. Attendance at the special meeting will not cause your previously granted proxy to be revoked unless you specifically request to do so. For securities held beneficially by you, you may accomplish this by submitting new voting instructions to your broker, bank, or nominee by the deadline indicated in the instructions sent to you by your broker, bank, or nominee.

**Who bears the cost of soliciting proxies?**

We will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone, or by electronic communication by our directors, officers, and employees, who will not receive any additional compensation for such solicitation activities. We have retained the services of The Altman Group to aid in the solicitation of proxies from banks, brokers, nominees, and intermediaries. We will pay The Altman Group a fee of \$6,500 for its services, plus we will reimburse The Altman Group for various out-of-pocket and other expenses. We may also, upon request, reimburse brokerage firms and other persons representing beneficial owners of our common stock for their expenses in forwarding solicitation materials to such beneficial owners.

**How are votes counted?**

For the proposal, you may vote for, against, or abstain. If you abstain, it has the same effect as a vote against the proposal. If you sign your proxy card or broker voting instruction card with no further instructions, your shares of our common stock will be voted in accordance with the recommendations of the

**Table of Contents**

board of directors described in this proxy statement/prospectus because you will have conferred on the persons named as proxy holders discretionary authority to do so by the act of returning your proxy card or broker voting instruction card. Unless you give other instructions on your proxy card included with this proxy statement/prospectus, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our board of directors. With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by our board of directors or, if no recommendation is given, in their own discretion.

**If my securities are held in street name by my broker, will my broker vote my TTM common stock for me?**

Included with this proxy statement/prospectus you should have received from your broker a voting instruction card with instructions on how to vote your securities and how to provide instructions to your broker on how you want your securities voted. If you have any questions regarding the procedures necessary for your broker to vote your securities, you should contact your broker directly. Please instruct your broker as to how you would like him or her to vote your securities following the procedures on the instruction card.

**What are broker non-votes ?**

Broker non-votes are securities held by banks, brokers, or nominees for which, with respect to any item to be voted upon, voting instructions have not been received from the beneficial owners or the persons entitled to vote those securities and with respect to which the bank, broker, or nominee does not have discretionary voting power under rules applicable to broker-dealers. Broker non-votes, if any, will have no effect on the vote on the proposal to issue our shares of common stock, assuming that there is a quorum.

**What do holders of TTM common stock need to do now?**

After carefully reading and considering the information contained in this proxy statement/prospectus, you should either complete, sign, and date your proxy card and voting instructions and return them in the enclosed postage-paid envelope, vote by phone or by the Internet as provided for on the voting instruction card included in this package, or vote in person at the special meeting. You can simplify your voting and

save us the expense of mailing and processing paper copies by either voting via the Internet or calling the toll-free number listed on the proxy card. Please vote your securities as soon as possible so that your securities will be represented at the special meeting.

**Where can I find the voting results of the special meeting?**

We may be able to announce preliminary voting results at the special meeting and we intend to issue a press release with the final results after the special meeting is completed. In addition, we intend to publish the final voting results in a report on Form 8-K that we will file with the SEC.

**What will happen if the proposal is not approved?**

If the proposal to issue 36,334,000 shares of our common stock in connection with the PCB Combination is not approved, the PCB Combination cannot proceed.

**Are there risks associated with the PCB Combination of which holders of TTM common stock should be aware?**

Yes. There are risks to us and Meadville, and the combined company may not achieve the expected financial and operating benefits because of, among other reasons, the risks and uncertainties discussed in the section entitled Risk Factors. In deciding whether to approve the issuance of shares of our common stock, we urge you to carefully read and consider the risk factors contained in the section entitled Risk Factors.

**Do TTM's stockholders have appraisal rights in connection with the PCB Combination?**

Under Delaware law and our Certificate of Incorporation, holders of our common stock are not entitled to any rights to seek appraisal of their securities or to exercise any preemptive rights in connection with the proposal to issue 36,334,000 shares of our common stock in connection with the PCB Combination.

**Who should I contact if I have questions about the special meeting?**

If you have questions about the special meeting, please contact The Altman Group by telephone at (866) 521-4428 (toll-free) or via email at [ttmiproxyinfo@altmangroup.com](mailto:ttmiproxyinfo@altmangroup.com).

**Table of Contents**

**SUMMARY**

*This section highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To better understand the proposed transaction, you should read this entire proxy statement/prospectus carefully, as well as those additional documents to which we refer you. You may obtain more information by following the instructions in the section entitled *Where You Can Find More Information*. We have included page references for certain items to direct you to more complete descriptions of the topics presented in this summary.*

*Unless otherwise indicated or unless the context requires otherwise, all references in this document to *TTM*, our company, we, us, our, and similar names refer to TTM Technologies, Inc. and its subsidiaries; all references in this document to *Meadville* refer to Meadville Holdings Limited; all references in this document to the *PCB Subsidiaries* refer to MTG Management (BVI) Limited, MTG PCB (BVI) Limited, MTG PCB No. 2 (BVI) Limited, MTG Flex (BVI) Limited, and their respective subsidiaries engaged in the printed circuit board business; all references in this document to the *stock purchase agreement* refer to the Stock Purchase Agreement, dated as of November 16, 2009, among TTM Technologies, Inc., TTM Technologies International, Inc., TTM Hong Kong Limited, Meadville Holdings Limited, and MTG Investment (BVI) Limited, a copy of which is attached as Annex A to this proxy statement/prospectus; the term *PCB Business* refers to Meadville's business operations that have historically conducted PCB operations; and all references to the *PCB Combination* refer to the transactions contemplated by the stock purchase agreement and the agreements ancillary to the stock purchase agreement.*

All references to HK\$ are to Hong Kong Dollars, and all other references to \$ are to U.S. Dollars unless otherwise noted.

**TTM Technologies, Inc.**

We are a one-stop provider of time-critical and technologically complex PCBs and backplane assemblies, which serve as the foundation of sophisticated electronic products. We serve high-end commercial and aerospace/defense markets including the networking/communications infrastructure, high-end computing, defense, and industrial/medical markets which are characterized by high levels of complexity and moderate production volumes. Our customers include both original equipment manufacturers (OEMs), electronic manufacturing services (EMS) providers, and aerospace/defense companies. Our time-to-market and high technology focused manufacturing services enable our customers to reduce the time required to develop new products and bring them to market. In 2006, we completed the acquisition of the Tyco Printed Circuit Group business (PCG) from Tyco International Ltd. for a total purchase price of \$226.8 million, excluding acquisition costs. We acquired six PCB fabrication facilities and three backplane assembly facilities, and during the second quarter of 2007 we ceased production in one PCB fabrication facility in Dallas, Oregon. As of December 31, 2009, we operated a total of nine facilities, eight of which are located in the United States and one of which is located in Shanghai, China. In the second quarter of 2009 we ceased operations at our Redmond, Washington facility. In addition, in September 2009 we announced that we would cease operations at our Hayward, California and Los Angeles, California facilities. We ceased operations at the Los Angeles, California facility in the fourth quarter of 2009 and expect to cease operations at the Hayward, California facility in the first quarter of 2010.

For the nine months ended September 28, 2009, based on financial statements prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, we generated \$432.5 million in net sales and \$2.5 million in net income.



Our common stock is listed on the NASDAQ Global Select Market under the symbol TTMI. We were originally incorporated in Washington in 1978 and reincorporated in Delaware in 2005. We maintain our executive offices at 2630 South Harbor Boulevard, Santa Ana, California 92704, and our main telephone number at that location is (714) 327-3000. We also maintain a website on the Internet at [www.ttmtech.com](http://www.ttmtech.com). The information contained on our website does not constitute part of this proxy statement/prospectus.

**Table of Contents**

**Recent Events Relating to TTM Technologies, Inc.**

On February 4, 2010 we issued a press release relating to our operating results for the fourth quarter of 2009 and for the full year ended December 31, 2009. Our fourth quarter 2009 net sales were \$149.9 million. This represented an increase of \$10.8 million, or 7.8 percent, from third quarter 2009 net sales of \$139.1 million. Our fourth quarter 2009 gross margin of 18.5 percent improved from third quarter 2009 gross margin of 17.4 percent. Our fourth quarter 2009 operating income of \$7.3 million was an improvement over a third quarter 2009 operating loss of \$5.4 million. We recorded \$17.1 million and \$6.1 million in charges related to previously announced plant closures and the PCB Combination in the third and fourth quarters of 2009, respectively. Net income for the fourth quarter of 2009 was \$2.8 million, or \$0.06 per diluted share, compared to a net loss in the third quarter of 2009 of \$4.9 million, or \$0.11 per basic share.

Net sales of \$582.5 million for the full year 2009 decreased \$98.5 million, or 14.5 percent, from full year 2008 net sales of \$681.0 million. The decrease in sales was primarily due to the weak economy and our restructuring efforts. For 2009, we recorded net income of \$5.2 million, or \$0.12 per diluted share, compared to a net loss of \$36.9 million, or \$0.86 per basic share, in 2008.

Our cash and cash equivalents, restricted cash, and short-term investments at the end of the fourth quarter of 2009 totaled \$215.7 million, an increase of \$15.0 million from \$200.7 million at the end of the third quarter of 2009.

**Information Regarding Meadville and the PCB Subsidiaries (Page 113)**

MTG is the owner of all of the outstanding capital stock of each of MTG Management (BVI) Limited, MTG PCB (BVI) Limited, MTG PCB No. 2 (BVI) Limited, and MTG Flex (BVI) Limited, and each of these entities is the owner of all or a substantial part of the equity interests of numerous subsidiaries engaged in PCB operations. Meadville is one of the leading PCB manufacturers in the PRC by revenue, with a focus on producing high-end products. For the year ended December 31, 2008, Meadville was the third largest PCB manufacturer in the PRC by revenue derived from production in the PRC. Meadville's products include double-sided and multi-layer PCBs, high density interconnect PCBs, or HDI PCBs, rigid-flex PCBs, integrated circuit substrates, which we refer to as IC substrates, circuit design, and quick turnaround (QTA) value-added services. In addition to having the ability to mass produce a wide range of PCB products, Meadville is able to provide a one-stop shop service to its customers, from PCB layout design to small volume quick-turn production of PCBs, including prototypes, to large volume mass production of PCBs.

Meadville's main customers are multinational and PRC OEMs, EMS providers, and PCB traders, many of which are based in the PRC, Japan, South Korea, North America, and Europe. These customers use Meadville's products for a variety of industry applications, including in communications equipment, computers and computer peripherals, cellular phones, high-end consumer electronics, automotive components, and medical and industrial equipment.

Meadville is headquartered in Hong Kong and currently operates a total of seven PCB plants and one drilling and routing plant in the PRC and in Hong Kong. Meadville's registered and principal executive office is located at No. 4 Dai Shun Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, and its main telephone number at that location is +852-2660-3100. Meadville also maintains a website on the Internet at [www.meadvillegroup.com](http://www.meadvillegroup.com). The information contained on Meadville's website does not constitute part of this proxy statement/prospectus.

In addition to its PCB operations, Meadville manufactures laminate and pre-impregnated composite fibers, or prepregs, which are raw materials used in the production of PCBs. However, the PCB Subsidiaries to be acquired

pursuant to the stock purchase agreement do not engage in laminate or prepreg operations. On or about the date of the closing of the PCB Combination, Meadville intends to sell its laminate and prepreg operations to an affiliate of one of Meadville's principal shareholders.

**The PCB Combination (Page 54)**

On November 16, 2009, we, together with our subsidiaries TTM Technologies International, Inc., or TTM International, and TTM Hong Kong Limited, or TTM Hong Kong, entered into the stock purchase agreement with Meadville and MTG, pursuant to which we agreed to acquire from MTG the issued and outstanding shares of capital

**Table of Contents**

stock of the PCB Subsidiaries owned by MTG. Following the closing of the proposed PCB Combination, the PCB Subsidiaries will become subsidiaries of TTM Hong Kong.

Under the terms of the stock purchase agreement, TTM Hong Kong will purchase from MTG all of the shares of capital stock of the PCB Subsidiaries owned by MTG in exchange for \$114,034,328 in cash and the issuance to Meadville, as MTG's designee, of 36,334,000 shares of our common stock, plus our assumption of the indebtedness of the PCB Subsidiaries. The stock purchase agreement does not provide for an adjustment in the number of shares of our common stock to be issued to Meadville in the PCB Combination in the event of a fluctuation in the trading price of our common stock or Meadville's shares through the closing date of the PCB Combination. Following the PCB Combination, and subject to the fulfillment of certain conditions, Meadville intends to authorize and make a special dividend of the cash proceeds and our shares received in the PCB Combination to its shareholders or, to the extent a Meadville shareholder so elects, such TTM shares that such electing Meadville shareholder would otherwise have been entitled to receive shall be sold by Meadville and the net cash proceeds of sale thereof remitted to the electing Meadville shareholder. Approximately 46% of the shares of our common stock outstanding after completion of the PCB Combination (after taking into account the 36,334,000 shares of our common stock to be issued in the PCB Combination and based on the number of our shares outstanding on November 16, 2009, the date we executed the stock purchase agreement) will be held by Meadville or its shareholders (or their transferees) who receive our common stock from Meadville in Meadville's special dividend of those shares.

**Why You Are Receiving this Proxy Statement/Prospectus (Page 51)**

***Holder of TTM Common Stock***

In order to complete the PCB Combination, at the special meeting of our stockholders to be held on March 12, 2010, holders of our common stock must approve the issuance of 36,334,000 shares of our common stock to Meadville as partial consideration for the acquisition of the PCB Subsidiaries.

***Meadville Shareholders***

We are delivering this proxy statement/prospectus to Meadville's shareholders as a prospectus of TTM. It is a prospectus because we will issue to Meadville shares of our common stock in connection with the PCB Combination, and Meadville's shareholders (who do not elect to have Meadville sell such TTM shares on their behalf pursuant to a dealing facility described in this proxy statement/prospectus and in the Circular Meadville will provide to its shareholders) will ultimately receive the shares of our common stock by way of a special dividend from Meadville.

**Recommendation of TTM's Board of Directors (Page 64)**

Based on the reasons for the PCB Combination described in this proxy statement/prospectus, our board of directors has unanimously recommended that holders of our common stock vote for the issuance of 36,334,000 shares of our common stock in connection with the PCB Combination.

**What Meadville Shareholders will Receive in the PCB Combination (Page 66)**

The stock purchase agreement provides for the payment by us to Meadville at the closing of the transaction of cash consideration of \$114,034,328 and the issuance to Meadville of 36,334,000 shares of our common stock, as well as our assumption of the indebtedness of the PCB Subsidiaries. The shares of our common stock to be issued in the PCB Combination had an aggregate value of approximately \$407.3 million based on the closing price of \$11.21 per share of our common stock on the NASDAQ Global Select Market on November 13, 2009, the last full trading day of our common stock immediately prior to the date of announcement of execution of the stock purchase agreement. Shortly

after the PCB Combination, Meadville will distribute to its shareholders by way of a special dividend the cash and shares of our common stock to be issued by us to Meadville in the PCB Combination or, to the extent a Meadville shareholder so elects, such TTM shares that such electing Meadville shareholder would otherwise have been entitled to receive shall be sold by Meadville and the net cash proceeds of sale thereof remitted to the electing Meadville shareholder. Meadville has informed us that fractional shares of our common stock will

**Table of Contents**

not be distributed to Meadville's shareholders in the special dividend to be made by Meadville; instead, such fractional shares will be rounded down to the nearest whole number of shares of our common stock.

**Principal Agreements (Page 73)**

***Stock Purchase Agreement***

The stock purchase agreement, which was executed on November 16, 2009, sets forth the terms and conditions of the PCB Combination. Under the terms of the stock purchase agreement, TTM Hong Kong will purchase all of the shares of capital stock of the PCB Subsidiaries owned by MTG in exchange for \$114,034,328 in cash and 36,334,000 shares of our common stock, plus our assumption of the indebtedness of the PCB Subsidiaries. The stock purchase agreement does not provide for an adjustment in the number of shares of our common stock to be issued to Meadville in the PCB Combination in the event of a fluctuation in the market value of our common stock or Meadville's shares through the closing date. The stock purchase agreement contains numerous representations, warranties, and covenants of the parties pertaining to the PCB Combination. The representations and warranties made by the parties to the stock purchase agreement will not survive the closing of the PCB Combination. Completion of the PCB Combination is subject to the approval of our stockholders of the issuance of our common stock at a special meeting of our stockholders and the approval of Meadville's shareholders at a separate meeting of its shareholders, as well as numerous other conditions to the closing set forth in the stock purchase agreement.

***Shareholders Agreement***

Under the terms of the stock purchase agreement and as a condition to consummating the proposed PCB Combination, we and Tang Hsiang Chien, who we refer to as Mr. Tang, as the principal shareholder of Meadville, and any affiliate of Mr. Tang who, from time to time, holds shares of our common stock, including on the closing date of the PCB Combination Su Sih (BVI) Limited (we collectively refer to Mr. Tang and Su Sih (BVI) Limited as the Principal Shareholders), together with two of Mr. Tang's adult children and their respective affiliates who hold shares of our common stock from time to time (who we collectively refer to as the Tang Siblings), will enter into a shareholders agreement at the closing of the PCB Combination. The form of shareholders agreement we have committed to executing upon closing of the PCB Combination is included as Annex B to this proxy statement/prospectus.

The shareholders agreement will provide that the Principal Shareholders and Tang Siblings will not, without the approval of our board of directors, during the term of the shareholders agreement, increase their aggregate percentage beneficial ownership of our common stock above a predefined percentage of our then outstanding common stock, subject to certain exceptions, or acquire beneficial ownership of any of our capital stock other than common stock, subject to certain exceptions. The shareholders agreement also imposes restrictions on the Principal Shareholders and Tang Siblings' voting of our stock owned by them or taking certain actions in their role as stockholders of our company. In certain circumstances, the Principal Shareholders and Tang Siblings will be required to bifurcate their voting with respect to our common stock owned by them on certain matters, such that a portion of the shares they own will be voted in proportion to the vote cast by our non-affiliate stockholders.

Under the shareholders agreement, the Principal Shareholders and Tang Siblings will be entitled to jointly designate one individual for nomination for election as a director of our company, so long as the Principal Shareholders' and Tang Siblings' ownership levels of our common stock exceed certain predefined percentage thresholds of our issued and outstanding common stock. With respect to each of the PCB Subsidiaries, for the period set forth in the shareholders agreement the Principal Shareholders and Tang Siblings will be entitled to nominate directors comprising a majority of the board of each of such companies. Our board of directors will have veto rights over various major actions of the PCB Subsidiaries.

The shareholders agreement will include certain restrictions on the transfer of our shares distributed to the Principal Shareholders and Tang Siblings in the PCB Combination, including, among other restrictions, a lock-up transfer restriction during the 18-month period following the closing of the PCB Combination.

The shareholders agreement will further impose certain non-solicitation and non-competition obligations on the Principal Shareholders and Tang Siblings.

**Table of Contents**

***Registration Rights Agreements***

The stock purchase agreement requires us to execute an agreement pursuant to which the Principal Shareholders will have the right to require us to use reasonable efforts to file certain registration statements under the Securities Act of 1933, as amended, or the Securities Act, to effect the registration under the Securities Act of the resale of shares of our common stock received by the Principal Shareholders in connection with the PCB Combination. We refer to this agreement as the registration rights agreement in this proxy statement/prospectus.

Shortly after the closing date, we will also be required to file a registration statement to register all shares of our common stock to be sold in connection with a proposed dealing facility to be established by Meadville, under which the shareholders of Meadville may elect to receive cash proceeds from Meadville's resale of the shares of our common stock that they would otherwise have been entitled to receive in Meadville's special dividend in lieu of receiving such shares of our common stock in the special dividend. We refer to this agreement as the sell-down registration rights agreement in this proxy statement/prospectus.

***Credit Agreement***

Various PCB Subsidiaries have entered into a credit facility, which we refer to as the credit agreement, with several banks pursuant to which the banks, subject to the satisfaction of certain conditions to drawdown, will provide credit facilities in the total amount of approximately \$582.5 million to certain of the PCB Subsidiaries. The credit agreement will be used for refinancing certain existing facilities due to the change of control of the PCB Subsidiaries resulting from the PCB Combination and as working capital for the PCB Subsidiaries.

**Approval by Holders of TTM Common Stock (Page 51)**

Approval of the issuance of shares of our common stock in connection with the PCB Combination requires the affirmative vote of holders of shares representing not less than a majority (greater than 50%) of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon, provided that a quorum consisting of the holders of not less than a majority (greater than 50%) of the votes entitled to be cast by our stockholders is present at the special meeting in person or by proxy.

At the close of business on the Record Date, directors and executive officers of our company beneficially owned and were entitled to vote approximately 3.1% of the 43,186,855 shares of our common stock outstanding on that date. Directors and executive officers of Meadville and their affiliates did not beneficially own any of our shares of common stock outstanding on that date.

**Opinion of TTM's Financial Advisor (Page 58)**

At a meeting of our board of directors on November 15, 2009, UBS Securities LLC, which we refer to as UBS, rendered its oral opinion to our board of directors that, as of that date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be paid by us to Meadville in the PCB Combination was fair, from a financial point of view, to us. UBS confirmed its oral opinion by delivering to our board of directors a written opinion dated November 15, 2009. The full text of the written opinion of UBS is attached to this proxy statement/prospectus as Annex C and is incorporated in this proxy statement/prospectus by reference. The discussion under the section entitled "The PCB Combination - Opinion of TTM's Financial Advisor," together with UBS' written opinion, set forth, among other things, the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by UBS in connection with its opinion. Holders of our common stock should read this opinion and the aforementioned section carefully and in its entirety. The UBS opinion is directed to our board of directors and addresses only the fairness, from a financial point of view, of the consideration to be offered by



us in the PCB Combination. The UBS opinion does not address the underlying decision by us to enter into the PCB Combination transaction and is not a recommendation as to how any holder of our common stock should vote with respect to the PCB Combination or any other matter.

**Risk Factors (Page 19)**

In deciding how to vote your shares of common stock (if you are a TTM stockholder) on the matters described in this proxy statement/prospectus, you should carefully consider the risks related to the PCB Combination, the

**Table of Contents**

combined company, and the combined company's international operations and related exposures. The PCB Combination may not achieve the expected benefits because of, among other things, the risks and uncertainties discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information." Such risks include, among other things, risks relating to the uncertainty that we and the PCB Subsidiaries will be able to integrate our businesses successfully, uncertainties as to whether the PCB Combination will achieve expected synergies, and uncertainties relating to the performance of the combined company following the PCB Combination.

**Conditions to the PCB Combination (Page 65)**

We and Meadville expect to complete the PCB Combination after all of the conditions to the PCB Combination in the stock purchase agreement are satisfied or waived, including after the receipt of approval of our stockholders of the issuance of our common stock at our special meeting of stockholders and of the approval of Meadville's shareholders at the special meeting of its shareholders, and the receipt of all required regulatory approvals. We and Meadville currently expect to complete the PCB Combination during the first quarter of 2010. However, it is possible that factors outside of either our or Meadville's control could cause the PCB Combination to be completed at a later time or not at all.

Each party's obligation to complete the PCB Combination is subject to the satisfaction or waiver (to the extent waiver is permitted under the stock purchase agreement) of various conditions, including conditions relating to the following matters:

antitrust and other regulatory approvals;

completion of a review or investigation by the Committee on Foreign Investment in the United States, or CFIUS (which occurred on February 2, 2010);

effectiveness of our registration statement relating to the shares of our common stock issuable in the PCB Combination;

receipt of requisite approvals by our stockholders and Meadville's shareholders;

the absence of any suit, action, or proceeding by any government entity seeking to restrain or prohibit the consummation of the PCB Combination, and the absence of laws enjoining certain aspects of the PCB Combination;

Meadville's separate sale of its laminate business;

execution and effectiveness of the credit agreement for the PCB Subsidiaries;

execution of two separate registration rights agreements;

the absence of certain change of control arrangements relating to Meadville, MTG, or us;

the accuracy of representations and warranties made by the parties in the stock purchase agreement;

compliance with various obligations under the stock purchase agreement;

the absence of certain material adverse events affecting the parties to the stock purchase agreement;

the execution and effectiveness of all agreements ancillary to the stock purchase agreement; and

the receipt by us and Meadville from each other of certificates representing that certain conditions to the PCB Combination have been satisfied or waived.

**Termination of the Stock Purchase Agreement (Page 83)**

The stock purchase agreement may be terminated at any time prior to closing of the PCB Combination by written agreement between Meadville and us, or by written notice from either Meadville or us upon the occurrence of any of the following:

if the conditions to the transaction have not been satisfied or waived on or before May 31, 2010 and the party requesting the termination has not willfully breached a covenant in the stock purchase agreement, provided

**Table of Contents**

that either party may extend the termination date to June 30, 2010 if certain of the conditions have not been satisfied or waived before May 31, 2010;

if any law has been enacted or enforced in a manner to prohibit the completion of the transaction, provided that such party has used its reasonable efforts to remove or have vacated such law;

with respect to each party, if the other party shall have failed to comply with any obligation or covenant in the stock purchase agreement or breached any representation or warranty, such breach or failure prevents completion of the transaction, and such breach or failure to comply is not capable of being remedied or, if capable of being remedied, is not remedied by the earlier of the date which is 30 days following the date of delivery of a written notice of such breach to the other party or the date of termination of the stock purchase agreement;

if an event having a material adverse effect as to a party has occurred and is not capable of being remedied or, if capable of being remedied, is not remedied by the earlier of the date which is 30 days following the date of delivery of a written notice of such breach to the other party or the date of termination of the stock purchase agreement; and

if the requisite approvals from the stockholders of our company and the shareholders of Meadville in respect of the PCB Combination have not been obtained.

**Termination Fees and Expenses (Page 83)**

Neither we nor Meadville are required to pay a termination fee to the other in the event the PCB Combination is not ultimately effected. Whether or not the PCB Combination is completed, all fees and expenses incurred in connection with the negotiation and execution of the stock purchase agreement, the PCB Combination, or the transactions related thereto will be paid by the party incurring such fees and expenses, except that all costs and expenses of Meadville and MTG will be borne by Meadville and MTG for an amount up to HK\$40 million (approximately US\$5.2 million using an exchange rate of HK\$7.7502 to US\$1.00, the exchange rate on November 13, 2009, the last full trading day for our shares prior to the announcement of the PCB Combination), with the remaining amount of such costs and expenses, if any, to be borne by the PCB Subsidiaries.

**Interests of Certain Persons in the PCB Combination (Page 70)**

Certain directors, executive officers, and significant shareholders of Meadville have interests in the PCB Combination that may be in addition to or different from those of other Meadville shareholders as described in more detail in this proxy statement/prospectus. These interests relate to equity securities held by such persons, indemnification of the Principal Shareholders and Tang Siblings joint director nominee and officers by us following the PCB Combination, the relationship of the Principal Shareholders director nominee with us, and certain transactions between the PCB Subsidiaries and affiliates of the Principal Shareholders.

**Dealing Facility for Meadville Shareholders (Page 71)**

In connection with the PCB Combination, holders of Meadville shares will be given an option to either receive shares of our common stock in the special dividend to be made by Meadville to its shareholders or, in lieu of receiving shares of our common stock, Meadville shareholders may instruct Meadville to sell the shares of our common stock that they would otherwise have been entitled to receive through a dealing facility established by Meadville and to have the net cash proceeds from the sale remitted to them. Meadville will prepare and deliver to Meadville's shareholders an election form with the Circular provided by Meadville to its shareholders to allow such holders to make the election.

**Material U.S. Federal Income Tax Consequences to TTM Stockholders (Page 67)**

The issuance of shares of our common stock in connection with the PCB Combination will not be a taxable transaction to our stockholders for U.S. federal income tax purposes.

**Anticipated Accounting Treatment of the PCB Combination (Page 69)**

Our acquisition of the PCB Subsidiaries in the PCB Combination will be accounted for under the purchase method of accounting in accordance with U.S. GAAP. From the date of completion of the PCB Combination, our

**Table of Contents**

results of operations will include the PCB Subsidiaries' operating results and the PCB Subsidiaries' assets and liabilities, including identifiable intangible assets, and noncontrolling interest, at fair value with the excess purchase price allocated to goodwill.

**Regulatory Matters (Page 67)**

The PCB Combination is subject to the expiration or termination of the waiting period under the United States antitrust laws and the receipt of any consents or approvals required under applicable foreign competition laws. Further, effectiveness of the PCB Combination is conditioned upon either of the following: (i) CFIUS shall have provided notice to the effect that review or investigation of the purchase and the other transactions contemplated by the stock purchase agreement and the ancillary agreements has concluded, and that a determination has been made that there are no issues of national security of the United States sufficient to warrant further investigation; or (ii) the President of the United States shall not have taken action to block or prevent the consummation of the purchase and the other transactions contemplated by the stock purchase agreement and the ancillary agreements and the applicable period of time for the President of the United States to take such action shall have expired. On February 2, 2010, CFIUS informed us that there are no unresolved national security concerns for the PCB Combination. The parties are also required to obtain various other regulatory approvals described in this proxy statement/prospectus.

We and Meadville have each agreed to use our reasonable best efforts to take all actions proper or advisable under the stock purchase agreement and applicable laws, rules, and regulations to complete the PCB Combination, as well as take other actions specified in the stock purchase agreement, as promptly as practicable.

**Directors and Management of TTM and the PCB Subsidiaries Following Completion of the PCB Combination (Page 71)**

Following completion of the PCB Combination, our Chief Executive Officer (currently Kenton K. Alder) will continue to serve as the Chief Executive Officer of our company. We and Meadville anticipate that the current management team of the PCB Subsidiaries will continue as the management team for the PCB Subsidiaries following the PCB Combination, subject to the oversight of our board of directors and senior management.

During the effective period of the shareholders agreement to be executed in connection with the PCB Combination, the Principal Shareholders and Tang Siblings will be entitled to jointly nominate one individual to become a member of our board of directors. We will be required to use reasonable efforts to cause the election of the Principal Shareholders' and Tang Siblings' joint nominee at each meeting of stockholders at which the class in which he or she sits comes up for election. The other members of our board of directors will remain the same.

With respect to each of the PCB Subsidiaries, the Principal Shareholders and Tang Siblings will be entitled to nominate directors comprising a majority of the board of each such company.

**Appraisal Rights (Page 70)**

Under Delaware law and our Certificate of Incorporation, holders of our common stock are not entitled to any rights to seek appraisal of their shares or to exercise any dissenter's or preemptive rights in connection with the proposal to issue 36,334,000 shares of our common stock in connection with the PCB Combination.

Under Hong Kong law and Meadville's Memorandum and Articles of Association, Meadville shareholders are not entitled to any rights to seek appraisal of their Meadville shares or to exercise any preemptive rights in connection with the PCB Combination.

**Comparison of Stockholder Rights (Page 92)**

We are incorporated in the state of Delaware, and the rights of our stockholders are governed by the Delaware General Corporation Law and by our Certificate of Incorporation and by our Second Amended and Restated Bylaws, which we refer to as our Bylaws. Meadville is organized under the laws of the Cayman Islands and the rights of Meadville shareholders are currently governed by the Cayman Islands law, rules and regulations of the Stock Exchange of Hong Kong, and Meadville's Memorandum and Articles of Association. After the completion of

**Table of Contents**

the PCB Combination, shareholders of Meadville who receive shares of our common stock in the PCB Combination, following a special dividend of our shares by Meadville to its shareholders, will become stockholders of TTM and will become subject to our Certificate of Incorporation and Bylaws and the applicable provisions of Delaware law.

**SUMMARY SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA**

The following tables present our and the PCB Business summary selected historical consolidated financial data and summary unaudited pro forma condensed combined financial data.

**Summary Selected Consolidated Financial Data of TTM**

The following table sets forth our summary selected historical consolidated financial data, which should be read in conjunction with our consolidated financial statements and the notes thereto and the discussion under Management's Discussion and Analysis of Financial Condition and Results of Operations included as part of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Current Report on Form 8-K filed with the SEC on December 15, 2009, each of which is incorporated by reference into this proxy statement/prospectus. The financial data for each of the five years ended December 31, 2008 has been derived from our audited consolidated financial statements. The financial data as of and for the nine months ended September 28, 2009 and September 29, 2008 has been derived from our unaudited condensed consolidated financial statements included as part of our Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 2009 incorporated by reference into this proxy statement/prospectus. In the opinion of our management, the unaudited information has been prepared on substantially the same basis as our consolidated financial statements incorporated by reference into this proxy statement/prospectus and includes all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the unaudited consolidated data for the nine months ended September 28, 2009 and September 29, 2008. The historical financial and operating information may not be indicative of our future performance.

	2008(1)	Years Ended December 31,			2004	Nine Months Ended	
		2007	2006(2)	2005		Sept. 28, 2009(3)	Sept. 29, 2008
						(Unaudited)	
<b>(In millions, except per share data)</b>							
<b>Consolidated Statement of Operations Data:</b>							
Net sales	\$ 681.0	\$ 669.5	\$ 369.3	\$ 240.2	\$ 240.7	\$ 432.5	\$ 516.1
Operating (loss) income	(49.9)	63.6	55.0	26.4	41.2	11.8	59.0
Net (loss) income	(36.9)	34.7	35.0	30.8	28.3	2.5	32.3
Earnings (loss) per common share:							
Basic	(0.86)	0.82	0.84	0.75	0.69	0.06	0.76
Diluted	(0.86)	0.81	0.83	0.74	0.68	0.06	0.75
Weighted average common shares:							
Basic	42.7	42.2	41.7	41.2	40.8	43.0	42.6
Diluted	42.7	42.6	42.3	41.8	41.9	43.5	43.0

**As of December 31,**



	2008	2007	2006	2005	2004	As of Sept. 28, 2009 (Unaudited)
	(In millions)					
<b>Consolidated Balance Sheet Data:</b>						
Working capital	\$ 280.4	\$ 98.8	\$ 127.4	\$ 111.2	\$ 82.6	319.1
Total assets	540.2	498.8	537.7	273.1	235.8	542.9
Convertible senior notes, net	134.9					138.6
Long-term debt, including current maturities		85.0	200.7			
Stockholders' equity	330.0	328.6	287.3	244.0	211.6	336.8

- (1) We recorded an impairment of goodwill and long-lived assets in 2008 as a result of our annual goodwill impairment test and the write-down of certain long-lived assets associated with specific plant facilities and assets held for sale.

**Table of Contents**

- (2) Our results for the year ended December 31, 2006 include 65 days of activity of PCG, which we acquired on October 27, 2006.
- (3) We recorded impairment of long-lived assets and restructuring charges related to the closure of our Redmond, Washington, and Los Angeles and Hayward, California facilities.

**Summary Selected Combined Financial Data of the PCB Business of Meadville**

The following tables set forth summary selected historical condensed combined financial data of Meadville's PCB business, which we refer to as the PCB Business, which should be read in conjunction with the combined financial statements of the PCB Business and the notes thereto and the discussion under Management's Discussion and Analysis of Financial Condition and Results of Operations of the PCB Business of Meadville included in this proxy statement/prospectus.

The selected balance sheet data as of December 31, 2006, 2007, and 2008 and as of September 30, 2009 and the selected income statement data for each of the years in the three-year period ended December 31, 2008 and for the nine months ended September 30, 2009 has been derived from the audited combined financial statements and related notes included in this proxy statement/prospectus, which are prepared on a carve-out basis. The selected income statement data for the nine months ended September 30, 2008 has been derived from unaudited combined financial statements and related notes included therein, which are prepared on a carve-out basis.

The selected balance sheet data as of September 30, 2009 and operating data for the nine months ended September 30, 2008 and 2009 include, in the opinion of Meadville's management, all adjustments considered necessary for a fair statement of such data. The results of operations for the nine months ended September 30, 2008 and 2009 are not necessarily indicative of results that may be expected for the entire year, nor is the information below necessarily indicative of the PCB Subsidiaries' or Meadville's future performance.

The PCB Business' combined financial statements have been prepared in Hong Kong Dollars and in accordance with Hong Kong Financial Reporting Standards, which we refer to as HKFRS, which differ in certain significant respects from U.S. GAAP. For a description of the principal differences between HKFRS and U.S. GAAP as they relate to the PCB Business, and for a reconciliation of the PCB Business' total equity and net income to U.S. GAAP, see Note 35 to the audited combined financial statements. Other U.S. GAAP data presented in the following tables has been derived from unaudited analyses prepared by Meadville from its accounting records.

	<b>Years Ended December 31,</b>			<b>Nine Months Ended</b>	
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>September 30,</b>	<b>2008</b>
				<b>2009</b>	<b>(Unaudited)</b>
	<b>(In millions of HK\$)</b>				
<b>(HKFRS)</b>					
<b>Combined Statement of Operations Data:</b>					
Revenue	\$ 5,212.4	\$ 4,108.6	\$ 2,838.8	\$ 3,505.4	\$ 3,930.2
Operating profit	668.5	492.9	416.2	302.2	570.8
Profits for the year/period	483.7	352.9	302.6	198.7	412.4
of which, attributable to shareholders in Meadville	376.1	246.1	239.8	127.3	336.3

of which, attributable to minority interests	107.6	106.8	62.8	71.4	76.1
--	-------	-------	------	------	------

**Table of Contents**

	As of December 31,			As of
	2008	2007	2006	September 30,
	(In millions of HK\$)			2009
<b>(HKFRS)</b>				
<b>Combined Balance Sheet Data:</b>				
Current assets	\$ 2,798.1	\$ 2,609.1	\$ 1,547.6	\$ 2,428.4
Total assets	8,003.5	6,757.7	3,547.0	7,527.5
Current liabilities, excluding current portion of borrowings	2,318.0	1,865.0	1,343.1	1,373.7
Borrowings, including current portion	3,586.2	2,587.4	1,572.8	3,564.5
Equity attributable to shareholders	1,371.2	1,524.3	433.6	1,779.3
Total shareholders' equity	1,776.6	1,860.1	631.1	2,313.9

	Years Ended		Nine Months Ended	
	December 31,	December 31,	September 30,	September 30,
	2008	2007	2009	2008
	(In millions of HK\$)			
	(Unaudited)			
<b>(U.S. GAAP)(1)</b>				
<b>Combined Statement of Operations Data:</b>				
Revenue	\$ 5,212.4	\$ 4,108.6	\$ 3,505.4	\$ 3,930.2
Operating profit	662.4	493.3	314.7	573.9
Profits for the year/period	491.5	353.2	217.0	428.9

	As of		As of	
	December 31,	December 31,	September 30,	September 30,
	2008	2007	2009	2009
	(In millions of HK\$)			
<b>(U.S. GAAP)(1)</b>				
<b>Combined Balance Sheet Data:</b>				
Current assets	\$ 2,798.1	\$ 2,609.1	\$	2,428.4
Total assets	7,964.5	6,606.3		7,494.9
Current liabilities, excluding current portion of borrowings	2,318.0	1,865.0		1,373.7
Borrowings, including current portion	3,586.2	2,587.4		3,564.5
Equity attributable to shareholders	1,352.1	1,519.4		1,768.5
Total shareholders' equity	1,903.6	1,988.8		2,457.0

(1) For further details, see Note 35 in the audited combined financial statements of the PCB Business.

**Summary Selected Unaudited Pro Forma Condensed Combined Financial Data**

The following table sets forth selected information about the pro forma financial condition and results of operations, including per share data, of TTM after giving effect to the completion of the PCB Combination. The table sets forth selected unaudited pro forma condensed combined statements of operations for the nine months ended September 28, 2009 and the fiscal year ended December 31, 2008, as if the PCB Combination had been completed on January 1, 2008, and the selected unaudited pro forma condensed combined balance sheet data as of September 28, 2009, as if the PCB Combination had been completed on that date. The information presented below was derived from our consolidated historical financial statements and the combined financial statements of the PCB Business, and should be read in conjunction with these financial statements and the notes thereto, included or incorporated by reference elsewhere in this proxy statement/prospectus and the other unaudited pro forma financial data, including related notes, included elsewhere in this proxy statement/prospectus.

We use a 13-week fiscal quarter accounting period with the first quarter ending on the Monday closest to April 1 and the fourth quarter always ending on December 31. The PCB Business uses a calendar quarter accounting

**Table of Contents**

period. For the nine month accounting period, our accounting period ended on September 28, 2009 while the PCB Business ended on September 30, 2009. No pro forma adjustments were made to reconcile the accounting periods as our management believes that the two-day difference is immaterial to the presentation of financial condition and operating results of the combined company.

The unaudited pro forma financial data is based on estimates and assumptions that are preliminary and does not purport to represent the financial position or results of operations that would actually have occurred had the PCB Combination been completed as of the dates or at the beginning of the periods presented or what the combined company's results will be for any future date or any future period. See also the sections entitled "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors." For purposes of the unaudited pro forma condensed combined financial data, the PCB Business financial data has been translated from HK\$ into U.S. Dollars and is presented in accordance with U.S. GAAP. The unaudited pro forma condensed combined financial data is unaudited and is presented for informational purposes only.

	<b>Nine Months Ended September 28, 2009</b>	<b>Year Ended December 31, 2008</b>
	<b>(In millions, except per share data)</b>	
<b>Statements of Operations Data:</b>		
Net sales	\$ 884.7	\$ 1,350.4
Operating income	64.1	27.4
Net income	36.7	34.6
Net income attributable to noncontrolling interests	7.6	12.8
Net income attributable to stockholders	29.1	21.8
Net income per common share attributable to stockholders:		
Basic	\$ 0.37	\$ 0.28
Diluted	\$ 0.36	\$ 0.28

**September 28,  
2009  
(In millions)**

**Balance Sheet Data:**

Current assets	\$ 566.5
Total assets	1,644.8
Current liabilities	309.1
Long-term liabilities	555.2
Stockholders' equity	780.5

**Exchange Rate Information**

The following table shows, for the periods indicated, information concerning the exchange rate between the Hong Kong Dollar and the U.S. Dollar. The exchange rates for 2004 through 2008 were noon buying rates from the Federal Reserve Bank of New York. The exchange rates for 2009 and 2010 were from Bloomberg BGN rates, as Federal Reserve Bank of New York rates are not available. The monthly periods are based on calendar months. The interim and annual periods are based on a fiscal calendar. This information is provided solely for your information, and neither we nor Meadville represent that Hong Kong Dollars could be converted into U.S. Dollars at these rates or at any other rate. These rates are not the rates used by Meadville or the PCB Subsidiaries in the preparation of the combined financial data of the PCB Subsidiaries included in this proxy statement/prospectus. On October 29, 2009, the last full trading day for Meadville shares prior to the announcement of the PCB Combination, the exchange rate was HK\$7.7503 to US\$1.00. On November 13, 2009, the last full trading day for our common stock prior to the announcement of the PCB Combination, the exchange rate was HK\$7.7502 to US\$1.00. On [ ], 2010, the last practicable date before the date of this proxy statement/prospectus, the exchange rate was HK\$[ ] to US\$1.00.

**Table of Contents**

	<b>Period-End Rate(1)</b>	<b>Average Rate(2)</b>	<b>High</b>	<b>Low</b>
<b>Recent Monthly Data</b>				
January 2010	7.7645	7.7624	7.7766	7.7543
December 2009	7.7543	7.7530	7.7580	7.7501
November 2009	7.7501	7.7501	7.7503	7.7500
October 2009	7.7502	7.7501	7.7503	7.7500
September 2009	7.7500	7.7504	7.7512	7.7500
August 2009	7.7507	7.7507	7.7517	7.7500
July 2009	7.7500	7.7501	7.7506	7.7500
June 2009	7.7501	7.7507	7.7522	7.7500
May 2009	7.7522	7.7513	7.7535	7.7500
April 2009	7.7501	7.7501	7.7504	7.7500
March 2009	7.7503	7.7531	7.7592	7.7500
February 2009	7.7552	7.7536	7.7557	7.7518
January 2009	7.7545	7.7562	7.7600	7.7502
<b>Interim Period Data</b>				
Three months ended September 28, 2009	7.7502	7.7504	7.7517	7.7500
Three months ended September 29, 2008	7.7629	7.7982	7.8142	7.7582
Six months ended September 28, 2009	7.7502	7.7506	7.7535	7.7500
Six months ended September 29, 2008	7.7629	7.7986	7.8159	7.7582
Nine months ended September 28, 2009	7.7502	7.7518	7.7600	7.7500
Nine months ended September 29, 2008	7.7629	7.7971	7.8159	7.7582
<b>Annual Data (Year ended December 31,)</b>				
2009	7.7543	7.7516	7.7600	7.7500
2008	7.7499	7.7862	7.8159	7.7497
2007	7.7984	7.8019	7.8289	7.7497
2006	7.7771	7.7681	7.7928	7.7506
2005	7.7533	7.7775	7.7999	7.7514
2004	7.7723	7.7891	7.8010	7.7632

(1) The period-end rate was the exchange rate on the last business day of the applicable period.

(2) The average rates for the monthly, interim, and annual periods were calculated by taking the simple average of daily rates in the period.

**Comparative Historical and Pro Forma Per Share Data**

The following table presents

our audited basic and diluted earnings per share and unaudited cash dividends per share for the year ended December 31, 2008, unaudited basic and diluted earnings and cash dividends per share for the nine months ended September 28, 2009, and unaudited net book value per share as of December 31, 2008 and September 28, 2009 on a historical basis; and



unaudited basic and diluted earnings per share data for the year ended December 31, 2008, unaudited basic and diluted earnings per share and cash dividends for the nine months ended September 28, 2009, and unaudited net book value per share as of September 28, 2009 of the combined company on a pro forma basis.

The per share data for the combined company on a pro forma basis presented below is not necessarily indicative of the financial condition of the combined company had the PCB Combination been completed on September 28, 2009 and the operating results that would have been achieved by the combined company had the

**Table of Contents**

PCB Combination been completed as of the beginning of the period presented, and should not be construed as representative of the combined company's future financial condition or operating results. The per share data for the combined company on a pro forma basis presented below has been derived from the unaudited pro forma condensed combined financial data of the combined company included in this proxy statement/prospectus. The balance sheet of the PCB Business as of September 30, 2009 has been translated using a HK\$ / US\$ exchange rate of HK\$7.7500 to US\$1.00. The statements of income of Meadville for the year ended December 31, 2008 and the nine months ended September 30, 2009 have been translated using an average HK\$ / US\$ exchange rate of HK\$7.7862 to US\$1.00 and HK\$7.7518 to US\$1.00, respectively.

The information is only a summary and should be read in conjunction with our and the PCB Business' selected historical financial data, our and the PCB Business' unaudited pro forma condensed combined financial data, and our and the PCB Business' separate historical financial statements and related notes included in, or incorporated by reference into, this proxy statement/prospectus.

**TTM Historical**

	<b>As of and for the</b>	
	<b>Year Ended December 31, 2008</b>	<b>Nine Months Ended September 28, 2009</b>
<b>(U.S. GAAP)</b>		
Basic earnings (loss) per share	\$ (0.86)	\$ 0.06
Diluted earnings (loss) per share	\$ (0.86)	\$ 0.06
Cash dividends per share		
Net book value per share	\$ 7.71	\$ 7.80

**Combined Company Pro Forma**

	<b>As of and for the</b>	
	<b>Year Ended December 31, 2008</b>	<b>Nine Months Ended September 28, 2009</b>
<b>(U.S. GAAP)</b>		
Basic earnings per share	\$ 0.28	\$ 0.37
Diluted earnings per share	\$ 0.28	\$ 0.36
Cash dividends per share		
Net book value per share		\$ 9.82

**Stock Price Information**

The following table shows, as of (a) October 29, 2009, the last full trading day of Meadville's shares before suspension of trading in Meadville's shares prior to announcement of the PCB Combination; (b) November 13, 2009, the last full trading day of our shares of common stock before announcement of the PCB Combination; and (c) [ ], 2010, the last practicable day before the date of this proxy statement/prospectus, the closing price per share of our common stock on the NASDAQ Global Select Market and the closing price per Meadville share on the Stock Exchange of Hong Kong.

Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

The table assumes an exchange rate of HK\$7.7503 to US\$1.00 on October 29, 2009 and HK\$[ ] to US\$1.00 on [ ], 2010.

	<b>TTM Common Stock (US\$)</b>	<b>Meadville Shares (US\$)</b>
October 29, 2009	\$ 10.79	\$ 0.36
November 13, 2009	\$ 11.21	No trading
[ ], 2010	\$ [ ]	\$ [ ]

**Table of Contents**

**RISK FACTORS**

*Our stockholders should carefully consider the following factors in evaluating whether to approve the issuance of our common stock in connection with the PCB Combination, and Meadville's shareholders should consider the following factors in connection with their potential receipt of shares of our common stock in the PCB Combination from the special dividend by Meadville. These factors should be considered in conjunction with the other information included or incorporated by reference in this proxy statement/prospectus. Additional risks and uncertainties not presently known to us, or that are not currently believed to be important to you, also may adversely affect the PCB Combination and us following the PCB Combination.*

**Risks Related to the PCB Combination**

**Failure to complete the proposed PCB Combination could adversely affect our and Meadville's future business and operations.**

The proposed PCB Combination is subject to the satisfaction of various closing conditions, including the approval by both our and Meadville's shareholders and other conditions described in the stock purchase agreement that are outside the control of us and Meadville. Our and Meadville's respective obligations to complete the PCB Combination are also subject to the other conditions listed under "The PCB Combination - Conditions to Completion of the PCB Combination." We cannot assure you that these conditions will be satisfied or that the PCB Combination will be successfully completed. In the event that the PCB Combination is not completed:

we and Meadville would not realize the potential benefits of the PCB Combination, including the potentially enhanced financial and competitive position of the combined company;

our and Meadville's management's attention from day-to-day business may be diverted, we and Meadville may lose key employees, and our and Meadville's relationships with our respective customers and partners may be disrupted as a result of uncertainties with regard to our and Meadville's business and prospects; and

we and Meadville will each incur and must pay significant costs and expenses related to the PCB Combination, such as legal, accounting, and advisory fees.

Any such events could adversely affect our and Meadville's business and operating results.

**Our and Meadville's business could suffer due to the announcement, pendency, and consummation of the proposed PCB Combination.**

The announcement, pendency, and consummation of the PCB Combination may have a negative impact on our, Meadville's, and the combined company's ability to sell their respective products and services, attract and retain key management, technical, sales, or other personnel, maintain and attract new customers, and maintain strategic relationships with third parties. For example, we and Meadville, and following consummation of the PCB Combination the combined company, may experience the deferral, cancellation, or a decline in the size or rate of orders for products or services or a deterioration in customer relationships. Any such events could harm our and Meadville's, and following the PCB Combination the combined company's, operating results and financial condition.

**The price of our common stock may fluctuate, and the purchase price payable in the PCB Combination will not be adjusted for any changes in the price of our common stock or Meadville's shares.**

A portion of the consideration payable in connection with the PCB Combination would be paid through the issuance to Meadville, as MTG's designee, of 36,334,000 shares of our common stock, and we will deliver to Meadville cash in the amount of \$114,034,328. Under the stock purchase agreement, other than as a result of reclassifications, stock splits, stock dividends, and similar changes effected by us, neither the number of shares of our common stock to be issued nor the amount of cash to be delivered will be adjusted even if the market price of our common stock or Meadville's shares fluctuates between the date of the stock purchase agreement and the closing date of the PCB Combination. The market price of our common stock and Meadville's shares at the closing of the

**Table of Contents**

PCB Combination will likely vary from the market price at the date of this proxy statement/prospectus and at the date of our stockholders' meeting and the Meadville shareholders' meeting. The stock purchase and special dividend of our common stock and cash to Meadville's shareholders may not be completed until a significant period of time has passed after the special meetings. Stock price changes may result from a variety of factors that are beyond the control of us or Meadville, including:

market reaction to the announcement and pendency of the PCB Combination and market assessment of the merits and risks of the PCB Combination and the likelihood of the PCB Combination being consummated;

changes in the respective businesses, operations, or prospects of our or Meadville's PCB business;

governmental or litigation developments or regulatory considerations affecting us or the electronics industry;

general business, market, industry, or economic conditions;

the worldwide supply/demand balance for products in the PCB and electronics industry; and

other factors beyond the control of us or Meadville, including those described elsewhere in this Risk Factors section.

Neither party is permitted to walk away from the PCB Combination or re-solicit the vote of its shareholders solely because of changes in the market price, and therefore value, of our common stock or Meadville's shares through the closing date of the PCB Combination. Any reduction in our stock price would result in Meadville shareholders receiving less value in the PCB Combination. Conversely, any increase in our stock price would potentially result in Meadville, and ultimately Meadville shareholders, receiving greater value in the PCB Combination. The specific dollar value per share of our common stock that Meadville, and ultimately Meadville shareholders, would receive upon completion of the PCB Combination will depend on, among other things, the market value of our common stock at that time and at the time of Meadville's special dividend of our shares to Meadville's shareholders, and other factors discussed in this proxy statement/prospectus. Our and Meadville's shareholders will not know the exact value of our common stock to be issued in the PCB Combination at the time of the special meetings of their respective shareholders.

**The PCB Combination could be a taxable transaction for Meadville shareholders.**

Meadville shareholders who are subject to U.S. or foreign income taxes are urged to consult their own tax advisors concerning the consequences of the PCB Combination.

**We may not realize the operating and financial benefits we expect from the PCB Combination.**

The post-acquisition integration of our company and the PCB Subsidiaries would be complex, time-consuming, and expensive, and may disrupt the day-to-day management and operation of our respective businesses. After the PCB Combination, the combined company would need to overcome significant challenges in order to realize any benefits or synergies from the PCB Combination. These challenges include the timely, efficient, and successful completion of a number of post-acquisition events, including the following:

integrating the operations and technologies of the companies;

implementing of disclosure controls, internal controls, and financial reporting systems to comply with the requirements of U.S. GAAP and U.S. securities laws and regulations required as a result of integration of the

PCB Subsidiaries as part of a consolidated reporting company under the Exchange Act;

retaining and assimilating the key personnel of each company;

resolving possible inconsistencies in operating and product standards, internal controls, procedures and policies, business cultures, corporate governance and reporting practices, and compensation methodologies between the companies;

retaining existing vendors and customers of the companies and attracting additional customers;

**Table of Contents**

retaining strategic partners of each company and attracting new strategic partners; and

creating uniform business standards, procedures, policies, and information systems.

The execution of these post-acquisition integration events would involve considerable risks and may not be successfully implemented, or if implemented, on a timely basis. These risks include the following:

potential disruption of ongoing business operations and distraction of the management of the combined company;

potential strain on financial and managerial controls and reporting systems and procedures of the combined company;

unanticipated expenses and potential delays related to integration of the operations, technology, and other resources of the companies;

potential impairment of relationships with employees, suppliers, and customers as a result of the inclusion and integration of management personnel;

greater than anticipated costs and expenses related to the PCB Combination or the integration of the respective businesses of us and the PCB Subsidiaries following the PCB Combination;

the difficulty of complying with government-imposed regulations in both the U.S. and the PRC, which may in many ways be materially different from one another; and

potential unknown liabilities associated with the PCB Combination and the combined operations.

The combined company may not succeed in mitigating these risks or any other problems encountered in connection with the PCB Combination. The inability to successfully integrate the operations, technology, and personnel of our company and the PCB Subsidiaries, or any significant delay in achieving integration of the companies, could have a material adverse effect on the combined company after the PCB Combination and, as a result, on the market price of our common stock following the PCB Combination.

**As a result of the PCB Combination, we and the PCB Subsidiaries as a combined company would be a substantially larger and broader organization, with a greater geographic diversity relative to our and Meadville's current operations, and if management is unable to sufficiently manage the combined company, operating and financial results would suffer.**

As a result of the PCB Combination, the combined company would have significantly more employees, greater geographic diversity, and customers in multiple distribution channels. The combined company would face challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate policies, benefits, reporting, management, and compliance programs and systems. The inability to manage successfully the substantially larger and internationally diverse organization, or any significant delay in achieving successful management of the organization, could have a material adverse effect on the combined company and, as a result, on the market price of our common stock.

**The combined company would need to invest in its operations to integrate us and the PCB Subsidiaries and to maintain and grow the combined business, and may need additional funds to do so.**



The combined company would depend on the availability of adequate capital to maintain and develop its business. We believe that the combined company can meet its capital requirements from internally generated funds, cash in hand, and available borrowings. If the combined company is unable to fund its capital requirements as currently planned, however, it would have a material adverse effect on the combined company's business, financial condition, and operating results. If the combined company does not achieve our expected operating results, the combined company would need to reallocate its sources and uses of operating cash flows. This may include borrowing additional funds to service debt payments, which may impair the ability of the combined company to make investments in the business or to integrate us and the PCB Subsidiaries. There is no assurance that the combined company would be able to borrow any such additional funds when needed on commercially acceptable terms or at all.

**Table of Contents**

Should the combined company need to raise funds through incurring additional debt, the combined company may become subject to covenants even more restrictive than those contained in our or the PCB Subsidiaries' current debt instruments. Furthermore, if we issue additional equity, our equity holders would suffer dilution. There can be no assurance that additional capital would be available on a timely basis, on favorable terms, or at all.

**The PCB Combination could cause us or the PCB Subsidiaries to lose key personnel, which could materially affect the combined company's business and require the combined company to incur substantial costs to recruit replacements for lost personnel.**

As a result of the PCB Combination, our current and prospective employees and the PCB Subsidiaries' employees could experience uncertainty about their future roles within the combined company. This uncertainty may adversely affect their ability or willingness to continue with the combined company, and the ability of the combined company to attract and retain key management, sales, marketing, and technical personnel. Any failure to retain and attract key personnel could have a material adverse effect on our and the PCB Subsidiaries' current business and the business of the combined company after the completion of the PCB Combination.

**General uncertainty related to the PCB Combination could harm us and Meadville.**

In response to the announcement and pendency of the proposed PCB Combination, customers may delay or defer purchasing decisions. If this were to occur, our and Meadville's cash flows and revenue, respectively, and the revenues of the combined company, could decline materially or any anticipated increases in revenue could be lower than expected. Also, speculation regarding the likelihood of the closing of the PCB Combination could increase the volatility of our and Meadville's share price.

**Some of our and Meadville's and the PCB Subsidiaries' officers and directors have conflicts of interest that may influence them to support or approve the issuance of shares in connection with the PCB Combination.**

Certain officers and directors of us, Meadville, and the PCB Subsidiaries participate in arrangements that provide them with material interests in the PCB Combination that are different from and in addition to those of our stockholders and Meadville's shareholders, including, among others, employment agreements and compensation arrangements for key officers, indemnification arrangements, and, with respect to the Principal Shareholders and Tang Siblings, the ability to nominate a member of our board of directors. These interests, among others, may influence our directors and officers and the directors and officers of Meadville and the PCB Subsidiaries to support or approve the PCB Combination. For a more detailed discussion, see the section entitled "The PCB Combination—Interests of Certain Meadville Directors, Officers, and Affiliates in the PCB Combination" in this proxy statement/prospectus.

**Regulatory authorities may delay or impose conditions on approval of the PCB Combination, which may diminish the anticipated benefits of the PCB Combination.**

The completion of the PCB Combination requires the receipt of various approvals from governmental authorities, both in the U.S. and in the PRC. These regulatory approvals may take substantial time, and there can be no assurance that such approvals can be obtained. Failure to obtain these approvals in a timely manner may delay the completion of the PCB Combination, possibly for a significant period of time, or prevent the completion of the PCB Combination altogether. In addition, regulatory authorities may attempt to condition their approval of the PCB Combination on the imposition of conditions that could restrict the day-to-day operations of the combined company, including requiring the discontinuance of certain lines of business, that may have a material adverse effect on the combined company's operating results or the value of our common stock after the PCB Combination is completed. Any delay in the completion of the PCB Combination or conditions on effecting the PCB Combination may diminish anticipated benefits or may result in additional transaction costs, loss of revenue, or other effects associated with uncertainty

about the completion or terms of the PCB Combination.

**Table of Contents**

**Both we and the PCB Subsidiaries, and ultimately the PCB Combination, may be subject to adverse regulatory requirements and conditions.**

A condition to completing the PCB Combination is the termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the Hart-Scott-Rodino Act. We and Meadville made the required filings with the U.S. Department of Justice and the U.S. Federal Trade Commission and received notice from the Federal Trade Commission in January 2010 that our request for early termination of the review period had been granted. However, even after the termination of the waiting period of the Hart-Scott-Rodino Act, the Department of Justice or the Federal Trade Commission, as well as a foreign regulatory agency or government, state, or private persons, may challenge the PCB Combination at any time before or after its completion. We and Meadville cannot assure you that the Department of Justice or Federal Trade Commission or third parties would not try to prevent the PCB Combination or seek to impose restrictions or conditions on us or the PCB Subsidiaries. The PCB Combination is also subject to approval by CFIUS, which we obtained on February 2, 2010, and is conditioned upon the receipt of antitrust approvals from the applicable governmental authorities of the PRC. Such approvals may take a substantial amount of time to obtain and there can be no assurance that such approvals can be obtained in a timely manner or at all. Depending on the nature of any restrictions or conditions, these restrictions or conditions may jeopardize or delay completion of the PCB Combination or lessen the anticipated benefits of the PCB Combination.

The U.S. Department of Justice, the SEC, and other governmental authorities have a broad range of civil and criminal sanction authority available to them under the U.S. Foreign Corrupt Practices Act, referred to as the FCPA, and other laws, which they may seek to impose in appropriate circumstances. Recent civil and criminal settlements with a number of public corporations and individuals have included multi-million dollar fines, disgorgement, injunctive relief, guilty pleas, deferred prosecution agreements, and other sanctions, including requirements that corporations retain a monitor to oversee compliance with the FCPA. The combined company may incur significant expenses in instituting controls related to compliance with the FCPA.

**We are subject to the requirements of the National Industrial Security Program Operating Manual for our facility security clearance, which is a prerequisite to our ability to perform on classified contracts for the U.S. government.**

A facility security clearance is required in order to be awarded and perform on classified contracts for the U.S. Department of Defense and certain other agencies of the U.S. government. We currently perform on several classified contracts. As a cleared entity, we must comply with the requirements of the National Industrial Security Program Operating Manual, or NISPOM, and any other applicable U.S. government industrial security regulations. Further, due to the fact that immediately following the PCB Combination a significant portion of our voting equity will be owned by a non-U.S. entity, we expect that following the closing of the PCB Combination the combined company will be required to be governed by and operate in accordance with the terms and requirements of a Special Security Agreement, or SSA, with the U.S. Department of Defense.

If we were to violate the terms and requirements of the SSA, the NISPOM, or any other applicable U.S. government industrial security regulations (which may apply to us under the terms of our classified contracts), we could lose our security clearance. We cannot assure you that we will be able to maintain our security clearance. If for some reason our security clearance is invalidated or terminated, we may not be able to continue to perform present classified contracts and would not be able to enter into new classified contracts, which could adversely affect the combined company's revenues.

**Charges to earnings resulting from the application of the purchase method of accounting may adversely affect the market value of our common stock following the PCB Combination.**

If the anticipated benefits of the PCB Combination are not achieved, our financial results, including our earnings, could be adversely affected. In accordance with U.S. GAAP, we would account for the PCB Combination using the purchase method of accounting. For accounting purposes, we would be considered the acquiring company. As a result, we would allocate the total purchase price to the PCB Subsidiaries' net tangible assets, identifiable intangible assets, liabilities assumed, and noncontrolling interests based on their fair values as of the date of completion of the PCB Combination, and record the excess of the purchase price over those fair values as goodwill.

**Table of Contents**

The combined company would incur additional amortization expense over the estimated useful lives of certain of the intangible assets acquired in connection with the PCB Combination. In addition, to the extent the value of goodwill or intangible assets with indefinite lives becomes impaired, we may be required to incur material charges relating to the impairment of those assets.

In addition, from the date of the completion of the PCB Combination, our results of operations would include the operating results of the PCB Subsidiaries, presented in accordance with U.S. GAAP. Certain of the PCB Business historical combined financial statements included in this proxy statement/prospectus have been prepared in accordance with HKFRS and reconciled to U.S. GAAP, which differ in certain material respects from U.S. GAAP. Accordingly, the U.S. GAAP presentation of the PCB Business results of operations may not be comparable to its historical financial statements.

**Changes to current accounting principles could have a significant effect on the combined company's reported financial results or the way in which it conducts its business.**

We prepare our financial statements in conformity with U.S. GAAP, which are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC, and various other authorities formed to interpret, recommend, and announce appropriate accounting principles, policies, and practices. A change in these principles could have a significant effect on our reported financial results and may even retroactively affect the accounting for previously reported transactions. Our accounting policies that recently have been or may in the future be affected by changes in the accounting principles are as follows:

stock-based compensation;

accounting for uncertain tax positions;

accounting for goodwill and other intangible assets; and

accounting issues related to certain features of contingent convertible debt instruments and their effect on diluted earnings per share.

Changes in these or other rules may have a significant adverse effect on our reported financial results or in the way in which we conduct our business. See the discussion in our Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 2009, which we have incorporated by reference into this proxy statement/prospectus, under "Critical Accounting Policies and Estimates" and the Notes to Condensed Consolidated Financial Statements included therein, for additional information about our critical accounting policies and estimates and associated risks.

**We and the PCB Subsidiaries have limited protection of our respective proprietary rights, and we may be involved in disputes relating to intellectual property.**

We and the PCB Subsidiaries rely on a combination of copyright, patent, trademark and trade secret laws, confidentiality procedures, contractual provisions, and other measures to protect our respective proprietary information. All of these measures afford only limited protection. These measures may be invalidated, circumvented, or challenged, and others may develop technologies or processes that are similar or superior to our or the PCB Subsidiaries' technology. We and the PCB Subsidiaries, and ultimately the combined company, may not have the controls and procedures in place that are needed to adequately protect proprietary information. Despite our and the PCB Subsidiaries' efforts to protect our respective proprietary rights, unauthorized parties may attempt to copy our or the combined company's products or obtain or use information that we regard as proprietary, which could adversely impact revenues and the financial condition of the combined company.

Furthermore, there is a risk that we or the PCB Subsidiaries may infringe on the intellectual property rights of others. As in the case with many other companies in the PCB industry, we and the PCB Subsidiaries from time to time receive communications from third parties asserting patent rights to our respective products and enter into discussions with such third parties. Irrespective of the validity or the successful assertion of such claims, we and the PCB Subsidiaries could incur costs in either defending or settling any intellectual property disputes alleging infringement. In addition, our customers and the customers of the PCB Subsidiaries typically require us and the

**Table of Contents**

PCB Subsidiaries, respectively, to indemnify them against claims of intellectual property infringement. If any claims are brought against the customers for such infringement, whether or not these have merit, we and the PCB Subsidiaries could be required to expend significant resources in defending such claims. In the event we or the PCB Subsidiaries are subject to any infringement claims, we or the PCB Subsidiaries may be required to spend a significant amount of money to develop non-infringing alternatives or obtain licenses. We and the PCB Subsidiaries, and ultimately the combined company, may not be successful in developing such alternatives or in obtaining such licenses on reasonable terms or at all, which could disrupt the production processes, damage the reputation, and affect the revenues and financial condition of the combined company.

**We and Meadville will not have recourse for breaches of representations and warranties by the other.**

The stock purchase agreement under which the PCB Combination would be effected provides that the representations and warranties made by us and our affiliates, Meadville, and MTG will not survive the effectiveness of the PCB Combination. Accordingly, the stock purchase agreement does not contain provisions for indemnification by any party for the breach or inaccuracy of any representation or warranty set forth in the stock purchase agreement. As a result, if the PCB Combination is effected, we and our affiliates on the one hand, and Meadville and MTG, on the other hand, would thereafter not have remedies under the stock purchase agreement for the breach of any representation or warranty made by the other.

**We incur a variety of costs as a result of being a public company, and those costs may increase as a result of the PCB Combination.**

As a U.S. public company registered with the SEC under the Exchange Act, we incur significant legal, accounting, and other expenses. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the Nasdaq Stock Market, frequently require changes in corporate governance policies and practices of companies registered with the SEC under the Exchange Act. These rules and regulations increase legal and financial compliance costs and make some activities more time-consuming and costly. In addition, we incur additional costs associated with our Exchange Act public company reporting requirements. These rules and regulations also may make it more difficult and more expensive for us to obtain and pay for, at commercially reasonable rates, director and officer liability insurance, and the combined company may be required to accept reduced policy limits and reduced scope of coverage or incur substantially higher costs to obtain the same or similar levels of coverage. As a result, it may be more difficult for the combined company to attract and retain qualified persons to serve on its board of directors or as executive officers. As a result, implementation of disclosure controls, internal controls, and financial reporting systems complying with the requirements of U.S. GAAP and U.S. securities laws and regulations required as a result of our continued status as a reporting company under the Exchange Act following effectiveness of the PCB Combination may be more difficult and costly than anticipated.

**We expect to incur significant costs as a result of the integration of our operations with the PCB Subsidiaries.**

There are inconsistencies in standards, controls, procedures and policies, business cultures, and compensation structures between us and the PCB Subsidiaries. The integration of our operations and the operations of the PCB subsidiaries and reconciling the inconsistencies in the standards, controls, procedures and policies, business cultures, and compensation structures between us and the PCB Subsidiaries may result in additional costs for the combined company. There are no assurances that such inconsistencies can be reconciled seamlessly or at all. The failure to reconcile such inconsistencies may lessen the anticipated benefits of the PCB Combination.

**Meadville shareholders receiving our common stock in the PCB Combination would become stockholders in a Delaware corporation, which would change the rights and privileges of such shareholders in comparison to the rights and privileges of a shareholder in a Cayman Islands company.**



We are governed by the laws of the United States and the corporate and other laws of the state of Delaware and by our Certificate of Incorporation and Bylaws. The Delaware General Corporation Law extends to stockholders certain rights and privileges that may not exist at all or that may be materially different under Cayman Islands law and, conversely, does not extend certain rights and privileges that a Meadville shareholder may have as a

**Table of Contents**

shareholder of a company governed by Cayman Islands law. See the section entitled "Comparison of Meadville Shareholder and TTM Stockholder Rights" in this proxy statement/prospectus. We have adopted certain provisions that have the effect of discouraging a third party from acquiring control of our company. These provisions may also have the effect of discouraging or preventing certain types of transactions involving an actual or a threatened change in control of our company, including unsolicited takeover attempts, even though such a transaction may offer our stockholders the opportunity to sell their shares of our common stock at a price above the prevailing market price.

**Following the effectiveness of the PCB Combination, the current principal owners of Meadville are expected to own a substantial percentage of our common stock.**

Following the effectiveness of the PCB Combination, approximately 46% of our common stock outstanding after giving effect to the PCB Combination (based on the number of shares of our common stock outstanding on November 16, 2009, the date we executed and announced the stock purchase agreement) would be owned by Meadville and, following the special dividend of our common stock by Meadville to its shareholders (or sale thereof on behalf of such shareholders electing to sell such TTM shares to which they would otherwise have been entitled), by Meadville's shareholders or their transferees, and an estimated 33% to 39% of our common stock would be owned by the Principal Shareholders. The Principal Shareholders and the Tang Siblings will be entitled to jointly nominate one individual to our board of directors and a majority of the members of the board of directors of the PCB Subsidiaries. The Principal Shareholders, subject to the restrictions set forth in the shareholders agreement and any mitigation agreement(s) that we may be required to enter into with agencies of the U.S. government, will have influence over our management, operations, and potential significant corporate actions. The interests of the Principal Shareholders could conflict with the interests of our other stockholders and there can be no assurance that the Principal Shareholders would not take actions that favor their interests and not the interests of our other stockholders. See the sections entitled "The Stock Purchase Agreement and Related Arrangements," "The Shareholders Agreement," and "The PCB Combination Regulatory Approvals Required for the PCB Combination."

**Current holders of our common stock would suffer substantial dilution if the PCB Combination is effected.**

The PCB Combination would dilute the ownership position of our current stockholders. If the PCB Combination is effected, we would issue 36,334,000 shares of our common stock in connection with the PCB Combination, representing approximately 46% of our outstanding common stock after giving effect to the PCB Combination (based on the number of shares of our common stock outstanding on November 16, 2009, the date we executed and announced the stock purchase agreement). Consequently, following the PCB Combination our current stockholders, as a general matter, would have less influence over the management and policies of our company than they currently exercise over the management and policies of our company.

**The date that Meadville shareholders would receive the special dividend of our common stock from Meadville is uncertain.**

The completion of the PCB Combination is subject to the shareholder and governmental approvals described in this proxy statement/prospectus and the satisfaction or waiver of certain other conditions. While we currently expect to complete the PCB Combination during the first quarter of 2010, such date could be later than expected due to delays in receiving such approvals or satisfying other closing conditions. After the closing of the PCB Combination, the special dividend of the TTM shares, together with certain cash, by Meadville to the Meadville shareholders is subject to Meadville withdrawing the listing of its shares on the Stock Exchange of Hong Kong, the deregistration of Meadville from the Cayman Islands and continuation of Meadville in the British Virgin Islands as a British Virgin Islands business company, and the approval of the Meadville shareholders in respect of the special dividend. While we currently expect the special dividend of our shares, together with certain cash, by Meadville to take place within thirty days following the closing date of the PCB Combination, such date could be later due to unexpected delays in the

deregistration and continuation process. Accordingly, we cannot provide our stockholders with a definitive date on which we would issue the shares of our common stock to Meadville, and we cannot provide Meadville shareholders with a definitive date on which Meadville shareholders would receive from Meadville the

**Table of Contents**

special dividend of shares of our common stock or cash in lieu of shares of our common stock (as to Meadville shareholders that elect to participate in the dealing facility and receive the net cash proceeds from the sale of the shares of our common stock by Meadville) in connection with the PCB Combination.

**Risks Related to the Combined Company**

**The combined company would be heavily dependent upon the worldwide electronics industry, which is characterized by significant economic cycles and fluctuations in product demand. A significant downturn in the electronics industry could result in decreased demand for the combined company's manufacturing services and could lower its sales revenues and gross margins.**

A majority of our and the PCB Subsidiaries' sales revenues are generated from the electronics industry, which is characterized by intense competition, relatively short product life cycles, and significant fluctuations in product demand. The industry is subject to economic cycles and recessionary periods and has been negatively affected by the current contraction in the U.S. and global economy and in the worldwide electronics market. Moreover, due to the uncertainty in the end markets served by most of our and the PCB Subsidiaries' customers, the combined company would have a low level of visibility with respect to future financial results. The current credit crisis and related turmoil in the financial system has negatively impacted the global economy and could result in a significant downturn in the electronics industry. A lasting economic recession, excess manufacturing capacity, or a decline in the electronics industry could negatively affect the combined company's business, results of operations, and financial condition. A decline in sales could harm the combined company's profitability and results of operations and could require the combined company to recognize an impairment of its long-lived assets, including goodwill and other intangible assets.

**The global financial crisis may impact the combined company's business and financial condition in ways that we and Meadville currently cannot predict.**

The continued credit crisis and related turmoil in the global financial system has had and may continue to have an impact on our, Meadville's, and the PCB Subsidiaries', and ultimately the combined company's, business and financial condition. In addition to the impact that the global financial crisis has already had on us and Meadville, the combined company could face significant challenges if conditions in the financial markets do not improve or worsen. For example, continuation of the credit crisis could adversely impact overall demand in the electronics industry, which could have a negative effect on the combined company's revenues and profitability. In addition, the combined company's ability to access the capital markets may be severely restricted at a time when the combined company would like, or need, to do so, which could have an impact on flexibility to react to changing economic and business conditions.

**During periods of excess global printed circuit board manufacturing capacity, the combined company's gross margins may fall and/or the combined company may have to incur restructuring charges if it chooses to reduce the capacity of or close any of its facilities.**

When we experience excess capacity, our sales revenues may not fully cover our fixed overhead expenses, and our gross margins may decline. In addition, we generally schedule our quick-turn production facilities at less than full capacity to retain our ability to respond to unexpected additional quick-turn orders. However, if these orders are not received, we may forego some production and could experience continued excess capacity. We expect that the combined company would continue to be subject to this risk of excess capacity. If the combined company determines that it has significant, long-term excess capacity, it may decide to permanently close one or more of its facilities and lay off some of its employees. Closures or lay-offs could result in the combined company recording restructuring charges such as severance, other exit costs, and asset impairments.



**Table of Contents**

**The combined company will have significant indebtedness, which could limit the financial flexibility of the combined company.**

Our total liabilities as of September 28, 2009 were approximately \$206 million. After giving effect to the PCB Combination, the combined company's pro forma total liabilities as of September 28, 2009 would have been approximately \$864.3 million. The combined company's significant indebtedness could have significant negative consequences, including:

increasing the combined company's vulnerability to general adverse economic and industry conditions;

limiting the combined company's ability to obtain additional financing;

requiring the use of a substantial portion of any cash flow from operations to service indebtedness, thereby reducing the amount of cash flow available for other purposes, including capital expenditures;

limiting the combined company's flexibility in planning for, or reacting to, changes in the combined company's business and the industry in which it competes, including by virtue of the requirement that the combined company remain in compliance with certain financial covenants included in the credit arrangements under which the combined company will be obligated; and

placing the combined company at a possible competitive disadvantage to less leveraged competitors and competitors that are larger and may have better access to capital resources.

**Our acquisition strategy involves numerous risks.**

As part of our business strategy, including following the PCB Combination, we expect that we would continue to grow by pursuing opportunistic and strategic acquisitions of businesses, technologies, assets, or product lines that complement or expand our business. Risks related to an acquisition (including the acquisition of the PCB Subsidiaries in the PCB Combination) may include:

the potential inability to successfully integrate acquired operations and businesses or to realize anticipated synergies, economies of scale, or other expected value;

diversion of management's attention from normal daily operations of existing business to focus on integration of the newly acquired business;

unforeseen expenses associated with the integration of the newly acquired business;

difficulties in managing production and coordinating operations at new sites;

the potential loss of key employees of acquired operations;

the potential inability to retain existing customers of acquired companies when we desire to do so;

insufficient revenues to offset increased expenses associated with acquisitions;

the potential decrease in overall gross margins associated with acquiring a business with a different product mix;

the inability to identify certain unrecorded liabilities;

the potential need to restructure, modify, or terminate customer relationships of the acquired company;

an increased concentration of business from existing or new customers; and

the potential inability to identify assets best suited to our business plan.

Acquisitions may cause us to:

enter lines of business and/or markets in which we and the PCB Subsidiaries have limited or no prior experience;

issue debt and be required to abide by stringent loan covenants;

**Table of Contents**

assume liabilities;

record goodwill and indefinite-lived intangible assets that would be subject to impairment testing and potential periodic impairment charges;

become subject to litigation and environmental issues;

incur unanticipated costs;

incur large and immediate write-offs;

issue common stock that would dilute our current stockholders' percentage ownership; and

incur substantial transaction-related costs, whether or not a proposed acquisition is consummated.

Acquisitions of high technology companies are inherently risky, and no assurance can be given that our past or future acquisitions, including the PCB Combination, will be successful and will not harm our business, operating results, or financial condition. Failure to manage and successfully integrate acquisitions we make could harm our business and operating results in a material way. Even when an acquired company has already developed and marketed products, product enhancements may not be made in a timely fashion. In addition, unforeseen issues might arise with respect to such products after the acquisition.

**If the combined company is unable to manage its growth effectively, the business could be negatively affected.**

We have experienced, and expect to continue to experience, growth in the scope and complexity of our operations. This growth may strain our and the PCB Subsidiaries' managerial, financial, manufacturing, and other resources. In order to manage the combined company's growth following the PCB Combination, the combined company would be required to continue to implement additional operating and financial controls and hire and train additional personnel. There can be no assurance that the combined company would be able to do so in the future, and failure to do so could jeopardize expansion plans and seriously harm the combined company's operations. In addition, growth in the combined company's capacity could result in reduced capacity utilization and a corresponding decrease in gross margins.

**The development plans of the combined company involve significant capital expenditures and financing requirements, which are subject to a number of risks and uncertainties.**

We expect the business of the combined company will be capital intensive. The ability of the combined company to increase revenue, profit, and cash flow depends upon continued capital spending. There can be no assurance as to whether, or at what cost, the anticipated capital projects of the combined company will be completed, if they will be completed on schedule, or as to the success of these projects if completed. In addition, we may be unable to generate sufficient cash flows from operations or obtain necessary external financing to finance our capital expenditures and investments. Further, the ability of the combined company to obtain external financing in the future is subject to a variety of uncertainties, including the following:

the future results of operations, financial condition, and cash flows of the combined company;

the condition of the global economy generally and the demand for the products of the combined company, specifically; and



the cost of financing and the condition of financial markets.

If adequate funds are not available on satisfactory terms, we may be forced to curtail the expansion plans of the combined company, which could result in a loss of customers, the inability to successfully implement our business strategy, and plan limitations on the growth of the business of the combined company.

**Table of Contents**

**We and the PCB Subsidiaries depend upon a relatively small number of original equipment manufacturer, or OEM, customers for a large portion of our and their respective sales, and a decline in sales to major customers could harm the results of operations of the combined company.**

A small number of customers are responsible for a significant portion of our sales. Our five largest OEM customers accounted for approximately 29% and 24% of our net sales for the years ended December 31, 2008 and 2007, respectively. Our sales attributed to OEMs include both direct sales as well as sales that the OEMs place through EMS providers. The PCB Subsidiaries also depend on a small number of key direct and indirect OEM customers for a significant portion of their net sales. Sales to the PCB Subsidiaries' five largest OEM customers accounted for approximately 38.6% and 36.1% of net sales for the years ended December 31, 2008 and 2007, respectively. The combined company's customer concentration could fluctuate, depending on future customer requirements, which would depend in large part on market conditions in the electronics industry segments in which its customers participate. The loss of one or more significant customers or a decline in sales to significant customers could harm the combined company's business, results of operations, and financial condition and lead to declines in the trading price of our common stock. In addition, the combined company could generate significant accounts receivable in connection with providing manufacturing services to its customers. If one or more significant customers were to become insolvent or were otherwise unable or unwilling to pay for the manufacturing services provided by the combined company, the combined company's results of operations would be harmed.

In addition, during the combined company's industry downturns, customers may request that the combined company reduce prices to limit the level of order losses, and the combined company may be unable to collect payments from its customers. There can be no assurance that key customers would not cancel orders, that they would continue to place orders with the combined company in the future at the same levels as experienced by us and the PCB Subsidiaries in prior periods, that they would be able to meet their payment obligations, or that the end-products which use the combined company's products would be successful. This concentration of customer base may materially and adversely affect the combined company's operating results due to the loss or cancellation of business from any of these key customers, significant changes in scheduled deliveries to any of these customers, or decreases in the prices of the products sold to any of these customers.

**The PCB Subsidiaries have historically operated in Asia, where production costs are lower. We have historically operated primarily in North America. Following the PCB Combination, the average production costs of the combined company may be higher than the historic average production costs of the PCB Subsidiaries due to the integration of the production costs of the PCB Subsidiaries with our production costs, which has historically operated in North America. Competitors with lower production costs may gain market share in the combined company's key market segments, which may have an adverse effect on the pricing of the products of the combined company.**

Although the PCB Subsidiaries have historically operated in Asia, the PCB Combination and the integration of the PCB Subsidiaries with our company, which has historically operated in North America, may result in the combined company being at a competitive disadvantage with respect to price when compared to manufacturers with other lower-cost facilities in Asia and other locations. We believe price competition from PCB manufacturers in Asia and other locations with lower production costs may play an increasing role in the market. While historically our and the PCB Subsidiaries' competitors in these locations have produced less technologically advanced PCBs, they continue to expand their capacity and capabilities with advanced equipment to produce higher technology PCBs. In addition, fluctuations in foreign currency exchange rates may benefit these offshore competitors. As a result, these competitors may gain market share, which may force the combined company to lower its prices, which would reduce the combined company's gross margins.

The PCB Subsidiaries' manufacturing facilities are located in Hong Kong and the PRC. To the extent that other cost-competitive regions begin to enter into PCB production and start to draw foreign investment into their domestic PCB industries or establish domestic markets for such products, the combined company may face greater competition for its products. Correspondingly, if conditions in the PCB products markets in the PRC and Hong Kong deteriorate, particularly for reasons such as increases in labor or other costs, migration of the supply chain outside of the PRC and Hong Kong, or decreases in demand for PCBs in the PRC, then production and consumption

**Table of Contents**

of PCBs may shift to these other regions. The inability of the combined company to shift its production and sales to these regions could have a material adverse effect on its results of operations and financial condition.

**A trend toward consolidation among customers could adversely affect the combined company's business.**

Recently, some of our large customers have consolidated and further consolidation of customers may occur. Depending on which organization becomes the controller of the supply chain function following the consolidation, the combined company may not be retained as a preferred or approved supplier. In addition, product duplication could result in the termination of a product line that we currently support and that the combined company would support. While there is potential for increasing the combined company's position with the combined customers, there does exist the potential for decreased revenue if the combined company is not retained as a continuing supplier. The combined company would also face the risk of increased pricing pressure from the combined customers because of its increased market share.

**The combined company's failure to comply with the requirements of environmental laws could result in litigation, fines, and revocation of permits necessary to its manufacturing processes. Failure to operate in conformance with environmental laws could lead to debarment from participation in federal government contracts.**

Our and the PCB Subsidiaries' operations are, and the combined company's operations would be, regulated under a number of federal, state, local, and foreign environmental and safety laws and regulations that govern, among other things, the discharge of hazardous materials into the air and water, as well as the handling, storage, and disposal of such materials. In the U.S., these laws and regulations include the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Superfund Amendment and Reauthorization Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Federal Motor Carrier Safety Improvement Act. There are also analogous state, local, and foreign laws that would apply to the combined company, including stringent environmental regulations in the PRC. Compliance with these environmental laws is a major consideration for the combined company because the combined company's manufacturing processes would use and generate materials classified as hazardous. Because we and the PCB Subsidiaries use hazardous materials and generate hazardous wastes in our manufacturing processes, we and the combined company may be subject to potential financial liability for costs associated with the investigation and remediation of our sites, or sites at which we have arranged for the disposal of hazardous wastes, if such sites become contaminated. Even if we, the PCB Subsidiaries, and the combined company fully comply with applicable environmental laws and are not directly at fault for the contamination, we may still be liable. The wastes the combined company would likely generate include spent ammoniacal and cupric etching solutions, metal stripping solutions, waste acid solutions, waste alkaline cleaners, waste oil, and waste waters that contain heavy metals such as copper, tin, lead, nickel, gold, silver, cyanide, and fluoride; and both filter cake and spent ion exchange resins from equipment used for on-site waste treatment.

Any material violations of environmental laws or failure to maintain required environmental permits could subject the combined company to fines, penalties, and other sanctions, including the revocation of effluent discharge permits, which could require the combined company to cease or limit production at one or more of its facilities, and harm its business, results of operations, and financial condition. Even if the combined company were to ultimately prevail, environmental lawsuits against it would be time consuming and costly to defend.

Prior to our acquisition of our PCG business, PCG made legal commitments to the U.S. Environmental Protection Agency and to the State of Connecticut regarding settlement of enforcement actions related to the PCG operations in Connecticut. The obligations include fulfillment of a Compliance Management Plan and installation of two rinse water recycling systems at the Stafford, Connecticut facilities. Failure to meet either commitment could result in further costly enforcement actions, including exclusion from participation in defense and other federal contracts,

which would materially harm our business, results of operations, and financial condition.

Environmental laws also could become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violations. We and the PCB Subsidiaries operate, and the combined company would operate, in environmentally sensitive locations, and we are subject to potentially conflicting and changing regulatory agendas of political, business, and environmental groups. Changes or restrictions on discharge

**Table of Contents**

limits, emissions levels, material storage, handling, or disposal might require a high level of unplanned capital investment or global relocation. It is possible that environmental compliance costs and penalties from new or existing regulations may harm the combined company's business, results of operations, and financial condition.

We have been increasingly required to certify compliance to various material content restrictions in our products based on laws of various jurisdictions or territories such as the Restriction of Hazardous Substances, or RoHS, and Registration, Evaluation, Authorization and Restriction of Chemicals, or REACH, directives in the European Union and China's RoHS legislation. New York City has adopted identical restrictions and many U.S. states are considering similar rules and legislation. In addition, we must also certify as to the non-applicability to the European Union's Waste Electrical and Electronic Equipment directive for certain products that it manufactures. As with other types of product certifications that we routinely provide, we may incur liability and pay damages if our products do not conform to our certifications. The combined company would remain subject to these certification requirements and the liability that results from those requirements.

Like us, Meadville and the PCB Subsidiaries are subject to a variety of environmental laws and regulations in Hong Kong and the PRC which impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage, and disposal of solid and hazardous wastes. The manufacturing of their products generates gaseous chemical wastes, liquid wastes, waste water, and other industrial wastes in various stages of the manufacturing process. Production sites in Hong Kong and in the PRC are subject to regulation and periodic monitoring by the relevant environmental protection authorities. Environmental claims or the failure to comply with current or future regulations could result in the assessment of damages or imposition of fines against the combined company, suspension of production, or cessation of operations. New regulations could require the combined company to acquire costly equipment or to incur other significant expenses. Any failure by the combined company to control the use of, or adequately restrict the discharge of, hazardous substances could subject it to substantial future liabilities.

**The combined company would be exposed to the credit risk of some of its customers and to credit exposures in weakened markets.**

Most of the combined company's sales would be on an open credit basis, with standard industry payment terms. The combined company would monitor individual customer payment capability in granting such open credit arrangements, seek to limit such open credit to amounts it believes the customers can pay, and maintain reserves the combined company believes are adequate to cover exposure for doubtful accounts. During periods of economic downturn in the electronics industry and the global economy, the combined company's exposure to credit risks from its customers increases. Although we and the PCB Subsidiaries have, and the combined company would have, programs in place to monitor and mitigate the associated risks, such programs may not be effective in reducing the combined company's credit risks.

Our ten largest customers accounted for approximately 50% and 44% of our net sales for the years ended December 31, 2008 and 2007, respectively. The ten largest customers of the PCB Subsidiaries accounted for approximately 51.1% and 50.3% of their combined net sales for the years ended December 31, 2008 and 2007, respectively. Additionally, the OEM customers often direct a significant portion of their purchases through a relatively limited number of EMS companies. Our and the PCB Subsidiaries' contractual relationships are often with the EMS companies, who are obligated to pay us or the PCB Subsidiaries for their products. Because we expect the combined company's OEM customers to continue to direct sales to EMS companies, we expect that the combined company would continue to be subject to this credit risk with a limited number of EMS customers. If one or more significant customers were to become insolvent or were otherwise unable to pay amounts owing to the combined company, the combined company's results of operations would be harmed.

Many of the combined company's customers would be EMS companies located outside of the U.S. The combined company's exposure is likely to increase as these foreign customers continue to expand. With the primary exception of sales from the combined company's facilities in China and a portion of sales from our current Ireland sales office, the combined company's foreign sales would be denominated in U.S. Dollars and would not typically be on the same open credit basis and terms described above.

**Table of Contents**

**The combined company would rely on suppliers for the timely delivery of raw materials and components used in manufacturing its PCB and backplane assemblies, and an increase in industry demand or the presence of a shortage for these raw materials or components may increase the price of these raw materials or components and decrease anticipated gross margins. If a raw material supplier fails to satisfy the combined company's product quality standards, it could harm customer relationships.**

To manufacture PCBs, the combined company would use raw materials such as laminated layers of fiberglass, copper foil, chemical solutions, gold, and other commodity products, which it would order from its suppliers. Although we and the PCB Subsidiaries have historically had preferred suppliers for most of these raw materials, the materials we and the PCB Subsidiaries use, and the combined company would use, are generally readily available in the open market, and numerous other potential suppliers exist. In the case of backplane assemblies, components include connectors, sheet metal, capacitors, resistors, and diodes, many of which are custom made and would be controlled by the combined company's customers' approved vendors. These components for backplane assemblies in some cases have limited or sole sources of supply. From time to time, the combined company would likely experience increases in raw material or component prices, based on demand trends, which can negatively affect gross margins. In addition, consolidations and restructuring in the combined company's supplier base may result in adverse materials pricing due to reduction in competition among suppliers. Furthermore, if a raw material or component supplier fails to satisfy the combined company's product quality standards, it could harm customer relationships. Suppliers may from time to time extend lead times, limit supplies, or increase prices, due to capacity constraints or other factors, which could harm the combined company's ability to deliver products on a timely basis.

We and the PCB Subsidiaries have recently experienced an increase in the price we pay for gold. In general, we and the PCB Subsidiaries have been able to pass this price increase on to our customers, but there can be no assurance that we and the PCB Subsidiaries, or the combined company, would continue to be able to do so in the future.

**If the combined company is unable to respond to rapid technological change and process development, it may not be able to compete effectively.**

The market for our and the PCB Subsidiaries' manufacturing services is characterized by rapidly changing technology and continual implementation of new production processes. The future success of the combined company's business would depend in large part upon its ability to maintain and enhance its technological capabilities, to manufacture products that meet changing customer needs, and to successfully anticipate or respond to technological changes on a cost-effective and timely basis. We expect that the investment necessary to maintain the combined company's technological position would increase as customers make demands for products and services requiring more advanced technology on a quicker turnaround basis. The combined company may not be able to respond to technological changes as quickly as its competitors.

In addition, the PCB industry could encounter competition from new or revised manufacturing and production technologies that render existing manufacturing and production technology less competitive or obsolete. The combined company may not respond effectively to the technological requirements of the changing market. If the combined company needs new technologies and equipment to remain competitive, the development, acquisition, and implementation of those technologies and equipment may require it to make significant capital investments. There is no assurance it would be able to acquire such technology or equipment on reasonable terms or at all, or if acquired, implement it on a timely and profitable basis.

**If the combined company is unable to provide its customers with high-end technology, high quality products, and responsive service, or if it is unable to deliver its products to its customers in a timely manner, the combined company's results of operations and financial condition may suffer.**



In order to maintain our and the PCB Subsidiaries' existing PCB customer base and obtain business from new customers, the combined company must demonstrate its ability to produce its products at the level of technology, quality, responsiveness of service, timeliness of delivery, and at costs that our customers require. If the combined company's products are of substandard quality, if they are not delivered on time, if the combined company is not responsive to its customers' demands, or if it cannot meet its customers' technological requirements, the combined

**Table of Contents**

company's reputation as a reliable supplier of PCB products would likely be damaged. If the combined company is unable to meet these product and service standards it may be unable to obtain new contracts or keep our and the PCB Subsidiaries' existing customers, and this could have a material adverse effect on its results of operations and financial condition.

**If the combined company is unable to maintain satisfactory capacity utilization rates, its results of operations and financial condition would be adversely affected.**

Given the high fixed costs of our and the PCB Subsidiaries' operations, decreases in capacity utilization rates can have a significant effect on our businesses. Accordingly, the combined company's ability to maintain or enhance gross margins would continue to depend, in part, on maintaining satisfactory capacity utilization rates. In turn, its ability to maintain satisfactory capacity utilization would depend on the demand for its products, the volume of orders it receives, and its ability to offer products that meet its customers' requirements at competitive prices. If current or future production capacity fails to match current or future customer demands, the combined company's facilities would be underutilized and would be less likely to achieve expected gross margins.

**Competition in the PCB market is intense, and the combined company could lose market share if it is unable to maintain its current competitive position in end markets using quick-turn, high technology, and high-mix manufacturing services.**

The PCB industry is intensely competitive, highly fragmented, and rapidly changing. We expect competition to continue, which could result in price reductions, reduced gross margins, and loss of market share. Our principal North American PCB competitors include Coretec, DDi, Endicott Interconnect Technologies, Firan Technology Group, ISU/Petasys, Merix, Pioneer Circuits, and Sanmina-SCI. Our principal international PCB competitors include Elec & Eltek, Hitachi, Ibsen, ISU/Petasys, Meadville, and Multek. Our principal assembly competitors in Asia include Amphenol, Sanmina-SCI, Simclar, TT Electronics, and Viasystems. The PCB Subsidiaries' principal competitors include China Circuit, Compeq, Elec & Eltek, Founder Holdings, Gold Circuit, Nan Ya, Shenzhen Shennan Circuit, Tripod Technology, Unimicron, Unitech, and WUS. The PCB subsidiaries' principal international competitors include AT&S, Merix, Multek, and Viasystems. The combined company is expected to compete on an international basis, and new and emerging technologies may result in new competitors entering the combined company's market.

Some of the combined company's competitors and potential competitors would have advantages over the combined company, including:

- greater financial and manufacturing resources that can be devoted to the development, production, and sale of their products;
- more established and broader sales and marketing channels;
- more manufacturing facilities worldwide, some of which are closer in proximity to OEMs;
- more manufacturing facilities that are located in countries with lower production costs;
- lower capacity utilization, which in peak market conditions can result in shorter lead times to customers;
- ability to add additional capacity faster or more efficiently;
- preferred vendor status with existing and potential customers;

greater name recognition; and

larger customer bases.

In addition, these competitors may respond more quickly to new or emerging technologies, or adapt more quickly to changes in customer requirements, and devote greater resources to the development, promotion, and sale of their products than would the combined company. The combined company would be required to continually develop improved manufacturing processes to meet its customers' needs for complex products. Our and the PCB Subsidiaries manufacturing process technology is generally not subject to significant proprietary protection.

**Table of Contents**

During recessionary periods in the electronics industry, our historic strategy of providing quick-turn services, an integrated manufacturing solution, and responsive customer service may take on reduced importance to the combined company's customers. As a result, the combined company may need to compete more on the basis of price, which could cause its gross margins to decline. Periodically, PCB manufacturers and backplane assembly providers experience overcapacity. Overcapacity, combined with weakness in demand for electronic products, would result in increased competition and price erosion for the combined company's products.

**Our and the PCB Subsidiaries' results of operations are often subject to demand fluctuations and seasonality. With a high level of fixed operating costs, even small revenue shortfalls would decrease the combined company's gross margins and potentially cause the trading price of our common stock to decline.**

Our and the PCB Subsidiaries' results of operations fluctuate for a variety of reasons, including:

timing of orders from and shipments to major customers;

the levels at which they utilize manufacturing capacity;

price competition;

changes in the mix of revenues generated from quick-turn versus standard delivery time services;

expenditures, charges, or write-offs, including those related to acquisitions, facility restructurings, or asset impairments; and

expenses relating to expanding existing manufacturing facilities.

A significant portion of our operating expenses are relatively fixed in nature, and planned expenditures are based in part on anticipated orders. We expect that the combined company would operate on a similar basis. Accordingly, unexpected revenue shortfalls may decrease the combined company's gross margins. In addition, we have experienced sales fluctuations due to seasonal patterns in the capital budgeting and purchasing cycles, as well as inventory management practices of its customers and the end markets it serves. In particular, the seasonality of the computer industry and quick-turn ordering patterns affects the overall PCB industry. These seasonal trends have caused fluctuations in our operating results in the past and may continue to do so in the future, including for the combined company. Results of operations in any period should not be considered indicative of the results to be expected for any future period. In addition, our consolidated future quarterly operating results may fluctuate and may not meet the expectations of securities analysts or investors. If this occurs, the trading price of our common stock likely would be adversely affected.

**Because the combined company intends to sell primarily on a purchase order basis, it would be subject to uncertainties and variability in demand by its customers that could decrease revenues and harm its operating results.**

We generally sell, and the combined company is expected to sell, to customers on a purchase order basis rather than pursuant to long-term contracts. Quick-turn orders are subject to particularly short lead times. Consequently, sales are subject to short-term variability in demand by customers. Customers submitting purchase orders may cancel, reduce, or delay their orders for a variety of reasons. The level and timing of orders placed by the combined company's customers may vary due to:

customer attempts to manage inventory;

changes in customers' manufacturing strategies, such as a decision by a customer to either diversify or consolidate the number of PCB manufacturers or backplane assembly service providers used or to manufacture or assemble its own products internally;

variation in demand for its customers' products; and

changes in new product introductions.

We and the PCB Subsidiaries have periodically experienced terminations, reductions, and delays in our respective customers' orders. Further terminations, reductions, or delays in customers' orders could harm the

**Table of Contents**

combined company's business, results of operations, and financial condition. In addition, significant cancellations or deferrals could cause the combined company to hold excess inventory of certain raw materials supplied for the cancelled product for which it has taken delivery and which could reduce its profit margins and restrict its ability to fund its operations.

**The increasing prominence of EMS providers in the PCB industry could adversely impact the combined company's anticipated gross margins, potential sales, and customers.**

Sales to EMS providers represented approximately 52% and 53% of our net sales for the years ended December 31, 2008 and 2007, respectively. Sales to EMS providers include sales directed by OEMs as well as orders placed with us at the EMS providers' discretion. EMS providers source on a global basis to a greater extent than OEMs. The growth of EMS providers increases the purchasing power of such providers and could result in increased price competition or the loss of existing OEM customers. In addition, some EMS providers, including some of our and the PCB Subsidiaries' customers, have the ability to directly manufacture PCBs and create backplane assemblies. If a significant number of other EMS customers were to acquire these abilities, the combined company's customer base might shrink, and its expected and actual sales might decrease substantially. Moreover, if any of the combined company's OEM customers outsource the production of PCBs and creation of backplane assemblies to these EMS providers, the combined company's business, results of operations, and financial condition may be harmed.

**If events or circumstances occur in the combined company's business that indicate that its goodwill and definite-lived intangibles may not be recoverable, it could have impairment charges that would negatively affect its earnings.**

As of September 28, 2009, our consolidated balance sheet reflected approximately \$30.1 million of goodwill and definite-lived intangible assets. We evaluate whether events and circumstances have occurred, such as the potential for reduced expectations for future cash flows coupled with further decline in the market price of our stock and market capitalization that may indicate that the remaining balance of goodwill and definite-lived intangible assets may not be recoverable. If factors indicate that assets are impaired, the combined company would be required to reduce the carrying value of its goodwill and definite-lived intangible assets, which could harm the combined company's results during the periods in which such a reduction is recognized. The combined company's goodwill and definite-lived intangible assets may increase in future periods if it consummates other acquisitions. Amortization or impairment of these additional intangibles would, in turn, harm the combined company's earnings.

**Damage to the combined company's manufacturing facilities due to fire, natural disaster, or other events could harm its financial results.**

We have U.S. manufacturing and assembly facilities in California, Connecticut, Utah, and Wisconsin, and also have an assembly facility in the PRC. The PCB Subsidiaries have various PCB facilities in the PRC in Dongguan, Guangzhou, Shanghai, and Suzhou and in Hong Kong. The destruction or closure of any of the combined company's facilities for a significant period of time as a result of fire, explosion, blizzard, act of war or terrorism, flood, tornado, earthquake, lightning, or other natural disaster could harm the combined company financially, increasing its costs of doing business and limiting its ability to deliver its manufacturing services and products on a timely basis.

**The combined company's manufacturing processes would depend on the collective industry experience of its employees. If a significant number of these employees were to leave the employ of the combined company, it could limit its ability to compete effectively and could harm the combined company's financial results.**

The combined company would have limited patent or trade secret protection for its manufacturing processes. We and the PCB Subsidiaries rely on the collective experience of our employees involved in their manufacturing processes to

ensure that we continuously evaluate and adopt new technologies in our industry. Pursuant to relevant agreements, the PCB Subsidiaries have been granted the right to use certain of their customers' intellectual property and strategic partners' proprietary technology for the production of certain products. Although the combined

## **Table of Contents**

company would not be dependent on any one employee or a small number of employees, if a significant number of the combined company's employees involved in its manufacturing processes were to leave its employment, and the combined company is not able to replace these people with new employees with comparable experience, the combined company's manufacturing processes might suffer as the combined company might be unable to keep up with innovations in the industry. Further, employees who leave the combined company may take their experience to one of the combined company's competitors, and those competitors could develop an advantage over the combined company in the sophistication of their manufacturing techniques. As a result, the combined company may lose its ability to continue to compete effectively.

### **The combined company's business may suffer if any of its key senior executives discontinue employment with the combined company or if the combined company is unable to recruit and retain highly skilled engineering and sales staff.**

The combined company's future success would depend to a large extent on the services of its key managerial employees. In particular, Meadville and the PCB Subsidiaries have depended on the continued service of its executive officers, including its executive directors Mr. Tang, Tang Chung Yen, Tom (who we refer to as Tom Tang), Chung Tai Keung, Canice (who we refer to as Canice Chung), and Tang Ying Ming, Mai (who we refer to as Mai Tang). The combined company may not be able to retain its executive officers and key personnel or attract additional qualified management in the future. Its business also would depend on its continuing ability to recruit, train, and retain highly qualified employees, particularly engineering, sales, and marketing personnel. The competition for these employees is intense, including in the PRC, and the loss of these employees could harm the combined company's business. Further, the combined company's ability to successfully integrate the acquired companies depends in part on its ability to retain key management and existing employees at the time of the acquisition. The combined company may need to increase employee compensation levels in order to attract and retain existing executive officers and certain other employees as well as hire new employees.

### **The combined company may be exposed to intellectual property infringement claims by third parties that could be costly to defend, could divert management's attention and resources, and if successful, could result in liability.**

The combined company could be subject to legal proceedings and claims for alleged infringement by it of third-party proprietary rights, such as patents, from time to time in the ordinary course of business. It is possible that the circuit board designs and other specifications supplied to the combined company by its customers might infringe on the patents or other intellectual property rights of third parties, in which case the combined company's manufacture of PCBs according to such designs and specifications could expose it to legal proceedings for allegedly aiding and abetting the violation, as well as to potential liability for the infringement. If the combined company did not prevail in any litigation resulting from any such allegations, its business could be harmed. Any such claim, regardless of its merits, could result in substantial costs and diversion of resources that could materially and adversely affect the combined company's business and operating results.

### **The combined company would be subject to extensive governmental regulations, policies, and controls in the U.S., the PRC, and elsewhere.**

The combined company's failure to comply with any of such present or future regulatory requirements or contractual obligations could result in suspension of production, prohibitions on sales or product recalls, or in its being directly or indirectly liable for costs, civil or criminal fines or penalties, and third-party claims. In addition, such regulations could jeopardize the combined company's ability to conduct business in the jurisdictions implementing them or require it to incur significant expenses associated with compliance. Changes in current laws or regulations or the imposition of new laws and regulations in the U.S., the PRC, or elsewhere could also materially and adversely affect the



combined company's business. Additionally, foreign governments may impose tariffs, duties, and other import restrictions on raw materials that the combined company would obtain from non-domestic suppliers and may impose export restrictions on products that it would sell internationally. The imposition of regulations, tariffs, duties, or restrictions could materially and adversely affect the combined company's business, results of operations, and financial condition.

## **Table of Contents**

**We depend heavily on a single end customer, the U.S. government, for a substantial portion of our business, including programs subject to security classification restrictions on information. Changes affecting the government's capacity to do business with us or our direct customers or the effects of competition in the defense industry could have a material adverse effect on the combined company's business.**

A significant portion of our revenues have historically been derived from products and services ultimately sold to the U.S. government and is therefore affected by, among other things, the federal budget process. We are a supplier, primarily as a subcontractor, to the U.S. government and its agencies as well as foreign governments and agencies. These contracts are subject to the respective customers' political and budgetary constraints and processes, changes in customers' short-range and long-range strategic plans, the timing of contract awards, and in the case of contracts with the U.S. government, the congressional budget authorization and appropriation processes, the government's ability to terminate contracts for convenience or for default, as well as other risks such as contractor suspension or debarment in the event of certain violations of legal and regulatory requirements. The termination or failure to fund one or more significant contracts by the U.S. government, or the U.S. government's determination not to use the combined company as a supplier, could have a material adverse effect on the combined company's business, results of operations, or prospects. The substantial foreign ownership of our shares following the PCB Combination may limit the combined company's ability to work on certain projects for the U.S. government, especially projects with security requirements.

**The U.S. Defense Security Service and CFIUS may take measures to protect classified projects and national security.**

Due to the substantial foreign ownership of our shares following the PCB Combination, the U.S. Defense Security Service and CFIUS may take measures to protect classified projects and national security. Certain measures and conditions may be imposed on the combined company, which may materially and adversely affect the combined company's operating results, due to increasing the costs of the combined company for directors and other security measures and limiting the combined company's control over certain U.S. facilities, contracts, personnel, and operations.

**Increasingly, our larger customers are requesting that we enter into supply agreements with them that have increasingly restrictive terms and conditions. These agreements typically include provisions that increase our financial exposure, which could result in significant costs to the combined company.**

Our supply agreements with our customers typically include provisions that generally serve to increase our exposure for product liability and warranty claims as compared to our standard terms and conditions which could result in higher costs to the combined company as a result of such claims. In addition, these agreements typically contain provisions that seek to limit our operational and pricing flexibility and extend payment terms, which can adversely impact the combined company's cash flow and results of operations.

**Products that the combined company manufactures may contain design or manufacturing defects, which could result in reduced demand for the combined company's services and liability claims against the combined company.**

A significant component of the combined company's business would involve manufacturing products to its customers specifications, which are highly complex and may contain design or manufacturing errors or failures, despite quality control and quality assurance efforts. Defects in the products the combined company manufactures, whether caused by a design, manufacturing, or materials failure or error, may result in delayed shipments, customer dissatisfaction, a reduction or cancellation of purchase orders, or liability claims against the combined company. If these defects occur either in large quantities or too frequently, the combined company's business reputation may be impaired. Our sales

mix has shifted towards standard delivery time products, which have larger production runs, thereby increasing our exposure to these types of defects. Since the combined company's products would be used in products that are integral to its customers' businesses, errors, defects, or other performance problems could result in financial or other damages to its customers beyond the cost of the PCB, for which the combined company may be liable. Although the combined company's invoices and sales arrangements would generally contain provisions

## **Table of Contents**

designed to limit its exposure to product liability and related claims, existing or future laws or unfavorable judicial decisions could negate these limitation of liability provisions. Product liability litigation against the combined company, even if it were unsuccessful, would be time consuming and costly to defend and could impair the combined company's reputation and relationships with customers. Although we maintain, and we expect that the combined company would seek to maintain, technology errors and omissions insurance, we cannot assure you that the combined company would be able to purchase such insurance coverage in the future on terms that are satisfactory to the combined company, if at all.

### **We are subject to risks of currency fluctuations and currency exchange risks, and the combined company would continue to be subject to such risks.**

A portion of the combined company's cash and other current assets would be held in currencies other than the U.S. Dollar. Changes in exchange rates among other currencies and the U.S. Dollar would affect the value of these assets as translated to U.S. Dollars in the combined company's balance sheet. To the extent that we ultimately decide to repatriate some portion of these funds to the U.S., the actual value transferred could be impacted by movements in exchange rates. Any such type of movement could negatively impact the amount of cash available to fund operations or to repay debt. Significant inflation or disproportionate changes in foreign exchange rates could occur as a result of general economic conditions, acts of war or terrorism, changes in governmental monetary or tax policy, or changes in local interest rates.

As a result of this, and due to the fact that a substantial portion of the combined company's operating costs are expected to be denominated in Renminbi, or RMB, a portion of the combined company's results of operations will be exposed to fluctuations between the U.S. Dollar and the RMB. The impact of future exchange rate fluctuations between the U.S. Dollar and the RMB cannot be predicted. To the extent that the PCB Subsidiaries have, or the combined company will have, outstanding indebtedness denominated in the RMB, the appreciation of the RMB against the U.S. Dollar will have an adverse impact on the financial condition and results of operations (including the cost of servicing, and the value in our balance sheet of, the RMB-denominated indebtedness) of the combined company.

The PRC government imposes control over the convertibility of RMB into foreign currencies. Pursuant to certain PRC regulations, conversion of RMB into foreign exchange from foreign exchange accounts in the PRC is based on, among other things, a board resolution declaring the distribution of a dividend and payment of profits. Remittance of such amounts to foreign investors from the foreign exchange accounts of the foreign invested enterprises in the PRC or conversion of the RMB into foreign currencies at designated foreign exchange banks for the remittance of dividends and profits do not require permission from the State Administration of Foreign Exchange, or SAFE, and other applicable governmental authorities of the PRC do not impose restrictions on the category of recurring international payments and transfers. However, conversion of RMB into foreign currencies for capital account items, including direct investment, loans, and security investment, must be approved by SAFE and the relevant branch. These regulations and procedures would subject the combined company to further currency exchange risks.

### **We export defense and commercial products from the United States to other countries, and Meadville exports various products from the PRC. If the combined company were to fail to comply with export laws, it could be subject to fines and other punitive actions.**

Exports from the United States are regulated by the U.S. Department of State and U.S. Department of Commerce, and exports from the PRC are regulated by certain PRC authorities. Other foreign countries also regulate exports of products that may be manufactured by the combined company. Failure to comply with these regulations can result in significant fines and penalties. Additionally, violations of these laws can result in punitive penalties, which would restrict or prohibit the combined company from exporting certain products, resulting in significant harm to the

combined company's business.

**Table of Contents**

**Our business has benefited from OEMs deciding to outsource their PCB manufacturing and backplane assembly needs to us. If OEMs choose to provide these services in-house or select other providers, the business of the combined company could suffer.**

The combined company's future revenue growth partially depends on new outsourcing opportunities from OEMs. Our and the PCB Subsidiaries' current and prospective customers continuously evaluate our and the PCB Subsidiaries' performance against other providers. They also evaluate the potential benefits of manufacturing their products themselves. To the extent that outsourcing opportunities are not available either due to OEM decisions to produce these products themselves or to use other providers, the combined company's financial results and future growth could be adversely affected.

**The combined company may not be able to fully recover its costs for providing design services to its customers, which could harm its financial results.**

Although we and the PCB Subsidiaries have historically entered into design service activities with purchase order commitments, the cost of labor and equipment to provide these services may in fact exceed what the combined company would be able to fully recover through purchase order coverage. The combined company may also be subject to agreements with customers in which the cost of these services is recovered over a period of time or through a certain number of units shipped as part of the ongoing product price. While the combined company would generally seek to make contractual provisions to recover these costs in the event that the product does not go into production, the actual recovery can be difficult to obtain and may not happen in full or at all. In other instances, the business relationship may involve investing in these services for a customer as an ongoing service not directly recoverable through purchase orders. In any of these cases, the possibility exists that some or all of these activities are considered costs of doing business, are not directly recoverable, and may adversely impact the combined company's operating results.

**Unanticipated changes in tax rates or in our assessment of the realizability of its deferred tax assets or exposure to additional income tax liabilities could affect the combined company's operating results and financial condition.**

We are, and the combined company will be, subject to income taxes in the United States and various foreign jurisdictions. Significant judgment will be required in determining the combined company's provision for income taxes and, in the ordinary course of business, there are many transactions and calculations in which the ultimate tax determination is uncertain. The combined company's effective tax rates could be adversely affected by changes in the mix of earnings in countries and states with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, as well as other factors. These tax determinations are regularly subject to audit by tax authorities, and developments in those audits could adversely affect the combined company's income tax provision. Although we believe that our own tax estimates are reasonable, the final determination of tax audits or tax disputes may be different from what is reflected in our historical income tax provisions, which could affect our operating results and the operating results of the combined company.

**If our net earnings do not remain at or above recent levels, or if we are not able to predict with a reasonable degree of probability that they will continue, we may have to record a valuation allowance against our net deferred tax assets.**

As of September 28, 2009, we had net deferred income tax assets of approximately \$34.6 million. Based on our forecast for future taxable earnings, we believe we will utilize the deferred tax asset in future periods. However, if the estimates of future earnings are lower than expected, we may record a higher income tax provision due to a write down of our net deferred tax assets, which would reduce our earnings per share.

**The combined company's results of operations may differ significantly from the unaudited pro forma condensed combined financial data included in this proxy statement/prospectus.**

This proxy statement/prospectus includes unaudited pro forma condensed combined financial statements to illustrate the effects of the PCB Combination on our historical financial position and operating results. The

**Table of Contents**

unaudited pro forma condensed combined statements of operations combine the historical consolidated statements of operations of us and the PCB Business of Meadville, giving effect to the PCB Combination as if it had been completed on January 1, 2008. The unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheets of us and the PCB Business of Meadville, giving effect to the PCB Combination as if it occurred on September 28, 2009. This unaudited pro forma financial data is presented for illustrative purposes only and does not necessarily indicate the results of operations or the combined financial position that would have resulted had the PCB Combination been completed as of the dates or at the beginning of the periods presented, as applicable, nor is it indicative of the results of operations in future periods or the future financial position of the combined company.

**Risks Related to the Combined Company's International Operations**

**Our existing backplane assembly operation serves customers and has a manufacturing facility outside the United States and is subject to the risks characteristic of international operations. These risks include significant potential financial damage and potential loss of the business and its assets.**

Because we currently have manufacturing operations and sales offices located in Asia and Europe, and the PCB Subsidiaries have facilities in the PRC, we and the combined company are subject to the risks of changes in economic and political conditions in those geographic areas, including but not limited to:

- managing international operations;
- export license requirements;
- fluctuations in the value of local currencies;
- labor unrest and difficulties in staffing;
- government or political unrest;
- longer payment cycles;
- language and communication barriers as well as time zone differences;
- cultural differences;
- increases in duties and taxation levied on their products;
- imposition of restrictions on currency conversion or the transfer of funds;
- limitations on imports or exports of their product offering;
- travel restrictions;
- expropriation of private enterprises; and
- the potential reversal of current favorable policies encouraging foreign investment and trade.



**Our and the PCB Subsidiaries' current operations in the PRC, and ultimately the combined company's operations in the PRC, subject us to risks and uncertainties relating to the laws and regulations of the PRC.**

Consummation of the PCB Combination would result in us having a substantially greater presence in and exposure to the PRC. Under its current leadership, the government of the PRC has been pursuing economic reform policies, including the encouragement of foreign trade and investment and greater economic decentralization. No assurance can be given, however, that the government of the PRC will continue to pursue such policies, that such policies will be successful if pursued, or that such policies will not be significantly altered from time to time. Despite progress in developing its legal system, the PRC does not have a comprehensive and highly developed system of laws, particularly with respect to foreign investment activities and foreign trade. Enforcement of existing and future laws and contracts is uncertain, and implementation and interpretation thereof may be inconsistent. As

**Table of Contents**

the Chinese legal system develops, the promulgation of new laws, changes to existing laws, and the preemption of local regulations by national laws may adversely affect foreign investors. Further, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management attention. In addition, some government policies and rules are not timely published or broadly communicated, if they are published at all. As a result, the combined company may operate its business in violation of new rules and policies without having any knowledge of their existence. These uncertainties could limit the legal protections available to the combined company.

The PRC economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of capital reinvestment, growth rate, control of foreign exchange, allocation of resources, and balance of payments position. While the PRC economy has experienced significant growth in the past 20 years, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although the PRC government has implemented measures since the late 1970s emphasizing the use of market forces for economic reform, including the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, the government continues to play a significant role in regulating industry development by imposing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has implemented a number of measures designed to prevent the economy from overheating. These actions, as well as future actions and policies of the PRC government, could cause a decrease in the overall level of economic activity, and consequently have an adverse impact on the combined company's business, results of operations, and financial condition.

Moreover, there can be no assurance that economic reform measures adopted by the PRC government, or other policies adopted in the future, will be effective or consistently applied. Furthermore, some of these measures and policies may benefit the overall economy of the PRC, but may also have a negative impact on the combined company's business. For example, the combined company's results of operations and financial condition may be adversely affected by government control over capital investments or changes in tax regulations applicable to the combined company.

**The combined company's operations would be subject to the uncertainties of the PRC legal system.**

The PRC legal system is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little value as precedent. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general, and forms of foreign investment (including wholly foreign-owned enterprises and joint ventures) in particular. These laws, regulations, and legal requirements are relatively new and are often changing and their interpretation and enforcement involve uncertainties. These uncertainties would limit the reliability of legal protections available to the combined company. We cannot predict the effect of future developments in the PRC legal system. The combined company may be required in the future to procure additional permits, authorizations, and approvals for our and the PCB Subsidiaries existing and the combined company's future operations, which may not be obtainable in a timely fashion or at all. An inability to obtain such permits or authorizations may have a material adverse effect on the combined company's business and results of operations.

**Due to the lack of back up facilities in the PRC, the combined company's operations could be adversely affected by a shortage of utilities or a discontinuation of priority supply status offered for such utilities.**

The manufacturing of PCBs requires significant quantities of electricity and water. Meadville and the PCB Subsidiaries have historically purchased substantially all of the electrical power for their manufacturing plants in the PRC from local power plants. Because the PRC's economy has recently been in a state of growth, the strain on the nation's power plants is increasing, which has led to continuing power outages in various parts of the country. There may be times when the combined company's operations in the PRC may be unable to obtain adequate sources of electricity to meet production requirements. Additionally, the combined company would not likely maintain any

## **Table of Contents**

back-up power generation facilities for its operations, so if it were to lose power at any of its facilities it would be required to cease operations until power was restored. Any stoppage of power could adversely affect the combined company's ability to meet its customers' orders in a timely manner, thus potentially resulting in a loss of business and increased costs of manufacturing. In addition, the sudden cessation of power supply could damage the combined company's equipment, resulting in the need for costly repairs or maintenance as well as damage to products in production, resulting in an increase in scrapped products. Similarly, the sudden cessation of the water supply to the PRC facilities could adversely affect the combined company's ability to fulfill orders in a timely manner, potentially resulting in a loss of business and under-utilization of capacity. Various regions in the PRC have in the past experienced shortages of both electricity and water and unexpected interruptions of power supply. There can be no assurance that the combined company's required utilities would not in the future experience material interruptions, which could have a material adverse effect on its results of operations and financial condition.

**The national and regional economies in the PRC may be adversely affected by a recurrence of severe acute respiratory syndrome, or an outbreak of other epidemics such as H1N1 or avian flu, thereby affecting the combined company's prospects.**

In June 2009, the World Health Organization, or WHO, declared the outbreak of H1N1 influenza to be a pandemic. The PRC has had reported cases of H1N1 influenza. The governments of many regions, including the government of the PRC, undertook quarantine measures. During 2004, large parts of Asia, including the Guangdong province, where the PCB Subsidiaries have operations, experienced outbreaks of avian flu which, according to a report of the WHO in 2004, placed the world at risk of an influenza pandemic with high mortality and social and economic disruption. Further, in the first half of 2003 certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia, which seriously interrupted economic activities and caused the demand for goods and services to decrease in the affected regions.

Past occurrences of epidemics or pandemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies in the PRC. A recurrence of SARS or an outbreak of any other epidemics or pandemics in the PRC, such as the H1N1 influenza or avian flu, especially in the areas where we or the PCB Subsidiaries have operations, or where the combined company will have operations, may result in quarantines, temporary closures of offices and manufacturing facilities, travel restrictions, or the temporary or permanent loss of key personnel. The perception that an outbreak of contagious disease may occur again may also have an adverse effect on the economic conditions of countries in Asia. Any of the above may cause material disruptions to our operations, which in turn may adversely affect our financial condition and results of operations.

**The PCB Subsidiaries do not currently have a certificate of state-owned land use or certificates of real estate ownership for certain of their properties in the PRC and the properties associated with certain facilities are subject to a general city re-zoning plan which, if implemented in the future, may require the combined company to relocate these facilities.**

The PCB Subsidiaries do not currently have certificates of real estate ownership for certain buildings used as dormitories and a sewage treatment center for staff dormitories in the PRC. The PCB Subsidiaries also have not obtained the relevant certificate of state-owned land use and certificates of real estate ownership for certain facilities in the PRC. Further, there is a legal defect in the leasing of a parcel of land currently used as dormitories and two buildings used as staff quarters in the PRC. We can provide no assurance that the PCB Subsidiaries will be able to obtain relevant land use certificates in a timely manner or at all, or that the combined company's results of operations or financial condition would not be adversely affected due to the lack of such certificates. Any requirement to cease using the relevant property and premises could also have a material adverse effect on the combined company's business.

In addition, we understand that all of the properties where certain of the PCB Subsidiaries facilities are located are now subject to a general city rezoning plan which has been prepared by the Dongguan municipal government. According to the relevant PRC regulations, the general rezoning plan is made for twenty years. Under the rezoning plan, it is intended that the properties where certain of the PCB Subsidiaries facilities are located will be re-designated from industrial to commercial use. If and when implemented in respect of those properties, the rezoning plan may require the combined company to vacate these properties and relocate the facilities.

## **Table of Contents**

In the event the combined company is required to vacate the above properties, the combined company would implement certain strategies to minimize any loss of production capacity during relocation. There can be no assurance that the combined company's strategies to deal with the relocation of the facilities can be implemented, or that such strategies can be implemented before the combined company is required to vacate the above properties due to the proposed general city rezoning plan. If the combined company is required to relocate the facilities, the combined company's results of operation and financial condition may be materially and adversely affected.

### **Risks Related to an Investment in TTM Common Stock**

**The market price for our common stock may be volatile before and following the PCB Combination, and many factors could cause the market price of our common stock to fall.**

Many factors could cause the market price of our common stock to rise and fall before and following the PCB Combination, including the following:

- variations in our and the combined company's quarterly results;
- announcements of technological innovations by us and the combined company or by our competitors;
- introductions of new products or new pricing policies by us and the combined company or by our competitors;
- acquisitions or strategic alliances by us and the combined company or by our competitors;
- recruitment or departure of key personnel;
- the gain or loss of significant orders;
- the gain or loss of significant customers;
- changes in the estimates of operating performance or changes in recommendations by any securities analysts that follow our stock; and
- market conditions in our and the combined company's industry, the industries of their customers, and the economy as a whole.

In addition, stocks of technology companies have experienced extreme price and volume fluctuations that often have been unrelated or disproportionate to their operating performance. Public announcements by technology companies concerning, among other things, their performance, accounting practices, or legal problems could cause the market price of our common stock to decline regardless of the actual operating performance of us or the combined company.

**Holders of Meadville's capital stock who receive shares of our common stock in the PCB Combination may face difficulty and risks in selling the shares of our common stock they receive.**

In connection with the PCB Combination transaction, Meadville's shareholders would be given an option to either receive our common stock

in electronic form;

by providing details of such holder's U.S. securities account to enable the shares of our common stock to be transferred directly to such U.S. securities account; or

by providing instructions to Meadville to sell the shares of our common stock that they would otherwise have been entitled to receive through a dealing facility established by Meadville and to remit the net cash proceeds from the sale to them.

Meadville will prepare and deliver to Meadville's shareholders an election form with the Circular provided by Meadville to allow such holders to make the election.

**Table of Contents**

If a Meadville shareholder elects to utilize the dealing facility, the sale price for our shares would not be subject to any minimum or maximum price but would depend on the market price over the applicable sales period and, therefore, our shares may be sold at prices that are substantially lower than the current trading price of our shares or the trading price of our shares on the date of the sale by the placing agent or agents. No assurance can be given as to the sale price that Meadville equity holders would receive for their TTM shares through the dealing facility. The cash proceeds from the sale, net of certain transaction expenses (including any underwriting commission or placing fees, the legal fees of Meadville incurred in connection with the sale of our shares, and transfer taxes), will be remitted to the Meadville shareholders who have elected to participate in the dealing facility. There can be no assurance that the transaction expenses incurred by Meadville, and ultimately borne by the Meadville shareholders electing to use the dealing facility, will be less than the expenses a Meadville shareholder would incur if it were to sell the TTM shares on its own.

**The market price of our common stock could be negatively affected by sales of substantial amounts of our common stock in the public markets.**

Sales of a substantial number of shares of our common stock in the public markets following the PCB Combination, or the perception that these sales might occur, and the issuance of a substantial number of shares of our common stock in connection with the PCB Combination (and the special dividend of such shares to Meadville shareholders, or the sale thereof, at the election of Meadville shareholders, to the public through the dealing facility), could cause the market price of our common stock to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

**We may not pay dividends on our common stock in the immediate future.**

We have not declared or paid cash dividends since 2000. We currently plan to retain any earnings to finance the growth of our business rather than to pay cash dividends on our common stock. Payments of any cash dividends on our common stock in the future will depend on our financial condition, results of operations, and capital requirements as well as other factors deemed relevant by our board of directors. Further, we may enter into credit arrangements and other lending arrangements that prohibit us from paying dividends on our common stock without the consent of our lenders.

**Provisions of our Certificate of Incorporation, Bylaws, and Delaware law could delay or prevent a change in control of us and entrench current management.**

Our Certificate of Incorporation, our Bylaws, and the Delaware General Corporation Law contain certain provisions that could delay or make more difficult an acquisition of control of our company not approved by our board of directors, whether by means of a tender offer, open market purchases, a proxy context, or otherwise. These provisions have been implemented to enable us to develop our business in a manner that will foster our long-term growth without disruption caused by the threat of a takeover not deemed by our board of directors to be in the best interests of our company and our stockholders. These provisions could have the effect of discouraging third parties from making proposals involving an acquisition or change of control of our company even if such a proposal, if made, might be considered desirable by a majority of our stockholders. These provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management without the concurrence of our board of directors.

Our Certificate of Incorporation and Bylaws provide that our board of directors will be divided into three classes, as nearly equal in number as possible, serving staggered terms. Approximately one-third of our board of directors will be elected each year. The provision for a classified board could prevent a party who acquires control of a majority of our outstanding common stock from obtaining control of our board of directors until our second annual stockholder



meeting following the date the acquirer obtains the controlling share interest. The classified board of directors provision could have the effect of discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us and could increase the likelihood that incumbent directors will retain their positions.

**Table of Contents**

In addition, our Certificate of Incorporation and Bylaws:

authorize our board of directors to issue one or more classes or series of preferred stock and to determine, with respect to any series of preferred stock, the designations, preferences, voting powers, qualifications, special or relative rights, and privileges without any further vote or action by our stockholders;

provide that directors may be removed by stockholders only for cause upon the affirmative vote of stockholders holding not less than a majority of the shares entitled to vote;

provide that special meetings of stockholders may be called by the chairman of the board of directors, our chief executive officer, a majority of the board of directors, our Secretary, or at the written demand of our stockholders holding at least a majority of all the shares entitled to vote on the proposed issues;

establish an advance notice procedure for stockholder proposals to be brought before any annual or special meeting of stockholders and for nominations by stockholders of candidates for election as directors at an annual meeting or a special meeting at which directors are to be elected; and

provide that provisions of our Certificate of Incorporation and Bylaws, including certain provisions related to directors, annual and special meetings of stockholders, special stockholder notice provisions, and special stockholder voting requirements, may be amended only by the holders of at least 80% of the shares entitled to vote at an annual or special meeting of stockholders.

Section 203 of the Delaware General Corporation Law applies to our company. Section 203 provides that, subject to certain exceptions, a corporation shall not engage in any business combination with any interested shareholder for a three-year period following the time that such shareholder becomes an interested shareholder unless the following conditions have been satisfied:

prior to such time, the board of directors of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;

upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares); or

at or subsequent to such time, the business combination is approved by the board of directors of the corporation and by the affirmative vote of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding voting stock that is not owned by the interested shareholder.

Section 203 generally defines an interested shareholder to include, subject to various exceptions, the following:

any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant date; and

the affiliates and associates of any such person.

Section 203 generally defines a business combination to include the following:

any merger or consolidation of the corporation or any majority-owned subsidiary with the interested shareholder, or with any other corporation, partnership, unincorporated association, or other entity if the merger or consolidation is caused by the interested shareholder and as a result of the merger or consolidation the foregoing rules under Section 203 do not apply to the surviving entity;

any sale, lease, exchange, mortgage, pledge, transfer, or other disposition of 10% or more of the assets of the corporation with or to an interested shareholder;

certain transactions resulting in the issuance or transfer to the interested shareholder of any stock of the corporation or its subsidiaries;

**Table of Contents**

certain transactions that would result in increasing the proportionate share of the stock of the corporation or its subsidiaries owned by the interested shareholders; and

receipt by the interested shareholder of the benefit, except proportionately as a shareholder, of any loans, advances, guarantees, pledges, or other financial benefits.

Under certain circumstances, Section 203 makes it more difficult for a person that would be an interested shareholder to effect various business combinations with a corporation for a three-year period, although a company's certificate of incorporation or shareholder-adopted bylaws may exempt a corporation from the restrictions imposed by Section 203. Neither our Certificate of Incorporation nor our Bylaws exempt our company from the restrictions imposed by Section 203. We anticipate that the provisions of Section 203 may encourage companies interested in acquiring our company to negotiate in advance with our board of directors since the stockholder approval requirement would be avoided if the board of directors approves, prior to the time the acquirer becomes an interested shareholder, either the business combination or the transaction that results in the acquirer becoming an interested shareholder.

**Table of Contents**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. These forward-looking statements include all matters that are not historical facts. This proxy statement/prospectus and documents incorporated by reference contain these types of statements. Words such as anticipates, estimates, expects, projects, intends, plans, believes, or should and words or terms of similar substance used in connection with any discussion of future operating results or financial performance identify forward-looking statements. Also, as examples, forward-looking statements may include statements relating to the benefits of the PCB Combination, including anticipated synergies and cost savings estimated to result from the PCB Combination, and statements relating to future business prospects, revenue, income, and financial condition.

These forward-looking statements involve certain known and unknown risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to, the following factors:

- the effects of economic cycles and fluctuations in the worldwide demand for electronic products;
- our ability to successfully integrate our acquisitions;
- our ability to repay our debt obligations as they come due; and
- our reliance on a relatively small number of OEMs for a large portion of our net sales.

See also the section entitled Risk Factors in this proxy statement/prospectus and the risk factors disclosed in our Quarterly Report on Form 10-Q for the quarter ended September 28, 2009. These risks and uncertainties are not exhaustive. Other sections of this proxy statement/prospectus describe additional factors that could adversely impact the combined company's business and financial performance. Moreover, the combined company will operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact that these factors will have on the combined company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the uncertainty and any risk resulting from such uncertainty in connection with any forward-looking statement that may be made herein. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus in the case of forward-looking statements contained in this proxy statement/prospectus, or the dates of the documents incorporated by reference into this proxy statement/prospectus in the case of forward-looking statements made in those incorporated documents. You should carefully review this proxy statement/prospectus in its entirety, including, but not limited to, our Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and the accompanying notes thereto, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and in our Current Report on Form 8-K filed with the SEC on December 15, 2009, and incorporated by reference herein, and the risks described in the section entitled Risk Factors in this proxy statement/prospectus. You should also review the description of Meadville's PCB business in the sections entitled Information Regarding Meadville's PCB Operations and the PCB Subsidiaries and Management's Discussion and Analysis of Financial Condition and Results of Operations of the PCB Business of Meadville, and the financial statements and the accompanying notes thereto in this

proxy statement/prospectus. Except for our ongoing obligation to disclose material information under U.S. federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events, or to report the occurrence of unanticipated events.

**We expressly qualify in their entirety all forward-looking statements attributable to us, Meadville, the PCB Subsidiaries, or the combined company, or any person acting on their behalf, by the cautionary statements contained or referred to in this section.**

**Table of Contents****STOCK PRICE AND DIVIDEND INFORMATION****Stock Price Information**

Our common stock is listed on the NASDAQ Global Select Market under the symbol TTM. Meadville's shares are listed on the Stock Exchange of Hong Kong, or HKSE, under the symbol 3313. As of February 1, 2010, there were 303 holders of record of shares of our common stock and 2,836 holders of record of Meadville shares. The table below sets forth the high and low sales prices per share of TTM common stock and Meadville shares, as reported on the NASDAQ Global Select Market and the HKSE, respectively. Our quarters are based on a 13 week quarter, and Meadville's quarters are based on a calendar quarter.

	Meadville Shares (HK\$)		TTM Common Stock (US\$)	
	High	Low	High	Low
2005				
First Quarter			\$ 11.90	\$ 8.81
Second Quarter			10.63	7.20
Third Quarter			8.40	6.20
Fourth Quarter			9.98	6.70
2006				
First Quarter			\$ 15.45	\$ 9.34
Second Quarter			17.50	12.42
Third Quarter			14.62	8.47
Fourth Quarter			13.34	11.20
2007				
First Quarter(1)	\$ 2.40	\$ 1.60	\$ 12.23	\$ 9.15
Second Quarter	2.22	1.69	13.64	8.93
Third Quarter	2.26	1.59	14.24	9.75
Fourth Quarter	2.27	1.80	14.61	10.90
2008				
First Quarter	\$ 2.23	\$ 1.66	\$ 11.99	\$ 7.83
Second Quarter	2.23	1.80	15.76	11.43
Third Quarter	1.97	1.41	14.11	9.81
Fourth Quarter	1.72	0.76	10.11	3.76
2009				
First Quarter	\$ 0.93	\$ 0.63	\$ 6.70	\$ 3.87
Second Quarter	1.75	0.84	9.76	5.40
Third Quarter	2.11	1.43	11.99	7.85
Fourth Quarter	3.18	1.99	12.52	9.78
2010				
First Quarter (through [            ], 2010)	\$ [    ]	\$ [    ]	\$ [    ]	\$ [    ]

(1)

With respect to Meadville, the share price amounts are for dates on and after February 2, 2007, the effective date of the initial public offering of Meadville's shares.

The following table shows, as of (a) October 29, 2009, the last full trading day of Meadville's shares before suspension of trading in Meadville's shares prior to announcement of the PCB Combination; (b) November 13, 2009, the last full trading day of our shares of common stock before announcement of the PCB Combination; and (c) [ ], 2010, the last practicable day before the date of this proxy statement/prospectus, the closing price per share of our common stock on the NASDAQ Global Select Market and the closing price per Meadville share on the Stock



**Table of Contents**

Exchange of Hong Kong. The table assumes an exchange rate of HK\$7.7503 to US\$1.00 on October 29, 2009 and HK\$[ ] to US\$1.00 on [ ], 2010.

	<b>TTM Common Stock (US\$)</b>	<b>Meadville Shares (US\$)</b>
October 29, 2009	\$ 10.79	\$0.36
November 13, 2009	\$ 11.21	No trading
[ ], 2010	\$ [ ]	\$[ ]

The market price of our common stock or Meadville's shares could change significantly. Because the equity component of the consideration to be paid in the PCB Combination will not be adjusted for changes in the market price of our common stock or Meadville's shares through the closing date of the PCB Combination, the consideration that holders of Meadville shares may receive in the PCB Combination and subsequent special dividend of our shares by Meadville (or the net cash proceeds payable to each Meadville shareholder who elects to have Meadville sell the shares of our common stock that such electing Meadville shareholder would otherwise be entitled to receive in the special dividend on their behalf through the dealing facility) may vary significantly from the market value of our common stock that holders of Meadville shares would have received if the PCB Combination was completed on November 13, 2009, the last full trading day before the announcement of the PCB Combination, or on the date of this proxy statement/prospectus.

**Dividend Policies**

We have not declared or paid cash dividends on our common stock since 2000. We currently plan to retain any earnings to finance the growth of our business rather than to pay cash dividends on our common stock. Payments of any cash dividends on our common stock in the future will depend on our financial condition, results of operations, and capital requirements as well as other factors deemed relevant by our board of directors. Further, we may enter into credit agreements and other lending arrangements prohibiting us from paying dividends on our common stock without the consent of our lenders.

Since January 1, 2007, Meadville paid cash dividends as follows:

<b>Amount per Share</b>	<b>Date</b>
HK\$0.020 (US\$0.003)	September 28, 2007
HK\$0.040 (US\$0.005)	July 2, 2008
HK\$0.028 (US\$0.004)	September 26, 2008
HK\$0.014 (US\$0.002)	July 2, 2009
HK\$0.015 (US\$0.002)	October 6, 2009

Payments of dividends on Meadville shares in the future will depend on the financial condition, results of operations, capital requirements, contractual restrictions, and other factors deemed relevant by Meadville's board of directors.

Following completion of the PCB Combination, the holders of our common stock will be entitled to receive any dividends as may be declared by our board of directors from funds legally available therefor. The dividend policy of

the combined company will be determined by our board of directors.

**Table of Contents**

**SPECIAL MEETING OF TTM STOCKHOLDERS**

**General**

We are furnishing this proxy statement/prospectus to holders of our common stock in connection with the solicitation of proxies by our board of directors for use at the special meeting of stockholders to be held on March 12, 2010 and at any adjournment, postponement, or continuation thereof. This proxy statement/prospectus is first being furnished to our stockholders on or about [ ], 2010. In addition, this proxy statement/prospectus is being furnished to the Meadville shareholders as a prospectus of TTM in connection with the issuance by us of shares of our common stock to Meadville in connection with the PCB Combination described in this proxy statement/prospectus, and Meadville's subsequent special dividend of such shares of our common stock to its shareholders or, to the extent a Meadville shareholder so elects, in lieu of the shares of our common stock that such Meadville shareholder would otherwise have been entitled to receive, the net cash proceeds from the sale of such TTM shares sold through the dealing facility established by Meadville.

**Date, Time, and Place**

The special meeting of our stockholders will be held on March 12, 2010 at 10:00 a.m., Pacific time, at our corporate offices located at 2630 South Harbor Boulevard, Santa Ana, California 92704.

**Purpose of the TTM Special Meeting**

At the special meeting of our stockholders, and at any adjournment, postponement, or continuation thereof, our stockholders will be asked to consider and vote upon the proposal to approve the issuance of 36,334,000 shares of our common stock in the PCB Combination pursuant to the terms of the stock purchase agreement, and to transact any other business that may be properly brought before the special meeting or any adjournment or postponement thereof.

**Board Recommendation**

Our board of directors has unanimously approved and we have executed the stock purchase agreement, and our board of directors has unanimously approved the issuance of shares of our common stock in the PCB Combination, and recommends that our stockholders vote for approval of the issuance of shares of our common stock in the PCB Combination pursuant to the stock purchase agreement.

**Record Date and Outstanding Shares**

We have fixed the close of business on February 1, 2010 as the Record Date for determination of our stockholders entitled to notice of and to attend and vote at the special meeting. As of the close of business on February 1, 2010, there were 43,186,855 shares of our common stock outstanding and entitled to vote.

**Approval by Holders of TTM Common Stock**

Approval of the issuance of shares of our common stock in connection with the PCB Combination requires the affirmative vote of holders of shares representing not less than a majority (greater than 50%) of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon, provided that a quorum consisting of the holders of not less than a majority (greater than 50%) of the votes entitled to be cast by our stockholders is present at the special meeting in person or by proxy.

At the close of business on the Record Date, directors and executive officers of our company beneficially owned and were entitled to vote approximately 3.1% of the 43,186,855 shares of our common stock outstanding on that date. Directors and executive officers of Meadville and their affiliates did not beneficially own any of our shares of common stock outstanding on that date.

## **Table of Contents**

### **Votes Required**

Holders of our common stock are entitled to one vote for each share of our common stock held at the close of business on the Record Date. Votes will be counted by the inspector of election appointed for the meeting, who will separately count for and against votes, abstentions, and broker non-votes.

The approval of the issuance of our common stock in the PCB Combination pursuant to the stock purchase agreement requires the affirmative vote of holders of shares representing a majority (more than 50%) of the shares of our common stock represented in person or by proxy and entitled to vote at the special meeting, assuming the presence of a quorum.

The failure of a TTM stockholder to return a proxy or to vote in person will not have the effect of a vote for or against the PCB Combination, assuming the presence of a quorum.

### **Quorum, Abstentions, and Broker Non-Votes**

A quorum of stockholders is necessary to hold a valid special meeting. A quorum will be present at our special meeting if holders of our shares representing a majority (more than 50%) of the votes entitled to be cast are represented in person or by proxy. If a quorum is not present at the special meeting, we expect that the meeting will be adjourned or postponed to solicit additional proxies. Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the special meeting.

Shares abstaining from the vote on the PCB Combination will have the effect of a vote against the proposal. Broker non-votes will not be counted for any purpose in determining whether a proposal has been approved. Abstentions and broker non-votes will be counted towards the quorum requirement. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions).

### **Voting in Person**

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, which means your shares are held of record by a broker, bank, or other nominee, and you wish to vote at the special meeting, you must bring to the special meeting a proxy from the record holder of the shares authorizing you to vote at the special meeting.

### **Voting by Proxy**

We request that our stockholders complete, date, and sign the accompanying proxy and promptly return it in the accompanying envelope or otherwise mail it to us. All properly executed proxies that we receive prior to the vote at the special meeting (that have not been revoked) will be voted in accordance with the instructions indicated on the proxies. All properly executed proxies that we receive prior to the vote at the special meeting that do not provide any direction as to how to vote will be voted in accordance with the recommendations of our board of directors.

If your shares are held in street name, you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. Brokers

that hold shares of our common stock in street name for a beneficial owner of those shares typically have the authority to vote on discretionary matters when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of non-discretionary matters without specific instructions from the beneficial owner. If your broker holds your TTM common stock in street name, your broker will vote your shares on the PCB Combination only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with the proxy statement/prospectus. On non-discretionary matters for which you do not give your broker instructions, the shares will be treated as broker non-votes. Accordingly, our stockholders are encouraged to return the enclosed proxy card marked to indicate their vote as described in the instructions on the proxy card.

**Table of Contents**

**Revocation of Proxies**

Stockholders may revoke their proxies at any time prior to use by delivering to our Secretary at our principal executive offices, 2630 South Harbor Boulevard, Santa Ana, California 92704, a signed notice of revocation or a later-dated signed proxy, or by attending the special meeting and voting in person. Attendance at the special meeting does not in itself constitute the revocation of a proxy. Stockholders who have instructed their broker to vote their shares must follow their broker's directions in order to change those instructions. You may also attend the special meeting in person instead of submitting a proxy.

**Proxy Solicitation**

We will bear the entire cost of solicitation of proxies from our stockholders, including preparation, assembly, printing, and mailing of this proxy statement/prospectus and the proxy card. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries, and custodians holding in their names shares of our common stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of our common stock for their costs of forwarding solicitation materials to such beneficial owners. In addition to solicitation by use of the mails, proxies may be solicited by directors, officers, employees, or agents of our company in person or by telephone or other means of communication. No additional compensation will be paid to directors, officers, or other regular employees of ours for such services.

We have retained The Altman Group to aid in the solicitation of proxies from banks, brokers, nominees, and intermediaries. We will pay The Altman Group a fee of \$6,500 for its services, plus we will reimburse The Altman Group for various out-of-pocket and other expenses.

**Other Business; Adjournments**

We do not expect that any matter other than the proposal presented in this proxy statement/prospectus will be brought before our special meeting. However, if other matters incident to the conduct of the special meeting are properly presented at the special meeting or any adjournment, postponement, or continuation of the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

Adjournments may be made for the purpose of, among other things, soliciting additional proxies.

**PROPOSAL TO BE CONSIDERED AND VOTED UPON BY HOLDERS OF  
TTM COMMON STOCK AT THE SPECIAL MEETING**

The special meeting of our stockholders will be held on March 12, 2010, at 10:00 a.m., Pacific time, to consider the following item of business:

**Approval of the Issuance of 36,334,000 Shares of TTM Common Stock**

***Proposal***

We are seeking the approval of our stockholders, as required by Nasdaq Marketplace Rule 5635(a)(1), for the issuance of 36,334,000 shares of our common stock in the PCB Combination as described in this proxy statement/prospectus. Approval of our stockholders of the issuance of those shares is a condition to the obligations of our company and Meadville to effecting the PCB Combination. If the proposal to issue 36,334,000 shares of our common stock is not

approved, we cannot effect the PCB Combination under the terms set forth in the stock purchase agreement.



## **Table of Contents**

### ***Nasdaq Requirements***

Our common stock is listed for trading on the NASDAQ Global Select Market. The Marketplace Rules of the Nasdaq Stock Market require that we obtain the approval of holders of our common stock prior to the issuance of additional shares of our common stock in any transaction if:

1. the common stock has, or will have upon issuance, voting power equal to or in excess of 20% of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for common stock; or
2. the number of shares of common stock to be issued is, or will be, equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock or securities.

As of the Record Date, there were 43,186,855 shares of our common stock outstanding. In connection with the PCB Combination, we will issue 36,334,000 shares of our common stock, representing an increase of approximately 84% over the number of outstanding shares of our common stock as of November 16, 2009, the date of execution of the stock purchase agreement, and an increase of approximately 84% over the number of outstanding shares of our common stock as of the Record Date.

### ***Impact of Issuance on Existing Stockholders***

Existing holders of our common stock will have rights that are equal to those of the holders of the shares of our common stock that would be issued in the PCB Combination, as the shares to be issued in the PCB Combination are the same class of common stock as the class of our common stock currently outstanding. In determining whether to vote for this proposal, stockholders should consider that they are subject to the risk of substantial dilution of their interests that will result from the issuance of shares of our common stock, and that as a result of the issuance of such shares of our common stock, the current stockholders will own a smaller percentage of our outstanding shares of common stock. Meadville or its stockholders would hold approximately 46% of our common stock outstanding after giving effect to the PCB Combination, based on the number of shares of our common stock outstanding on November 16, 2009.

### ***TTM Stockholder Vote Requirement***

Approval of the issuance of TTM common stock in connection with the PCB Combination requires the affirmative vote of not less than a majority of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon, provided that a quorum is present at the special meeting.

### ***Recommendation of TTM's Board of Directors***

We cannot complete the PCB Combination under the terms set forth in the stock purchase agreement unless the issuance of our common stock described above is approved by the required vote. The board of directors believes that the PCB Combination is in the best interests of our company and our stockholders, and therefore **recommends a vote for the proposal described above.**

## **THE PCB COMBINATION**

### **Overview of the PCB Combination**

The proposed transaction involves the acquisition by TTM Hong Kong, a wholly owned subsidiary of TTM International, of 100% of the equity interests of the PCB Subsidiaries owned by MTG. MTG is the owner of all of the

outstanding capital stock of each of MTG Management (BVI) Limited, MTG PCB (BVI) Limited, MTG PCB No. 2 (BVI) Limited, and MTG Flex (BVI) Limited, and each of those entities is the owner of all or a substantial part of the equity interests of numerous subsidiaries engaged in PCB operations. The PCB Subsidiaries engage in the business of manufacturing and distributing PCBs, including circuit design, quick-turn-around services, and drilling and routing services. TTM Hong Kong is an investment holding company incorporated in Hong Kong and was formed by TTM International solely for the purpose of acquiring the PCB Subsidiaries. TTM Hong Kong has

## **Table of Contents**

conducted no operations to date. In connection with the proposed PCB Combination, on November 16, 2009 we, TTM International, and TTM Hong Kong entered into a stock purchase agreement with Meadville and MTG that provides for the payment by us at the closing of the PCB Combination of cash consideration of \$114,034,328 and the issuance to Meadville, as MTG's designee, of 36,334,000 shares of our common stock. The cash purchase price and the number of shares of our common stock issuable as consideration for the acquisition of the PCB Subsidiaries will not be adjusted (other than as a result of reclassifications, stock splits, stock dividends, and similar changes effected by us) in the event of fluctuations in the trading price of our common stock or Meadville's shares through the closing date of the PCB Combination. We would also assume the indebtedness of the PCB Subsidiaries in connection with the PCB Combination.

Concurrent with our purchase of the PCB Subsidiaries, MTG will separately sell its laminate operations to an affiliate of the Principal Shareholders. We will not be a party to Meadville's sale of its laminate business. Following the closing of the purchase of the PCB Subsidiaries and Meadville's sale of its laminate operations, Meadville will, subject to certain conditions, distribute to its shareholders by way of special dividend the sale proceeds from the PCB Combination and sale of its laminate operations, including the shares of our common stock issued in connection with the PCB Combination, after which Meadville will be wound up.

As of November 16, 2009, the date of execution of the stock purchase agreement, there were 43,170,990 shares of our common stock outstanding. As of that date, the shares of our common stock to be issued in the PCB Combination represented approximately 84% of our outstanding capital stock, and based on that number of our shares outstanding, would represent approximately 46% of our outstanding capital stock following completion of the PCB Combination.

The shares of our common stock to be issued in the PCB Combination will be issued from our authorized but unissued shares of common stock. The cash consideration to be paid to Meadville in connection with the transaction will be paid from our cash on-hand, which we have previously deposited in an escrow account pending the closing of the PCB Combination.

## **Background on the PCB Combination**

Our board of directors continually reviews our results of operations and competitive position in the industry in which we operate, as well as our strategic alternatives. In connection with these reviews, we have from time to time evaluated potential transactions that would further our strategic objectives. In addition, we have regularly contacted other PCB companies to discuss areas of possible collaboration, including strategic transactions. In connection with these reviews and discussions, we have from time to time engaged UBS to act as our financial advisor.

The stock purchase agreement and proposed PCB Combination is the culmination of a process that started in early 2007. In March 2007, members of our management team and members of Meadville's management team met and had initial discussions regarding a potential combination of us and Meadville. However, several months passed following the initial discussions before we took any additional material actions in connection with the potential combination.

During November and December 2007, representatives of UBS discussed acquisition alternatives with us, including presentations to our board of directors with regards to a potential acquisition transaction with Meadville using various financing alternatives and exploration of other Asian-based acquisition targets.

On January 7, 2008, by execution of an engagement letter, we formally engaged UBS as our exclusive financial advisor in connection with a potential acquisition transaction with Meadville.

During January, February, and March of 2008, members of our management team and representatives of Meadville, as well as representatives of UBS, had ongoing discussions regarding a potential combination of our company and Meadville.

On March 28, 2008, our representatives and representatives of Meadville met in Hong Kong. During that meeting our representatives provided Meadville with a preliminary combination proposal.

**Table of Contents**

During April 2008 through September 2008, representatives of our company, Meadville, UBS, and Merrill Lynch (Asia Pacific) Limited, or Merrill Lynch (which had been engaged by Meadville as its financial advisor), had ongoing discussions regarding the terms and conditions of our combination proposal.

On October 14, 2008, we executed a non-disclosure agreement with Meadville. Shortly thereafter, Meadville provided us with access to various diligence-related documents requested by us and our advisors.

During October, November, and December of 2008, we and Meadville engaged in due diligence activities, including review of materials provided by us and Meadville to the other, in-person management meetings, and manufacturing facility visits.

On January 9, 2009, Kent Alder, our Chief Executive Officer and President, and Canice Chung, Meadville's Executive Director and Chief Executive Officer, agreed to put the combination discussions on hold due to market conditions.

During March 2009, representatives of UBS and Merrill Lynch held calls to discuss the potential combination, and on April 8, 2009, Mr. Alder and Mr. Chung met in Los Angeles, California to recommence discussions relating to the potential combination. Based on those discussions, Mr. Alder agreed to provide Meadville a revised combination proposal, which we subsequently provided to Meadville.

In April, May, and June of 2009, representatives of our company and Meadville, as well as representatives of UBS and Merrill Lynch, had ongoing discussions regarding the terms included in the revised combination proposal.

On June 12, 2009, we and Meadville came to an understanding on the basis on which to proceed with the proposed PCB Combination and agreed to move forward with due diligence, financing, regulatory, and transaction structuring discussions. We, Meadville, and our respective legal and financial advisors agreed to hold a weekly update call to coordinate the various workstreams.

In July 2009, we and Meadville exchanged financial projections.

On July 24, 2009, in contemplation of the proposed PCB Combination, we and Meadville delivered a presentation to potential lenders to the PCB Subsidiaries to secure financing for the PCB Subsidiaries.

During July 2009 through October 2009, we, Meadville, and our respective advisors continued to conduct due diligence relating to the PCB Combination. We, Meadville, and our respective advisors continued to discuss the transaction structure, the regulatory process and issues, and financing term requirements. We and Meadville also continued discussions with potential lenders.

During the months of September and October 2009, we and Meadville began preparing drafts of and negotiating the terms of the definitive agreements to be executed in the PCB Combination.

On October 2, 2009, Meadville provided us with updated financial projections. The following day UBS representatives, members of our management, and Robert Klatell, our Chairman, discussed the updated financial projections provided by Meadville.

During October 2009, we, Meadville, and our respective advisors began to negotiate the terms of the stock purchase agreement, shareholders agreement, registration rights agreement, and sell-down registration rights agreement, and discussed the various disclosure and filing obligations under applicable U.S. and foreign securities laws, antitrust filings, CFIUS requirements, and other regulatory aspects of the proposed PCB Combination.

On October 23, 2009, our board of directors met to discuss the potential PCB Combination and discuss with members of our management team and advisors the status of the various documents to be prepared in connection with the PCB Combination, due diligence activities and status, and regulatory issues.

On October 29 and 30, 2009, Mr. Alder and Mr. Klatell, together with certain of our advisors, met with Meadville representatives and their advisors in Hong Kong to negotiate in person the terms of the stock purchase agreement and shareholders agreement.

At 3:19 p.m. Hong Kong time on October 30, 2009, trading of Meadville's shares was suspended on the HKSE and an announcement to that effect was released by Meadville in Hong Kong shortly thereafter.

## **Table of Contents**

As negotiations between us and Meadville continued, on November 5, 2009, our board of directors met to discuss the PCB Combination with our management team and advisors. Our board of directors was presented with an update on the discussions with Meadville relating to the PCB Combination. Tom Tang, Mai Tang, and Mr. Chung from Meadville also met with our board of directors during a portion of the board meeting.

From November 5, 2009 through November 15, 2009, we, Meadville, and our respective advisors continued to negotiate the terms of the stock purchase agreement, shareholders agreement, registration rights agreement, and sell-down registration rights agreement, and continued work relating to the credit facility to be provided to the PCB Subsidiaries.

On November 15, 2009, our board of directors met. At that meeting, members of our management team reviewed with our board of directors the terms of the transaction, the draft transaction documents that had been previously provided to the board of directors, and related matters, and representatives of UBS reviewed with our board of directors its financial analysis of the PCB Combination. UBS also delivered its oral opinion, subsequently confirmed in writing, that, as of November 15, 2009, and based upon and subject to the factors and assumptions stated in its opinion, the consideration to be paid by us in the PCB Combination was fair, from a financial point of view, to us. At that meeting, our board of directors unanimously approved our execution of the stock purchase agreement.

On November 16, 2009, we, TTM International, TTM Hong Kong, Meadville, and MTG executed the stock purchase agreement. Shortly thereafter, we issued a press release announcing the transaction and filed a current report on Form 8-K relating to the execution of the stock purchase agreement, among other matters.

Between the date of announcement of the execution of the stock purchase agreement and the date of this proxy statement/prospectus, the parties have engaged in various activities intended to satisfy the conditions to closing set forth in the stock purchase agreement. Further to that purpose, on December 23, 2009, we, Meadville, and MTG executed the sell-down registration rights agreement.

## **Reasons for the PCB Combination**

We believe that our acquisition of the PCB Subsidiaries will allow us to achieve certain economies of scale necessary for sustainable and profitable growth. The PCB Combination is expected to broaden our product line offering, capture incremental high-volume business from existing and new customers, and expand and diversify our customer base and end markets. We expect that the PCB Combination will enable us to create a one stop global business solution for the combined company's customers. While the PCB Combination is not motivated by the creation of cost synergies or cost reductions, we expect that the combined PCB business will stand to realize potential synergies, improve utilization of its capital resources, and enhance capital expenditure management. The PCB Subsidiaries have expanded their capacity in recent years to support a growing market demand, and we expect to capitalize on Meadville's prior investments in the PCB Subsidiaries. We expect that the manufacturing platform of the combined company will enable us to execute our global facility specialization strategy.

Upon completion of the PCB Combination, by combining the leading North American PCB manufacturer with a leading Asian PCB manufacturer, we expect that we will become a leading global PCB manufacturer with high-technology, strong production, and strong research and development capabilities. While the PCB Combination is expected to create a global presence, we expect to retain deep local knowledge in the respective North American and Asian PCB markets. We expect the PCB Combination to strengthen our competitive position by expanding our platform into the critical low-cost Asian regions that complement our existing U.S. footprint. Additionally, we expect that the combined position will allow us to serve the growing Asian market demand, broaden our product line offering, and, due to minimal customer overlap, expand our customer base and end markets. We believe that the long-term potential of the PCB business remains significant and the PCB Combination will allow us to capitalize on

what we believe to be a long-term growth opportunity. We also expect to be able to leverage the PCB Subsidiaries presence in Asia, marketing capabilities, and distribution networks.

We believe that the combination of our company and the PCB Subsidiaries:

will create a leading global PCB company with high-technology capabilities and a highly diversified revenue mix by geography and end-market;



**Table of Contents**

will result in a one stop global solution from quick-turn through volume production and a focused facility specialization strategy;

will create an opportunity to capture significant incremental volume business from existing and new customers in North America, Europe, the Middle East, and Africa;

positions us to serve the growing Asian market demand;

results in a global sales force and manufacturing platform;

is a combination of entities with complementary footprints, customers, and end-markets;

further diversifies our end-market exposure and customer base;

results in the creation of operational efficiencies; and

combines deep, talented management teams with leading expertise in the U.S. and in the PRC.

**Opinion of TTM's Financial Advisor**

On November 15, 2009, at a meeting of our board of directors held to evaluate the proposed PCB Combination, UBS delivered to our board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion dated November 15, 2009, to the effect that, as of that date and based on and subject to various assumptions, matters considered, and limitations described in its opinion, the approximately 36.3 million shares of our common stock to be issued, together with the approximately \$114 million in cash to be paid by us in the PCB Combination, referred to in this section collectively as the Consideration, was fair, from a financial point of view, to us.

The full text of UBS' opinion describes the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by UBS. This opinion is attached as Annex C and is incorporated into this proxy statement/prospectus by reference.

**Holders of our common stock are encouraged to read UBS' opinion carefully in its entirety. UBS' opinion was provided for the benefit of our board of directors in connection with, and for the purpose of, its evaluation of the Consideration from a financial point of view and does not address any other aspect of the PCB Combination. The opinion does not address the relative merits of the PCB Combination or any related transaction as compared to other business strategies or transactions that might be available to the Company or the Company's underlying business decision to effect the PCB Combination or any related transaction. The opinion does not constitute a recommendation to any stockholder as to how to vote or act with respect to the PCB Combination or any related transaction.**

The following summary of UBS' opinion is qualified in its entirety by reference to the full text of UBS' opinion.

In arriving at its opinion, UBS, among other things:

reviewed certain publicly available business and financial information relating to the PCB Subsidiaries and our company;

reviewed certain internal financial data and other data relating to the PCB Subsidiaries and their financial prospects that were provided to UBS by our management and not publicly available, including financial forecasts and estimates for the PCB Subsidiaries prepared by our management that our board of directors directed UBS to utilize for purposes of its analysis;

reviewed certain internal financial and other information relating to the business and financial prospects of our company that were provided to UBS by our management and not publicly available, including financial forecasts and estimates prepared by our management that our board of directors directed UBS to utilize for purposes of its analysis;

conducted discussions with members of the senior managements of Meadville and our company concerning the business and financial prospects of the PCB Subsidiaries and our company;

**Table of Contents**

reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;

compared the financial terms of the PCB Combination with the publicly available financial terms of certain other transactions UBS believed to be generally relevant;

reviewed current and historical market prices of our common stock;

considered certain pro forma effects of the PCB Combination on our financial statements;

reviewed a draft, dated November 15, 2009, of the stock purchase agreement; and

conducted such other financial studies, analyses, and investigations, and considered such other information, as UBS deemed necessary or appropriate.

In connection with its review, with the consent of our board of directors, UBS assumed and relied upon, without independent verification, the accuracy and completeness in all material respects of the information provided to or reviewed by UBS for the purpose of its opinion. In addition, with the consent of our board of directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of our company or the PCB Subsidiaries, and was not furnished with any such evaluation or appraisal. With respect to the financial forecasts, estimates, and pro forma effects referred to above, UBS assumed, at the direction of our board of directors, that such forecasts, estimates, and pro forma effects had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of our management as to the future financial performance of our company, the PCB Subsidiaries and such pro forma effects. In addition, UBS assumed, with the approval of our board of directors, that such financial forecasts and estimates would be achieved at the times and in the amounts projected. UBS' opinion was necessarily based on economic, monetary, market, and other conditions as in effect on, and the information available to UBS as of, the date of its opinion.

At the direction of our board of directors, UBS was not asked to, and it did not, offer any opinion as to the terms, other than the Consideration to the extent expressly specified in UBS' opinion, of the stock purchase agreement or any related documents or the form of the PCB Combination or any related transaction. In addition, UBS expressed no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors, or employees of any parties to the PCB Combination, or any class of such persons, relative to the Consideration. UBS expressed no opinion as to what the value of our common stock would be when issued pursuant to the PCB Combination or the price at which shares of our common stock would trade at any time. In rendering its opinion, UBS assumed, with the consent of our board of directors, that (i) the final executed form of the stock purchase agreement would not differ in any material respect from the draft that UBS reviewed, (ii) the parties to the stock purchase agreement would comply with all material terms of the stock purchase agreement, and (iii) the PCB Combination would be consummated in accordance with the terms of the stock purchase agreement without any adverse waiver or amendment of any material term or condition of the stock purchase agreement. UBS also assumed that all governmental, regulatory, or other consents and approvals necessary for the consummation of the PCB Combination would be obtained without any material adverse effect on our company, the PCB Subsidiaries, or the transaction. Except as described above, we imposed no other instructions or limitations on UBS with respect to the investigations made or the procedures followed by UBS in rendering its opinion. The issuance of UBS' opinion was approved by an authorized committee of UBS.

In connection with rendering its opinion to our board of directors, UBS performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all

analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected companies and the selected transactions analysis summarized below, no company or transaction used as a comparison was identical to our company, the PCB Subsidiaries, or the PCB Combination. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

## **Table of Contents**

UBS believes that its analyses and the summary below must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying UBS' analyses and opinion. UBS did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole.

The estimates of the future performance of our company and the PCB Subsidiaries provided by us in or underlying UBS' analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, UBS considered industry performance, general business and economic conditions, and other matters, many of which were beyond our or Meadville's control. Estimates of the financial value of companies do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold or acquired.

The Consideration was determined through negotiation between us and Meadville and the decision by us to enter into the PCB Combination was solely that of our board of directors. UBS' opinion and financial analyses were only one of many factors considered by our board of directors in its evaluation of the PCB Combination and should not be viewed as determinative of the views of our board of directors or management with respect to the PCB Combination or the Consideration.

The following is a brief summary of the material financial analyses performed by UBS and reviewed with our board of directors on November 15, 2009 in connection with its opinion relating to the proposed PCB Combination. **The financial analyses summarized below include information presented in tabular format. In order for UBS financial analyses to be fully understood, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS' financial analyses.** For purposes of the PCB Subsidiaries Financial Analyses described below, the term implied value of the Consideration refers to the \$521.3 million implied value of the Consideration to be paid to purchase the equity of the PCB Subsidiaries based on the cash portion of the Consideration of \$114 million and the implied value, utilizing the closing price of TTM common stock on November 13, 2009, of the stock portion of the Consideration of 36.3 million shares of TTM common stock. Implied present values of TTM common stock per share set forth below assume outstanding shares based on the treasury stock method, including potential stock issuances and purchases relating to the conversion of our 3.25% convertible senior notes due May 15, 2015 and the related option and warrant transactions, as more fully described in our Form 10-K for the year ended December 31, 2008 and in our current report on Form 8-K filed with the SEC on December 15, 2009. Unless otherwise stated, the minority interests in the PCB Subsidiaries included in the analyses set forth below were valued at the equity-value-to-net-income multiple resulting from the implied value of the Consideration.

### ***PCB Subsidiaries Financial Analyses***

#### ***Selected Companies Analysis***

UBS compared selected financial data based on the implied value of the Consideration to be paid for the PCB Subsidiaries with corresponding data of the following nine publicly traded PCB companies, including Meadville and our company:

Austria Technologie & Systemtechnik AG

Compeq Manufacturing Co. Ltd.

Elec & Eltek International Co. Ltd.

Gold Circuit Ltd.

Meadville Holdings Limited

Multi-Fineline Electronix Inc.

**Table of Contents**

TTM Technologies, Inc.

Tripod Technology Corp.

Unimicron Technology Corp.

UBS reviewed, among other things, the enterprise values of the selected companies, calculated as equity market value based on closing stock prices on November 13, 2009, plus non-convertible debt at book value, convertible debt at face amount, and minority interests at book value, less cash and cash equivalents and certain minority investments at market value, as multiples of, to the extent publicly available, estimated revenue and estimated earnings before interest, taxes, depreciation, and amortization, referred to as EBITDA, for the calendar years 2009 and 2010. UBS also reviewed closing stock prices of the selected companies on November 13, 2009 as a multiple of calendar years 2009 and 2010 estimated earnings per share, referred to as EPS. UBS then compared these multiples derived for the selected companies with corresponding multiples implied for the PCB Subsidiaries based on the implied value of the Consideration. Additionally, UBS compared these multiples derived for the selected companies with corresponding multiples implied for our company, using two sets of financial forecasts and estimates for the Company prepared by our management that our management characterized respectively as GAAP and Non-GAAP. Financial data for the selected companies, including the financial data for Meadville and our company included in the Selected Companies data, were based on publicly available research analysts consensus estimates, public filings, and other publicly available information, as of the most recent dates available. Multiples greater than 75.0x or less than zero were regarded as not meaningful and excluded from the analysis. Estimated financial data for the PCB Subsidiaries were based on financial forecasts and estimates prepared by our management. GAAP estimates for our company were characterized by our management as having been prepared on a basis consistent with GAAP, and Non-GAAP estimates for our company reflect adjustments by our management to EPS to exclude amortization of intangibles, stock-based compensation expense, restructuring expense, non-cash interest expense on convertible debt, amortization of debt issuance costs, and other non-recurring items. This analysis indicated the following implied high, median, mean, and low multiples for the selected companies, as compared to corresponding multiples implied for our company and the PCB Subsidiaries:

	Implied Multiples for Selected Companies				Implied Multiples for Company	Implied Multiples for Company	Implied Multiples for PCB Subsidiaries
	High	Median	Mean	Low	Based on GAAP Projections and Closing Stock Price on November 13, 2009	Based on Non-GAAP Projections and Closing Stock Price on November 13, 2009	Based on Implied Value of Consideration
Enterprise Value as Multiple of Revenue:							
2009E	1.3x	0.9x	0.9x	0.7x	0.8x	0.8x	1.6x
2010E	1.1x	0.8x	0.8x	0.5x	0.9x	0.9x	1.4x

Enterprise Value as Multiple of EBITDA:							
2009E	6.9x	5.5x	5.6x	4.4x	7.3x	7.3x	7.4x
2010E	5.2x	4.8x	4.7x	3.8x	5.6x	5.6x	5.8x
Price per share as Multiple of EPS:							
2009E	19.8x	13.9x	13.8x	8.3x	52.2x	18.2x	13.1x
2010E	14.5x	11.4x	11.3x	6.9x	14.8x	11.9x	8.5x



**Table of Contents***Selected Transactions Analysis*

UBS reviewed transaction values in the following six selected transactions involving PCB companies:

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
August 2, 2006	TTM Technologies, Inc.	Tyco Printed Circuit Group
October 10, 2005	Amphenol Corp.	Teradyne TCS Division
April 14, 2005	Merix Corp.	Eastern Pacific Circuits Ltd.
December 9, 2004	Merix Corp.	Data Circuit Systems Inc.
October 13, 2004	Kingboard Chemical Holdings Ltd.	Elec and Eltek International Holdings Ltd.
June 28, 2004	Sanmina-SCI Corp.	Pentex-Schweizer Circuits Ltd.

UBS reviewed, among other things, (i) transaction values in the selected transactions, calculated as the purchase price paid for the target company's equity, plus debt and minority interests at book value, less cash and cash equivalents, as multiples of, to the extent publicly available, latest 12 months revenue and latest 12 months EBITDA, and (ii) the purchase price paid for the target company's equity as a multiple of, to the extent publicly available, latest 12 months net income. UBS then compared these multiples derived for the selected transactions with corresponding multiples implied for the PCB Subsidiaries based on the implied value of the Consideration. Multiples for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. Estimated financial data for the PCB Subsidiaries were based on financial forecasts and estimates for the 12 months ended June 30, 2009, as prepared by our management. This analysis indicated the following implied high, median, mean, and low multiples for the selected transactions, as compared to corresponding multiples implied for the PCB Subsidiaries:

	<b>Implied Multiples for Selected Transactions</b>				<b>Implied Multiples for PCB Subsidiaries Based on Implied Value of Consideration</b>
	<b>High</b>	<b>Median</b>	<b>Mean</b>	<b>Low</b>	
Transaction Value as Multiple of:					
Latest 12 Months Revenue	1.6x	1.2x	1.1x	0.6x	1.6x
Latest 12 Months EBITDA	12.2x	8.1x	8.8x	7.2x	8.5x
Equity Value as Multiple of:					
Latest 12 Months Net Income	73.3x	19.0x	36.1x	15.9x	16.9x

*Discounted Cash Flow Analysis*

UBS performed a discounted cash flow analysis of the PCB Subsidiaries using financial forecasts and estimates relating to the PCB Subsidiaries prepared by our management. UBS calculated a range of implied present values of the standalone unlevered, after-tax free cash flows that the PCB Subsidiaries were forecasted to generate from January 1, 2010 until December 31, 2014 and of terminal values for the PCB Subsidiaries based on the PCB Subsidiaries' calendar year 2014 estimated EBITDA. Implied terminal values were derived by applying to our calendar year 2014 estimated EBITDA a range of estimated EBITDA terminal value multiples of 5.0x to 7.0x. Present values of cash flows and terminal values were calculated using discount rates ranging from 9.0% to 11.0%. The discounted

cash flow analysis resulted in a range of implied present values of approximately \$1.3 billion to \$1.8 billion in enterprise value as compared to the implied enterprise value of the PCB Subsidiaries of approximately \$1.0 billion corresponding to the implied value of the Consideration.

***Company Financial Analyses***

*Selected Companies Analysis*

UBS compared selected financial and stock market data of our company with corresponding data of the selected companies referred to above under PCB Subsidiaries Financial Analyses Selected Companies Analysis.

## **Table of Contents**

### *Discounted Cash Flow Analysis*

UBS performed a discounted cash flow analysis of our company using financial forecasts and estimates relating to us prepared by our management. UBS calculated a range of implied present values (as of December 31, 2009) of the standalone unlevered, after-tax free cash flows that we were forecasted to generate from January 1, 2010 until 2014 and of terminal values for our company based on our calendar year 2014 estimated EBITDA. Implied terminal values were derived by applying to our calendar year 2014 estimated EBITDA a range of estimated EBITDA terminal value multiples of 5.0x to 7.0x. UBS calculated present values of cash flows and terminal values using discount rates ranging from 10.0% to 12.0%. The discounted cash flow analysis resulted in a range of implied present values of equity of approximately \$12.50 to \$16.25 per share of our common stock, as compared to the closing price of our common stock on November 13, 2009 of \$11.21.

### *Pro Forma Discounted Cash Flow Analysis*

UBS performed a discounted cash flow analysis of our company, pro forma for the PCB Combination, using financial forecasts and estimates relating to our company and the PCB Subsidiaries prepared by our management. UBS calculated a range of implied present values of the unlevered, after-tax free cash flows that we were forecasted to generate from January 1, 2010 until 2014 and of terminal values for our company based on our calendar year 2014 estimated EBITDA. UBS derived the implied terminal values by applying to our calendar year 2014 estimated EBITDA a range of estimated EBITDA terminal value multiples of 5.0x to 7.0x. Present values of cash flows and terminal values were calculated using discount rates ranging from 9.5% to 11.5%. The pro forma discounted cash flow analysis resulted in a range of implied present values of equity of approximately \$14.60 to \$21.60 per share of TTM common stock, representing an increase in implied present value of equity per share as compared to the standalone implied present value of equity per share ranging from approximately 18% to 33%.

### *Pro Forma Accretion/Dilution Analysis*

UBS reviewed the potential pro forma effect of the PCB Combination on our calendar year 2010 estimated EPS. Estimated financial data for each of the PCB Subsidiaries and our company were based on financial forecasts and estimates prepared by our management. Based on the implied value of the Consideration, this analysis indicated that the PCB Combination could be accretive to our calendar year 2010 estimated EPS.

Actual results may vary from projected results and the variations may be material.

### *Miscellaneous*

Under the terms of UBS' engagement, we agreed to pay UBS for its financial advisory services in connection with the PCB Combination an aggregate fee of \$7.75 million, a portion of which was payable in connection with UBS' opinion and a significant portion of which is contingent upon consummation of the PCB Combination. In addition, we agreed to reimburse UBS for its reasonable expenses, including fees, disbursements, and other charges of counsel, and to indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. In the past, UBS and its affiliates have provided investment banking services to us unrelated to the proposed PCB Combination, for which UBS and its affiliates received compensation, including having acted as joint bookrunner in connection with a convertible note offering we effected in 2008. In the ordinary course of business, UBS and its affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of our company and Meadville, and, accordingly, may at any time hold a long or short position in such securities. We selected UBS as our financial advisor in connection with the PCB Combination because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions and because of UBS' familiarity with our company. UBS is regularly engaged in the valuation of businesses and their securities in

connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

**Certain financial information contained in this section constitutes profit forecasts under Rule 10 of the Hong Kong Code on Takeovers and Mergers. However, such financial information does not meet the standards for inclusion required by Rule 10 of such code. UBS has not reported on whether the profit forecast information has been prepared by our company with due care and consideration, and KPMG LLP, our**

**Table of Contents**

**independent public accounting firm, has not reported on whether such financial information, so far as the accounting policies and calculations are concerned, has been properly compiled under the Hong Kong Code on Takeovers and Mergers on the basis of the assumptions made. Nevertheless, in view of our obligation to comply with U.S. regulatory requirements, we requested, and the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong has permitted, our inclusion of information in this section that constitutes profit forecasts under the Hong Kong Code on Takeovers and Mergers. Our and Meadville's shareholders and potential investors should exercise caution in placing any reliance on financial information included in this section.**

In addition, other of our investors and potential investors who may obtain and read this proxy statement/prospectus from publicly available sources should also exercise caution in placing any reliance on financial information included in this section.

**Recommendation of TTM's Board of Directors**

Our board of directors believes that the PCB Combination is fair to and in the best interests of our company and our stockholders and recommends that holders of our common stock vote for the issuance of 36,334,000 shares of our common stock in connection with the PCB Combination.

In the course of reaching its decision to approve the PCB Combination and the stock purchase agreement and recommending that the holders of our common stock vote to approve the issuance of shares of our common stock in the PCB Combination, our board of directors consulted various legal and financial advisors and considered a number of factors that it believed supports its decision, including those described above under The PCB Combination Reasons for the PCB Combination.

In connection with its deliberations, our board of directors also considered potential risks associated with the PCB Combination and our business, the PCB Subsidiaries, and the combined company described in the section entitled Risk Factors, as well as the following additional potential risks associated with the PCB Combination:

the risks and costs to us if the PCB Combination is not completed, including the potential diversion of management and employee attention, potential employee attrition, and the potential effect on business and customer relationships;

the risk that holders of shares of our common stock may fail to approve the PCB Combination or that Meadville's shareholders may fail to approve the PCB Combination;

the fact that the cash and stock consideration is a fixed amount, and will not adjust as a result of pre-closing fluctuations in the trading price of our common stock or Meadville's shares;

the fact that we are subject to the remedies of damages and specific performance should we fail to complete the PCB Combination and are in breach of the stock purchase agreement;

that the restrictions imposed by the stock purchase agreement on the conduct of our business prior to completion of the PCB Combination, requiring us to conduct our business only in the ordinary course and imposing additional specific restrictions, may delay, limit, or prevent us from undertaking business opportunities that may arise during that period;

the risk that applicable regulatory bodies would not approve the PCB Combination; and

the fees and expenses associated with completing the PCB Combination.

Our board of directors concluded that, on balance, the potential benefits to us and our stockholders of the transactions contemplated by the stock purchase agreement outweighed the potential disadvantages and risks associated with the PCB Combination. The foregoing discussion of the information and factors considered by our board of directors is not intended to be exhaustive. In view of the variety of factors considered in connection with its evaluations, our board of directors did not find it practicable to, and did not quantify or otherwise assign relative weight to, any specific factors considered in reaching its determination. Instead, our board of directors conducted an overall analysis of the factors described above, among others, including summaries of discussions of our management with our legal, financial, accounting, tax, and other advisors and made its determination based on

**Table of Contents**

the totality of the information provided. In considering the factors described above, individual directors may have given different weight to different factors.

**Conditions to Completion of the PCB Combination**

Our and Meadville's obligation to complete the PCB Combination is subject to the satisfaction or waiver of various conditions, including the following:

the waiting period applicable to the transactions under the Hart-Scott-Rodino Act and applicable foreign antitrust regulations shall have expired or been terminated (in January 2010, we received notice from the FTC that our request for early termination of the review period under the Hart-Scott-Rodino Act had been granted), and all other approvals, clearances, filings, or waiting periods or consents of government entities (including the applicable governmental entities of the PRC) required under antitrust laws shall have expired or been made or received;

either (i) CFIUS shall have provided notice to the effect that review or investigation of the purchase and the other transactions contemplated by the stock purchase agreement and the ancillary agreements has concluded, and that a determination has been made that there are no issues of national security of the United States sufficient to warrant further investigation (on February 2, 2010, CFIUS informed us that there are no unresolved national security concerns for the PCB Combination), or (ii) the President of the United States shall not have taken action to block or prevent the consummation of the acquisition and the other transactions contemplated by the stock purchase agreement and the ancillary agreements and the applicable period of time for the President of the United States to take such action shall have expired;

our registration statement on Form S-4 registering the sale of our shares of common stock to be issued in the PCB Combination, of which this proxy statement/prospectus is a part, shall have become and remain effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order;

we and Meadville shall have each received the requisite approvals of our respective shareholders;

there shall not have been overtly threatened or pending any suit, action, or proceeding by any government entity seeking to restrain or prohibit the consummation of the PCB Combination;

all conditions to the separate sale by Meadville of its laminate business shall have occurred, other than (i) the condition that the closing of the PCB Combination shall have become unconditional, and (ii) any condition which can only be satisfied on the closing of the sale of Meadville's laminate business;

the credit agreement shall have been executed and effective, and all conditions relating to the drawdown under the credit agreement that are capable of being satisfied or fulfilled prior to the closing of the PCB Combination shall have been duly performed or waived, and all conditions precedent relating to the drawdown to be fulfilled after the closing of the PCB Combination must remain capable of being fulfilled;

we shall have entered into the registration rights agreement relating to the shares of our stock issuable in the PCB Combination and the sell-down in the dealing facility of certain of our shares issued in the PCB Combination within four weeks following the execution of the stock purchase agreement, in a form reasonably satisfactory to Meadville;

we shall have entered into a registration rights agreement with the Principal Shareholders on or prior to the closing of the PCB Combination granting them certain rights to require us to register our shares of common

stock issued in the PCB Combination and distributed to them, in a form reasonably satisfactory to Meadville;

no law enjoining the transaction or prohibiting or limiting the ownership of the PCB Subsidiaries shall be in effect;

there shall not have occurred, since the date of the stock purchase agreement, and neither the board of directors of Meadville, MTG, nor we shall have approved or recommended, any offer or proposal contemplating, and neither Meadville, MTG, nor us shall have entered into any agreement providing for, certain change of control transactions involving Meadville, MTG, or us;



## **Table of Contents**

each party's representations and warranties shall be accurate, subject to certain qualifications and exceptions;

each party shall be in compliance in all material respects with its undertakings, covenants, and contractual obligations under the stock purchase agreement; and

there shall not have occurred any change, event, occurrence, or state of facts since the date of the stock purchase agreement that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the other party.

With respect to Meadville's shareholder approval requirements, closing of the PCB Combination also requires that Meadville's independent shareholders (which includes all Meadville shareholders other than Mr. Tang and certain of his affiliates) holding at least 75% of the voting power of Meadville's shares held by those independent shareholders who vote in person or by proxy at Meadville's shareholders' meeting approve the PCB Combination and the sale of Meadville's laminate business, with the number of votes cast against the PCB Combination and the sale of Meadville's laminate business being not more than 10% of the votes held by all independent shareholders.

For further information relating to the various conditions to closing of the PCB Combination, see the section entitled "The Stock Purchase Agreement and Related Agreements - The Stock Purchase Agreement."

### **Expected Timing of the PCB Combination**

We and Meadville expect to complete the PCB Combination on the fifth business day after all the conditions to the PCB Combination in the stock purchase agreement are satisfied or waived, including after the receipt of approval of our stockholders of the issuance of shares of our common stock at our special meeting and receipt of approval of Meadville's shareholders at its special meeting, and the receipt of all required regulatory approvals. We and Meadville currently expect to complete the PCB Combination during the first quarter of 2010. However, it is possible that factors outside of either company's control could cause the PCB Combination to be completed at a later time or not at all. The stock purchase agreement provides that the stock purchase agreement may be terminated at any time prior to closing of the PCB Combination if, among other things, the conditions to the effectiveness of the PCB Combination have not been satisfied or waived on or before May 31, 2010 and the party requesting the termination has not willfully breached a covenant in the stock purchase agreement that causes the condition not to occur, provided that either party may extend the termination date to June 30, 2010 if certain of the conditions relating to regulatory approvals have not been satisfied or waived before May 31, 2010.

### **Consideration Payable in the PCB Combination**

The stock purchase agreement provides for the payment by us to Meadville, as MTG's designee, at the closing of the transaction of cash consideration of \$114,034,328 and the issuance to Meadville of 36,334,000 shares of our common stock. In connection with the PCB Combination, we will also assume indebtedness of the PCB Subsidiaries. The number of our shares that we issue and the amount of cash we pay to Meadville will not be adjusted as a result of fluctuations in the trading price of our common stock or Meadville's shares through the date of closing of the PCB Combination. The shares of our common stock to be issued in the PCB Combination have an aggregate value of approximately \$407.3 million based on the closing price of \$11.21 per share of our common stock on the NASDAQ Global Select Market on November 13, 2009, the last full trading day immediately prior to the date we announced the execution of the stock purchase agreement.

Shortly after the PCB Combination, Meadville will distribute to its shareholders by way of a special dividend the cash and shares of our common stock to be issued by us to Meadville in the PCB Combination or, to the extent a Meadville

shareholder so elects, the shares of our common stock that such electing Meadville shareholder would otherwise have been entitled to receive in the special dividend from Meadville shall be sold by Meadville pursuant to a dealing facility and the net cash proceeds of sale thereof will be remitted to the electing Meadville shareholder. Meadville has informed us that fractional shares of our common stock will not be distributed to Meadville's shareholders in the special dividend to be made by Meadville; instead, such fractional shares will be rounded down to the nearest whole number of shares of our common stock.

**Table of Contents**

**Financing of the Cash Portion of the PCB Combination**

The purchase price consideration payable by us in the PCB Combination will be financed through our cash on hand. Pursuant to the Hong Kong Code of Takeovers, UBS is required to be satisfied that sufficient financial resources are available to us for the payment in cash of the cash component of the consideration payable by us in the PCB Combination. To this end, we have created a segregated account for the holding and payment of the cash component of the consideration for the PCB Combination, and have deposited the sum of approximately \$120.0 million in escrow with JPMorgan Chase Bank, National Association, which amount will remain in the escrow account until paid to Meadville in connection with the PCB Combination or returned to us if the PCB Combination is not consummated. We will also assume the indebtedness of the PCB Subsidiaries in connection with the PCB Combination, including any advances made under the credit facility to be effective upon consummation of the PCB Combination. See the section entitled "The Stock Purchase Agreement and Related Agreements" "The Credit Agreement" below.

**Material U.S. Federal Income Tax Consequences of the PCB Combination to TTM Stockholders**

The issuance of shares of our common stock in connection with the PCB Combination will not be a taxable transaction to our stockholders for U.S. federal income tax purposes. The issuance of shares of our common stock to Meadville shareholders may be a taxable event for U.S. federal income tax and foreign tax purposes, and Meadville shareholders who are subject to U.S. or foreign income taxes are urged to consult their own tax advisors concerning the consequences of participation in the PCB Combination.

**Regulatory Approvals Required For the PCB Combination**

The completion of the PCB Combination is conditioned upon us and Meadville obtaining various regulatory approvals, described below.

***CFIUS and Related Approvals***

CFIUS is an interagency committee of the U.S. government established to implement Section 721 of the Defense Production Act of 1950, as amended, including the Foreign Investment and National Security Act of 2007. CFIUS reviews certain proposed foreign acquisitions of interests in U.S. businesses to determine the effect of the transaction on U.S. national security and to address any national security concerns. After the parties to a transaction file a notice with CFIUS, CFIUS has up to 75 days in which either to issue a letter indicating that there are no unresolved national security concerns, or to recommend that the President of the United States make a decision on the transaction. If CFIUS makes such a recommendation to the President, the President would have 15 days to block the transaction or allow it to close. CFIUS can require the parties to enter into a mitigation agreement to address national security concerns.

Two other reviews by the U.S. government are related to the CFIUS process. For certain foreign acquisitions of interests in businesses engaged in classified work for the U.S. Department of Defense, the Defense Security Service acting pursuant to the National Industrial Security Program typically requires that the parties take certain actions to mitigate foreign ownership, control, or influence. Such measures are intended to protect against unauthorized disclosures of classified or other sensitive (including export-controlled) information and technologies as well as other risks to classified work. The measures may affect the corporate governance and operations of all or a portion of the business after closing the transaction, such as requiring the appointment of certain members of the board of directors with national security qualifications and implementing security controls covering access to facilities and personnel. Additionally, approval by the U.S. Department of State may be required for businesses with export-controlled

technologies pursuant to the International Trade in Arms Regulations.

We and Meadville agreed that the parties are not required to consummate the PCB Combination until CFIUS and related approvals have been obtained. On February 2, 2010, CFIUS informed us that there are no unresolved national security concerns for the PCB Combination.

**Table of Contents**

***United States Antitrust Filings***

Under the Hart-Scott-Rodino Act and the rules promulgated under that act by the Federal Trade Commission, or FTC, the PCB Combination may not be completed until notifications have been given and information furnished to the FTC and to the Antitrust Division of the Department of Justice and the specified waiting period has been terminated or has expired. We and Meadville's largest shareholder, Mr. Tang, each filed a notification and report form under the Hart-Scott-Rodino Act with the FTC and the Antitrust Division of the Department of Justice on December 23, 2009. In January 2010, we received notice from the FTC that our request for early termination of the review period under the Hart-Scott-Rodino Act had been granted. However, at any time before or after completion of the PCB Combination, the FTC or the Antitrust Division could take any action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin completion of the PCB Combination or seeking divestiture of our assets. The PCB Combination also is subject to review under state antitrust laws and could be the subject of challenges by states or private parties under antitrust laws.

***PRC Antitrust Filings***

Under the Anti-monopoly Law of China, or AML, and the relevant rules promulgated under the AML, the PCB Combination may not be completed until notifications have been given and information furnished to the Ministry of Commerce of China, or MOFCOM, and the specified waiting period has been terminated or has expired. We filed a notification and report form under the AML with the MOFCOM on December 30, 2009, and we supplemented that submission on January 20, 2010. At any time before completion of the PCB Combination, the MOFCOM could take any action under the AML, including seeking to enjoin completion of the PCB Combination or seeking to impose conditions on the PCB Combination, if it decides the PCB Combination is likely to eliminate or restrict competition in the relevant market as a result of completion of the PCB Combination.

***Other Foreign Competition Filings***

Under the laws of certain foreign countries, a transaction such as the PCB Combination may not be completed until notifications have been given and information furnished to the relevant governmental authority for purposes of allowing such authorities to determine whether or not the combination will have anti-competitive effects and obtaining clearance to complete the PCB Combination. We and Meadville do not currently believe any material foreign regulatory antitrust approvals will be required or advisable in connection with the consummation of the PCB Combination.

***Meadville Circular***

In addition to this proxy statement/prospectus, Meadville, we, and certain other parties will prepare a joint circular, or the Circular, to be issued to Meadville's shareholders in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the Hong Kong Code on Takeovers and Mergers. The Circular will contain information relating to the PCB Combination and the parties to the PCB Combination, among other information required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the Hong Kong Code on Takeovers and Mergers. The contents of the Circular are subject to the approval of the HKSE and the Corporate Finance Division of the Securities and Futures Commission of Hong Kong.

***Other Requirements***

Other than those described above and (i) the requirement that this proxy statement/prospectus be filed with the SEC; (ii) the requirement that the SEC declare the registration statement of which this proxy statement/prospectus is a part effective and that we distribute this proxy statement/prospectus as required under the Securities Act and the Exchange

Act; (iii) the requirement that we and Meadville make certain other filings under the Exchange Act, pursuant to Nasdaq Stock Market and HKSE rules, and pursuant to applicable securities laws of the PRC; and (iv) the requirement that Meadville file the Circular in accordance with Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the Hong Kong Code on Takeovers and Mergers and distribute it to Meadville's shareholders, neither we nor Meadville are aware of any material federal or state regulatory requirements or approvals that must be complied with or obtained in connection with the PCB Combination.

## **Table of Contents**

We cannot predict whether we will obtain all required regulatory approvals to complete the PCB Combination, or whether any approvals will include conditions that would be detrimental to us or the combined company.

### **Certain Arrangements Pertaining to National Security Matters**

A portion of our business consists of manufacturing defense and defense-related items for various departments and agencies of the U.S. government, including the U.S. Department of Defense, which requires that we maintain facility security clearances under the National Industrial Security Program, or NISP. The NISP requires that a corporation maintaining a facility security clearance take steps to mitigate foreign ownership, control, or influence, referred to as FOCI. We expect that following the PCB Combination we will enter into a Special Security Agreement, or SSA, with the U.S. Department of Defense pertaining to our corporate governance and operations.

We anticipate that we, Su Sih (as a significant foreign minority owner of our capital stock following the PCB Combination), Mr. Tang (as the beneficial owner of Su Sih), and the U.S. Department of Defense will be parties to the SSA. The purpose of the SSA will be to deny Mr. Tang and Su Sih, and the entities controlled by either of them or controlling Su Sih, from unauthorized access to classified and controlled unclassified information and influence over the combined company's business or management in a manner that could result in the compromise of classified information or could adversely affect the performance of classified contracts. We expect that the SSA may contain terms relating to, among other things, the following:

*Board Composition* Our board would include three persons, referred to as Outside Directors, who have strong national security qualifications and no prior relationship with any of us, Su Sih, or Mr. Tang. The SSA is expected to prohibit the Outside Directors from being removed (subject to limited exceptions) without prior notice to and the written approval of the U.S. Defense Security Service. Another new member of our board would be a representative of Su Sih. That director will not have access to classified information or vote on our participation in classified programs.

*Quorum for Board Action* A majority of the members of our board, including at least one Outside Director, would be required for our board to take action.

*Appointment of Government Security Committee* The SSA is expected to require that our board appoint a Government Security Committee comprised of Outside Directors and directors who are officers of our company, each of whom must be a U.S. resident citizen with a security clearance. The Government Security Committee would be responsible for ensuring that we maintain appropriate policies and procedures to safeguard the classified and export-controlled information in our possession, and to ensure that we comply with applicable laws and agreements.

*Appointment of Facility Security Officer and Technology Control Officer* We expect that the SSA would require that we appoint a facility security officer and a technology control officer to assist the Government Security Committee.

### **Fees and Expenses of the PCB Combination**

Whether or not the PCB Combination is completed, all fees and expenses incurred in connection with the stock purchase agreement, the PCB Combination, or the transactions related thereto will be paid by the party incurring such fees and expenses, except that all costs and expenses of Meadville and MTG will be borne by Meadville and MTG for an amount up to HK\$40 million (approximately US\$5.2 million using an exchange rate of HK\$7.7502 to US\$1.00, the exchange rate on November 13, 2009, the last full trading day for our shares prior to the announcement of the PCB Combination), with the remaining amount of such costs and expenses, if any, to be borne by the PCB Subsidiaries.

**Anticipated Accounting Treatment of the PCB Combination**

The acquisition of the PCB Subsidiaries by us in the PCB Combination will be accounted for under the purchase method of accounting in accordance with U.S. GAAP. From the date of the completion of the PCB Combination, the combined company's results of operations will include the PCB Subsidiaries' operating results



## **Table of Contents**

and the PCB Subsidiaries' assets and liabilities, including identifiable intangible assets, and noncontrolling interest, at fair value with the excess purchase price allocated to goodwill.

### **Appraisal Rights of Holders of TTM Common Stock**

Under Delaware law and our Certificate of Incorporation, our stockholders are not entitled to any rights to seek appraisal of their shares of our common stock or to exercise any dissenter's rights or preemptive rights in connection with the proposal to approve the share issuance to be made in connection with the PCB Combination.

### **Restrictions on Sales of Shares by Affiliates of Meadville**

We anticipate that all shares of our common stock issued to Meadville in connection with the PCB Combination and distributed to shareholders of Meadville will be freely transferable under applicable U.S. securities laws, except as to each recipient of TTM shares that is considered an affiliate (as such term is defined in the Securities Act) of either Meadville or us, in which case such affiliates will be permitted to sell the shares of our common stock received in the PCB Combination only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. We believe that certain of the Principal Shareholders will be affiliates following the PCB Combination. This proxy statement/prospectus does not register the resale of shares of our stock held by affiliates.

### **Rights Pertaining to the Shares of TTM Common Stock Received in the PCB Combination**

The shares of our common stock to be issued in the PCB Combination will be the same class of capital stock as our currently outstanding common stock and thus have rights identical to our currently outstanding shares of common stock. See the section entitled "Comparison of Meadville Shareholder and TTM Stockholder Rights."

### **Dividends on TTM Common Stock Received in the PCB Combination**

It has not been our policy to declare or pay cash dividends on our common stock. We have not declared or paid cash dividends on our common stock since 2000, and we do not intend to pay any cash dividends in the foreseeable future. Further, our existing credit facilities limit our ability to pay dividends. However, payment of any approved dividend, when determined and payable, will be forwarded to holders of our common stock, or where our common stock is registered in the name of a nominee, in accordance with the routines of such nominee.

### **Interests of Certain Meadville Directors, Officers, and Affiliates in the PCB Combination**

In considering the approval by our board of directors of the stock purchase agreement and the PCB Combination and its recommendation that our stockholders approve the issuance of 36,334,000 shares of our common stock in the PCB Combination, our stockholders and Meadville's shareholders should be aware that members of Meadville's board of directors and Meadville's executive management have relationships, agreements, or arrangements that provide them with interests in the PCB Combination that may be in addition to or different from those of our stockholders. These interests include, among others, employment agreements for key officers, rights to indemnification, and, with respect to the Principal Shareholders and Tang Siblings, the ability to nominate a member of our board of directors. Our board of directors was aware of these relationships, agreements, and arrangements during its deliberations on the merits of the PCB Combination.

Following the closing of the PCB Combination, we expect that the PCB Subsidiaries will continue purchasing laminate and prepregs from the laminate business of Meadville, which we are not acquiring and which will be sold to the controlling shareholder of Meadville or to one or more of such controlling shareholder's affiliates on the closing

date of the PCB Combination. We also expect that the PCB Subsidiaries will continue to lease employee housing and warehouse space from the laminate business of Meadville.

Meadville's Principal Shareholders beneficially owned approximately 1,417,561,000 Meadville shares, or 72% of the total outstanding number of Meadville shares, as of the Record Date. Such shares will be treated similar to all other outstanding Meadville shares in connection with the PCB Combination, except that following the PCB Combination, such shares will be subject to certain voting and transfer restrictions under the shareholders

## **Table of Contents**

agreement. See the section entitled The Stock Purchase Agreement and Related Agreements - The Shareholders Agreement.

### **Special Dividend by Meadville to its Shareholders**

Subject to the satisfaction of certain conditions, Meadville will authorize and make a special dividend in favor of its shareholders of, among other things, the aggregate amount of the sale proceeds received from the sale of the PCB Subsidiaries. The dividend, among other things, will include (a) cash and shares of our common stock, or (b) cash and the net cash proceeds resulting from the sale of shares of our common stock pursuant to a dealing facility (described below) established in connection with the transaction, at the election of the Meadville shareholders. An election form will be provided to the Meadville shareholders with Meadville's Circular to allow Meadville's shareholders to make the election. Meadville will also distribute in the special dividend to its shareholders the sale proceeds from the sale of its laminate business, which Meadville is not selling to us.

The dealing facility will be provided by Meadville to its shareholders who have elected to receive cash in lieu of the shares of our common stock that they would otherwise have been entitled to receive. It is currently proposed that the TTM shares included in the dealing facility would be sold by a placement agent or underwriter. The sale price for the TTM shares sold through the dealing facility will not be subject to any minimum or maximum price but will depend on the market price of the TTM shares at the time of the sale and, therefore, the TTM shares may be sold at prices that are substantially lower or higher than the current trading price of the TTM shares.

Su Sih (BVI) Limited, or Su Sih, one of the Principal Shareholders, has indicated that it is considering whether to acquire TTM shares that are sold through the dealing facility referred to above but has not committed to acquire any shares. Any increase in Su Sih's holding of TTM shares is subject to the maximum holding of our outstanding capital stock as permitted pursuant to the terms of the shareholders agreement described below under the heading The Stock Purchase Agreement and Related Agreements - The Shareholders Agreement.

### **Approval of the PCB Combination by Meadville Shareholders**

Consummation of the PCB Combination and the sale of Meadville's laminate business will require approval by not less than 75% of the votes held by Meadville's independent shareholders who are present and vote in person or by proxy at the meeting of Meadville's shareholders, with the number of votes cast against the PCB Combination and the sale of Meadville's laminate business being not more than 10% of the votes attaching to the Meadville shares held by all independent shareholders. All shareholders other than the Principal Shareholders and their affiliates are deemed independent shareholders for purposes of the foregoing voting requirements.

### **Directors and Management of TTM and the PCB Subsidiaries Following the PCB Combination**

During the effective period of the shareholders agreement to be executed upon closing of the PCB Combination, the Principal Shareholders and Tang Siblings will be entitled to jointly nominate one individual to our board of directors. Upon completion of the PCB Combination, our board of directors will consist of its current number of directors plus the initial additional director jointly nominated by the Principal Shareholders and Tang Siblings, who will initially be Tom Tang. On the closing date of the PCB Combination, our board of directors will increase the class of directors whose terms expire in 2010 and promptly elect Tom Tang as a director to fill that vacancy. We will be required to use reasonable efforts to cause the election of the Principal Shareholders' and Tang Siblings' nominee at each meeting of shareholders at which the class in which he or she sits comes up for election. The other members of our board of directors will remain the same.

Tom Tang is currently Meadville's Executive Chairman and Group Managing Director, and he joined Meadville in 1991. He is also the Chairman of Meadville's Executive Committee and is responsible for the leadership of Meadville's board of directors. Tom Tang is also a director of certain of Meadville's subsidiaries, including some of the PCB Subsidiaries. He has served as the honorary chairman of Hong Kong Printed Circuit Association Limited since 2005 and is the chairman of The Hong Kong Exporters' Association, The Hong Kong Standards and Testing Centre Limited, and The Hong Kong Safety Institute Limited. He is also a board member of Hong Kong Science and Technology Parks Corporation, a council member of Hong Kong Trade Development Council, an advisory committee member of Innovation and Technology Advisory Committee of Hong Kong Trade

## **Table of Contents**

Development Council, and a vice chairman of HK Wuxi Trade Association Limited. Since 2008, he has been a member of Shanghai & Wuxi Committee of The Chinese People's Political Consultative Conference. He holds a degree of Master of Business Administration from New York University.

The director nominated by the Principal Shareholders and Tang Siblings, to the extent not an employee of the company, will be entitled to receive compensation as a member of our board of directors. Currently, our non-employee directors receive the following compensation: an annual cash retainer of \$24,000, a \$1,500 payment per board meeting, a \$750 payment for each committee meeting, and reimbursement of expenses relating to the board meetings. Upon initial election, each non-employee director receives an option to purchase 20,000 shares of our common stock. The options provided to the non-employee directors expire on the grant date's tenth anniversary and vest over a four-year period. At each annual meeting of stockholders, each non-employee director who has served as a director for the previous six months receives restricted stock units having a fair value on the award date of \$60,000. The restricted stock units awarded to the non-employee directors vest over one year and delivery of the underlying shares of common stock is deferred until one year after retirement from our board of directors. If the person nominated by the Principal Shareholders and Tang Siblings to be one of our directors is not one of our employees, he or she will be eligible to receive the foregoing compensation. If, however, such nominee is an employee of our company, he or she would not be entitled to the compensation payable to our non-employee directors. As Tom Tang would be considered an employee director, he would not be entitled to receive the compensation we pay to our non-employee directors.

With respect to each of the PCB Subsidiaries, the Principal Shareholders and Tang Siblings will be entitled to jointly nominate directors comprising a majority of the board of each of such company; provided, however, that the appointment of new directors to the boards of any of the PCB Subsidiaries organized under the laws of the PRC will be subject to the procedural and substantive requirements of PRC law.

Upon completion of the PCB Combination, we expect that our Chief Executive Officer (currently Mr. Alder) will continue to serve as our Chief Executive Officer and that Meadville's Executive Chairman and Group Managing Director (currently Tom Tang) will retain his senior executive position with the PCB Subsidiaries.

Further information concerning our directors and officers and our executive compensation is contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and our Proxy Statement for our 2009 Meeting of Stockholders, and is incorporated herein by reference. See the section entitled "Where You Can Find More Information."

## **Indemnification**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling our company, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## **NASDAQ Listing and Trading**

We will apply to have the shares of our common stock to be issued in the PCB Combination approved for listing on the NASDAQ Global Select Market, where our common stock is currently traded. As of the closing of the PCB Combination, we expect that all of the shares of our common stock issued in the PCB Combination will have been approved for listing on the NASDAQ Global Select Market. Trading on the NASDAQ Global Select Market is conducted in U.S. Dollars. Following the PCB Combination and special dividend by Meadville of our common stock, Meadville shareholders who receive shares of our common stock and wish to trade their shares on the NASDAQ Global Select Market should contact such shareholder's financial or brokerage institution for assistance in making the

necessary arrangements. Certain limitations may apply to making such arrangements. Meadville shareholders who become holders of our common stock are responsible for and must bear all costs arising in connection with the above arrangements.

## **Table of Contents**

### **SEC Reports and Reporting Requirements**

As a U.S. public company registered under the Exchange Act and whose common stock is listed on the NASDAQ Global Select Market, we are, and we will continue to be, subject to current quarterly and annual financial reporting requirements and we file, and will continue to file, public reports with the SEC that are accessible (in English) on our website at [www.ttmtech.com](http://www.ttmtech.com) and at the SEC's website at [www.sec.gov](http://www.sec.gov).

All of our stockholders who, directly or indirectly, own more than 5% of the total outstanding shares of our common stock are required to report such ownership to the SEC pursuant to the Exchange Act. These filings are made public by the SEC. Also, directors, certain officers, and holders of 10% or more of our common stock are subject to the insider trading reporting requirements of Section 16 of the Exchange Act.

### **THE STOCK PURCHASE AGREEMENT AND RELATED AGREEMENTS**

This section of the proxy statement/prospectus provides a summary of the stock purchase agreement, which is the definitive agreement governing the PCB Combination, and certain other agreements relating to the PCB Combination. This summary, however, may not contain all of the information that is important to you. We urge you to read carefully the stock purchase agreement, which appears as Annex A to this proxy statement/prospectus and is incorporated herein by reference, as it is the primary legal document governing the PCB Combination. The form of shareholders agreement appears as Annex B to this proxy statement/prospectus.

The agreements included in Annex A and Annex B to this proxy statement/prospectus contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate, (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, (iii) may apply contract standards of materiality that are different from materiality under the applicable securities laws, and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the applicable agreement.

The stock purchase agreement and form of shareholders agreement have been included to provide you with information regarding their terms. It is not intended to provide any other factual information about us or Meadville. Such information can be found elsewhere in the proxy statement/prospectus and in the other public filings we make with the SEC, which are available without charge at [www.sec.gov](http://www.sec.gov), and that Meadville publishes on the websites of the Securities and Futures Commission of Hong Kong at [www.sfc.hk](http://www.sfc.hk) and the HKSE at [www.hkex.com.hk](http://www.hkex.com.hk).

### **The Stock Purchase Agreement**

#### ***Overview***

On November 16, 2009, we, TTM International, and TTM Hong Kong entered into the stock purchase agreement with Meadville and MTG. Pursuant to the stock purchase agreement, we agreed to acquire all of the shares of capital stock of the PCB Subsidiaries owned by MTG in exchange for \$114,034,328 in cash and 36,334,000 shares of our common stock, plus our assumption of the outstanding debt of the PCB Subsidiaries. The stock purchase agreement contemplates our acquisition from MTG of all of the outstanding equity interests of each of MTG Management (BVI) Limited, MTG PCB (BVI) Limited, MTG PCB No. 2 (BVI) Limited, and MTG Flex (BVI) Limited, and by virtue of acquiring those entities we would be acquiring those entities' interests in their various subsidiaries engaged in PCB

operations. The stock purchase agreement does not provide for an adjustment in the number of shares of our common stock to be issued to Meadville in the PCB Combination in the event of a fluctuation in the market value of our common stock or Meadville's shares through the closing date of the PCB Combination. The stock purchase agreement contains customary representations and warranties made by Meadville and MTG to us, TTM International, and TTM Hong Kong, and by us, TTM International, and TTM Hong Kong to Meadville and MTG, though none of those representations and warranties survive the closing of the PCB Combination. The stock purchase agreement also includes various covenants on the part of the parties to the stock purchase agreement.



**Table of Contents**

***Representations and Warranties of the Parties***

The stock purchase agreement contains representations and warranties made by Meadville and MTG to us, TTM International, and TTM Hong Kong. These representations and warranties are made by Meadville and MTG jointly and severally, meaning each of them makes them with respect to itself and the other party making the representations and warranties. The representations and warranties are subject in some cases to specified exceptions and qualifications set forth in the stock purchase agreement. Many of the representations and warranties of the parties are qualified by a material adverse effect standard, with the definition of material adverse effect varying based on the applicable party. The representations and warranties will expire upon completion of the PCB Combination.

***Representations and Warranties of Meadville and MTG***

The stock purchase agreement contains representations and warranties made by Meadville and MTG relating to a number of matters, including the following:

- the organization and qualification of Meadville and MTG under applicable corporate and related laws;
- the ownership of the capital stock of the subsidiaries of each of Meadville and MTG;
- the corporate authority of Meadville and MTG to enter into the stock purchase agreement and each of the agreements ancillary to the stock purchase agreement;
- the binding nature of the stock purchase agreement as to Meadville and MTG;
- the consents and approvals that Meadville and/or MTG must obtain in connection with the proposed transaction, and any waivers that are required in connection therewith;
- any conflicts that may result from Meadville and/or MTG entering into the stock purchase agreement and any ancillary agreements;
- the finders' fees payable by Meadville and/or MTG in connection with the transaction;
- matters pertaining to the Hart-Scott-Rodino Act;
- any outstanding litigation relating to Meadville and MTG that would prevent the consummation of the transactions contemplated by the stock purchase agreement and any agreements ancillary to the stock purchase agreement;
- compliance of Meadville's public filings with Meadville's governing instruments and applicable law;
- the accuracy of information provided by Meadville, MTG, the Principal Shareholders, the Tang Siblings, or any of their respective affiliates, to us; and
- the accuracy of information provided by Meadville, MTG, the Principal Shareholders, the Tang Siblings, or any of their respective affiliates in any filings with governmental entities.

***Representations and Warranties of the PCB Subsidiaries***

The stock purchase agreement also contains representations and warranties made to us, TTM International, and TTM Hong Kong by Meadville and MTG, jointly and severally, pertaining to the PCB Subsidiaries. These representations and warranties relate to, among other things:

the organization and qualification of the PCB Subsidiaries under applicable corporate and related laws;

the capitalization of the PCB Subsidiaries, and any special rights relating to outstanding equity securities, such as rights of first refusal, put and call options, repurchase rights, and other characteristics of the equity interests of the PCB Subsidiaries;

the consents and approvals that the PCB Subsidiaries must obtain in connection with the proposed transaction, any waivers that are required, and board and shareholder approval requirements for the transaction;

**Table of Contents**

any conflicts that may result from the PCB Subsidiaries entering into the stock purchase agreement and any ancillary agreements;

the accuracy of financial statements delivered to us and their basis of presentation, the standard of maintenance of books and records maintained by the PCB Subsidiaries, and the PCB Subsidiaries' internal controls over financial reporting;

outstanding litigation relating to the PCB Subsidiaries;

certain matters relating to taxes prepared and filed by the PCB Subsidiaries;

employee benefits provided to employees of the PCB Subsidiaries, labor agreements, and other labor and labor compliance related matters;

permits and licenses that the PCB Subsidiaries may be required to maintain under applicable laws;

environmental matters;

the ownership of intellectual property by the PCB Subsidiaries, and certain matters relating to infringement, misappropriation, and other aspects of intellectual property ownership, licensing, or use;

contracts to which the PCB Subsidiaries are a party, and the effectiveness of those contracts;

the absence of the occurrence of certain events with respect to the business of the PCB Subsidiaries since the date of the most recent financial statements of the PCB Subsidiaries delivered to us prior to execution of the stock purchase agreement, and the absence of certain liabilities of the PCB Subsidiaries other than those included in those financial statements;

certain matters related to real property owned or leased by the PCB Subsidiaries;

the sufficiency of assets owned or used by the PCB Subsidiaries in the operation of their businesses;

compliance by the PCB Subsidiaries with applicable law;

insurance maintained by the PCB Subsidiaries;

approval by the board of directors and shareholders of Meadville and MTG, as applicable;

the existence of finders' fees payable by the PCB Subsidiaries in connection with the transaction;

arrangements that exist between the PCB Subsidiaries and any affiliates of the PCB Subsidiaries, MTG, and Meadville; and

the customers and suppliers of the PCB Subsidiaries.

***Representations and Warranties of TTM, TTM International, and TTM Hong Kong***

The stock purchase agreement also contains representations and warranties made by us, TTM International, and TTM Hong Kong to Meadville and MTG, jointly and severally. These representations and warranties relate to, among other things, the following:

the organization and qualification of us and each of our controlled affiliates under applicable corporate and related laws;

our ownership of the capital stock of our subsidiaries;

our corporate authority and the corporate authority of TTM International and TTM Hong Kong to enter into the stock purchase agreement and each of the agreements ancillary to the stock purchase agreement;

any conflicts that may result from us, TTM International, and TTM Hong Kong entering into the stock purchase agreement and any ancillary agreements;

the binding nature of the stock purchase agreement as to us, TTM International, and TTM Hong Kong;

**Table of Contents**

the consents and approvals that we, TTM International, and TTM Hong Kong must obtain in connection with the PCB Combination, and any waivers that are required in connection therewith;

the due and valid authorization of the issuance of the shares of our common stock to be issued pursuant to the stock purchase agreement, and valid issuance of and title to those shares when issued;

the accuracy of the reports and other filings made by us with the SEC, and the accuracy of the information to be included in this proxy statement/prospectus, the information provided by us for incorporation into Meadville's Circular, or to be filed with any government entity;

the absence of the occurrence of certain events with respect to our and our subsidiaries' businesses since the date of our most recent financial statements we delivered to Meadville prior to execution of the stock purchase agreement, and the absence of certain liabilities other than those included in those financial statements;

our financial capability to fund the cash purchase price and to pay all fees and expenses required to be paid by us under the stock purchase agreement;

our acknowledgement that the certificates of the equity interest in the PCB Subsidiaries will contain legends stating that such equity interests have not been registered under the Securities Act and may not be transferred by us without an effective registration or pursuant to an exemption under the Securities Act;

legends that may be included on the stock certificates representing equity interests in the PCB Subsidiaries;

the accuracy of information we provide to Meadville for inclusion in its Circular;

the accuracy of information we supply for inclusion in any filing with any governmental entity;

the existence of finders' fees payable by us, TTM International, and TTM Hong Kong in connection with the PCB Combination;

outstanding, pending, or threatened litigation relating to us or any of our controlled affiliates;

permits and licenses that we and our controlled affiliates may be required to maintain under applicable laws;

certain environmental matters;

the ownership of intellectual property by us and our controlled affiliates, and certain matters relating to infringement, misappropriation, and other aspects of intellectual property ownership, licensing, or use;

compliance by us and our controlled affiliates with applicable law;

certain matters relating to taxes prepared and filed by us and our controlled affiliates;

employee benefits provided to our employees and the employees of our controlled affiliates, labor agreements, and other labor and labor compliance related matters;

contracts to which we or any of our controlled affiliates are a party, and the effectiveness of those contracts;

certain matters related to real property owned or leased by us and our controlled affiliates, and the sufficiency of assets owned or used by us and our controlled affiliates in the operation of our businesses;

insurance maintained by us or our controlled affiliates;

any arrangements that exist between us or any of our affiliates; and

our and our controlled affiliates' customers and suppliers.

***Survival of Representations and Warranties; Indemnification***

The representations and warranties made by the parties to the stock purchase agreement will not survive the closing of the PCB Combination. Accordingly, the stock purchase agreement omits provisions relating to indemnification by any party for the breach or inaccuracy of any representation or warranty set forth in the stock purchase agreement.

**Table of Contents**

The representations and warranties in the stock purchase agreement are complicated and not easily summarized. You are urged to read carefully and in their entirety the sections of the stock purchase agreement entitled Representations and Warranties Relating to Seller Parties, Representations and Warranties Relating to the Transferred Entities and the PCB Business, and Representations and Warranties Relating to Buyer Parties, in Annex A to this proxy statement/prospectus.

***Covenants of the Parties***

***Conduct of the Business of the PCB Subsidiaries***

During the period from the date of execution of the stock purchase agreement on November 16, 2009 and through the earlier of the closing date of the PCB Combination and the termination of the stock purchase agreement, subject to various exceptions or except as we may otherwise consent in writing, Meadville and MTG are required to cause each of the PCB Subsidiaries to (a) conduct its business in the ordinary course of business in all material respects consistent with past practice, and (b) use commercially reasonable efforts to preserve intact its business and operations and retain present officers. Further, subject to certain exceptions or as consented to by us, from the date of the stock purchase agreement to and through the closing date of the PCB Combination, Meadville and MTG may not, and must cause the PCB Subsidiaries not to, do any of the following:

acquire any business that would be included in the PCB Subsidiaries by merger or consolidation, purchase of substantial assets or equity interests, or by any other manner, in a transaction or series of related transactions, or enter into any contract, letter of intent, or similar arrangement (whether or not enforceable) with respect to the foregoing or, with respect to any PCB Subsidiary, adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization, or other reorganization;

take any action or enter into any agreement or transaction, or cause any person or entity to, directly or indirectly, take any action or enter into any agreement or transaction, that would prevent, materially delay, or impair the consummation of the transactions contemplated by the stock purchase agreement or any of the shareholders agreement, registration rights agreement, sell-down registration rights agreement, or other agreements ancillary to the PCB Combination;

sell, lease, license (other than ordinary course intellectual property licenses), transfer, pledge, charge, convey, assign, mortgage, or otherwise dispose of any material properties or assets, tangible or intangible, of any PCB Subsidiary, other than inventory in the ordinary course of business and obsolete or non-used assets or rights or with a fair market value not in excess of \$10,000,000 in the aggregate, subject to certain exceptions;

other than transactions between or among the PCB Subsidiaries or between or among Meadville or MTG and any PCB Subsidiary or any of their respective subsidiaries, issue, sell, deliver, pledge, charge, transfer, dispose of, or encumber (i) any capital stock of any PCB Subsidiary, or (ii) any equity rights in respect of, security convertible into, exchangeable for, or evidencing the right to subscribe for or acquire either any securities convertible into or exchangeable for, or evidencing the right to subscribe for or acquire, any shares of the capital stock of any PCB Subsidiary;

amend, cancel, waive, modify, or otherwise dispose of or permit to lapse any rights in any material intellectual property used in connection with the business of the PCB Subsidiaries, other than such intellectual property that is no longer used in connection with the business of the PCB Subsidiaries;

except as required by the terms of any benefit and compensation arrangement in effect as of the date of the stock purchase agreement and disclosed to us, (i) hire any person to become an employee or individual

independent contractor of the PCB Subsidiaries with annual compensation in excess of \$250,000,  
(ii) terminate, adopt, or amend any benefit and compensation arrangement, (other than any amendment, termination, or adoption that does not materially impact any of the employees of the PCB Subsidiaries),  
(iii) terminate any employee with annual compensation in excess of \$250,000 (except for cause), or (iv) grant or agree to grant or accelerate the time of vesting or payment of awards held by any of the employees under any benefit and compensation arrangement, and, with respect to clauses (i) through (ii) of the foregoing, except in the ordinary course of business consistent with past practices;



**Table of Contents**

pay, discharge, settle, or satisfy any claims, actions, arbitrations, disputes, or other proceedings (absolute, accrued, asserted or unasserted, contingent, or otherwise) that would result in any PCB Subsidiary being enjoined, except as would not, individually or in the aggregate, have a material adverse effect;

except as contemplated by the stock purchase agreement or the agreements ancillary to the stock purchase agreement, amend in any material respect any provision of the organizational documents of any PCB Subsidiary or of any term of any outstanding security issued by any PCB Subsidiary;

with respect to indebtedness that will remain outstanding following the closing of the PCB Combination, incur, assume, or guarantee (including by way of any agreement to keep well or of any similar arrangement) or cancel or waive any claims under any indebtedness or other claims or rights of substantial value or amend or modify the terms relating to any such indebtedness, claims, or rights, except for any such incurrences, assumptions, or guarantee of indebtedness or amendments of the terms of such indebtedness in the ordinary course of business consistent with past practices involving an aggregate amount not exceeding \$10,000,000;

make any distribution (whether in cash, stock, equity rights, or property) or declare, pay, or set aside any dividend with respect to, or split, combine, redeem, reclassify, purchase, or otherwise acquire, directly or indirectly, any capital stock of any of the PCB Subsidiaries or make any other changes in the capital structure of any of the PCB Subsidiaries; or

authorize or enter into any contract or commitment with respect to any of the foregoing items.

*Conduct of the Business of TTM*

During the period from the date of the stock purchase agreement on November 16, 2009 to and through the earlier of the closing date of the PCB Combination and the termination of the stock purchase agreement, subject to certain exceptions or as Meadville may otherwise consent in writing, we must (a) conduct our businesses in the ordinary course of business in all material respects consistent with past practice, and (b) use commercially reasonable efforts to preserve intact our business and operations and retain present officers. Further, subject to certain exceptions or as consented to by Meadville, we may not, and must cause our controlled affiliates not to, do any of the following:

acquire any business by merger or consolidation, purchase of substantial assets or equity interests, or by any other manner, in a transaction or series of related transactions, or enter into any contract, letter of intent, or similar arrangement (whether or not enforceable) with respect to the foregoing, or (ii) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization, or other reorganization;

take any action or enter into any agreement or transaction, or cause any person or entity to, directly or indirectly, take any action or enter into any agreement or transaction, that would prevent, materially delay, or impair the consummation of the transactions contemplated by the stock purchase agreement or any of the shareholders agreement, registration rights agreement, sell-down registration rights agreement, or other agreements ancillary to the PCB Combination;

sell, lease, license (other than ordinary course intellectual property licenses), transfer, pledge, charge, convey, assign, mortgage, or otherwise dispose of any material properties or assets, tangible or intangible, of us or any of our subsidiaries, other than inventory in the ordinary course of business and obsolete or non-used assets or rights or with a fair market value not in excess of \$10,000,000 in the aggregate, subject to certain exceptions, provided, however, that we and our subsidiaries are permitted to sell our Redmond, Washington; Dallas, Oregon; Hayward, California; and Los Angeles, California production facilities;

other than (i) transactions between or among us or any of our subsidiaries, (ii) issuance of equity rights relating to 1,000,000 shares of our common stock to our employees under any of our benefit and compensation arrangements in the ordinary course of business consistent with past practice, (iii) issuance of our common stock in the ordinary course of business consistent with past practice, upon the exercise of equity rights issued to our employees under any of our benefit and compensation arrangements on their normal vesting date and in accordance with the terms of ordinary issuance (and not as a result of any

**Table of Contents**

acceleration or vesting thereof), (iv) issuance of our capital stock upon the conversion of our convertible indebtedness outstanding as of the date of the stock purchase agreement and pursuant to and in accordance with their existing terms as set forth in reports we have filed with the SEC, and (v) issuance of our capital stock with the prior approval of Meadville (such approval not to be unreasonably withheld or delayed; provided, however, that in no circumstances shall we be obligated to approve any issuance of capital stock at below market value), issue, sell, deliver, pledge, charge, transfer, dispose of, or encumber (x) any of our capital stock or any capital stock of our controlled affiliates, or (y) any equity rights in respect of, security convertible into, exchangeable for, or evidencing the right to subscribe for or acquire either any securities convertible into or exchangeable for, or evidencing the right to subscribe for or acquire, any shares of our capital stock or the capital stock of any of our controlled affiliates;

amend, cancel, waive, modify, or otherwise dispose of or permit to lapse any rights in any material intellectual property held by us or any of our controlled affiliates;

except as required by the terms of any of our benefit and compensation arrangements in effect as of the date of the stock purchase agreement and disclosed to Meadville, (i) hire any person to become an employee or individual independent contractor of ours or any of our subsidiaries with annual compensation in excess of \$250,000, (ii) terminate, adopt, or amend any benefit and compensation arrangement, (iii) terminate any employee with annual compensation in excess of \$250,000 (except for cause), or (iv) grant or agree to grant or accelerate, or cause an acceleration of, through the time of vesting or payment of awards held by any of our employees under any of our benefit and compensation arrangements, and, with respect to clauses (i) through (ii) of the foregoing, except in the ordinary course of business consistent with past practices;

pay, discharge, settle, or satisfy any claims, actions, arbitrations, disputes, or other proceedings (absolute, accrued, asserted or unasserted, contingent or otherwise) resulting in any of our or any of our controlled affiliates being enjoined, except as would not, individually or in the aggregate, have a material adverse effect;

except as contemplated by the stock purchase agreement or any agreements ancillary to the stock purchase agreement, or as required by any agreement or measure required to obtain approvals from government entities, amend in any material respect any provision of any organizational document of our or any of our any of our controlled affiliates or of any term of any outstanding security issued by us or any of our controlled affiliates;

with respect to indebtedness, incur, assume, or guarantee (including by way of any agreement to keep well or of any similar arrangement) or cancel or waive any claims under any indebtedness or other claims or rights of substantial value or amend or modify the terms relating to any such indebtedness, claims, or rights, except for any such incurrences, assumptions, or guarantee of indebtedness or amendments of the terms of such indebtedness in the ordinary course of business consistent with past practices involving an aggregate amount not exceeding \$10,000,000;

make any distribution (whether in cash, stock, equity rights, or property) or declare, pay, or set aside any dividend with respect to, or split, combine, redeem, reclassify, purchase, or otherwise acquire directly, or indirectly, any of our capital stock or make any other changes in our capital structure; or

authorize or enter into any contract or commitment with respect to any of the foregoing items.

*Other Covenants*

The stock purchase agreement contains a number of other covenants, including covenants relating to the following:

subject to certain confidentiality obligations, the provision of access to relevant information, including books and records of the parties;

preparation and filing of applicable tax returns;

**Table of Contents**

allocation of the purchase price delivered by us in the PCB Combination among the PCB Subsidiaries in the manner specified in the stock purchase agreement;

execution and delivery by the parties of each of the shareholders agreement, registration rights agreement, sell-down registration rights agreement, or other agreements ancillary to the PCB Combination;

preparation of Meadville's Circular, submission of the Circular to appropriate governmental authorities, delivery of the Circular, and holding of Meadville's special meeting of its shareholders;

preparation of our registration statement on Form S-4, of which this proxy statement/prospectus is a part, filing of the Form S-4 with the SEC, and holding of a special meeting of our stockholders;

the parties' maintenance of the confidentiality of the information obtained from other parties to the transaction;

the settlement and payment of certain forms of account, note, or loan payables, advances, and other extensions of credit that are receivable by Meadville or any of its subsidiaries from the PCB Subsidiaries;

notification of communications from third parties alleging that the consent, approval, or waiver of such third party is or may be required in connection with the PCB Combination;

the provision of financial statements and other financial information by the parties as necessary to prepare relevant disclosure documents and filings, including our registration statement on Form S-4, of which this proxy statement/prospectus is a part, and the Circular;

our obligation to use reasonable best efforts to cause the shares we will issue to Meadville in the PCB Combination to be approved for quotation on the NASDAQ Global Select Market on the closing date of the PCB Combination;

non-acceleration of vesting of our or our controlled affiliates' outstanding equity awards held by employees;

an obligation on our part not to solicit employees of Meadville and its subsidiaries, for varying periods of time and subject to various exceptions;

an obligation on the part of Meadville to cause to be distributed by dividend to Meadville's shareholders the net amount of the cash purchase price and our shares of common stock delivered to Meadville as consideration in connection with the PCB Combination;

an obligation on our part to use our reasonable efforts to amend our organizational documents and the organizational documents of TTM Hong Kong and the PCB Subsidiaries (other than PCB Subsidiaries organized under the laws of the PRC) as may be required to conform such organizational documents with the provisions of the shareholders agreement and to obtain all requisite approvals from government entities that may be required to effect such amendments; and

an obligations on the part of us and TTM Hong Kong to execute and deliver all documents required to be delivered by us and TTM Hong Kong under the credit agreement, including the guarantee and share pledges to be entered into in connection with the credit agreement.

*Reasonable Best Efforts Requirement*

Except where a different threshold of efforts is expressly provided in the stock purchase agreement, each of the parties to the stock purchase agreement is required to cooperate and to cause each of its controlled affiliates to use their respective reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper, or advisable on their respective parts under the stock purchase agreement and applicable laws to consummate and make effective the transactions contemplated by the stock purchase agreement as promptly as reasonably practicable. Included is an obligation on the part of the parties to the stock purchase agreement to use reasonable best efforts to ensure that (a) such party's representations and warranties remain true and correct in all material respects through the closing of the PCB Combination, and (b) the conditions to the obligations of the other party to the stock purchase agreement to consummate the transactions contemplated by the stock purchase agreement are satisfied.

**Table of Contents**

***Conditions to Closing the Proposed PCB Combination***

Under the stock purchase agreement, our obligation to purchase the PCB Subsidiaries, and Meadville's and MTG's obligation to sell the PCB Subsidiaries, is conditioned upon the fulfillment or waiver (except that conditions (b) and (d) below may not be waived), as applicable, of the following conditions:

(a) the waiting period applicable to the PCB Combination under the Hart-Scott-Rodino Act shall have expired or been terminated (in January 2010, we received notice from the FTC that our request for early termination of the review period under the Hart-Scott-Rodino Act had been granted), and all other approvals, clearances, filings, or waiting periods or consents of government entities (including the applicable government entities of the PRC) required under antitrust laws shall have expired or been made or received;

(b) either (i) CFIUS shall have provided notice to the effect that review or investigation of the purchase and the other transactions contemplated by the stock purchase agreement and the ancillary agreements has concluded, and that a determination has been made that there are no issues of national security of the United States sufficient to warrant further investigation (on February 2, 2010, CFIUS informed us that there are no unresolved national security concerns for the PCB Combination), or (ii) the President of the United States shall not have taken action to block or prevent the consummation of the purchase and the other transactions contemplated by the stock purchase agreement and the ancillary agreements and the applicable period of time for the President of the United States to take such action shall have expired;

(c) our registration statement on Form S-4, of which this proxy statement/prospectus is a part, shall have become and remain effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order;

(d) we shall have each received the requisite approval of our stockholders, and Meadville shall have received the requisite approval of its shareholders;

(e) there shall not have been overtly threatened or pending any suit, action, or proceeding by any government entity seeking to restrain or prohibit the consummation of the transaction or materially impair the performance of any of the other transactions contemplated by the stock purchase agreement or the ancillary agreements;

(f) all conditions to the separate sale by Meadville of its laminate business shall have occurred, other than (i) any condition that the closing of the PCB Combination shall have become unconditional, and (ii) any condition which can only be satisfied on the closing of the sale by Meadville of its laminate business;

(g) the credit agreement shall have been executed and effective, and all conditions relating to the drawdown under the credit agreement that are capable of being satisfied or fulfilled prior to the closing of the PCB Combination have been duly performed or waived, and all conditions precedent relating to the drawdown to be fulfilled after the closing of the PCB Combination remain capable of being fulfilled;

(h) we shall have entered into a registration rights agreement relating to the shares of our stock issuable in the transaction and the sell-down in the dealing facility of certain of our shares issued in the PCB Combination within four weeks following the execution of the stock purchase agreement, in a form reasonably satisfactory to Meadville; and

(i) we shall have entered into a registration rights agreement with the controlling shareholders of Meadville on or prior to the closing of the PCB Combination granting them certain rights to require us to register our shares of common stock issued in the PCB Combination and distributed to them, in a form reasonably satisfactory to Meadville.

Our, TTM International's, and TTM Hong Kong's obligation to consummate the transactions contemplated by the stock purchase agreement is further conditioned upon the fulfillment or waiver of the following:

the representations and warranties of Meadville, MTG, and the PCB Subsidiaries must be true and correct on the closing date, and each of the covenants to be performed by them shall have been performed, except to the



**Table of Contents**

extent the failure of any such representations and warranties to be true and correct would not, individually or in the aggregate, result in a material adverse effect on Meadville, MTG, or the PCB Subsidiaries;

there shall not have occurred an event that would have a material adverse effect as to Meadville, MTG, or the PCB Subsidiaries;

no law shall be in effect (i) enjoining the closing of the PCB Combination or enjoining the acquisition by us or any of our controlled affiliates of any of the PCB Subsidiaries, restraining or prohibiting the consummation of the transactions contemplated by the stock purchase agreement, placing limitations on the ownership of shares of capital stock of any of the PCB Subsidiaries by us or our controlled affiliates; or (ii) prohibiting or limiting the ownership of the PCB Subsidiaries by us or any of our controlled affiliates or the operation by the PCB Subsidiaries or us or any of our controlled affiliates of any portion of any business or of any assets of the PCB Subsidiaries, other than in any such case any law of any such jurisdiction, the violation of which would not have a material adverse effect on the business, assets, results of operations, or condition of us or the PCB Subsidiaries;

Meadville, MTG, and the Principal Shareholders shall have delivered the ancillary agreements to which they are parties, and those agreements shall be in full force and effect; and

there shall not have occurred, since the date of the stock purchase agreement, and neither the board of directors of Meadville nor MTG shall have approved or recommended, any offer or proposal contemplating, and neither Meadville nor MTG shall have entered into any agreement providing for, certain forms of changes of control of Meadville or MTG.

Meadville's and MTG's obligation to sell the PCB Subsidiaries is conditioned upon the fulfillment or waiver of the following conditions:

the representations and warranties of us, TTM International, and TTM Hong Kong must be true and correct on the closing date, and each of the covenants to be performed by them shall have been performed, except to the extent the failure of any such representations and warranties to be true and correct would not, individually or in the aggregate, result in a material adverse effect on us, TTM International, or TTM Hong Kong;

there shall not have occurred an event having a material adverse effect on us, TTM International, or TTM Hong Kong;

no law shall be in effect (i) enjoining the closing of the PCB Combination or enjoining the acquisition by Meadville of any of our shares of common stock issuable in the PCB Combination, restraining or prohibiting the consummation of the transactions contemplated by the stock purchase agreement, other than in any such case any law of any such jurisdiction, the violation of which would not have a material adverse effect on the business, assets, results of operations, or condition of Meadville and its affiliates taken as a whole or Meadville's laminate subsidiary, MTG Laminate (BVI) Limited, and its affiliates, taken as a whole, or (ii) placing limitations on the ownership of our shares of common stock issuable in the PCB Combination or prohibiting or limiting the ownership of the our shares of common stock issuable in the PCB Combination;

we, TTM International, and TTM Hong Kong shall have delivered the ancillary agreements to which we and they are parties, and those agreements shall be in full force and effect; and

there shall not have occurred, since the date of the stock purchase agreement, and our board of directors shall not have approved or recommended, any offer or proposal contemplating, or have entered into any agreement

providing for, certain forms of changes of control of our company.

Closing of the transaction will take place on the date five business days following the date on which all the applicable conditions to closing are fulfilled or waived, as applicable, or such other date as the parties agree.

## **Table of Contents**

### ***Termination of the Stock Purchase Agreement***

The stock purchase agreement may be terminated at any time prior to closing of the PCB Combination by written agreement between Meadville and us, or by written notice from either Meadville or us upon the occurrence of any of the following:

if the conditions of the transaction have not been satisfied or waived on or before May 31, 2010 and the party requesting the termination has not willfully breached a covenant in the stock purchase agreement, provided that either party may extend the termination date to June 30, 2010 if certain of the conditions (relating to government or legal approvals) have not been satisfied or waived before May 31, 2010;

if any law has been enacted or enforced in a manner to prohibit the completion of the transaction, provided that such party has used its reasonable efforts to remove or have vacated such law;

with respect to each party, if the other party shall have failed to comply with any obligation or covenant in the stock purchase agreement or breached any representation or warranty, the breach or failure to comply of which prevents completion of the transaction, and such breach or failure to comply is not capable of being remedied or, if capable of being remedied, not remedied by the earlier of the date which is 30 days following the date of delivery of a written notice of such breach to the other party or the date of termination of the stock purchase agreement;

if an event having a material adverse effect as to a party has occurred and is not capable of being remedied or, if capable of being remedied, is not remedied by the earlier of the date which is 30 days following the date of delivery of a written notice of such breach to the other party or the date of termination of the stock purchase agreement; and

if the requisite approvals from our stockholders shareholders and Meadville s shareholders in respect of the PCB Combination have not been obtained.

### ***Termination Fees and Expenses***

Whether or not the PCB Combination is completed, all fees and expenses incurred in connection with the stock purchase agreement, the PCB Combination, or the transactions related thereto will be paid by the party incurring such fees and expenses, except that all costs and expenses of Meadville and MTG will be borne by Meadville and MTG for an amount up to HK\$40 million (approximately US\$5.2 million using an exchange rate of HK\$7.7502 to US\$1.00, the exchange rate on November 13, 2009, the last full trading day for our shares prior to our announcement of the PCB Combination), with the remaining amount of such costs and expenses, if any, to be borne by the PCB Subsidiaries.

### ***Governing Law and Consent to Jurisdiction***

The stock purchase agreement is governed by Delaware law and the parties have submitted to the jurisdiction of the Delaware Court of Chancery or the federal courts in Delaware in connection with any disputes involving the stock purchase agreement.

### ***Amendment and Waiver***

Any provision of the stock purchase agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by each of the parties to the stock purchase agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

## **The Shareholders Agreement**

### *Overview*

Because we supply our products to the U.S. Defense Department and to companies in the United States having national security sensitivities, the PCB Combination is subject to review and approval by CFIUS. CFIUS determines the effects of a transaction on the national security of the United States and addresses measures to

## **Table of Contents**

mitigate any national security concerns in the United States. As the Principal Shareholders (which include a company organized outside the United States and persons who are not citizens or residents of the United States) will become our largest stockholder after the proposed transaction (and special dividend of shares of our common stock by Meadville to its shareholders), CFIUS may be concerned about the control and influence of the Principal Shareholders over our operations. In the context of seeking approval from CFIUS and other U.S. governmental agencies, and for business reasons, we, the Principal Shareholders, and the Tang Siblings have negotiated certain provisions which are set out in the shareholders agreement to limit the influence of the Principal Shareholders and the Tang Siblings over our company but permitting them to continue to manage the PCB Subsidiaries.

At the closing of the PCB Combination, we, Meadville, the Principal Shareholders, and the Tang Siblings will enter into a shareholders agreement pursuant to which the parties will establish certain restrictions and limitations with respect to the shares of our common stock beneficially owned by the Principal Shareholders and the Tang Siblings (and their respective affiliates who are holding shares of our common stock at the relevant time and join as parties to the shareholders agreement) from and after the closing date of the PCB Combination, as well as establishing certain arrangements with respect to voting and corporate governance matters involving us and the PCB Subsidiaries.

### ***Ownership Restriction***

Based on the number of our shares of common stock outstanding on November 16, 2009, the date we executed and announced the stock purchase agreement, the number of shares of our common stock to be distributed by way of dividend by Meadville to the Principal Shareholders following the PCB Combination will represent between approximately 33% and 39% of our total issued and outstanding common stock (and, accordingly, of the total voting power of our stockholders). Given this concentration of ownership, the shareholders agreement provides that, without the approval of our board of directors, neither the Principal Shareholders nor the Tang Siblings will, during the period beginning at the closing date of the PCB Combination and ending upon the termination of the shareholders agreement, which we refer to as the Effective Period, nor will they permit any of their affiliates to,

increase their aggregate percentage beneficial ownership of our common stock above 33%, or under certain circumstances above 39%, of our then outstanding common stock, except where such increase results from us engaging in an open market share repurchase program or a similar transaction, or through distribution of securities or issuances in connection with stockholder rights plans or other rights offerings to our stockholders; or

acquire beneficial ownership of any shares of our capital stock that does not constitute common stock.

Notwithstanding the foregoing restrictions, individual affiliates of the Principal Shareholders and the Tang Siblings who are our employees or employees of any of our subsidiaries will be allowed to receive equity grants pursuant to our stock-based compensation plans.

### ***Standstill Restrictions***

During the Effective Period, the Principal Shareholders and the Tang Siblings will not (and will cause their respective affiliates not to)

except as otherwise expressly permitted or required by the shareholders agreement, solicit proxies or consents (or induce any other person to do so) with respect to voting of our voting securities, or advise, encourage, or influence any other person with respect to voting of our voting securities;

except where the Principal Shareholders are permitted to vote on an amendment of our Certificate of Incorporation or Bylaws relating to certain anti-takeover matters approved by our board of directors (which matters are enumerated on a schedule to the shareholders agreement), as described below under Voting Arrangements, vote on any proposal made by any person that relates to the adoption, modification, or repeal of any such anti-takeover matter;

**Table of Contents**

submit to us or our board of directors any proposal or offer (or induce any other person to do so) relating to a business combination (as defined in the shareholders agreement), to the extent made public by the Principal Shareholders or Tang Siblings or required to be made public under applicable law;

except where the Principal Shareholders are permitted to vote on a business combination that is approved or recommended by our board of directors, as described below under Voting Arrangements, vote with respect to any business combination;

with the exception of voting with respect to their own nominee to our board of directors, vote in the election of any director of our company or seek or vote to remove any of our directors; or

(i) form, join, or participate in any group for the purposes of, (ii) enter into any arrangements with any person to take any of the actions matter referred to, or vote for any of, or (iii) publicly announce or disclose any expression of interest, offer, or proposal relating to, any of the matters referred to above.

The foregoing will not limit the ability of any Principal Shareholders and Tang Siblings joint board nominee to vote or participate in board deliberations in a manner consistent with their fiduciary duties. The foregoing will also not limit the ability of the Principal Shareholders to sell or dispose of their shares of our common stock pursuant to a third party tender offer, or to participate in any business combination involving us or any of our affiliates, in each case which has been approved and recommended by our board of directors, which we refer to as a Recommended Proposal.

The term business combination is defined in the shareholders agreement to include (a) any form of business combination or similar transaction involving us or any of our affiliates, including a merger, amalgamation, sale, acquisition, joint venture, consolidation, direct share exchange, or tender or exchange offer, (b) any form of restructuring, reorganization, recapitalization, or similar transaction with respect to us or any of our affiliates, and (c) any acquisition, sale, disposition, lease, distribution, encumbrance, mortgage, pledge, liquidation, or exchange of the assets of our company or any of our affiliates comprising a line of business, business segment, or division or going concern; in the case of (a) or (b) above irrespective of whether we or any of our affiliates are the surviving or resulting entity of any such transaction and irrespective of whether any shares of our capital stock or shares of capital stock of any of our affiliates is converted into or exchanged for cash, securities, or any other property in any such transaction

***Voting Arrangements***

During the Effective Period, if we become subject to majority voting in the election of directors, the Principal Shareholders and Tang Siblings will be required to vote all of the voting securities in our company owned by us in direct proportion to our non-affiliate stockholders.

During the Effective Period, with respect to each of the following matters, the Principal Shareholders and Tang Siblings will be required to bifurcate their vote as follows: (i) the Principal Shareholders, the Tang Siblings, and their affiliates may vote in their sole discretion up to 23% of the total voting power, which we refer to as the Maximum Unrestricted Voting Percentage, and (ii) with respect to any voting securities beneficially owned by the Principal Shareholders, Tang Siblings, and their affiliates in excess of the Maximum Unrestricted Voting Percentage, the Principal Shareholders, Tang Siblings, and their affiliates will be required to vote such securities in direct proportion to the vote cast by our non-affiliate stockholders. The matters requiring such voting bifurcation are:

any business combination involving us or any of our affiliates that has been approved or recommended by our board of directors;

any transaction that would involve changing the nature of our business as currently conducted;

any increase in authorized capital stock in our Certificate of Incorporation or the creation of a new class or series of capital stock requiring stockholder approval, to the extent relating to a business combination or antitakeover matter approved by our board of directors;



**Table of Contents**

any issuance of equity securities requiring stockholder approval, to the extent relating to a business combination or antitakeover matter approved by our board of directors; and

any amendment of our Certificate of Incorporation or Bylaws relating to certain anti-takeover matters that is either proposed or recommended by our board of directors, including the following matters:

the size and composition of our board of directors, and matters relating to the staggered election of board of directors;

director qualifications, nomination, and election standards and requirements and resignation standards and requirements;

opting into and out of state anti-takeover laws and/or supermajority voting provisions;

the ability of our stockholders to call meetings and the location and time of meetings;

the ability of our stockholders to act by written consent in lieu of meetings;

voting, cumulative voting, removal of directors, and filling of board vacancies (other than with respect to the Principal Shareholders and Tang Siblings nominee and certain board seats of the PCB Subsidiaries or TTM Hong Kong);

requirements to amend and modify our Certificate of Incorporation or Bylaws;

golden parachutes and executive change-in-control severance agreements and arrangements existing on the date of the stock purchase agreement;

stockholder rights plans and poison pills (and the creation and authorization of new classes and series of capital stock in connection therewith);

advance notice provisions for stockholder nominations (regarding director election) and proposals (regarding all other matters); and

changing our jurisdiction of incorporation and reincorporation, to the extent the laws of such new jurisdiction materially weakens the anti-takeover protections of our company.

The Principal Shareholders and their affiliates may vote all of their voting securities in their sole discretion (and may solicit proxies or consents and influence other persons to do so) with respect to (i) the election of their board nominee to our board of directors, or (ii) any amendment to our Certificate of Incorporation or Bylaws that would have the effect of circumventing any rights of the Principal Shareholders under the shareholders agreement.

Except as they are prohibited in the standstill restrictions or are required to vote in a specified manner as set forth above, the Principal Shareholders, Tang Siblings, and their affiliates are otherwise free to vote all of their voting securities in their discretion.

***Board Representation and other Governance Matters***

During the Effective Period, the Principal Shareholders and Tang Siblings will be entitled to jointly nominate one individual to our board of directors. Each such nominee must be reasonably acceptable to our Nominating and Corporate Governance Committee in accordance with our director nominee criteria and qualifications specified in the Nominating and Corporate Governance Committee Charter, our Certificate of Incorporation and Bylaws, and our corporate governance policies and procedures. On the closing date, our board of directors will increase the class of directors whose terms expire in 2010 and promptly elect the Principal Shareholders and Tang Siblings nominee as a director to fill that vacancy.

We will be required to use our commercially reasonable efforts to cause the election of the Principal Shareholders and Tang Siblings nominee at each meeting of stockholders at which the class in which he or she sits comes up for election. We will not be required to take any extraordinary solicitation or other recommendation efforts (or pay any costs associated therewith) to cause such election, if such actions are not similarly taken with respect to the other of our board nominees.

**Table of Contents**

With respect to each of the four PCB Subsidiaries, the Principal Shareholders and Tang Siblings will be entitled to nominate directors comprising a majority of the board of directors of each such company, and the Nominating and Governance Committee of our board of directors will be entitled to nominate the remaining members of the directors of each such company.

Each joint Principal Shareholder and Tang Sibling nominee on our board of directors and the board of each of the PCB Subsidiaries will be required to execute resignations that will become effective immediately upon the Principal Shareholders and Tang Siblings collectively holding our shares representing less than 9.9% of the total voting power of our outstanding voting securities. At that time, the nominees must vacate each of the boards on which they sit, and the Principal Shareholders and Tang Siblings will no longer be entitled to nominate directors to our board of directors or the PCB Subsidiaries pursuant to the shareholders agreement.

During the Effective Period, upon the death, resignation, or removal of the Principal Shareholders and Tang Siblings nominee, or failure of our board to nominate the Principal Shareholders and Tang Siblings nominee, the Principal Shareholders and Tang Siblings will have the right to nominate a replacement nominee.

***Certain PCB Company Governance Matters***

From and after the closing date of the PCB Combination, the PCB Subsidiaries may not take any of the following actions without the prior approval of our board of directors:

approval of the annual budget and business plans, including annual capital expenditures and compensation programs, including, without limitation, base salary and incentive compensation levels for any key employee;

the hiring, promotion, and termination of employment of any key employees;

any merger, consolidation, reorganization, recapitalization, or restructuring or similar business combination;

any sale of assets in aggregate value of over \$30,000,000, excluding sales (including sales of inventory) in the ordinary course of business;

any strategic alliance, joint venture, or other similar transaction;

the pursuit of a line of business that is materially different from the lines of business that such entity is engaged in immediately prior to the closing date;

any material restatement, modification, or amendment of the organizational documents;

any financing transactions (whether debt or equity) of a value over \$30,000,000, any incurrence, assumption, or guarantee, or any cancellation of any indebtedness of a value over \$30,000,000, or the declaration of any dividends or other distributions;

actions that would relate to our public reporting requirements under federal securities laws, and reporting requirements under applicable rules and regulations of the United States Department of Defense, the Sarbanes-Oxley Act of 2002, and any national securities exchange on which our common stock is then listed for trading or quoted;

any filing of a voluntary petition seeking liquidation, reorganization, arrangement, or readjustment, in any form, of its debts under any insolvency law, or the making of any general assignment for the benefit of its

creditors of all or substantially all of such entity's assets;

the making of any (i) payment, discharge, settlement, or satisfaction of any claims, actions, litigations, arbitrations, disputes, or other proceedings (absolute, accrued, asserted, contingent, or otherwise), in each case in an amount over \$5,000,000, or (ii) the commencement of any claims, actions, litigations, arbitrations, disputes, or other proceedings where the amount in dispute is over \$5,000,000, in each case excluding actions taken in the ordinary course of business; and

the making of any material changes relating to any taxes, tax returns, or method of accounting or accounting practices or tax accounting.

**Table of Contents**

***Stock Transfer Restrictions***

For a period of 18 months following the special dividend by Meadville of our common stock to its shareholders who elect to receive shares of our common stock, which we refer to as the Lock-Up Period, the Principal Shareholders and Tang Siblings may not (and may not permit their affiliates to) sell, dispose of, or transfer shares of our common stock beneficially owned by them, except for transfers:

to other Principal Shareholders or Tang Siblings, or their affiliates, or to a Principal Shareholders or Tang Siblings estate or a trust (provided such affiliate or the trustee of such trust or executor of such estate, as applicable, signs and becomes a party to the shareholders agreement);

pursuant to a Recommended Proposal;

to us or any of our subsidiaries, including pursuant to an open market share repurchase program or issuer self-tender offer; or

pursuant to transactions approved in advance by our board of directors.

From and after the Lock-Up Period, the Principal Shareholders and Tang Siblings can transfer or dispose of any shares of our common stock beneficially owned by them:

to any person or group of related persons, unless they have actual knowledge that the transfer or disposition of such shares of common stock will result in such person or group of related persons holding more than 9.9% of the then outstanding shares of our common stock; or

pursuant to any of the permitted transfers they may make during the Lock-Up Period set forth above.

In addition, the Principal Shareholders and Tang Siblings may not transfer or dispose of any of the shares of our common stock beneficially owned by them if, as a result of such transfer or disposal, we would no longer be in compliance with a covenant contained in the credit agreement relating to the minimum shareholding of the Principal Shareholders and Tang Siblings as existing on the date of the special dividend by Meadville of the equity consideration to its shareholders, provided that this restriction will no longer apply on the earlier to occur of the date on which amounts owing under the credit agreement are repaid in full and satisfied or the loan under the credit agreement is refinanced, or upon the expiration of the credit agreement.

Further, the Principal Shareholders and Tang Siblings may not (and may not permit their affiliates to) loan or permit to be loaned any of our capital stock beneficially owned by them or any voting rights therein, or transfer any economic rights in any voting securities beneficially owned by them without also transferring the voting rights thereto (and vice versa), provided that such restriction will not prohibit the Principal Shareholders or Tang Siblings from transferring their shares of our capital stock into a trust for estate planning purposes or for charitable purposes.

***Non-Solicitation***

Under the terms of the shareholders agreement, each of the Principal Shareholders, Tang Siblings, Meadville, and MTG will agree that, for a period of 36 months from the closing date of the PCB Combination, neither they nor any of their affiliates will, without our prior consent, take any of the following actions:

solicit or recruit for employment any management level employees of the PCB Subsidiaries designated as a manager on the closing date of the PCB Combination;

hire or assist any other person in hiring such management employees; or

solicit or encourage any such management employees to leave their employment;

except that the foregoing will not apply to (i) management employees that have not been employed by us or any of our controlled affiliates (including the PCB Subsidiaries) at any time during the six months prior to the applicable soliciting or hiring, (ii) employees whose employment was terminated by us or any of our controlled affiliates, and (iii) general solicitation for employment through advertisement or other means.

**Table of Contents**

***Non-Competition***

Under the terms of the shareholders agreement, each of the Principal Shareholders, Tang Siblings, Meadville, and MTG will agree that, until the earlier of (i) the fifth anniversary of the closing date of the PCB Combination, or (ii) the Principal Shareholders, Tang Siblings, and their affiliates (or any group containing one or more of them) beneficially own less than 9.9% of the total voting power of our outstanding voting securities for a period of 12 months, neither they nor any of their controlled affiliates will (other than as a stockholder of ours and through designees on our board of directors or the boards of directors of our subsidiaries) engage in any activities or business in competition with the PCB Subsidiaries, which we refer to as a Competing Activity, or own any equity in any person that engages in a Competing Activity.

This restriction does not preclude any of the Principal Shareholders, Tang Siblings, Meadville, or MTG, or any of their controlled affiliates, from taking any of the following actions:

owning any equity interest in any person that engages in a Competing Activity as a result of or otherwise in connection with (i) any acquisition by any Principal Shareholder or Tang Sibling of one or more businesses engaged in any activity in addition to the Competing Activity, provided that the Competing Activity is less than 25% in value of the business being acquired, or (ii) an enforcement of a security interest held as a result of engaging in an otherwise permissible activity, provided that such business be divested as soon as reasonably practicable;

engaging or owning an interest in any type of business other than the Competing Activity that any of the Principal Shareholders, Tang Siblings, Meadville, or MTG, or any of their respective controlled affiliates, is engaged in as at the date of the stock purchase agreement; and

owning any capital stock in any person that engages in the Competing Activity in the ordinary course of business, provided that such capital stock constitutes less than 5% of the capital stock of such person and such capital stock is listed on a national securities exchange and such ownership provides no right to control such person.

***Termination of the Shareholders Agreement***

The shareholders agreement will terminate

upon the unanimous written consent of the parties;

upon our dissolution; or

automatically on the earlier of (a) the 181st day next following the time when the Principal Shareholders, Tang Siblings, and their affiliates (or any group containing one or more of them) collectively beneficially own shares of our common stock representing less than 9.9% of the total voting power of our outstanding voting securities, or (b) the occurrence of certain change of control events set forth in the shareholders agreement to the extent that CFIUS shall not have objected to or taken any action to block or enjoin such termination.

The shareholders agreement also terminates with respect to a party (other than Mr. Tang, the Tang Siblings, or us) when such party ceases to be a Principal Shareholder. Accordingly, unless earlier terminated in accordance with the first two bullets above, the Effective Period provides for a six-month cooling off period after the Principal Shareholders and their affiliates cease to beneficially own 9.9% of the total voting power of our outstanding voting securities. Certain obligations in the shareholders agreement, including the covenants of the Principal Shareholders,

the Tang Siblings, Meadville, and MTG relating to non-competition and non-solicitation, will survive the termination of the shareholders agreement.

***Governing Law and Consent to Jurisdiction***

The shareholders agreement is governed by Delaware law and the parties have submitted to the jurisdiction of the Delaware Court of Chancery or the federal courts in Delaware in connection with any disputes involving the shareholders agreement.



## **Table of Contents**

### ***Amendment and Waiver***

The shareholders agreement may not be amended except by mutual written agreement of the parties. No amendment or waiver of any provision of the shareholders agreement, or any consent under the shareholders agreement, will be effective unless that amendment, waiver, or consent is approved by a majority of the members of our board of directors and, with respect to a Principal Shareholder or Tang Sibling, signed by such Principal Shareholder or Tang Sibling, as applicable.

### **The Registration Rights Agreements**

#### ***The Registration Rights Agreement***

Under applicable U.S. securities laws, a stockholder that holds more than 10% of the issued share capital of a company or has board representation is presumed to be an affiliate of the company. Such stockholder may be restricted from selling its shares in the company without the company first registering those shares with the SEC, unless an exemption from registration is available. As Meadville (prior to the special dividend of our shares to its shareholders) is expected to hold approximately 46% of our outstanding capital stock and the Principal Shareholders are ultimately expected to hold between approximately 33% and 39% of our outstanding capital stock and will be entitled to nominate a director to our board of directors, each of Meadville and the Principal Shareholders (at the respective time) will likely be considered an affiliate of our company under the applicable U.S. securities law. As the other (non-affiliate) stockholders will receive a smaller percentage of our shares of common stock, then absent other factors giving them control or influence over our business or management, they would not be considered to be affiliates of our company and, therefore, will not likely be subject to those transfer restrictions in connection with the shares of our common stock that they receive in the special dividend from Meadville.

In order to put the Principal Shareholders in the same position as the non-affiliate stockholders with respect to the right to sell the shares of our common stock in the U.S. in the future, we have agreed to enter into the registration rights agreement with the Principal Shareholders, pursuant to which we will grant the Principal Shareholders and any of their affiliates who hold shares of our common stock from time to time certain rights to require us to use our reasonable efforts to effect the registration of the shares of our common stock held by them under the Securities Act.

As required by the stock purchase agreement, key terms of the registration rights agreement will be as follows:

all shares of our common stock held from time to time by the Principal Shareholders will be deemed Registrable Securities ;

following the date that is eighteen months after the closing date of the transaction, the Principal Shareholders will have the right to require us to use reasonable efforts to effect the registration of their Registrable Securities under the Securities Act as follows: (i) up to three registrations upon their demand (subject to certain limitations) during the first five year period following the date of the registration rights agreement, and thereafter, (ii) up to such number of registrations upon demand equal to four minus the number of demand registrations effected in accordance with the registration rights agreement during the first five year period. A registration will count for this purpose only if the registration of all Registrable Securities requested to be registered is declared effective and remains effective for a period of 90 days and not subject to any stop order or injunction and closed or withdrawn at the request of the Principal Shareholders;

we will have the right to delay the filing or effectiveness of a registration statement during no more than two periods, aggregating to not more than 120 days in any twelve month period, in customary black out circumstances;

the Principal Shareholders will be entitled to customary piggyback registration rights on customary types of registration statements that we file with the SEC, meaning if we propose to file on our behalf and/or on behalf of any holder of our securities (other than a holder of Registrable Securities) a registration statement under the Securities Act, we agree to include Registrable Securities held by the Principal Shareholder in that registration statement, subject to certain exceptions;

in the event that we limit the number of shares that may be included on any particular registration statement in which the Principal Shareholders elect to include Registrable Securities, the Registrable Securities are to

**Table of Contents**

be (i) the last shares cut-back on any demand registrations, and (ii) cut-back before any shares we include, but after other selling stockholders (other than the Principal Shareholders) for any piggy-back registrations;

all registration expenses will be borne by us, except for (i) stock transfer taxes and underwriting discounts and commissions, which will be paid by us with respect to shares being sold by us and by the selling stockholders with respect to shares being sold by them, and (ii) fees for legal counsel for the selling stockholders, which will be paid by the selling stockholders in proportion to the proceeds received by Principal Shareholders and all other selling stockholders;

we will provide customary covenants for assistance on the offerings of the Registrable Securities (including underwritten offerings), and will provide customary indemnification to the Principal Shareholders, the underwriters, and all of their respective affiliates; and

in addition to the customary lock-up required of us under any underwriting agreement, the Principal Shareholders will agree, to the extent required by the underwriters in an underwritten offering, to a customary lock-up that prohibits certain transactions in our capital stock by the Principal Shareholders for a period of up to 90 days.

***The Sell-Down Registration Rights Agreement***

Meadville will distribute by way of a special dividend the shares of our common stock received in the PCB Combination to the Meadville shareholders who elect to receive TTM shares. In lieu of receiving those shares from Meadville, Meadville's shareholders will be given the option to instruct Meadville to sell the shares of our common stock that they would otherwise have been entitled to receive in the special dividend through a dealing facility established by Meadville, and to receive the cash proceeds from such sale. In order to facilitate the sale of the shares of our common stock with respect to which Meadville shareholders elect to receive net cash proceeds of the sale of our shares as their dividend, we have entered into the sell-down registration rights agreement, under which we must use reasonable efforts to effect a registration of such shares of our common stock under the Securities Act, and use reasonable efforts and take such other actions as may be required to effect the registration of those shares.

Key terms of the sell-down registration rights agreement are as follows:

we will file a registration statement to register all shares of our common stock to be sold in the dealing facility, which we refer to as the Sell-Down Shares, as soon as practicable, and use our reasonable efforts to have such registration statement declared effective as soon as possible after the closing date of the PCB Combination, but in no event later than 5 days after the closing date;

we will make such amendments and supplements to the registration statement as necessary to keep the registration statement effective until the earlier of the disposition of all Sell-Down Shares or 90 days;

we will provide customary covenants (including entering into underwriting agreements if the method of distribution is by means of an underwritten offering, including customary representations, warranties, and indemnities) and shall take such other actions (including roadshow presentations) as are reasonably required to facilitate the disposition of the Sell-Down Shares;

all registration expenses will be borne by us, except for stock transfer taxes and underwriting discounts and commissions, each of which will be netted against the proceeds distributable to the shareholders of Meadville who elect to receive the special dividend in cash in lieu of our shares; and

we will provide all other assistance as may be reasonably required for the sell-down under the dealing facility and will provide customary indemnification to Meadville, MTG, the underwriters involved in the dealing facility, and all of their respective affiliates.

Like the stock purchase agreement and shareholders agreement, the registration rights agreement and sell-down registration rights agreement are both governed by Delaware law.

**Table of Contents**

**The Credit Agreement**

Certain of the PCB Subsidiaries have entered into a credit agreement with seven banks, including HSBC, pursuant to which the banks, subject to the satisfaction of certain conditions to drawdown, will provide credit facilities in the total amount of approximately \$582.5 million to certain of the PCB Subsidiaries. The credit facility will be used for refinancing certain existing facilities due to the change of control of the PCB Subsidiaries resulting from the PCB Combination and as working capital for the PCB Subsidiaries.

The credit facilities consist of four tranches comprising (a) tranche A consisting of a \$350 million term loan with an interest rate per annum of the London interbank offered rate plus 200 basis points, (b) tranche B consisting of an \$87.5 million revolving credit facility with an interest rate per annum of the London interbank offered rate plus 225 basis points, (c) tranche C consisting of a \$65 million revolving invoice/trade credit facility with an interest rate per annum of the London interbank offered rate plus 125 basis points, and (d) tranche D consisting of an \$80 million letter of credit facility. All tranches are subject to a commitment fee of 0.2% per annum on the undrawn and uncanceled amount and each has a maturity of four years.

Following completion of the PCB Combination and prior to the first request for funding under the credit agreement, loans made under the credit facility will be secured by certain assets of the PCB Subsidiaries. We and TTM Hong Kong will provide a corporate guarantee or pledge in respect of the credit agreement. We and TTM Hong Kong are not currently parties to the credit agreement but will join as parties to the credit agreement after completion of the PCB Combination and prior to the first request for funding under the credit agreement.

The credit agreement contains various financial covenants that the PCB Subsidiaries must satisfy during the term of the credit agreement, as well as various operational covenants relating to the PCB Subsidiaries. During the four-year term of the credit agreement, Mr. Tang, his estate, and his children and the companies directly or indirectly owned or controlled by him, his estate, or his children, which we refer to as the Tang Family, are required (a) to be the beneficial owner of not less than 20% of our outstanding capital stock, and (b) have appointed more than 50% of the number of directors to the board of directors of TTM Hong Kong. Further, the credit agreement prohibits the Tang Family from taking any action or omitting to take any action that reduces its holdings in our capital stock such that the Tang Family ceases to be our single largest stockholder.

**COMPARISON OF MEADVILLE SHAREHOLDER AND TTM STOCKHOLDER RIGHTS**

In connection with the PCB Combination and Meadville's subsequent special dividend of the equity consideration paid by us to Meadville in connection with the PCB Combination, each shareholder of Meadville will receive a cash dividend and will also receive shares of our common stock (or, to the extent a Meadville shareholder so elects, such shares of our common stock that such electing Meadville shareholder would otherwise be entitled to receive shall be sold and the net cash proceeds of sale thereof remitted to the electing Meadville shareholder). We are a Delaware corporation. The rights of our stockholders derive from our Certificate of Incorporation and our Bylaws and from the Delaware General Corporation Law. Meadville is a Cayman Islands exempted company. The rights of its shareholders derive from its Amended and Restated Memorandum and Articles of Association, which we refer to collectively as the Articles, the Companies Law (2009 Revision) of the Cayman Islands, which we refer to as the Companies Law, and the common law of the Cayman Islands.

The following is a comparison setting forth the material differences of the rights of our stockholders and Meadville shareholders. Certain significant differences in the rights of our stockholders and those of Meadville shareholders arise from differing provisions of our and Meadville's respective governing and constitutional documents. The

following summary does not purport to be a complete statement of the provisions affecting, and differences between, the rights of our stockholders and those of Meadville shareholders. This summary is qualified in its entirety by reference to the Delaware General Corporation Law and the Companies Law and to the respective governing and constitutional documents of our company and Meadville.

**Authorized Capital Stock**

*TTM:* We are authorized to issue 100,000,000 shares of common stock, par value \$0.001 per share, and 15,000,000 shares of preferred stock, par value \$0.001 per share. As of February 1, 2010, 43,186,855 shares of our

## **Table of Contents**

common stock were outstanding, and no shares of preferred stock were outstanding. Our board of directors has the authority, without action by our stockholders, to designate and issue preferred stock in one or more series. Our board of directors may also designate the preferences, voting powers, qualifications, special or relative rights, and privileges of each series of preferred stock, any or all of which may be superior to the rights of our common stock.

*Meadville:* Meadville has an authorized share capital of HK\$200,000,000, consisting of 20,000,000,000 shares with a par value of HK\$0.01 per share. As of February 1, 2010, 1,964,000,000 shares of Meadville were outstanding.

## **Board of Directors**

*TTM:* Our board of directors is divided into three classes, each of which generally serve for a term of three years with only one class of directors being elected in each year. The number of members of the board of directors must be not less than three and not more than twelve, with the exact number fixed by resolution of our board of directors. There is no cumulative voting with respect to the election of directors. A plurality of the votes cast by stockholders entitled to vote is sufficient to elect directors.

*Meadville:* Meadville's Articles provide that there shall be no maximum number of directors unless otherwise determined from time to time by a resolution passed by a simple majority of shareholders, which we refer to as an Ordinary Resolution, of Meadville in a general meeting, but the board must consist of not less than two directors. The maximum number of directors is fixed by an Ordinary Resolution of Meadville in a general meeting from time to time. At each annual general meeting, one third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring director is eligible for re-election. The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. The directors who retire in each year are those who have been longest in office since their last re-election or appointment.

## **Vacancies on Board of Directors**

*TTM:* Under the Delaware General Corporation Law, a vacancy or a newly created directorship may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director unless otherwise provided in the certificate of incorporation or bylaws. Our Certificate of Incorporation provides that a vacancy or a newly created directorship may be filled only by the board of directors, by a majority of the directors in office, although less than a majority of the entire board of directors.

*Meadville:* Meadville may, at the general meeting at which a director retires, fill the vacated office. Meadville may at any time or from time to time, in a general meeting by Ordinary Resolution, elect any person to fill a casual vacancy on the board or as an additional director to the existing board, subject to any maximum number of directors, if any, as may be determined by Ordinary Resolution. Any director appointed holds office only until the next general meeting of the company and is then eligible for reelection but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at such meeting.

## **Removal of Directors**

*TTM:* Pursuant to our Bylaws, at a special meeting of stockholders called expressly for that purpose, the entire board of directors, or any member or members of the board, may be removed, but only for cause by vote for removal of a specific director by stockholders holding a majority of the shares then entitled to vote at an election for directors, voting as a single voting group. The notice of such special meeting must state that the purpose, or one of the purposes,

of the meeting is removal of the director or directors.

*Meadville:* Meadville's Articles provide for a classified board. At each annual general meeting, one third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election. The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself or herself for re-election. The directors who



## **Table of Contents**

retire in each year are those who have been longest in office since their last re-election or appointment. A director may be removed by Ordinary Resolution before the expiration of his or her term of office and the company may by Ordinary Resolution appoint another director in his or her place.

### **Limited Liability of Directors**

*TTM:* Our Certificate of Incorporation eliminates the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption or limitation of liability is not permitted under the Delaware General Corporation Law as currently in effect or as it may be amended after the date of this proxy statement/prospectus. In addition, our Certificate of Incorporation provides that any future repeal or amendment of its terms will not adversely affect any rights of directors existing under the Certificate of Incorporation with respect to acts or omissions occurring prior to such repeal or amendment. We have also entered into indemnification agreements with our directors and executive officers.

Under Delaware law as in effect on the date of this proxy statement/prospectus, our directors remain liable for the following:

- any breach of their duty of loyalty to our company and its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any transaction from which a director derives an improper personal benefit; and
- any unlawful payment of dividends or unlawful stock purchase or redemption.

The provisions in our Certificate of Incorporation that eliminate liability as described above will apply to our officers if they are also directors of our company and are acting in their capacity as directors and will not apply to our officers who are not directors or who are not acting in their capacity as directors.

*Meadville:* An indemnity purporting to indemnify a director of a Cayman Islands company for liabilities incurred as a result of his or her actual fraud, willful default, or willful neglect is unlikely to be enforceable as a matter of Cayman Islands law.

### **Indemnification of Directors and Officers**

*TTM:* Our Certificate of Incorporation and Bylaws provide that we must indemnify and hold harmless, to the fullest extent permitted by applicable law, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, by reason of the fact that he or she or a person for whom he or she is the legal representative, is or was a director or officer of our company or is or was serving at the request of our company as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust, enterprise, or nonprofit entity, including service with respect to employee benefit plans, against all expense, liability, and loss reasonably incurred or suffered by such indemnitee. Our Bylaws also provide for the advancement of expenses to defend claims against the indemnitee.

The Delaware General Corporation Law contains provisions permitting and, in some situations, requiring Delaware corporations to provide indemnification to their officers and directors for losses and litigation expenses incurred in connection with their service to the corporation in those capacities. The Delaware General Corporation Law permits indemnification of a director of a Delaware corporation, in the case of a third-party action, if the director

conducted himself or herself in good faith; and

reasonably believed that

his or her conduct was in, or not opposed to, the corporation's best interests, and

in the case of any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

## **Table of Contents**

The Delaware General Corporation Law further provides for mandatory indemnification of directors and officers who are wholly successful on the merits or otherwise in litigation. The Delaware General Corporation Law limits the indemnification that a corporation may provide to its directors in a derivative action in which the director is held liable to the corporation, or in any proceeding in which the director is held liable on the basis of his or her improper receipt of a personal benefit.

*Meadville:* Cayman Islands law does not limit the extent to which a company may indemnify its directors, officers, employees and agents, except to the extent that such provision may be held by the Cayman Islands courts to be contrary to the public policy. An indemnity for negligence generally will be enforceable under Cayman Islands law. Similarly, an indemnity for acts or omissions by directors or officers in the performance of their duties that may be considered to be grossly negligent will probably be enforceable. It is unlikely that a Cayman Islands court will enforce an indemnity for willful neglect or willful default by a director or officer in the performance of his or her duties, particularly with respect to matters evidencing bad faith on the part of the relevant director or officer. Indemnity for actions by directors or officers that are considered fraudulent or otherwise criminal will not, except in certain very limited circumstances, be enforceable. Cayman Islands law and Meadville's Articles permit Meadville to purchase and maintain insurance on behalf of its directors and officers.

## **Officers**

*TTM:* Our board of directors must elect a Chief Executive Officer, President, Secretary, and Treasurer, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board. Each officer will hold office until the first meeting of the board of directors after the annual meeting of stockholders next succeeding his or her election, and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Our board of directors may remove any officer with or without cause at any time. Any vacancy occurring in any office of our company by death, resignation, removal, or otherwise may be filled for the unexpired portion of the term by the board of directors at any regular or special meeting.

*Meadville:* The board of directors of Meadville may from time to time appoint any one or more persons as officers of its business as it may decide for such period and upon such terms and remuneration as it may decide.

## **Amendment of Governing Documents**

*TTM:* Under the Delaware General Corporation Law, a certificate of incorporation may be amended if:

the board of directors adopts a resolution setting forth the proposed amendment, declares the advisability of the amendment and directs that it be submitted to a vote at a meeting of stockholders, or calls a special meeting of stockholders entitled to vote in respect thereof; and

the holders of not less than a majority of shares of stock entitled to vote on the matter, and a majority of the outstanding stock of each class entitled to vote thereon as a class, approve the amendment, unless the certificate of incorporation requires the vote of a greater number of shares.

In addition, under the Delaware General Corporation Law, the holders of the outstanding shares of a class are entitled to vote as a class on an amendment, whether or not entitled to vote thereon by the certificate of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences, or special rights of the shares of the class so as to affect them adversely. Class voting rights do not exist as to other extraordinary matters, unless the certificate of incorporation provides otherwise. Our Certificate of Incorporation is consistent with the Delaware

General Corporation Law, except that amendment of certain provisions relating to our board of directors, special meetings of stockholders, special stockholder notice requirements, and special stockholder voting requirement may only be amended or repealed by an affirmative vote of at least 80% of the outstanding shares of all capital stock entitled to vote, voting together as a single class.

Under the Delaware General Corporation Law, the board of directors may amend a corporation's bylaws if so authorized by the certificate of incorporation. The stockholders of a Delaware corporation (who are entitled to vote) also have the power to amend bylaws. Our Certificate of Incorporation and Bylaws authorize our board of directors by vote of a majority of the directors present at a meeting at which a quorum of directors is present to alter, amend,

## **Table of Contents**

or repeal our Bylaws and also provides that our stockholders may alter, amend, or repeal the Bylaws by the affirmative vote of a majority of the outstanding voting stock of our company entitled to vote thereon, except that amendment to certain provisions of the Bylaws relating to meetings of stockholders, certain stockholder notice requirements, directors' terms, and the section pertaining to requirements for amendment of the Bylaws requires the affirmative vote of the stockholders holding 80% of the outstanding shares entitled to vote on the amendment or repeal of the Bylaws, voting as a single voting group.

*Meadville:* Under Cayman Islands law, Meadville's Articles may only be amended by a special resolution of its shareholders. Meadville's board of directors may not effect amendments to its Articles on its own. Meadville's Articles allow for the approval, by Ordinary Resolution, of the following actions:

increase in Meadville's share capital;

consolidate and divide all or any of the share capital into shares of larger or smaller amount than its existing shares;

divide its unissued shares into several classes and attach thereto any rights or conditions;

by subdivision of its extending shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by Meadville's Articles;

cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

make provision for the issue and allotment of shares which do not carry voting rights;

change the denomination and currency of its share capital; and

reduce its share premium account in any manner authorized, subject to any conditions prescribed by law.

## **Meetings of Shareholders**

*TTM:* Our Bylaws provide that our annual meeting of shareholders will be held at such time and place as is determined by our board of directors. Pursuant to our Certificate of Incorporation, special meetings of stockholders may be called by the Chairman, a majority of our board of directors, our Chief Executive Officer, our Secretary, or at the written demand of stockholders of our company holding at least a majority of all the shares entitled to vote on the proposed issues.

*Meadville:* Meadville shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and, unless authorized by the HKSE, not more than 15 months shall elapse between annual general meetings. Meadville's Articles provide that a general meeting of stockholders may be called only by the board of directors or by members holding together not less than 10% of the issued shares giving the right to attend and vote at such general meeting.

## **Shareholder Action Without a Meeting**

*TTM:* Any action required or permitted to be taken by meeting of stockholders may be taken without a meeting if a consent in writing is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were

present and voted.

*Meadville:* Meadville's Articles provide that shareholders may take any action requiring an ordinary or special resolution passed at a meeting of shareholders without a meeting if their consent to such ordinary or special resolution is in writing and

(i) in the case of an ordinary resolution, is signed by shareholders holding not less than a majority of the outstanding shares entitled to vote with respect to such resolution; and

(ii) in the case of a special resolution, is signed by all shareholders entitled to vote on such resolution,

in accordance with the procedure in Meadville's Articles.

## **Table of Contents**

### **Advance Notice of Shareholder Proposals**

*TTM:* Effective February 12, 2009, our board of directors amended our amended and restated bylaws to, among other things, revise the procedures pursuant to which stockholders may propose business or director nominations to be considered at our annual meeting of stockholders or special stockholder meetings, which are referred to as advance notice provisions. Our board of directors believes that the advance notice provisions will make it possible for us to better evaluate any director nominations or other business placed before the meetings.

The advance notice provisions of our Bylaws, among other things

require stockholders to provide advance notice of stockholder proposals of business or director nominations at an annual meeting, which notice must be delivered to the secretary of our company not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting, subject to certain conditions;

clarify the requirements for stockholder notices relating to proposals of business and director nominations, and the conduct of business at a special meeting of stockholders (where such special meeting has been properly called);

provide that the procedures and requirements set forth in the advance notice provisions are the exclusive means for a stockholder to propose business and nominate director candidates at a stockholder meeting, except for business proposed by stockholders in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, as amended; and

require stockholders nominating directors to disclose, among other things, any agreement, arrangement, understanding, or commitment (i) governing how a nominee, if elected as a director, would act or vote on any issue or question, (ii) under which such nominee would receive compensation for service as a director, or (iii) giving such nominee an economic right or interest in any of our securities.

*Meadville:* Meadville's Articles provide shareholders who hold not less than 10% of the paid up capital of Meadville to requisition that the directors convene a general meeting within two months of the date of the deposit of such requisition at the registered office of Meadville. If within 21 days of such deposit the board of directors do not proceed to convene a general meeting then the person(s) making the requisition may themselves convene a general meeting in the same manner.

### **Shareholder Approval of Business Combinations**

*TTM:* Under the Delaware General Corporation Law, a merger or consolidation involving the corporation, a sale, lease, exchange, or other disposition of all or substantially all of the property of the corporation, or a dissolution of the corporation, is generally required to be approved by the holders of a majority of the shares outstanding and entitled to vote on the matter, unless the certificate of incorporation provides otherwise. In addition, mergers in which an acquiring corporation owns 90% or more of the outstanding shares of each class of stock of a corporation may be completed without the vote of the acquired corporation's stockholders.

Unless the certificate of incorporation of the surviving corporation provides otherwise, Delaware law does not require a stockholder vote of the surviving corporation in a merger if: (i) the share exchange agreement does not amend the existing certificate of incorporation, (ii) each share of stock of the surviving corporation outstanding immediately before the transaction is an identical outstanding share after the merger, and (iii) either (x) no shares of common stock of the surviving corporation (and no shares, securities, or obligations convertible into such stock) are to be issued in

the merger, or (y) the shares of common stock of the surviving corporation to be issued or delivered in the merger (upon conversion of any other shares, securities, or obligations to be issued or delivered in the merger) do not exceed 20% of the shares of common stock of the surviving corporation outstanding immediately prior to the transaction.

*Meadville:* In certain circumstances the Companies Law allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction), whereby the surviving entity or consolidated entity is a Cayman islands entity.



**Table of Contents**

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation containing certain prescribed information. That plan or merger or consolidation must then be authorized by either

(a) a special resolution (usually 66<sup>2</sup>/<sub>3</sub>% in value of shares) of the shareholders of each company voting together as one class if the shares to be issued to each shareholder in the consolidated or surviving company will have the same rights and economic value as the shares held in the relevant constituent company; or

(b) a shareholder resolution of each company passed by a majority in number representing 75% in value of the shareholders voting together as one class.

A shareholder has the right to vote on a merger or consolidation regardless of whether the shares that it holds otherwise give that shareholder voting rights. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Companies Law (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation.

Where the merger or consolidation involves a foreign constituent company, the surviving company must be the Cayman Islands company. The procedure is similar, save that with respect to the foreign constituent company, the director of the Cayman Islands surviving or consolidated company is required to make a declaration to the effect that, having made due enquiry, he or she is of the opinion that the requirements set out below have been met:

(a) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that the laws and any requirements of those constitutional documents have been or will be complied with;

(b) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions;

(c) that no receiver, trustee, administrator, or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs, or its property or any part thereof;

(d) that no scheme, order, compromise, or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted;

(e) that the foreign company is able to pay its debts as they fall due and that the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the foreign company;

(f) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (i) consent or approval to the transfer has been obtained, released or waived, (ii) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company, and (iii) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with;

(g) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered, or exist under the laws of the relevant foreign jurisdiction; and

(h) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Companies Law provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows:

(a) the shareholder must give its written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for its shares if the merger or consolidation is authorized by the vote;

**Table of Contents**

(b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection;

(c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of its intention to dissent including, among other details, a demand for payment of the fair value of its shares;

(d) within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company, or the consolidated company must make a written offer to each dissenting shareholder to purchase its shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; and

(e) if the company and the shareholder fail to agree to a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company (and any dissenting shareholder) must file a petition with the Cayman Islands Grand Court to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances; for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, commonly referred to in the Cayman Islands as a scheme of arrangement, which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedures of which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders (and, in some circumstances, creditors) with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings summoned for that purpose.

The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder or creditor would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that

(a) the company is not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with;

(b) adequate disclosure has been made to the shareholders (and, if relevant, the creditors), and they have been fairly represented at the meeting in question;

(c) the arrangement is such as a businessman would reasonably approve; and

(d) the arrangement is not one that would amount to a fraud on the minority.

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of U.S. corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

## **Table of Contents**

*Squeeze-out Provisions.* When a takeover offer is made and accepted by holders of not less than 90% of the shares to whom the offer is made within four months, the offeror may, within a two-month period after the expiration of those four months, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands, but this is unlikely to succeed unless there is evidence of fraud, bad faith, collusion, or inequitable treatment of the shareholders. Further, transactions similar to a merger, reconstruction, and/or an amalgamation may in some circumstances be achieved through means other than these statutory provisions, such as a share capital exchange, asset acquisition or control, or through contractual arrangements.

## **Special Vote for Combinations with Interested Shareholders**

*TTM:* Section 203 of the Delaware General Corporation Law generally has an anti-takeover effect for transactions not approved in advance by our board of directors. This may discourage takeover attempts that might result in payment of a premium over the market price for the shares of our common stock held by stockholders. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested shareholder for a three-year period following the time that such stockholder becomes an interested shareholder, unless the business combination is approved in a prescribed manner. A business combination includes, among other things, an acquisition, asset or stock sale or other transaction resulting in a financial benefit to the interested shareholder. An interested shareholder is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested shareholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested shareholder is prohibited unless it satisfies one of the following conditions:

before the shareholder became interested, the board of directors approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;

upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or

at or after the time the shareholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the shareholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested shareholder.

*Meadville:* There is no provision in the Articles or the Companies Law equivalent to Section 203 of the Delaware General Corporation Law.

## **Appraisal Rights and Compulsory Acquisition**

*TTM:* Under the Delaware General Corporation Law, a stockholder of a corporation does not have appraisal rights in connection with a merger or consolidation if, among other things

the corporation's shares are listed on a national securities exchange or held of record by more than 2,000 stockholders; or

the corporation will be the surviving corporation of the merger, and no vote of its stockholders is required to approve the merger.

Notwithstanding the above, a stockholder is entitled to appraisal rights in the case of a merger or consolidation effected under certain provisions of the Delaware General Corporation Law if the stockholder is required to accept in exchange for the shares anything other than

shares of stock of the corporation surviving or resulting from the merger or consolidation; or

shares of stock of any other corporation that on the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 stockholders.

## **Table of Contents**

Our common stock is currently listed on the NASDAQ Global Select Market, a national securities exchange.

*Meadville:* Neither Cayman Islands law nor Meadville's Articles specifically provide for appraisal rights. However, see the section entitled "Shareholder Approval of Business Combinations" above concerning the appraisal rights of a dissenting shareholder in relation to a merger and in connection with the compulsory acquisition of shares by a 90% shareholder of a Cayman Islands company as described above under the subheading "Squeeze-out Provisions" under "Shareholder Approval of Business Combinations" whereupon a minority shareholder may apply to the Grand Court of the Cayman Islands objecting to that acquisition.

## **Voting**

*TTM:* Our Certificate of Incorporation provides that the holders of common stock shall be entitled to one vote for each share of common stock owned by such stockholder. Our stockholders are not entitled to cumulative voting on any matters.

*Meadville:* Subject to any special rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) will have one vote, and on a poll every shareholder present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly appointed representative) shall have one vote for each fully paid share which such shareholder is the holder.

While there is nothing under the laws of the Cayman Islands which specifically prohibits or restricts the creation of cumulative voting rights for the election of its directors, unlike the requirement under Delaware law that cumulative voting for the election of directors is permitted only if expressly authorized in the certificate of incorporation, it is not a concept that is accepted as a common practice in the Cayman Islands, and there are no cumulative voting provisions in the Articles.

## **Distributions and Dividends; Repurchases and Redemptions**

*TTM:* Under the Delaware General Corporation Law, a corporation may pay dividends out of surplus and, if there is no surplus, out of net profits for the current and/or the preceding fiscal year, unless the capital of the corporation is less than the aggregate amount of the capital represented by issued and outstanding shares having a preference on asset distributions. Surplus is defined in the Delaware General Corporation Law as the excess of the net assets over the amount determined by the board of directors to be capital. Net assets means the amount by which the total assets of the corporation exceed the total liabilities. A Delaware corporation may purchase or redeem shares of any class except when its capital is impaired or would be impaired by the purchase or redemption. A corporation may, however, purchase or redeem out of capital its own shares that are entitled upon any distribution of its assets to a preference over another class or series of its shares, or, if no shares entitled to such a preference are outstanding, any of its own shares, if such shares will be retired upon their acquisition and the capital of the corporation reduced.

*Meadville:* Meadville is not required to present proposed dividends to its shareholders for approval or adoption. Under the Companies Law and Meadville's Articles, the board of directors of Meadville may declare the payment of dividends on the share in issue out of Meadville's

realized and unrealized profits;

share premium accounts, which represents the excess of the price paid to Meadville on issue of its shares over the par or nominal value of those shares, which is similar to the U.S. concept of additional paid in capital; or

any other account permitted by the Companies Law.

However, no dividends may be paid if, after payment, Meadville would not be able to pay its debts as they fall due in the ordinary course of business. Under Cayman Islands law, shares of a Cayman Islands company may be redeemed or repurchased out of profits of the company, out of the proceeds of a new issuance of shares made for that purpose or out of capital, provided the company has, immediately following the date of payment, the ability to pay its debts as they fall due in the ordinary course of the business.



**Table of Contents**

**Comparison of Additional Principles of Cayman Islands Corporate Law to Delaware Corporate Law**

**Cayman Islands**

**Delaware**

***Shareholder Meetings***

May be held at a time and place as designated in the memorandum and articles of association

May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors

May be held within or outside the Cayman Islands

May be held within or outside Delaware

Notice of shareholder meetings will be given personally by mail or by electronic means as designated in the memorandum and articles of association or by any other means authorized in writing by the shareholder

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any, by which stockholders may be deemed to be present and vote at such meeting

Written notice shall be given to the shareholders not less than 10 nor more than 60 days before the meeting

***Shareholder s Voting Rights***

Any shareholder entitled to attend and vote at a meeting may authorize another person or persons to act for the shareholder by proxy as provided in the articles of association

Any person authorized to vote may authorize another person or persons to act for such person by proxy

The memorandum and articles of association may provide for cumulative voting

The certificate of incorporation may provide for cumulative voting

The quorum is as designated in the memorandum and articles of association

The certificate of incorporation or bylaws may specify the number of shares necessary to constitute a quorum, but in no event shall a quorum consist of less than one-third of the shares entitled to vote at the meeting. In the absence of such specifications, a majority of shares entitled to vote at the meeting shall constitute a quorum

***Limits on Rights of Non-Resident or Foreign Shareholders to Hold or Exercise Voting Rights***

There are no limits on the rights of non-resident or foreign shareholders to hold or exercise voting rights

There are no limits on the rights of non-resident or foreign stockholders to hold or exercise voting rights

***Right to Inspect Corporate Books***

As provided by the articles of association. Meadville's memorandum and articles of association state that the directors shall determine whether and to what extent and at what time and place the accounts and books of Meadville shall be open to shareholder inspection and no shareholder has any right of inspection except as conferred by the Companies Law or authorized by the directors or by Meadville in a general meeting

The Delaware General Corporation Law allows any stockholder the right:

(a) to inspect the corporation's stock ledger, a list of its stockholders, and its other books and records; and

(b) to make copies or extracts of those materials during normal business hours; provided that the stockholder makes a written request under oath stating that the purpose of the inspection is for a purpose reasonably related to the person's interest as a stockholder.

**Table of Contents**

**Cayman Islands**

**Delaware**

***Duties of Directors and Officers***

In summary, directors and officers owe the following fiduciary duties:

(i) duty to act in good faith in what the directors believe to be in the best interests of the corporation as a whole;

(ii) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;

(iii) duty to should not fetter the exercise of future discretion;

(iv) duty to exercise powers fairly as between different sections of shareholders;

(v) duty not to put themselves in a position in which there is a conflict between their duty to the corporation and their personal interests; and

(vi) duty to exercise independent judgment.

In addition to the above, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both:

(i) the general knowledge, skill, and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the corporation; and

(ii) the general knowledge skill and experience which that director has.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the memorandum and articles of association or alternatively by shareholder

Directors owe a duty of care and a duty of loyalty to the corporation and have a duty to act in good faith. Directors and officers must act in good faith, with the care of a prudent person, and in the best interest of the corporation

Directors and officers must refrain from self-dealing, usurping corporate opportunities, and receiving improper personal benefits

Decisions made by directors and officers on an informed basis, in good faith, and in the honest belief that the action was taken in the best interest of the corporation may be protected by the business judgment rule

approval at general meetings.

**Table of Contents**

**Cayman Islands**

**Delaware**

***Shareholder s Derivative Actions***

A minority shareholder aggrieved by the actions of a director or the company has a limited number of remedies. In principle, the corporation itself will normally be the proper plaintiff and a claim against (for example) its officers or directors usually may not be brought by a shareholder. However, based on English authorities, which may be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- (i) a company is acting or proposing to act illegally or beyond the scope of its authority;
- (ii) the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- (iii) those who control the company are perpetrating a fraud on the minority.

A shareholder may have a direct right of action against a company where the individual rights of that shareholder have been infringed or are about to be infringed.

Under the Delaware General Corporation law, a stockholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation. An individual also may commence a class action suit on behalf of himself or herself and other similarly situated stockholder where the requirements for maintaining a class action under the Delaware General Corporation Law have been met. A person may institute and maintain such a suit only if such person was a stockholder at the time of the transaction suit or his or her shares thereafter devolved upon him or her by operation of law. Additionally, under Delaware case law, the plaintiff generally must be a stockholder not only at the time of the transaction which is the subject of the suit, but also through the duration of the derivative suit. The Delaware General Corporation Law also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff, unless such demand would be futile.

***Class Actions***

Cayman Islands law does not prohibit class action suits in the Cayman Islands

Rule 23 of the Delaware Chancery Court Rules allows for class action suits in Delaware and is modeled on the federal rule, F.R.C.P. Rule 23

**Table of Contents**

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The following unaudited pro forma financial statements and explanatory notes present how the condensed combined historical consolidated financial statements of our company and the PCB Business of Meadville would appear had the PCB Combination been completed at earlier dates. The unaudited pro forma condensed combined financial statements show the impact of the PCB Combination on the companies' respective historical financial conditions and operating results under the purchase method of accounting with us treated as the acquirer of the PCB Subsidiaries as if the PCB Combination had been completed on January 1, 2008 for statement of operation purposes and on September 28, 2009 for balance sheet purposes. For purposes of the unaudited pro forma condensed combined financial statements, the PCB Business' financial data has been translated into U.S. Dollars and is presented in accordance with U.S. GAAP.

The preliminary allocation of purchase price in the PCB Combination as reflected in these unaudited pro forma condensed combined financial statements has been based upon preliminary estimates of the fair value of assets acquired and liabilities assumed as of the date of the PCB Combination. This preliminary allocation of purchase price is based on available public information and is dependent upon certain estimates and assumptions, which are preliminary and have been made solely for the purpose of developing such pro forma condensed combined financial statements. In the case of the noncontrolling interest of the PCB Subsidiaries, an evaluation to determine its fair value is in process and as a result no preliminary adjustments have been made.

The final determination of the fair values of the PCB Subsidiaries' assets and liabilities, which cannot be made prior to the completion of the transaction, will be based on the actual net tangible and intangible assets of the PCB Subsidiaries that exist as of the date of completion of the transaction. Consequently, amounts preliminarily allocated to property, plant, and equipment, goodwill, and identifiable intangibles could change significantly from those used in the pro forma condensed combined financial statements presented below and could result in a material change in depreciation of property, plant, and equipment, and amortization of acquired intangible assets.

The unaudited pro forma condensed combined statement of operations does not include (1) any revenue or cost savings synergies that may be achievable subsequent to the completion of the PCB Combination, or (2) the impact of non-recurring items directly related to the PCB Combination. The unaudited pro forma condensed combined financial statements include related party transactions at fair value. Certain of these related party transactions will continue after the PCB Combination.

The pro forma condensed combined financial statements are unaudited, are presented for informational purposes only, and are not necessarily indicative of the financial condition or operating results that would actually have occurred had the PCB Combination been completed as of the dates or at the beginning of the periods presented. In addition, the unaudited pro forma condensed combined financial statements do not purport to project the future consolidated financial condition or operating results of the combined company. The unaudited pro forma condensed combined financial statements should be read together with:

the accompanying notes to the unaudited pro forma condensed combined financial statements;

the separate audited historical consolidated financial statements of TTM for the fiscal year ended December 31, 2008 incorporated by reference into this proxy statement/prospectus;

the separate audited historical combined financial statements of the PCB Business for the fiscal year ended December 31, 2008 included elsewhere in this proxy statement/prospectus;

the separate unaudited historical consolidated financial statements of TTM as of and for the nine months ended September 28, 2009 incorporated by reference into this proxy statement/prospectus; and

the PCB Business audited historical combined financial statements as of and for the nine months ended September 30, 2009 included elsewhere in this proxy statement/prospectus.

**Table of Contents**

The balance sheet of the PCB Business as of September 30, 2009 has been translated using an exchange rate of HK\$7.7502 to US\$1.00. The statements of operations of the PCB Business for the year ended December 31, 2008 and the nine months ended September 30, 2009 have been translated using an average exchange rate of HK\$7.7862 to US\$1.00 and HK\$7.7518 to US\$1.00, respectively.

We use a 13-week fiscal quarter accounting period with the first quarter ending on the Monday closest to April 1 and the fourth quarter always ending on December 31. The PCB Business uses a calendar quarter accounting period. For the nine month accounting period, our accounting period ended on September 28, 2009 while the PCB Business ended on September 30, 2009. No pro forma adjustments were made to reconcile the accounting periods as our management believes that the two-day difference is immaterial to the presentation of financial condition and operating results of the combined company.

Certain reclassifications have been made to the PCB Business historical amounts to conform to our presentation.



**Table of Contents****Unaudited Pro Forma Condensed Combined Balance Sheet  
As of September 28, 2009**

	<b>TTM</b>	<b>PCB Business</b>	<b>Pro Forma Adjustments (In millions)</b>	<b>Note</b>	<b>Pro Forma Combined</b>
Current assets:					
Cash and cash equivalents	\$ 199.3	\$ 108.5	\$ (114.0)	(a)	\$ 163.8
			459.9	(b)	
			(459.9)	(c)	
			(30.0)	(i)	
Restricted cash		1.1			1.1
Short-term investments	1.4				1.4
Accounts receivable, net	95.9	123.7			219.6
Inventories	61.7	59.0	15.0	(d)	135.7
Prepaid expenses and other current assets	2.4	16.2			18.6
Related party receivables		1.8			1.8
Income taxes receivable	5.0	3.1			8.1
Assets held for sale	10.0				10.0
Deferred income taxes	6.4				6.4
Total current assets	382.1	313.4	(129.0)		566.5
Property, plant and equipment, net	89.3	635.9	(45.9)	(f)	679.3
Debt issuance costs, net	3.7		4.8	(i)	8.5
Deferred income taxes	34.6	5.5			40.1
Goodwill	14.1		242.9	(g)	257.0
Definite-lived intangibles, net	16.0	5.4	62.0	(h)	83.4
Long-term related party receivables		1.3			1.3
Deposits and other non-current assets	3.1	5.6			8.7
Total assets	\$ 542.9	\$ 967.1	\$ 134.8		\$ 1,644.8
Current liabilities:					
Accounts payable	\$ 37.4	\$ 73.8			\$ 111.2
Current portion of borrowings		78.7	\$ (78.7)	(c)	64.9
			64.9	(b)	
Related party payables		37.2			37.2
Accrued expenses and other current liabilities	25.6	66.3	3.9	(e)	95.8
Total current liabilities	63.0	256.0	(9.9)		309.1
Convertible senior notes, net	138.6				138.6
Other long-term borrowings		381.2	(381.2)	(c)	395.0
			395.0	(b)	
Deferred tax liability		7.9	4.2	(e)	12.1
Other long-term liabilities	4.5	5.0			9.5

Total long-term liabilities	143.1	394.1	18.0		555.2
Stockholders' equity:					
Common stock	0.1			(j)	0.1
Additional paid-in-capital	213.7		380.1	(j)	593.8
Noncontrolling interest		88.8			88.8
Retained earnings	119.9	20.2	(20.2)	(k)	94.7
			(25.2)	(i)	
Other equity reserves		49.6	(49.6)	(k)	
Capital reserves		158.4	(158.4)	(k)	
Accumulated other comprehensive income	3.1				3.1
Total stockholders' equity	336.8	317.0	126.7		780.5
Total liabilities and stockholders' equity	\$ 542.9	\$ 967.1	\$ 134.8		\$ 1,644.8

**Table of Contents**

**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For the nine months ended September 28, 2009**

	<b>TTM</b>	<b>PCB Business</b>	<b>Pro Forma Adjustments</b>	<b>Note</b>	<b>Pro Forma Combined</b>
	(In millions, except per share amount)				
Net sales	\$ 432.5	\$ 452.2			\$ 884.7
Cost of goods sold	357.0	363.6	\$ (17.3)	(l)	703.3
Gross profit	75.5	88.6	17.3		181.4
Operating expenses:					
Selling and marketing	20.0	13.4	(0.2)	(l)	33.2
General and administrative	25.5	33.1	(1.0)	(l)	57.6
Amortization of definite-lived intangibles	2.6	0.1	7.5	(m)	10.2
Restructuring charges	5.0				5.0
Impairment of long-lived assets	10.6	0.7			11.3
Total operating expenses	63.7	47.3	6.3		117.3
Operating income	11.8	41.3	11.0		64.1
Other income (expense):					
Interest expense	(8.4)	(7.4)	(2.6)	(n)	(18.4)
Interest income	0.4	0.7			1.1
Other, net	0.1	(0.7)			(0.6)
Total other expense, net	(7.9)	(7.4)	(2.6)		(17.9)
Income before income tax	3.9	33.9	8.4		46.2
Income tax provision	(1.4)	(5.9)	(2.2)	(o)	(9.5)
Net income	2.5	28.0	6.2		36.7
Net income attributable to noncontrolling interests		7.6			7.6
Net income attributable to stockholders	\$ 2.5	\$ 20.4	\$ 6.2		\$ 29.1
Earnings per share attributable to stockholders:					
Basic earnings per share	\$ 0.06			(p)	\$ 0.37
Diluted earnings per share	\$ 0.06			(p)	\$ 0.36
Weighted average common shares outstanding for earnings per share:					
Basic	43.0		36.3	(p)	79.3
Diluted	43.5		36.3	(p)	79.8



**Table of Contents**

**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For the year ended December 31, 2008**

	<b>TTM</b>	<b>PCB Business</b>	<b>Pro Forma Adjustments</b>	<b>Note</b>	<b>Pro Forma Combined</b>
<b>(In millions, except per share amount)</b>					
Net sales	\$ 681.0	\$ 669.4			\$ 1,350.4
Cost of goods sold	544.0	532.6	\$ (15.2)	(l)	1,061.4
Gross profit	137.0	136.8	15.2		289.0
Operating (income) expenses:					
Selling and marketing	30.5	17.2	(0.1)	(l)	47.6
General and administrative	33.0	50.4	(0.9)	(l)	82.5
Amortization of definite-lived intangibles	3.8	0.4	5.7	(m)	9.9
Impairment of goodwill and long-lived assets	123.3	2.0			125.3
Metal reclamation	(3.7)				(3.7)
Total operating expenses	186.9	70.0	4.7		261.6
Operating (loss) income	(49.9)	66.8	10.5		27.4
Other income (expense):					
Interest expense	(11.1)	(14.6)	1.0	(n)	(24.7)
Interest income	1.4	2.2			3.6
Other, net	(1.8)	18.2			16.4
Total other expense, net	(11.5)	5.8	1.0		(4.7)
(Loss) income before income tax	(61.4)	72.6	11.5		22.7
Income tax benefit (provision)	24.5	(9.6)	(3.0)	(o)	11.9
Net (loss) income	(36.9)	63.0	8.5		34.6
Net income attributable to noncontrolling interests		12.8			12.8
Net (loss) income attributable to stockholders	\$ (36.9)	\$ 50.2	\$ 8.5		\$ 21.8
Earnings per share attributable to stockholders:					
Basic (loss) earnings per share	\$ (0.86)			(p)	\$ 0.28
Diluted (loss) earnings per share	\$ (0.86)			(p)	\$ 0.28
Weighted average common shares outstanding for earnings per share:					
Basic	42.7		36.3	(p)	79.0

Diluted	42.7	36.3	(p)	79.0
	109			

---

**Table of Contents****Notes to Unaudited Pro Forma Condensed Combined Financial Statements****Note 1. Basis of Presentation**

On November 16, 2009, we announced an offer to acquire from Meadville and MTG all of the outstanding equity interests of the PCB Subsidiaries owned by MTG. Under the terms of the offer, Meadville would receive approximately \$114.0 million in cash and 36,334,000 shares of our common stock. Additionally, we will assume debt of the PCB Subsidiaries of \$459.9 million.

As of September 30, 2009, there were approximately 1,964.0 million shares in the share capital of Meadville outstanding. Based on these amounts and the terms outlined above, upon the special dividend by Meadville to Meadville's shareholders of the consideration paid by us in the PCB Combination, Meadville shareholders or their transferees will receive a total of 36,334,000 shares of our common stock and approximately \$114.0 million in cash in the aggregate (other than Meadville shareholders who elect to receive cash in lieu of such shares of our common stock through the dealing facility).

The preliminary purchase price of the PCB Combination is approximately \$954.0 million, estimated as follows (in millions):

Value of TTM shares to be issued	\$ 380.1
Cash consideration	114.0
Assumption of PCB Subsidiaries outstanding debt	459.9
Total	\$ 954.0

The preliminary allocation of the purchase price as of September 28, 2009 is summarized below (in millions):

Current assets	\$ 328.3
Property, plant, and equipment	590.0
Identifiable intangible assets (including customer relationships of \$56.8 million, trade name of \$10.3 million, and order backlog of \$0.3 million)	67.4
Goodwill	242.9
Other assets	12.4
Current liabilities	(181.2)
Noncontrolling interest	(88.8)
Other liabilities	(17.0)
Total	\$ 954.0

The value of the shares of our common stock used in determining the purchase price was \$10.46 per share, the closing price of TTM common stock on February 1, 2010. If our stock price were to increase or decrease by \$1.00, the purchase price would change by approximately \$36.3 million; however, the number of shares of our common stock and the amount of cash we pay in the PCB Combination would not change.

The determination of the final purchase price and allocation of the purchase price is preliminary. The final purchase price will depend on the fair value of our common stock on the closing date of the PCB Combination. The final determination of the purchase price allocation will be based on the fair value of assets acquired, including fair values of other identifiable intangibles and the fair value of liabilities assumed as of the date that the PCB Combination is consummated. The excess purchase price over the fair value of assets acquired and liabilities assumed is allocated to goodwill. The purchase price allocation will remain preliminary until we complete a valuation of significant identifiable intangibles acquired and determine the fair values of other assets acquired and liabilities assumed. The final determination of the purchase price allocation is expected to be completed as soon as practicable after the consummation of the PCB Combination. The final amounts allocated to assets acquired and liabilities assumed could cause material differences in the information presented in the unaudited pro forma condensed combined financial statements.



**Table of Contents**

**Notes to Unaudited Pro Forma Condensed Combined Financial Statements (Continued)**

**Note 2. Pro Forma Adjustments**

***Pro Forma Balance Sheet Adjustments***

- (a) Reflects the use of our cash and cash equivalents to finance the cash portion of the offer consideration.
- (b) Reflects the receipt of borrowings in the amount of \$459.9 million consisting of a \$350.0 million term loan, a \$45.0 million revolving loan and \$64.9 million in line of credit arrangements.
- (c) Reflects the use of the borrowing proceeds of \$459.9 million to pay in full the historical outstanding borrowings of the PCB Business.
- (d) Reflects adjustment of the historical PCB Business inventories to estimated fair value. Because this adjustment is directly attributed to the transaction and will not have an ongoing impact in excess of one year, it is not reflected in the unaudited pro forma condensed combined statement of operations. However, this inventory adjustment will impact cost of goods sold subsequent to the consummation of the PCB Combination.
- (e) Reflects a deferred income tax liability of \$8.1 million related to purchase price basis adjustments at an estimated statutory tax rate for the PCB Business of 26.0%, consisting of \$3.9 million in current deferred tax liability and \$4.2 million in long-term deferred tax liabilities.
- (f) Reflects the portion of the purchase price allocation to property, plant and equipment, including leasehold land and land use rights of \$27.8 million; buildings of \$134.7 million; plant, machinery, and equipment of \$247.6 million; construction in progress of \$164.0 million; and \$15.9 million of other.
- (g) Reflects the addition of goodwill from the preliminary purchase price allocation of \$242.9 million.
- (h) Reflects the portion of the purchase price allocation to acquired intangible assets, including customer relationships of \$56.8 million, trade name of \$10.3 million, and other intangibles of \$0.3 million, less the PCB Business historical net intangible assets of \$5.4 million.
- (i) Reflects the use of cash and cash equivalents to pay estimated transaction costs. Estimated transaction costs consist primarily of investment banker fees, legal and professional fees, and debt issuance costs. Estimated debt issuance costs of \$4.8 million are reflected as a component of non-current assets in the unaudited pro forma condensed combined balance sheet.
- (j) Reflects the estimated fair value of our common stock issued to finance a portion of the PCB Combination.
- (k) Reflects the elimination of historical PCB Business retained earnings and other equity reserves.

***Pro Forma Statement of Operations Adjustments***

- (l) Reflects a decrease in depreciation of \$18.5 million and \$16.2 million for the nine month period ended September 28, 2009 and the year ended December 31, 2008, respectively, for the reduction in the carrying value of property, plant and equipment to its fair value based on straight-line depreciation over 6 to 30 years of useful life. Assuming an aggregate weighted average useful life of 17 years and straight-line depreciation, for every additional

\$10.0 million allocated to property, plant and equipment, pre-tax earnings will decrease by \$0.4 million and \$0.6 million for the nine month period ended September 28, 2009 and the year ended December 31, 2008, respectively.

(m) Reflects total amortization of \$7.6 million and \$6.1 million for the nine month period ended September 28, 2009 and the year ended December 31, 2008, respectively, for identified intangible assets based on the estimated fair values assigned to these assets at the date of the PCB Combination. A substantial portion of the intangible assets relate to customer relationships and as a result amortization expense is recognized over a weighted average useful life of 6 years. Other intangibles consisting of trade name and order backlog are amortized on a straight-line basis over the aggregate useful lives of 6 years. Amortization expense for the customer relationships is \$4.0 million in year 1; \$8.4 million in year 2; \$12.7 million in year 3; \$15.1 million in year 4; and \$6.7 million in year 5.

**Table of Contents****Notes to Unaudited Pro Forma Condensed Combined Financial Statements (Continued)**

Assuming an aggregate weighted average useful life of 6 years, and the amortization methods discussed above, for every additional \$1.0 million allocated to identified intangible assets, pre-tax earnings will decrease by \$0.1 million for the nine month period ended September 28, 2009 and \$0.2 million for the year ended December 31, 2008.

(n) Reflects higher incremental interest expense of \$2.6 million and lower interest expense of \$1.0 million for the nine month period ended September 28, 2009 and the year ended December 31, 2008, respectively, which includes the amortization of debt issuance costs of \$1.1 million and \$1.4 million, respectively, due to new borrowings of \$459.9 million, at varying interest rates obtained to finance the pay-off of the historical outstanding PCB Business borrowings and maintain operating lines of credit in China. We expect to obtain \$350.0 million in the form of a term loan, \$45.0 million in a revolver arrangement, as well as \$64.9 million in the form of line of credit facilities. Historical PCB Business borrowings consist of short and long-term bank loans approximating \$459.9 million at varying interest rates. For purposes of these pro forma financial statements, estimated maturities of total pro forma combined long-term debt are as follows: \$64.9 million in year 1, \$52.5 million in year 2, \$105.0 million in each of year 3 and 4, and \$132.5 million in year 5. The effect of a 1/8th percentage point variance in the interest rate on pre-tax earnings is \$0.4 million and \$0.6 million for the nine month period ended September 28, 2009 and the year ended December 31, 2008, respectively.

Additionally, we have and expect to continue to have available an \$80.0 million letter of credit and a \$65.0 million factoring facility. We expect to utilize \$5.0 million of the letter of credit facility to replace the PCB Business existing letter of credit facilities.

(o) Represents the income tax effect of unaudited pro forma condensed combined statement of operations adjustments using an estimated statutory tax rate of 26% for the nine months ended September 28, 2009 and December 31, 2008 for adjustments to the PCB Business depreciation, amortization, and the interest expense.

(p) Pro forma basic earnings per share is calculated by dividing the pro forma combined net income by the pro forma weighted average shares outstanding. Pro forma diluted earnings per share is calculated by dividing the pro forma combined net income by the pro forma weighted shares outstanding and potential dilutive weighted shares outstanding. A reconciliation of the shares used to calculate our historical basic and diluted earnings per share to shares used to calculate the pro forma basic and diluted earnings per share follows (in millions):

	<b>Nine Months Ended September 28, 2009</b>	<b>Year Ended December 31, 2008</b>
<b>Basic</b>		
Shares used to calculate TTM's historical basic earnings per share	43.0	42.7
Shares issued in connection with the acquisition of the PCB Subsidiaries	36.3	36.3
Shares used to calculate pro forma basic earnings per share	79.3	79.0

	<b>Nine Months Ended</b>	<b>Year Ended</b>
--	------------------------------	-------------------

<b>Diluted</b>	<b>September 28, 2009</b>	<b>December 31, 2008</b>
Shares used to calculate TTM's historical diluted earnings per share	43.5	42.7
Shares issued in connection with the acquisition of the PCB Subsidiaries	36.3	36.3
Shares used to calculate pro forma diluted earnings per share	79.8	79.0

**Table of Contents**

**INFORMATION REGARDING MEADVILLE S PCB OPERATIONS AND THE PCB SUBSIDIARIES**

**Overview**

Meadville is one of the leading PCB manufacturers in the PRC by revenue, with a focus on producing high-end PCB products. For the year ended December 31, 2008, Meadville was the third largest PCB manufacturer in the PRC by revenue derived from production in the PRC. Meadville s PCB-related products include double-sided and multi-layer PCBs, HDI PCBs, rigid-flex PCBs, IC substrates, circuit design, and quick turnaround value-added services. In addition to having the ability to mass produce a wide range of PCB products, Meadville is able to provide a one-stop shop service to its customers, from PCB layout design to small volume quick-turn production of PCBs, including prototypes, to large volume mass production of PCBs.

Meadville s main PCB customers are multinational and PRC OEMs, EMS providers, and PCB traders, many of which are based in the PRC, Japan, South Korea, Southeast Asia, North America, and Europe. These PCB customers use Meadville s products for a variety of industry applications, including in communications equipment, cellular phones, high-end computers and computer peripherals, and consumer electronics, automotive components, and medical and industrial equipment. Meadville sells its products directly to some OEMs and indirectly to other OEMs through EMS providers. When selling PCB products indirectly to OEMs through EMS providers, Meadville primarily negotiates prices and receives specifications for products from OEMs, which develop and sell various end-products. However, in these situations, Meadville receives orders for its PCB products and payments from the EMS providers, which are mandated by the OEMs to manufacture such end-products and which are directed by the OEMs to purchase PCB products from Meadville for assembly into the OEM s components or end-products from Meadville.

Meadville is headquartered in Hong Kong and currently operates a total of seven PCB plants and one drilling and routing plant in the PRC and in Hong Kong. As of September 30, 2009, these plants had a combined available capacity to produce approximately 2.32 million square feet per month of PCB products with an average layer count of 7.9 layers.

Meadville s principal executive office is located at No. 4 Dai Shun Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, and its main telephone number at that location is +852-2660-3100.

**Competitive Strengths**

***Capability to produce technologically advanced PCB products in the PRC***

Meadville strives to position itself to produce advanced PCB products, including high layer count conventional PCBs, HDI PCBs, rigid-flex PCBs, and IC substrates, ahead of other PRC-based PCB manufacturers, many of which Meadville believes focus on low-end PCB production and primarily compete in terms of scale and pricing. For example, Meadville commenced commercial production of HDI PCBs in China in 2000 and began to invest in IC substrate technology in the PRC in 2002, and is now capable of mass-producing IC substrate products such as chip scale packaging, board on chips, system in package substrates, plastic ball grid arrays, and multi-chip modules. Meadville s share of revenue derived from sales of HDI PCBs and IC substrates has increased substantially since 2003 and represented 28.8%, 31.0%, 32.8%, and 33.2% of total sales for the years ended December 31, 2006, 2007, and 2008 and the nine months ended September 30, 2009, respectively. With respect to conventional PCBs, Meadville focuses on multi-layer PCBs and can produce PCB products with layer counts of up to 56 layers. Meadville believes that focusing on technologically advanced PCB products helps it to preserve its margins and benefit from the high growth characteristics of these PCB products in the PRC.

Meadville's focus on and commitment to technology is underpinned by continued investment in PCB product and process development, enabling it to remain technologically competitive and to manufacture more advanced PCB products. Aside from developing its own technology, Meadville also believes technology transfer is a successful way to accelerate technology advancement. For example, Meadville has a technology transfer arrangement for the manufacturing of advanced HDI PCB products with a leading Japanese PCB manufacturer, TNCSi.

**Table of Contents*****Location in the PRC***

Meadville's location in the PRC is a key strategic advantage for its PCB business. Many of Meadville's key suppliers, direct OEM customers, and EMS customers manufacturing on behalf of overseas OEMs are located in the PRC, reflecting the fact that a large part of the electronics supply chain has migrated into the PRC, particularly for electronics such as desktop computers, notebook computers, servers, cellular phones, and communication equipment products. Proximity to these suppliers and customers enables Meadville to react swiftly to customer demands for comprehensive PCB products and services as well as coordinate more effectively with its suppliers and enjoy a cost advantage in terms of transportation costs over PCB manufacturers located outside of the PRC.

Furthermore, due to generally lower labor costs in the PRC compared to Taiwan, Japan, South Korea, North America, and Europe, Meadville is able to maintain comparatively lower operating costs by locating its operations in the PRC. Meadville believes that these lower labor costs also give Meadville more flexibility in planning its production processes than PCB manufacturers in higher cost jurisdictions, as Meadville is able to optimize its production process effectively by using a mix of automated processes and manual labor to produce its PCB products.

In addition to the operational benefits of Meadville's China presence, Meadville has been able to capitalize on the Chinese PCB market's strong growth rate as (i) Meadville believes there is a growing trend to outsource PCB production of high-end products, in addition to low and medium-end products, to the PRC, and (ii) Chinese manufacturers of electronic products are gaining global market share and exporting their products to other countries, which Meadville believes is driving the demand for locally produced PCBs. Meadville believes it is strongly positioned to capitalize on this growth given its strategic location in the PRC and its focus on producing technologically advanced PCB products.

***Expansive customer base including many of which are leaders in their respective markets***

Meadville believes that it has established strong customer relationships by providing its PCB customers with high-quality products and services from the design phase through to volume production. Meadville services direct and indirect OEM customers from the PRC, North America, Europe, and Asia, which operate in a broad range of industries, many of which operate on a multinational basis. The revenue mix for Meadville's PCB business by geographic location (the final destination to where the final PCB products of Meadville are delivered) in 2008 was 64.1% to the PRC, 9.0% to Europe, 6.2% to Hong Kong, 5.2% to North Asia, 7.8% to Southeast Asia, and 7.7% to North America. Meadville believes some of its key OEM customers are leaders in the markets in which they compete. Meadville has developed long-standing relationships with many of its PCB customers, some of which have had a business relationship with Meadville for more than 10 years.

Meadville believes that its diversified customer base provides it with a stable source of revenue, reducing the potential impact on its performance which may arise from a downturn in a particular end market. In addition, all of Meadville's major customers have PCB product supply qualification programs, and which can require up to two years for qualification. Meadville believes its strong and long-standing customer relationships provide significant barriers to entry to new or recent entrants to enter into its markets.

***Exposure to fast-growing end-markets***

Meadville serves diverse and fast-growing end markets such as the communications equipment, cellular phone, and high-end segments of computers, computer peripherals, and consumer electronics markets. Over the last several years, the PRC has emerged as a global production center for cellular phones, computers and computer peripherals, and high-end consumer electronics. Meadville believes that this trend has driven the growth of the PCB market, particularly in the PRC. Meadville believes that its strategic focus on these fast-growing markets, together with its

reputation and network in the PRC, has enabled it to enjoy strong sales growth. Meadville's ability to serve these markets is enhanced by its technological capabilities, as the cellular phone and high-end segments of computers, computer peripherals, and consumer electronics markets require PCB products with higher layer counts, miniaturization, and higher circuit density.



## **Table of Contents**

### ***Strong reputation in the market and performance track record***

Meadville has been serving its PCB customers since it was founded in 1985 and believes that it has developed a strong reputation for the quality of its products and services. Of Meadville's top five PCB customers as of September 30, 2009, four have been customers for more than 10 years. Moreover, Meadville has received a number of awards from its customers in appreciation of the products and services it provides. For example, Meadville received The Excellent Core Partner and The Core Partner awards from one of the major PRC communications equipment manufacturers in 2007, 2008, and 2009, the Preferred PCB Supplier Award from a U.S.-based graphic card manufacturer in 2007 and 2008, and the Most Valued Supplier award from a U.S.-based network communications equipment manufacturer in 2009. Meadville believes that its brands are also widely recognized among PCB product consumers, including SYE, a brand it established in 1990, which is well known among local customers in the PRC. Additionally, Meadville believes that its OPC brand has an established reputation in international PCB markets as evidenced by Meadville's international customer base.

### ***Experienced management team***

Meadville's management team has an average of approximately 19 years of experience in the PCB industry, gained from working for other leading PCB manufacturers in Hong Kong and the PRC, as well as for Meadville. Meadville believes that the extensive industry experience of its senior management helps it to successfully determine and implement its business strategy and direction.

### **Business Strategy**

Meadville aims to become the leading manufacturer and provider of high-end, technologically advanced PCB products and related services based in the PRC. Meadville's strategy to achieve this vision is as follows:

#### ***Continuously investing in its product and process development capabilities to develop and introduce advanced technologies and processes to meet its customers' future requirements***

Meadville sells its high-end PCB products to manufacturers of technologically advanced products such as communications equipment, cellular phones, high-end segments of computers and computer peripherals and consumer electronics, automotive components, and medical and industrial equipment. Meadville attributes its past success in large part to the development of its product and process development capabilities and believes that in order to continue its growth and preserve its margins it must continually improve its capabilities and capacity to produce technologically advanced PCB products. Meadville's strategy is to advance rapidly up the technology chain and produce cutting edge products through ongoing advanced training for employees, increased investment in new machinery, and collaboration with its customers on its product and process development to meet their product demands. Additionally, in the past Meadville has developed new product lines, such as IC substrates, before there was substantial demand for such products in the PRC, in order to develop and enhance its overall technological capabilities and to be an early entrant into what it believed would become a fast-growing market in the PRC. In 2008, Meadville completed the consolidation of its research and development, or R&D, operations, by merging its Finland, China, Japan, and U.S. R&D expertise. This larger R&D organization is working on various advanced projects pertaining to HDI PCB, rigid-flex PCB, and IC substrates technologies, as well as on continuously improving Meadville's manufacturing processes.

#### ***Increasing production capacity of high-end PCB products in line with growth of the market to meet the expected demand for PCB products from customers***

Meadville believes that demand for high-end PCB products will continue to grow, driven in particular by increasing demand for communications equipment, cellular phones, computers and computer peripherals, high-end consumer electronics, automotive components, and medical and industrial equipment, as well as by the continued trend of outsourcing and relocation of the production of these products to the PRC. Meadville will continue to closely monitor the relevant PCB market and to prudently increase its high-end PCB production capacity in line with market growth in order to meet increased future demand from its existing and future customers.

**Table of Contents**

***Growing its share of the IC substrate market to pursue opportunities for additional high value-added and advanced technology business***

Meadville believes that the worldwide market for IC substrates will continue to grow, driven by increasing demand for end-products containing highly-advanced semiconductors. Additionally, Meadville believes that demand for IC substrates from PRC manufacturers will begin to grow significantly given the migration of the production of semiconductors and end-products containing highly advanced semiconductors to the PRC. Meadville believes that it is one of the first manufacturers of IC substrates in the PRC and, accordingly, it expects to have an early-mover advantage over its competitors because it has developed and acquired the highly advanced technology necessary to produce IC substrates and believes that it has the ability to establish its reputation in the PRC market before its competitors. Given their high level of complexity, Meadville believes that manufacturers of IC substrates can expect to achieve higher average selling prices for their products, which may result in relatively higher margins if sufficient product volumes and product yields are achieved in the manufacturing process. At present, Meadville remains focused on increasing its production volumes and product yields in IC substrates to reach what it believes will be a level consistent with demand. Meadville plans to continue to develop this aspect of its business in order to continue to capture opportunities in this market.

***Focusing on the continued development of customer relationships and earlier involvement in customers' product development process***

Meadville intends to focus its sales and marketing efforts on PCB customers which are leaders or emerging leaders in the industry application markets which require Meadville's products, especially those that Meadville believes have high growth potential. Meadville believes that its ability to anticipate and meet these customers' needs is critical to retaining existing customers and attracting leading companies as customers. Meadville aims to work closely with its PCB customers to develop products that meet its customers' specifications and fulfill their quality and delivery requirements. In addition, Meadville offers services, such as design and engineering services, which allow it to become involved earlier on in the design and development phases of its customers' products. Meadville plans to continue to emphasize its customer-oriented culture and enhance the quality, technological sophistication, cost competitiveness, and time to market of its PCB products.

***Continuing to engage in technology alliances with strategic partners in order to gain access more quickly to advanced technologies***

Meadville maintains a strategy of building alliances with other, more advanced PCB manufacturers headquartered in Japan in order to gain advantages in its core market through the sharing and transfer of technologies and know-how. These alliances allow Meadville to gain access to technologies it may not be able to otherwise obtain, or to obtain them more rapidly, and in return, Meadville provides its strategic partners with PCB products at competitive prices, which they can re-sell in their own targeted markets. Meadville's strategic alliance with TNCSi for the production of advanced HDI PCBs in the PRC is an example of this practice. Meadville plans to engage in more of these alliances in the future, particularly in order to expand its business into new product lines, including flexible and/or rigid-flex PCBs. The acquisition of advanced technologies is one of Meadville's critical strategies, which it believes will allow it to attract more customers for its high-end products and to expand its business.

***Maintaining the high quality of its workforce***

Meadville operates in an industry where highly skilled employees are in high demand. Its workforce consists of highly trained employees with years of expertise and knowledge of Meadville's manufacturing techniques. Meadville plans to maintain its high quality workforce and attract new employees by providing its employees with incentives such as opportunities to learn advanced skills at Meadville's engineering training centers in the PRC. Meadville will also

continue to seek to hire highly qualified and well-educated professional staff through on-campus recruiting at universities throughout the PRC.

**Table of Contents****History of Meadville's PCB Operations**

In 1990, Meadville entered into the PRC PCB market through its initial 50% joint venture interest in SYE, based in Dongguan, PRC. In 1997, Meadville decided to target the sophisticated HDI PCB market by establishing Shanghai Meadville Electronics Co., Ltd., or SME, in Shanghai. SME is equipped with state-of-the-art manufacturing equipment, including laser drills and horizontal plating lines, in order to meet the stringent technical requirements in the high-end communications equipment and consumer electronics industries. In 1999, Meadville established a training center, SMST, in Shanghai to support its process and product development functions for high-end PCB manufacturing. In 2001, Meadville began to offer PCB layout design, IC substrate layout design, and circuit simulation services to PRC electronics manufacturers with the establishment of MISL in Shanghai. In that same year, Meadville launched another major investment through the establishment of another joint venture company, DMC, in Dongguan, PRC. DMC was established to produce high-layer, complex PCBs for the communications infrastructure, high-end computing, industrial, and medical equipment industries. In 2002, in anticipation of the development of the IC substrate market in the PRC, Meadville expanded into the IC substrate manufacturing industry through the establishment of a volume production plant at SMST where it manufactures organic IC substrates for the semiconductor assembly and test market. In 2004, commercial production of multi-layer PCBs commenced at DMC, after the installation of new machinery at that plant. By 2005, SME began volume production of two-level HDI PCBs, while OPCM developed the capability to produce PCBs of up to 44 layers and commenced quick turn-around, or QTA, production services. Meadville also established PCB testing and laboratory facilities at SMST in the same year. In October 2006, OPC transferred its PCB production plant to OPCM, and OPC ceased manufacturing PCBs.

Meadville's shares were listed on the HKSE on February 2, 2007. In December of that same year, Meadville acquired from Aspocomp Group OYJ a controlling interest in Aspocomp Asia Limited (now known as Meadville Aspocomp (BVI) Holdings Limited), or Aspocomp, and took over operations of its plant in Suzhou, PRC. In 2008, Meadville's GME plant was completed and Meadville expanded its advanced HDI production in the PRC to GME in Guangzhou. To expand product offerings, Meadville invested in flexible PCB manufacturing and started sample production in May 2008 and received its first mass volume orders in June 2009. In 2009, Meadville received AS9100B and Nadcap certifications, which are required for manufacturing PCBs for the aerospace industry.

**Products and Services**

Meadville offers a wide range of PCB products, including conventional PCBs, HDI PCBs, rigid-flex PCBs, and IC substrates. Its principal products are multi-layer PCBs which it manufactures on a high volume, low mix basis, with mix referring to the range and number of PCB products Meadville produces, as well as on a low volume, high mix basis.

Meadville also offers certain value-added services to support its customers' needs. These include design for manufacturability (DFM) support during new product introduction stages, PCB layout design, simulation and testing services, QTA production, and drilling and routing services. By providing these value-added services to customers, Meadville is able to provide them with one-stop-shop capabilities, which Meadville believes enhances its relationships with its customers and provides it with opportunities for rapid technology advancement.

**Table of Contents**

Meadville's primary PCB-related products and services are summarized in the following table:

<b>Products/Services</b>	<b>Specifications</b>	<b>Major Applications</b>
<b>PCB Products</b>		
Conventional PCBs	Production of conventional PCBs with layers ranging from 2 layers to 56 layers	Electronic products for the communications, computer and computer peripherals, consumer electronics, automotive components, industrial and medical equipment end markets
HDI PCBs	Production of HDI PCB ranging from 4 layers to 20 layers	Hand-held consumer electronic devices, cellular phones, and hand-held medical equipment
Rigid-flex PCBs	Production of 2 to 4 layer flexible circuit boards, and rigid flex circuit boards up to 10 layers	Electronic products for consumer, medical, telecommunications, cellular phone, and data storage applications
IC substrates	Production of IC substrates including CSP, BOC, MCM and SiP using laser technology and ultra fine line processes to meet semiconductor standards	All semiconductor applications, including memory applications, wireless communications and broadband devices, networking and computing equipment, and automotive components
<b>Value-added services</b>		
QTA services	Production of PCBs within a reduced timeframe to meet customers' time-to-market requirements	QTA services are often used in prototype production and at the new product introduction stage to reduce the time to market of a product
Design and engineering services	Design and engineering services such as PCB and IC substrate layout design and signal integrity simulation	Design and engineering services are provided in the early stages of product development
Drilling and routing	High-speed mechanical drills and routers to drill and route PCBs and IC substrates. Manufacture spare parts for PCB manufacturing equipment	Drilling and routing are manufacturing procedures necessary for the production of PCBs

***Printed circuit boards***

Meadville sells a variety of PCB products, including conventional PCBs, HDI PCBs, rigid-flex PCBs, and IC substrates. Meadville believes that its capacity to produce a wide range of PCB products, the variety of applications in which each type of PCB can be used, and its ability to provide one-stop shop services to customers ensures that it has a diversified customer base and protects the company from fluctuations affecting any one particular end market. Included below is an overview of Meadville's PCB products.

***Conventional PCBs***

A PCB is a board containing a pattern of conducting material, such as copper, which becomes an electrical circuit when electrical components are attached to it. It is the basic platform used to interconnect electronic

**Table of Contents**

components and can be found in most electronic products, including computers and computer peripherals, communications equipment, cellular phones, high-end consumer electronics, automotive components, and medical and industrial equipment. Conventional PCBs can be classified as single-sided, double-sided, and multi-layer boards. Meadville currently focuses on the production of rigid, multi-layer PCBs.

Multi-layer PCBs account for the largest share of Meadville's total revenue from PCB products. A multi-layer PCB can accommodate more complex circuitry than a double-sided PCB. It has more than two copper circuit layers with pieces of laminate bonded by resin in between layers. Multi-layer PCBs require more sophisticated production techniques compared to single and double-sided PCBs as, among other things, they require high precision manufacturing and more stringent product quality. The complexity of the application for which a PCB can be used increases with the number of layers comprising the PCB. For instance, two to six layer PCBs are generally used for automotive and computer peripherals, while 8 to 12 layer PCBs are generally used for notebook computers, computer servers, and graphic cards. PCBs with 14 layers or more are generally used for networking, communications equipment, and high-end computer servers. A large portion of the conventional PCBs manufactured by Meadville with 14 or more layers are backplanes, which are generally a larger and thicker type of PCB, on which connectors are mounted to connect with other PCBs, IC substrates, and other electronic components. The manufacture of backplane products requires specialized expertise and equipment because of the larger size and thickness of the backplane relative to other PCBs and the increased complexity of the product. Examples of the end-products in which Meadville's PCBs are used include Fujitsu notebook PCs, ATI graphic cards, office automation equipment Konica Minolta and Ricoh, networking systems for Huawei and ZTE, medical equipment for Toshiba, and products in the commercial aerospace industry.

Meadville is capable of producing commercial quantities of PCBs with up to 56 layers at a board thickness of 10 mm and, in addition, its OPCM plant has the capability to produce PCBs with up to 44 layers and its DMC plant has the capability to produce PCBs with finished board thicknesses of up to 8.0 mm. Meadville's major multi-layer PCB products include 6 to 16 layers which in aggregate accounted for approximately 52.8% of Meadville's sales of PCB products for the year ended December 31, 2008 and approximately 52.0% of sales of PCB products for the nine months ended September 30, 2009.

*High density interconnect or HDI PCBs*

Meadville produces HDI PCBs, which are PCBs with higher wiring density per unit area and require more sophisticated technology and manufacturing processes for their production than conventional PCB products. HDI PCBs are boards with high-density characteristics including micro holes, or vias (diameter typically less than 0.1 mm), fine lines (line width and spaces typically less than 0.075 mm), and are composed of high performance materials, thereby enabling more connectivity functions per unit area. In general, a board's complexity is a function of density, layer count, material/laminate, and surface finishes. Board density represents a key indicator of a PCB's overall complexity. There are numerous measurements of a board's density. These include minimum line width (inner and outer layers), minimum line spacing, minimum via size, and aspect ratio. In general, the most widely used method for achieving HDI packing density is to build up microvia layers on top of conventional PCB core layers. 1+HDI PCBs are high density PCBs with one microvia layer of build up, while 2+HDI PCBs are high density PCBs with two microvia layers of build up.

As end-products have become smaller and more portable, with higher functionality, demand for HDI PCB products has increased dramatically. Examples of their use can be found in many different consumer products such as cellular phones, handheld electronic devices, and gaming consoles. In general, 1+HDI PCBs are used in digital cameras, MP3 players, gaming consoles, and basic cellular phones. More sophisticated products like commercial broadcasting camcorders, MP4 players, and cellular phones with functions such as cameras, MP3 players and 3G applications typically require 2+HDI PCBs. As more advanced features are added to cellular phones and notebooks, Meadville is



now capable of producing commercial quantities of 3+HDI PCBs for cellular phones and 4+HDI PCBs for notebooks. Meadville's PCB products can be found in end-products such as TCL, Bird, and ZTE cellular phones.

Meadville's HDI PCB products were initially developed internally and its production techniques were later enhanced through licensing arrangements with strategic partners such as TNCSi. Under this arrangement Meadville was able to obtain and use higher-yielding production technology developed by TNCSi to produce more advanced

## **Table of Contents**

HDI PCBs, including 1+ and 2+HDI PCBs, much earlier than Meadville could have through its own internal development.

### *Rigid-flex PCBs*

Rigid-flex circuitry provides a simple means to integrate multiple PCB assemblies and other elements such as display, input, or storage devices without wires, cables, or connectors, replacing them with thin, light composites that integrate wiring in ultra-thin, flexible ribbons between sections. In rigid-flex packaging, a flexible circuit substrate provides a backbone of wiring with rigid multilayer circuit sections built-up as islands where needed.

Since the ribbons can be bent or folded, rigid-flex provides a means to compactly package electronics in three dimensions with dynamic or static bending functions as required, enabling miniaturization and thinness of product design that would be otherwise impossible. The simplicity of rigid-flex integration also reduces the number of parts required, thus improving reliability. The increasing popularity of mobile electronics coupled with the design trend of developing increasingly thinner, lighter, and more feature-rich products is driving growth in the rigid-flex and flex sector, where these PCBs are the backbone of miniaturization.

Rigid-flex technology is essential to a broad range of applications including aerospace, industrial, and transportation systems requiring high reliability, hand-held, and wearable electronics such as mobile phones, video cameras, and music players where thinness and mechanical articulation are essential, and ultra-miniaturized products such as headsets, medical implants, and semiconductor packaging where size and reliability are paramount.

Meadville's newly developed rigid-flex and HDI rigid-flex product line is a high value-added segment of its PCB business. Meadville commenced mass production of this product line in the third quarter of 2008.

### *IC substrates*

Meadville currently manufactures a relatively small amount of IC substrates. IC substrates are mounts that are used to connect very small ICs, or semiconductors, to comparatively larger PCBs for assembly into electronic end-products such as memory modules, cellular phones, digital cameras, automotive GPS systems, and engine controls. IC substrates, also known as IC carriers, are highly miniaturized circuits manufactured by a process largely similar to that for PCBs, but requiring the use of ultra-thin materials and including micron-scale features, as they must bridge the gap between sub-micron IC features and millimeter scale PCBs. Consequently, IC substrates are manufactured in a semiconductor-grade clean room environment to ensure products are free of defects and contamination.

IC substrates are a basic component of IC packages which, combined with other electronic components in an assembly, control functions of an electronic appliance. IC packages can be broadly divided into single chip modules (or SCMs) and multi-chip modules (or MCMs), with the former containing one IC chip, and the latter containing multiple chips and other electronic devices. Meadville produces SCM substrates, including CSPs, BOCs and PBGAs (concentrating on the ultra-thin CSP and BOC market) and MCMs in stacked die and chip array formats.

As a relatively new technology, investment in IC substrate production is more costly than that for conventional or HDI PCB production. As with HDI PCB production, a fundamental factor driving technology development is interconnection density, which requires increasing product performance and features requiring more complex circuitry in ever smaller unit areas. A secondary factor is the small size of the parts ranging from approximately 3.0 mm x 3.0 mm to 50 mm x 50 mm, which dictate a manufacturing process suitable for miniaturized parts. Meadville's PCB business is able to manufacture finished IC substrates as thin as 0.19 mm, and circuit track widths as narrow as 0.035 mm. The following are the main types of IC substrates Meadville produces and their distinguishing features.

*Chip Scale Package or CSP* Semiconductor packages with an area of no more than 1.2 times the size of the semiconductor die. Typically, CSPs are used in applications where package thickness, size, and weight must be minimized, such as cellular phones, digital cameras, PDAs, notebook computers, and wearable medical devices.

## **Table of Contents**

*Board On Chip or BOC* BOC packages are a specialized CSP type used for advanced high speed memory chips, where electrical resistance must be minimized to ensure high-speed transmission for use in high-speed applications. To achieve this, chips are mounted face-down, with fine-pitch wires passing through a slot in the substrate to connect the chip and substrate with wires of minimum length.

*Multi-Chip Modules or MCM* An MCM is a package consisting of two or more ICs electrically connected to a common circuit base and interconnected by conductors in that base. MCMs combine several semiconductor die and passive components to form a small system, an example of which is a GPS module. It is more reliable than other available technologies and is mainly used in automotive components, GPS navigators, and engine controls.

*System-in-a-Package or SiP* A SiP is a number of integrated circuits enclosed in a single package or module. It is more than an IC package containing multiple die. SiP products are fully functional systems or sub-systems in an IC package format. SiP may contain one or more IC chips (wirebonded or flip-chip) plus other components that are traditionally found on the system mother board. Existing market uses for SiP include RF and wireless devices (such as power amplifiers, GPS modules, cellular, and Bluetooth® solutions), Netbooks, digital baseband solutions for the wireless markets, and controllers for hard drives in the storage market.

At present, Meadville focuses on the production of advanced and high-end IC substrates. Some examples of the end-products in which Meadville's IC substrate products can be found in dynamic and flash memory products.

## **Value-Added Services**

### ***QTA services***

Meadville's QTA services are provided from its Hong Kong production plant at OPCM. Meadville manufactures highly complex PCB products with layer-counts ranging from 2 to 30, of large-format size, high board thickness, and exotic substrate materials, in 4 to 8 days. Meadville offers both prototype production and new product introduction services, which allow its customers to transition a product from prototype to commercial production. As part of Meadville's prototype production services it produces small batches of 100 square feet or less of new products during the design and testing phase, with lead times ranging from 72 hours to 6 days. Meadville also builds medium-size batches of 100 to 1,000 square feet of short lead-time, pre-production pilot builds, typically for products of lower complexity, with lead times ranging from 7 to 12 days. Meadville receives significant premiums over its standard volume pricing for each of these services depending on lead times, complexity, and layer-counts.

Meadville believes that it can efficiently accelerate the transition from prototype design to volume manufacturing of PCBs. Its quick-turn prototype service allows it to provide small test quantities to its PCB customers' product development groups. Meadville's participation in product design and prototyping enables it to strengthen its relationships with customers that require DFM services by working together during the design phase of their production. Providing this service also allows Meadville to enter into relationships with its PCB customers at the early product development stage, which can translate into mass production orders for its plants in the PRC.

### ***Design, engineering and other services***

Meadville provides design and engineering services during the early stages of production, including circuit board layout and related design services and signal integrity simulation, as well as IC substrate design and testing services to ensure that design and fabrication may be integrated to achieve a high quality and cost-effective product for its customers. These services are provided through Meadville's design center located in Shanghai, MISL. MISL also

evaluates customer designs for manufacturability and recommends design changes. Meadville believes this collaborative process helps its PCB customers improve the systems they are designing, reduces manufacturing costs, and increases manufacturing yields and improves the quality of finished PCB and IC substrates products. In addition, by working closely with its customers throughout the design and manufacturing process, Meadville is able to keep abreast of current market developments, in particular, technology developments, requirements, and customer trends, and further strengthen its customer relationships.

## **Table of Contents**

### ***Drilling and routing services***

Meadville also provides PCB drilling and routing services to its customers through SKE, its drilling and routing plant in Shanghai. The process involves using a high-speed mechanical drilling machine to drill small holes on multi-layer PCBs or IC substrates, according to customer specifications.

### **Production Plants**

#### ***Plants***

Meadville currently operates a total of seven PCB plants and one drilling and routing plant in the PRC and in Hong Kong. Meadville's production plants in the PRC that produce conventional PCBs, HDI PCBs, and rigid-flex PCBs are SYE, SME, DMC, MAS, and GME. The SYE plant is capable of producing conventional PCBs of up to 56 layers, while the SME plant can produce PCBs of up to 22 layers. The two newer plants, MAS and GME, can produce HDI PCBs and conventional PCBs with layer counts up to 20 layers and 12 layers respectively. DMC, which commenced operations in 2004, is capable of producing conventional PCBs of up to 40 layers. SYE and DMC are operated through joint ventures with Guangdong Shengyi Sci Tech Co., Ltd., or GSST. GSST is Meadville's largest supplier, supplying Meadville with prepreg and laminate, and is owned as to approximately 22.18% by a wholly owned subsidiary of Meadville. Guangzhou OPC Flex Limited, which operates out of the GME plant, is currently producing double-sided and multilayer flexible circuit boards, with the double-sided flex cores being developed for use in the manufacture of multilayer rigid flex circuit boards. That plant is currently producing maximum 4 layer flex and maximum 10 layer rigid flex PCBs. The smallest laser via size is 0.1 mm and the thinnest flexible circuit board produced currently is 0.15mm. Currently, Meadville is manufacturing rigid-flex PCBs at both its GME and SME plants. Meadville's factory in Shanghai, SMST, produces IC substrates, including BOC, flip-chip, CSP, SiP, and PBGA IC substrates. Meadville is able to produce HDI and conventional PCBs of up to 44 layers at OPCM, where it focuses on high value added, small volume production orders.

In addition, Meadville provides drilling and routing services at its plant in Shanghai, SKE, and PCB layout design and engineering services through MISL, its PCB design center located in Shanghai.

Meadville's PCB plants in Eastern and Southern China are in close proximity to its suppliers and customers and have good infrastructure and transportation networks and ready access to a relatively inexpensive and skilled labor force. As of December 31, 2006, 2007, and 2008, the combined available annual PCB production capacity of Meadville's PCB plants was approximately 20.1 million, 25.7 million, and 30.1 million square feet of PCB products, respectively. As of September 30, 2009, Meadville's annualized available production capacity was 32.4 million square feet for conventional PCBs, 19.0 million square feet for HDI PCBs, 12.3 million square feet for rigid-flex PCBs, and 1.1 million square feet for IC substrates.

In general, Meadville has designed its production system so that each plant is equipped with the necessary processes and capacity to absorb seasonal upswings of business according to historical trends. However, from time to time Meadville subcontracts portions of its manufacturing processes, which represent a small portion of its total orders. For example, Meadville may subcontract drilling services when it encounters short-term capacity constraints at its own production plants.

Meadville has not experienced any major interruptions to its business due to raw material shortages, water, or power stoppages or due to non-compliance with government rules and regulations that have materially affected its financial condition or its operations.



**Table of Contents**

The following table sets forth the location, size, products, and capacity of Meadville's PCB production plants:

<b>Plant</b>	<b>Location</b>	<b>Site Area (sq. ft)</b>	<b>Products</b>	<b>Layer Count Range Capability</b>	<b>Maximum Capacity (sq. ft)(1)</b>	<b>Available Capacity (sq. ft)(2)</b>	<b>Utilization Rate(3)(4)</b>
OPCM	Hong Kong	86,982	HDI (one-plus layer), conventional PCBs, and IC substrates	2 layer to 44 layer	561,600	348,000	93%
SYE	Dongguan, PRC	494,731	HDI, conventional PCBs	2 layer to 56 layer	6,360,000	5,640,000	100%
DMC	Dongguan, PRC	1,322,803	HDI, conventional PCBs	2 layer to 40 layer	12,000,000	10,320,000	97%
SME	Shanghai, PRC	416,761	HDI (one to four-plus layer), conventional and Rigid-Flexible PCBs	2 layer to 22 layer	5,160,000	5,040,000	92%
GME	Guangzhou, PRC	968,028	HDI (one and two-plus layer), conventional and Rigid-Flexible PCBs	2 layer to 12 layer	3,600,000	3,600,000	103%
MAS	Suzhou, PRC	1,129,690	HDI (one and two-plus layer) and conventional PCBs	2 layer to 20 layer	3,600,000	1,800,000	95%
SMST	Shanghai, PRC	521,257	IC substrates	2 layer to 6 layer	1,080,000	1,080,000	95%
SKE	Shanghai, PRC	135,207	PCB drilling and routing service	N/A	N/A	N/A	N/A

Notes:

- (1) Maximum capacity equals Meadville's largest estimated available monthly capacity from January 1, 2009 through September 30, 2009 multiplied by twelve. Meadville has estimated its available monthly capacity based on



certain assumptions, including hours worked, planned product mix, and expected bottlenecks in the production process.

- (2) Available capacity is the estimated available capacity as of September 30, 2009 multiplied by twelve. Meadville estimates its available capacity at the beginning of each month based on certain assumptions, including hours worked, planned product mix, and expected bottlenecks in the production process.
- (3) Utilization rate is calculated by dividing the actual square footage of PCB product output in the period from January 1, 2009 through September 30, 2009 by the available capacity.
- (4) Meadville's capacity measurements are derived from certain estimates and assumptions that are based on our PCB manufacturing experience. These estimates may not be accurate and therefore Meadville's actual PCB production capacity in any month or for any other period may differ materially from the estimated available capacity.

### ***Equipment***

Meadville, generally through the PCB Subsidiaries, owns substantially all of the equipment it uses in its PCB business. Meadville's equipment includes, for example, carbon dioxide laser drilling machines, horizontal plating machines, and automated optical inspection machines. Meadville reviews annually its equipment needs by each PCB production plant and upgrades its equipment in response to technological advances in production processes, product innovation, and general wear and tear. Certain key pieces of equipment used by Meadville were especially commissioned according to specifications it provided, including plating and etching lines, in order to accommodate the specific production processes developed by Meadville and to improve the efficiency of the production process. It is part of Meadville's strategy to use a mix of automation and manual labor in the manufacturing process in order to optimize the cost efficiency of its operations.

## **Table of Contents**

Orders for new equipment are normally negotiated through Meadville's procurement department whereas the maintenance of equipment is undertaken by staff at individual production plants. A majority of Meadville's equipment is purchased from companies located outside of the PRC, and therefore Meadville bears the risk of currency fluctuations in the price of such equipment.

### ***Raw materials and consumables***

The key raw materials and consumables used in the production of Meadville's PCB products include prepreg and laminate. Meadville mainly sources these raw materials from Hong Kong, the PRC, Taiwan, and Japan, and pays for purchases in the relevant currency with credit periods which generally range from 60 to 90 days. All raw materials and consumables accounted for approximately 61.9% and 61.4% for the year ended December 31, 2008 and the nine months ended September 30, 2009, respectively, of Meadville's total costs of sales. GSST is Meadville's largest supplier, supplying Meadville with prepreg and laminate, and is owned by an affiliate of Meadville.

Meadville has maintained long-term relationships with its main suppliers, many of which it has dealt with for more than 10 years. Meadville also uses a number of suppliers for each key raw material in order to reduce dependence on any single supplier, with its top five suppliers accounting for approximately 35.4% and 33.3% of total purchases in the year ended December 31, 2008 and the nine months ended September 30, 2009, respectively. Meadville's largest supplier, GSST, which supplies it with prepreg and laminate, accounted for approximately 16.6% and 15.3% of total purchases in the year ended December 31, 2008 and the nine months ended September 30, 2009, respectively. GSST is owned by an affiliate of Meadville. Future sourcing of prepreg and laminate is expected to come from a number of reputable, high-technology prepreg and laminate suppliers, including Meadville's current prepreg and laminate business, which Meadville intends to sell to Top Mix Investments Limited, one of the companies owned by Mr. Tang (the controlling shareholder of Meadville), concurrent with the closing of the PCB Combination.

Meadville typically purchases raw materials on the spot market subject to market prices. However, for the purchase of chemicals, Meadville enters into consignment contracts where it is able to lock in a set price per amount of chemicals purchased. Although Meadville does not usually keep an inventory of raw materials in excess of the two week lead time required for current production or have long-term supply contracts with suppliers, Meadville believes that it has been and is able to rely on the relationships with its suppliers to provide sufficient raw materials to meet its production needs.

### ***Customers***

Currently, Meadville supplies PCB products and value-added services to OEMs, EMS providers, ODMs, and PCB traders in, among other areas, the PRC, Japan, South Korea, North America, and Europe. Meadville also supplies PCB materials and drilling and routing services to other PCB manufacturers. Meadville supplies IC substrates to semiconductor manufacturers. Customers of its QTA services are primarily OEMs.

Meadville believes that its diversified customer base helps it to understand the needs of different markets, thus preparing it for further technology development and business expansion. Along with its headquarters in Hong Kong, Meadville has marketing offices in the PRC, Malaysia, the United Kingdom, and North America for the marketing and promotion of its PCB products. These marketing offices also serve as contact points where customer feedback and other industry information can be relayed to Meadville headquarters.

Meadville generally works with its OEM customers in the design of their products, and the OEM subsequently either purchases Meadville's products directly, or as is more often the case for non-PRC OEMs, indirectly purchases Meadville's products by instructing their EMS providers to purchase Meadville's products to be incorporated into their end-products or component parts. Meadville's relationships with EMS providers which are purchasing its products on

behalf of OEMs normally are directed by the OEMs; the OEMs typically conduct the product supply qualification process and Meadville generally engages in non-binding contracts with the OEMs in which terms of service and product delivery and acceptance are set out. Meadville also negotiates product pricing and volumes and enters into a volume discount contract with the OEMs. Meadville also sells its products directly to certain OEM customers such as Huawei and ZTE, both of which it has had as customers for over 10 years. Currently,

**Table of Contents**

Meadville is developing a long-term and valued relationship with IBM as a PCB supplier. Meadville sells its products indirectly through EMS providers to OEM customers. Plexus, Celestica, Flextronics, and Inventec are among the EMS providers that purchase Meadville's products for use in OEM assembly projects. In addition, Meadville sells its PCB products to PCB traders, including through its strategic alliance with TNCSi, which allows it to reach customers in markets it may not be able to access otherwise.

Most of Meadville's OEM customers are companies involved in the manufacture of communications equipment, computers and computer peripherals, cellular phones, high-end consumer electronics, medical and industrial equipment, and automotive components. Meadville's major customers in terms of PCB demand engage in the production of a diverse range of products, which include but are not limited to the following:

**OEM Customers by Industry Sector****Major End-Products of Meadville's OEM Customers**

Communications equipment	Base stations, routers, switches, wired and wireless equipment, and microwave antenna
Cellular phones	Cellular phones and accessories
Computers and computer peripherals	PC motherboards, notebook computers, hard-disk drives, printers, cable TV set-top peripherals boxes, and network servers
High-end consumer electronics	Plasma TVs, LCD TVs, DVD recorders, MP3 players, gaming consoles and digital cameras
Industrial and medical equipment	X-ray scans, ultrasound scans, CT scans, MR scans
Automotive components	Car audio, GPS navigator components, and engine control units

In the nine months ended September 30, 2009, sales of conventional PCBs, HDI PCBs, rigid-flex PCBs, IC substrates, and quick-turn-around value-added services accounted for 62.1%, 31.2%, 1.1%, 2.0%, and 3.6%, respectively, of Meadville's PCB revenue.

The following table sets forth the breakdown of Meadville's PCB sales by end market for the periods listed:

	For the Year Ended			Nine Months Ended	
	December 31,			September 30,	
	2006	2007	2008	2008	2009
	(In millions of HK\$)				
	(Unaudited)				

**PCB Revenue by Application**

## Sales and Other Operating Revenues

Automotive	\$ 34	\$ 35	\$ 53	\$ 47	\$ 41
Cellular phone	528	1,012	1,256	968	780
Communication	842	1,268	1,725	1,286	1,345
Computer	549	643	1,015	803	745
Consumer	458	568	496	319	236
Industrial and medical	168	188	224	169	123
Other	260	395	443	338	235



**Table of Contents**

The following table sets forth the breakdown of Meadville's PCB sales by layer count for the periods listed:

	Year Ended December 31,			Nine Months Ended	
	2006	2007	2008	2008	2009
	(In millions of HK\$)				
	(Unaudited)				
<b>PCB Revenue by Layer Count</b>					
Sales and Other Operating Revenues					
2, 4, and 6 layers	\$ 714	\$ 1,009	\$ 922	\$ 693	\$ 491
8, 10, and 12 layers	952	1,336	1,768	1,394	1,219
14, 16, and 18 layers	261	311	438	326	358
20 layers and above	55	64	110	80	109
IC substrates	70	130	171	139	70
HDI PCBs	748	1,145	1,540	1,137	1,094
Rigid-flex PCBs			74	15	37
Value-added services	39	114	189	146	127

**Marketing and sales**

Meadville's strategy is to focus on the high-end PCB market, such as high layer count conventional PCBs, HDI PCBs, rigid-flex PCBs, and IC substrates, for which margins are typically higher than lower-end PCB products. Meadville has commenced the development of its QTA business for existing OEM and EMS customers located in Europe and North America and intends to further develop that business in the Asian markets where OEMs are relocating their design centers. Meadville markets its QTA services through a dedicated sales force.

Currently Meadville markets its PCB products principally under two brands: the SYE brand in the PRC and the OPC brand in all other countries. As Meadville's production plants have different focuses in terms of their product mix and target customer base, it aims to deploy the right plant and resources to meet its customers' requirements. With the range of PCB products and services that Meadville offers and its multi-plant support capability, Meadville promotes itself as a one-stop shop for PCB products.

Meadville believes that its ability to maintain close relationships with its PCB customers is an important factor in its success. Over the years, Meadville has established a marketing approach that includes appointing sales and marketing officers in its major markets worldwide. To enable a more efficient allocation of sales and marketing efforts and to ensure that risks relating to customers and regions are effectively managed, Meadville formulates marketing initiatives to select new customers that are in line with its business strategy. Meadville is continuing to expand its marketing efforts in Japan, North America, and Europe in seeking to expand its market share and enlarge its customer base in these locations. Such efforts include meeting with its existing and target PCB customers, distributing promotional items, providing technical information to business publications, and participating in trade shows and industry conferences.

The following table sets forth the breakdown of Meadville's PCB sales by geographic location for the periods listed:

**Year Ended  
December 31,**

	2006	2007	2008	2008	2009
				Nine Months Ended September 30,	
			(In millions of HK\$)		
			(Unaudited)		
<b>PCB Revenue by Geographic Location (the final destination to where the final PCB products of Meadville are delivered)</b>					
Sales and Other Operating Revenues					
Mainland China	\$ 1,752	\$ 2,748	\$ 3,342	\$ 2,476	\$ 2,509
Europe	224	308	468	376	285
Hong Kong	92	320	325	263	157
North Asia	448	278	270	213	118
Southeast Asia	140	231	405	282	282
North America	183	224	402	320	154

## **Table of Contents**

### ***Sales force***

Meadville markets its PCB products and services to its PCB customers primarily through its direct sales staff in regional marketing offices located in the PRC, Hong Kong, Malaysia, the United Kingdom, and the United States. Meadville's sales are concluded at its Hong Kong office, except for sales in the PRC, which are concluded at its PRC offices. Meadville also markets its PCB products through independent third party sales agents in Europe, North America, Israel, Singapore, the PRC, Hong Kong, and South Korea, which are remunerated by commission. The sales agents in these regions initiate sales and thereafter Meadville's direct sales department in Hong Kong follows up on the order to conclude the sales contract. For Meadville's international PCB customers that require multi-plant support capability, it has set up a global account management team dedicated to these customers to provide cross-regional services and to monitor the technological ability, quality, responsiveness, delivery, and cost services provided by Meadville's plants.

In addition to its direct sales staff, Meadville also maintains a corporate marketing team that works with its sales personnel to promote and maintain its relationships with customers. The marketing team also regularly obtains market intelligence to identify business opportunities and works to enhance Meadville's brand image.

### ***Customer service***

Meadville strives to provide timely and quality services to its PCB customers. Meadville has a customer service team located in its regional marketing offices in Hong Kong, the United Kingdom, and the United States, as well as in its plants in the PRC. The primary function of Meadville's team members in its regional marketing offices is to monitor customer requirements and assist customers at each point during the process, from ordering through to production, delivery, and after-sales service. Meadville provides real time information through its internal website to enable its staff members to access information on the sales process and to track their orders. Meadville's customer service teams in its plants in the PRC allow it to provide on-site production data, scheduling, and work-in-progress information to its PCB customers in a more timely and effective manner. Meadville's customer service staff is trained to provide service to customers worldwide.

### ***Securing orders***

In accordance with Meadville's estimated target for each type of PCB product it produces, which Meadville establishes at the beginning of each year and reviews quarterly, Meadville's sales and marketing officers contact its existing PCB customers to ascertain their annual procurement plans and estimate the likely volume of their annual orders. Meadville's customers are usually able to provide Meadville with their estimated demand for PCB products over a three to six-month period. However, Meadville does not frequently enter into long-term sales contracts with its OEM customers, as most of these customers adjust their production schedules based on the relevant market environment for their end-products, and therefore, the exact purchase volumes are often subject to variation. Direct orders for Meadville's products are made through separate purchase orders issued by customers which are directly using Meadville's products, such as direct OEM customers and EMS providers purchasing goods for use in assembling OEM end-products. These purchase orders set out the quantity and type of product to be purchased, as well as specific price, delivery, and cancellation terms. On occasion Meadville does enter into long-term non-binding agreements with certain major OEMs. These agreements generally set out the terms under which Meadville will supply and deliver its products to the EMS providers of the OEMs, as well as terms of payment, capacity mandates, terms of estimating future orders, and general cancellation policies, among other terms. These agreements do not obligate the customer to purchase Meadville's products. The terms of these agreements only become operative when products are actually procured, at which time each party must fulfill certain obligations set out in the agreement.



Most OEM customers require the production plants from which it intends to order products to undergo a qualification process, whereby the customer assesses Meadville and its production plants to ensure that they meet the customer's requirements in a number of areas, such as quality assurance and technical capabilities. This process normally takes between 6 to 12 months, but can take up to two years. The length of the qualification process, and the fact that each party bears its own expenses in this regard, means that Meadville's customers are not likely to change PCB suppliers quickly, and therefore Meadville tries to develop long-term partnerships with such customers. This

## **Table of Contents**

also creates a barrier to entry for new and recent entrants in the PCB industry. Meadville has devised a four-stage qualification process to facilitate its meeting customers , or potential customers , qualification processes and requirements.

### ***Pricing***

Each PCB product that Meadville manufactures is made according to customer specifications. Meadville develops regional pricing guidelines for its products, which are reviewed quarterly and based on various factors, including each customer s requirements, the strength of Meadville s competitors, the costs of production in terms of capacity and capability, quality requirements, Meadville s capability to work within a short lead time, the customer relationship, Meadville s overall marketing strategy, the region into which Meadville is selling, and market prices. In each request for a quotation received in respect of a customer, negotiations for that order take place between Meadville s sales department and the direct or indirect OEM customer or EMS provider, generally within the range set in its pricing guidelines. Meadville may also offer volume rebates. In general, the value-added products which Meadville produces, such as high layer-count conventional PCBs, HDI PCBs, rigid-flex PCBs, and IC substrates, command a higher margin than lower-end PCB products. Meadville s QTA services command higher margins for faster turnarounds. Fluctuations in the costs of production, such as for raw materials, are often passed on to the customer following further negotiations.

### ***Credit period***

Most of Meadville s sales are conducted on an open account basis, although certain of its customers settle their accounts through letters of credit, wire transfers, or by check. Credit periods typically range from 60 to 90 days, depending on Meadville s relationship with the customer. Meadville determines whether to extend credit on the basis of the customer s credit history, payment practices, its relationship with the customer, and the perceived growth potential of its business with the customer. Each customer must undergo a credit evaluation by Meadville s marketing and finance departments before a credit period, credit limit, and method of payment are approved for that customer.

### ***Process and product development***

Process and product development plays a vital role in Meadville s business. As electronic products become smaller, demands are increasing for higher speed and functionality of such products. Accordingly, continued advancement in processing technology is required to develop increasingly smaller sized PCB products with increased functionality. As product responsiveness and speed increase, special electrical properties become a factor affecting signal integrity and the transmission speed between PCBs and the electrical components to which they are connected. Special materials, equipment, chemicals, and manufacturing processes are therefore required to ensure the proper functioning of the final electronic end-product.

In order to succeed in the advanced electronic interconnection sector, Meadville s process and product development must allow it to anticipate future interconnection requirements and have processes and/or products in place to capitalize on future developments. In addition, by enhancing its processing technology Meadville not only seeks to produce more advanced products, but also to improve its product yield and production efficiency, in order to remain competitive in the market.

Meadville s process and product development team is responsible for implementing technology road maps, evaluating new equipment and materials prior to production, recommending investment budgets, designing the most efficient production floor layout for the production plants, and identifying the types of products to be manufactured.

Over the last 10 years, Meadville's process and product development team has developed various products and techniques to improve PCB production capabilities, including the development of its own process to manufacture HDI PCBs, rigid-flex PCBs, IC substrates, and advanced multilayer PCBs and backplanes.

Meadville's PCB development projects are divided into four platforms, consisting of its process, product, material, and environmental platforms. Meadville systematically monitors the projects conducted under these

**Table of Contents**

platforms in monthly meetings, and the progress is followed according to Meadville's R&D process. Meadville's R&D process consists of the following three phases: R for research, D for development, and I for industrialization. The reliability assessment of Meadville's projects is included as a part of its R&D process in accordance with following steps: planning, testing, and analysis.

Current projects include the following:

*Process Platform*

- development of semi-additive mSAP3 fine line technology (line/space < 50µm) to be used in HDI PCBs;
- development of semi-additive SAP3 fine line technology (line/space < 20µm) to be used for IC substrates;
- development of a copper additive system for viafilling for Meadville's pattern plating process;
- development of panel/pattern plating additive system for high aspect ratio through hole and laser micro via plating processes;
- development of manufacturing technology (DALi) to enable production of PCBs of any layer, including very thin plated layers using conventional PCB production machines;
- development of through-hole filling process for any layer structure using resin plugging process; and
- development of mechanical drilling capability for high aspect ratio products.

*Product Platform*

- development of ultra thick PCBs Z-axis interconnection technology to fulfill customers' future requirements;
- development of board level optical interconnection technology for future high speed product applications;
- development of embedded passive technology including capacitors, resistors, and inductors;
- development of high aspect ratio product capability according to customers' future requirements, including both plated through-holes and laser microvias;
- development of super copper foil (SCF) technology for fine line patterning according to next generation product requirements; and
- development of rigid-flex and semi-flex technology according to customers' future requirements.

*Material Platform*

- development of its PCB material portfolio to produce high transmission speed PCB products;
- assessing the impact of lead-free assemblies on PCBs and their thermal resistance, including the reliability assessments for different PCB applications; and
- development of the qualification system to standardize the PCB material qualification.

*Environmental Platform*

development of a recycling system for etchant, including both process and equipment development; and further development of its mechanical deflection system according to customer and regulatory requirements.

*Quality assurance*

Meadville views the quality of its PCB products and processes as critical to its business. As enumerated below, Meadville complies with international quality standards and systems. Meadville has also implemented numerous quality initiatives and variation reduction programs to promote a culture of building quality products. Key quality metrics are an important part of its business metrics and are reviewed regularly by senior management as part of

**Table of Contents**

continuous quality and customer satisfaction improvement efforts. Each production plant has therefore implemented quality management systems which adhere to international standards. As part of this management system, each production plant has a quality assurance department which is responsible for developing and implementing quality assurance procedures and processes. A summary of the certifications achieved for each production plant is set out below.

<b>Plant</b>	<b>Certification</b>	<b>Year Obtained</b>
OPCM	ISO 9001(1)	1995
	AS9100(2)	2009
SYE	ISO 9001	2002
	TS16949(3)	2006
DMC	ISO 9001(1)	2005
GME	ISO 9001	2008
SME	ISO 9001	1998
	TS16949	2007
SMST	ISO 9001	2003
	TS16949	2005
SKE	ISO 9001	2005
MAS	ISO 9001	2001
	TS16949	2003

Notes:

- (1) ISO 9001 relates to the implementation of a quality management system for product quality assurance.
- (2) AS9100 relates to the implementation of a quality management system for product quality assurance in the aerospace industry.
- (3) TS 16949 relates to the implementation of a quality management system for product quality assurance in the automotive industry.

Meadville undertakes the following measures, among others, in implementing these standards:

*Purchasing control* many of Meadville's suppliers are ISO 9001 approved and undergo a supplier evaluation process before being admitted to its approved vendor list; raw materials may also be physically inspected by quality assurance staff.

*Production control* each production plant operates under controlled conditions, including controls over the key aspects of manpower, machinery, materials, method, and environment. Each of these involve a number of considerations, such as a maintenance program, a procedure for the identification and traceability of products throughout the production process, and protection of products during transportation, packing, storage, and delivery.

*Statistical process control ( SPC )* all key processes are monitored and improved using SPC to maintain process stability. SPC is also used to control key product parameters.

*100% reliability testing* each finished product is tested at a number of points during the production process for defects, reliability, and compliance with customer requirements. External laboratories are also used to verify product reliability and conformity with customer requirements. Certain of Meadville's products are certified by UL, at the request of its customers, for which UL conducts independent testing.

### **Competition**

The PCB manufacturing industry is highly competitive with manufacturers competing generally on the basis of prices, product manufacturing technology and capability, quality, reliability, and service. Lower-end PCBs are generally considered to be commoditized products and characterized by high price competition. For high-end PCB products, pricing is still important but manufacturers also compete on product manufacturing technology and capability, quality, reliability, and service. Meadville competes with other PCB manufacturers that operate

## **Table of Contents**

primarily in North America, Europe, Japan, the PRC, Taiwan, and South Korea. Each of these markets is characterized by different competitive factors, as briefly described below.

### ***PRC and Hong Kong***

PCB manufacturers in the PRC and Hong Kong are generally focused on the production of lower layer-count, mass volume PCB products. In the manufacture of low end products, which represents a relatively smaller portion of Meadville's total sales, Meadville primarily competes against manufacturers of conventional PCBs.

### ***North America and Europe***

Meadville competes in the market for technologically advanced PCB products with PCB manufacturers operating in North America and Europe that tend to focus on providing high-end, technologically advanced PCB products, especially to the commercial aerospace industry (North America) and the communications industry (Europe). Many of these manufacturers have shifted or are beginning to shift their manufacturing operations from North America and Europe to the PRC.

### ***Japan***

Japanese PCB manufacturers are primarily focused on providing advanced HDI PCBs, including 3+HDI PCBs, to the high-end consumer electronics industry. Meadville competes with these manufacturers in the production of HDI PCBs and IC substrates.

### ***Taiwan***

The PCB market in Taiwan is focused primarily on the production of low to medium-end PCB products, particularly for mass volume commodity market products, with some niche production of HDI PCBs and high-layer backplanes. Meadville competes against Taiwanese manufacturers primarily in the production of conventional PCBs, HDI PCBs, and IC substrates.

### ***South Korea***

Meadville competes with South Korean PCB manufacturers primarily in the production of conventional PCBs, HDI PCBs, and IC substrates.

## **Environmental Matters**

Meadville is subject to a variety of environmental laws and regulations in Hong Kong and the PRC which impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage, and disposal of solid and liquid hazardous wastes. The manufacturing of Meadville's products generates gaseous chemical waste, liquid waste, waste water, and other industrial wastes in various stages of the manufacturing process. Meadville's production sites in Hong Kong and in the PRC are subject to regulation and periodic monitoring by the relevant environmental protection authorities. The principal environmental laws to which Meadville's operations in Hong Kong and the PRC are subject include: (i) the Waste Disposal Ordinance, the Air Pollution Control Ordinance, the Noise Control Ordinance, the Water Pollution Control Ordinance, the Environmental Impact Assessment Ordinance, and their respective related regulations in Hong Kong; and (ii) the PRC Environmental Protection Law, the PRC Water Pollution Prevention Law, the PRC Air Pollution Prevention Law, the PRC Environment and Noise Pollution Prevention Law, the PRC Solid Wastes Pollution Prevention Law, the PRC Environmental Impact Assessment Law, the PRC Energy Saving Law, and the PRC Promotion of Clean Production Law, as well as other



related regulations, rules, and provisions issued by the PRC State Council, the State Environmental Protection Bureau, or the local government of the places where the relevant manufacturing plants are located in the PRC.

Meadville believes that it is important to carry out its operations in an environmentally responsible manner. As such, Meadville generally attempts to reduce the consumption of natural resources in its operations. Meadville also

## **Table of Contents**

takes steps to ensure that waste and by-products produced as a result of its operations are properly disposed of in accordance with applicable laws so as to minimize adverse effects to the environment.

Meadville has installed waste water treatment facilities and implemented waste treatment procedures in each of its PCB production plants to treat waste discharged during the production process. Industrial waste produced by its PCB production plants is currently treated in compliance with applicable environmental standards in the jurisdiction where the plant is located before being discharged. More specifically, chemical waste from production processes is segregated and chemically treated. Heavy metals and organic pollutants extracted through this process are compressed into solid waste and collected by licensed waste disposal companies for disposal, while recyclable metals of economic value are collected and sold to authorized resellers. The remaining effluent from the treatment process is treated before being discharged as sewage.

All of Meadville's PCB production plants, except SKE, have received ISO 14001 certification, which certifies that their production operations conform to international environmental management system standards. Furthermore, Meadville's IC substrate production plant in Shanghai, SMST, has obtained RC 14001 certification for responsible care management systems while several of its PCB production plants, including SME, DMC, SMST, and MAS, have obtained OHSAS 18000 certification for occupational health and safety management systems. Meadville has put in place policies and procedures at all of its plants to comply with requirements related to the European Union's WEEE and RoHS Directives.

In order to ensure that Meadville adequately assesses environmental risks and complies with environmental laws and regulations, each of its PCB production plants has assigned staff which are responsible for environmental, health, and safety, or EHS, compliance and report to the relevant plant manager. In the PRC, Meadville's EHS officers are responsible for managing its EHS system and have education or experience in the EHS field and familiarity with local environmental regulations and practice. EHS engineers supervise Meadville's EHS operations and have education and experience in operating and maintaining EHS facilities. EHS officers and engineers are supported by technicians who receive training to operate the relevant EHS facilities or functions described above. In Hong Kong, Meadville's EHS staff is comprised of engineers who have familiarity with the relevant regulations and practice and/or experience operating and maintaining EHS facilities.

As a result of Meadville's record on environmental matters, Meadville was awarded a Green Product Management System designation in 2008 from a Taiwanese contract manufacturer, the Eco-Partner Certificate in 2007 and 2008 from a Korean OEM, the Pioneer Certificate of Conformity for Environmental Health and Safety in 2006, the Fujitsu Green Procurement designation in 2005, and the Sony Green Partner designation in 2004. These designations indicate that these customers recognize Meadville's compliance with the international environmental standards to which they are also subject, including the European Union regulations listed above.

## **Labor and Safety Matters**

The applicable laws and regulations relating to labor and safety matters to which Meadville is subject in the PRC include the PRC Labor Law, the PRC Labour Contract Law, the Decision on Establishment of a Unified System for the Basic Insurance for the Aged Workforce of Enterprises, the Decision on Perfection of the Basic Insurance System for Aged Workforce of the Enterprises, the Insurance for Labor Injury Ordinance, the State Council's Decision on Establishment of the Basic Medical Insurance System for the Workforce in Cities and Towns, the Provisional Insurance Measures for Maternity of Enterprises' Employees, the Unemployment Insurance Ordinance, and other related regulations, rules, and provisions issued by the relevant governmental authorities from time to time for its operations in the PRC. In Hong Kong, Meadville is subject to the Employment Ordinance, Employees' Compensation Ordinance, Factories and Industrial Undertakings Ordinance, and Occupational Safety and Health Ordinance.

To ensure compliance with applicable labor and safety laws and regulations and to manage its risks in this regard now and in the future, Meadville has employed professional personnel with relevant training and qualifications to manage such compliance and risks. Meadville's measures to promote safety include (i) establishing safety committees to identify, recommend, and review safety measures, (ii) providing training to employees, and (iii) establishing safety rules and handbooks.

**Table of Contents**

The following table sets forth the number of Meadville's regular employees, temporary employees, and total employees for the periods indicated below:

	<b>Regular Employees</b>	<b>Temporary Employees</b>	<b>Total</b>
<b>As of December 31,</b>			
2006	7,669		7,669
2007	11,112		11,112
2008	9,760		9,760
<b>As of September 30,</b>			
2009	11,233	1,458	12,691

The following table sets forth Meadville's regular employees and temporary employees by function of activity as of September 30, 2009:

<b>Function</b>	<b>Regular</b>	<b>Temporary</b>	<b>Total</b>
Finance/Legal/Secretarial	132		132
General Management	31		31
Human Resource/Administration	538		538
Information Technology	61		61
Logistics/Production Planning/Store	510		510
Engineering	1,424		1,424
Procurement	38		38
Production	5,979	1,458	7,437
Quality Assurance/Quality Control	2,159		2,159
Research & Development	125		125
Sales & Marketing	224		224
System & Process Assurance	12		12
<b>Total</b>	<b>11,233</b>	<b>1,458</b>	<b>12,691</b>

**Legal Proceedings**

From time to time, Meadville may be a party to certain legal proceedings. However, Meadville is not currently a party to any pending legal proceedings that it believes will have a material adverse effect on the business, financial condition, or results of operations of its PCB business.

**Premises, Land Use Rights, and Property Interests*****Property owned in the PRC***

Meadville owns a total of 18 properties located in Dongguan, Guangzhou, Shanghai, and Suzhou in the PRC used in its PCB business. Meadville owns and occupies three properties in Dongguan, PRC with an aggregate gross floor area of approximately 1,394,000 square feet, two of which are currently used for production purposes and one of which is

currently used for residential and bicycle parking purposes. Meadville also owns and occupies 12 properties in Shanghai, PRC with an aggregate gross floor area of approximately 740,600 square feet, three of which are currently used for production purposes and the remaining properties are currently used for staff quarters and residential purposes. Meadville owns and occupies two properties in Suzhou, PRC with an aggregate gross floor area of approximately 372,323 square feet, one of which is currently used for production purposes and the other which is currently used for staff quarters and residential purposes. Meadville owns one property in Guangzhou, PRC, where the GME plant is located, with a gross floor area of approximately 1,586,600 square feet.

In addition to the above 18 owned properties, Meadville has contracted to acquire a property located at the (Tongsha) Technology Industrial Park, Dongcheng District, Dongguan, PRC, which has an area of approximately

## **Table of Contents**

1,948,000 square feet. This plant is intended to be used for expanding the current production facilities at SYE and to provide for the relocation of the SYE plant in the event Meadville is required to vacate the properties on which its SYE plant is located.

The properties where SYE's existing manufacturing plant is located are now subject to a general city rezoning plan which has been prepared by the Dongguan municipal government. According to the relevant PRC regulations, the general rezoning plan is made for 20 years. Under the rezoning plan, it is intended that the properties where SYE's existing manufacturing plant is located will be re-designated from industrial to commercial use. If and when implemented in respect of those properties, the rezoning plan may require that Meadville vacate these properties and relocate SYE's manufacturing plant.

### ***Property leased in the PRC***

Meadville leases a total of 22 properties in Dongguan, Guangzhou, Shanghai, and Suzhou in the PRC for use in its PCB business. Meadville leases two adjoining parcels of land in Dongguan, PRC with an aggregate site area of approximately 110,900 square feet, which is currently being used for an existing dormitory complex with a gross floor area of approximately 177,600 square feet. Meadville may not transfer, sublease, mortgage, or establish other third party rights on such property. Meadville leases two properties in Dongguan, PRC with an aggregate gross floor area of approximately 56,000 square feet, which is currently used as residential housing for staff. Meadville leases 14 properties in Shanghai, PRC with an aggregate floor area of approximately 16,150 square feet, which are currently used for dormitory and office space. Meadville leases a property in Suzhou, PRC with an aggregate gross floor area of approximately 1,000 square feet which is currently used as residential housing for staff. Meadville also leases three properties in Guangzhou, PRC with an aggregate gross floor area of approximately 4,300 square feet which are currently used as residential housing for staff.

### ***Property leased in Hong Kong***

Meadville leases two industrial complexes comprised of two OPCM plants, with a total gross floor area of approximately 128,100 square feet, located at the Tai Po Industrial Estate in Hong Kong.

## **Intellectual Property**

Aside from various trademarks and trade secrets, Meadville does not have any intellectual or industrial property rights that are material in relation to its business or profitability. Meadville seeks to protect its proprietary rights through confidentiality procedures and contractual protections such as non-disclosure agreements with its suppliers and customers and employment contracts with confidentiality clauses.

## **Insurance and Products Liability**

Meadville maintains a number of insurance policies which cover its PCB production plants, including property damage, all risks insurance (covering buildings and their contents, including machinery, and inventory) and business interruption insurance. Meadville also maintains public liability insurance for third party losses, money all risks insurance for loss or damage to money, and insurance covering boiler equipment. In addition, Meadville has cargo transportation insurance with worldwide coverage for the transportation of cargo by air, sea, or land, and commercial vehicle insurance in Hong Kong and the PRC.

Consistent with what Meadville believes to be the market practice in Hong Kong and the PRC for PCB manufacturers, Meadville does not maintain product liability insurance unless required by its customers.



**Table of Contents****Subsidiaries**

The following table sets forth details relating to Meadville's material subsidiaries engaged in its PCB business:

<b>Company</b>	<b>Place of Incorporation</b>	<b>Business Activity</b>	<b>Percentage of Effective Ownership by Meadville's PCB Business</b>
ACP Electronics Co., Ltd.(2)	Mainland China	Manufacturing and sales of high precision PCB	80%
Dongguan Meadville Circuits Limited(2)	Mainland China	Manufacturing of PCB	80%
Dongguan Shengyi Electronics Ltd.(2)	Mainland China	Manufacturing, sales and distribution of PCB	70.2%
Guangzhou Meadville Electronics Co., Ltd.(2)	Mainland China	Manufacturing of PCB	100%
OPC Manufacturing Limited	Hong Kong	Manufacturing of PCB	100%
Meadville Innovations (Shanghai) Co., Ltd.(2)	Mainland China	Provision of PCB design services	100%
Meadville International Trading (Shanghai) Co., Ltd.(2)	Mainland China	Trading of PCB and liaison office	100%
Meadville Enterprises (HK) Limited	Hong Kong	Administration and treasury	100%
Mica-Ava China Limited	Hong Kong	Investment holding	100%
Meadville Aspocomp Limited	Hong Kong	Sales and distribution of PCB	80%
MTG Investment (BVI) Limited(1)	British Virgin Islands	Investment holding	100%
MTG PCB (BVI) Limited	British Virgin Islands	Investment holding	100%
MTG (PCB) No. 2 (BVI) Limited	British Virgin Islands	Investment holding	100%
Oriental Printed Circuits Limited	Hong Kong	Sales and distribution of PCB	100%



Shanghai Kaiser Electronics Co., Ltd.(2)	Mainland China	Provision of PCB drilling service	100%
Shanghai Meadville Electronics Co., Ltd.(2)	Mainland China	Manufacturing of PCB	100%
Shanghai Meadville Science and Technology Co., Ltd.(2)	Mainland China	Research and development of high-end multi-layer PCB	100%

Notes:

- (1) Direct subsidiary.
- (2) Foreign investment enterprise in the PRC.

**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF MEADVILLE**

**Supply Arrangements with Affiliates of Meadville**

In 2007, SME entered into two supply agreements, on behalf of itself and other PCB Subsidiaries, with Suzhou Shengyi Sci Tech Co., Ltd., or SSST, and GSST pursuant to which SME and other PCB Subsidiaries purchased laminate and prepreg from SSST and GSST. GSST is currently owned as to approximately 22.18% by a wholly owned subsidiary of Meadville, which subsidiary will be sold indirectly to Top Mix Investments Limited, a company controlled by Mr. Tang (the controlling shareholder of Meadville), concurrently with the effectiveness of the PCB Combination. SSST is 75% owned by GSST and will be 25% owned indirectly by Top Mix Investments Limited following the PCB Combination. In the years ended December 31, 2007 and 2008, and for the nine months ended September 30, 2009, total purchases under the two supply agreements amount to HK\$455.8 million (US\$58.4 million), HK\$431.6 million (US\$55.4 million), and HK\$267.8 million (US\$34.5 million), respectively. These two supply agreements expired on December 31, 2009. Accordingly, SME, on behalf of itself and other PCB Subsidiaries, entered into a new supply agreement with GSST and SSST on December 11, 2009 with similar terms as the existing supply agreements. The new supply agreement became effective on January 1, 2010 for a term of three years.

Certain PCB Subsidiaries also purchase from time to time laminate and prepreg from Mica-Ava (Far East) Industrial Limited, or MAF, and Mica-Ava (Guangzhou) Material Company Ltd., or MAG, two subsidiaries of Meadville which are engaged in the laminate business, both of which will be owned by Top Mix Investments Limited following the PCB Combination. These purchases are made on a spot basis from time to time. Total sales from MAF and MAG to the PCB Subsidiaries amounted to HK\$210.8 million (US\$27.1 million), HK\$282.0 million (US\$36.1 million), HK\$345.3 million (US\$44.3 million), and HK\$279.5 million (US\$36.1 million) for the years ended December 31, 2006, 2007, and 2008, and the nine months ended September 30, 2009, respectively.

**Real Property Leasing Arrangements with Affiliates of Meadville**

OPC, a PCB Subsidiary, is currently leasing from MAF a portion of real property located at Nos. 6-8 Dai Wang Street, Tai Po Industrial Estate, New Territories, Hong Kong, for warehouse purposes. The lease is on a monthly basis and Meadville expects that such lease will continue on that basis for the foreseeable future.

GME, a PCB Subsidiary, leases a portion of its employee dormitory spaces to MAG from time to time for the use of the employees of MAG. The dormitory spaces are rented to MAG pursuant to prior written request by MAG for its employees on an individual basis, with the monthly rent to be determined in accordance with the space area used by the individual employees and the rate as notified by GME from time to time. Such rental arrangement between GME and MAG is effective until either party terminates the arrangement upon three months prior written notice to the other party.

**SELECTED HISTORICAL FINANCIAL DATA OF THE PCB BUSINESS OF MEADVILLE**

The following tables set forth summary selected historical combined financial data of Meadville's PCB business, presented on a carve-out basis, which we refer to as the PCB Business, which should be read in conjunction with the combined financial statements of the PCB Business and the notes thereto and the discussion under Management's Discussion and Analysis of Financial Condition and Results of Operations of the PCB Business of Meadville included in this proxy statement/prospectus. The selected balance sheet data as of December 31, 2006, 2007, and 2008 and as of September 30, 2009, and the selected income statement data for each of the years in the three year period ended

December 31, 2008 and the nine months ended September 30, 2009 have been derived from the audited combined financial statements and related notes appearing elsewhere in this proxy statement/prospectus.

The selected balance sheet data as of September 30, 2008 and selected income statement data for the nine months ended September 30, 2008 have been derived from the unaudited combined financial statements and related notes set forth elsewhere in this proxy statement/prospectus. The selected balance sheet as of September 30, 2009 and results of operations for the nine months ended September 30, 2008 and 2009 include, in the opinion of

**Table of Contents**

Meadville's management, all adjustments considered necessary for a fair statement of such data. The results of operations for the nine months ended September 30, 2008 and 2009 are not necessarily indicative of results that may be expected for the entire year, nor is the information below necessarily indicative of the PCB Subsidiaries' or Meadville's future performance.

The PCB Business' combined financial statements have been prepared in accordance with HKFRS, which differs in certain significant respects from U.S. GAAP. For a description of the principal differences between HKFRS and U.S. GAAP as they relate to the PCB Business, and for a reconciliation of shareholders' equity and net income to U.S. GAAP, see Note 35 to the audited combined financial statements of the PCB Business set forth elsewhere in this proxy statement/prospectus. Other U.S. GAAP data presented in the following tables has been derived from unaudited analyses prepared by Meadville from its accounting records.

	Year Ended December 31,			Nine Months Ended	
	2008	2007	2006	2009	2008
	(In millions of HK\$)				
	(Unaudited)				
<b>(HKFRS)</b>					
<b>Combined Statement of Operations Data:</b>					
Revenue	\$ 5,212.4	\$ 4,108.6	\$ 2,838.8	\$ 3,505.4	\$ 3,930.2
Cost of sales	(4,205.0)	(3,150.2)	(2,261.4)	(2,844.5)	(3,156.8)
Gross profit	1,007.4	958.4	577.4	660.9	773.4
Other income	158.8	161.3	87.2	91.7	125.2
Selling and distribution expenses	(227.4)	(199.8)	(118.9)	(164.2)	(179.1)
General and administrative expenses	(259.7)	(200.9)	(129.5)	(276.3)	(140.3)
Share award expenses	(10.6)	(226.1)		(9.9)	(8.4)
Operating profit	668.5	492.9	416.2	302.2	570.8
Interest income	17.4	28.5	5.9	5.2	13.0
Finance costs	(129.4)	(104.3)	(78.0)	(63.8)	(94.5)
Profit before income tax	556.5	417.1	344.1	243.6	489.3
Income tax expense	(72.9)	(64.2)	(41.6)	(45.0)	(76.9)
Profit for the year/period	\$ 483.6	\$ 352.9	\$ 302.5	\$ 198.6	\$ 412.4
of which, attributable to shareholders of Meadville	\$ 376.0	\$ 246.0	\$ 239.7	\$ 127.2	\$ 336.3
of which, attributable to minority interests	\$ 107.6	\$ 106.9	\$ 62.8	\$ 71.4	\$ 76.1

**Table of Contents**

	As of December 31,			As of
	2008	2007	2006	September 30,
	(In millions of HK\$)			2009
<b>(HKFRS)</b>				
<b>Combined Balance Sheet Data:</b>				
Inventories	\$ 427.0	\$ 398.4	\$ 266.6	\$ 457.6
Debtors and prepayments	1,163.7	1,480.9	1,114.9	1,083.8
Other current assets	19.3	3.5	1.1	24.1
Amounts due from related parties	390.2	284.4		13.9
Amount due from a minority shareholder		39.1		
Cash and bank balances	797.9	402.8	165.0	849.0
Current assets	2,798.1	2,609.1	1,547.6	2,428.4
Property, plant and equipment	4,941.8	3,821.4	1,893.7	4,840.6
Leasehold land and land use rights	147.3	143.0	83.0	144.6
Intangible assets	22.2	149.9	22.6	21.3
Other non-current assets	94.1	34.3	0.1	92.6
Total assets	\$ 8,003.5	\$ 6,757.7	\$ 3,547.0	\$ 7,527.5
Creditors and accruals	\$ 1,388.4	\$ 1,270.8	\$ 711.3	\$ 1,060.4
Borrowings	823.0	908.3	905.2	609.8
Amounts due to associated companies and related parties	744.8	394.9	495.0	165.7
Amount due to a minority shareholder	169.7	173.7	119.9	122.3
Other current liabilities	15.1	25.6	16.9	25.3
Current liabilities	3,141.0	2,773.3	2,248.3	1,983.5
Borrowings	2,763.2	1,679.1	667.6	2,954.7
Other non-current liabilities	322.7	445.2		275.4
Equity attributable to shareholders	1,371.2	1,524.3	433.6	1,779.3
Total shareholders equity	\$ 1,776.6	\$ 1,860.1	\$ 631.1	\$ 2,313.9

**Table of Contents**

	Year Ended December 31,		Nine Months Ended	
	2008	2007	2009	September 30, 2008
	(In millions of HK\$)			
<b>(U.S. GAAP)(1)</b>				
<b>Combined Statement of Operations</b>				
<b>Data:</b>				
Revenue	\$ 5,212.4	\$ 4,108.6	\$ 3,505.4	\$ 3,930.2
Operating expenses	(4,550.0)	(3,615.3)	(3,190.7)	(3,356.3)
Operating profit	662.4	493.3	314.7	573.9
Profit for the year/period	491.5	353.2	217.0	428.9
Profit attributable to shareholders	391.9	246.6	157.9	354.4
Profit attributable to minority interests	99.6	106.6	59.1	74.5

	As of December 31,		As of
	2008	2007	September 30, 2009
	(In millions of HK\$)		
<b>(U.S. GAAP)(1)</b>			
<b>Combined Balance Sheet Data:</b>			
Current assets	\$ 2,798.1	\$ 2,609.1	\$ 2,428.4
Property, plant and equipment	4,889.0	3,768.4	4,791.1
Total assets	7,964.5	6,606.3	7,494.9
Current liabilities, excluding current portion of borrowings	2,318.0	1,865.0	1,373.7
Borrowings	3,586.2	2,587.4	3,564.5
Equity attributable to shareholders	1,352.1	1,519.4	1,768.5
Total shareholders equity	1,903.6	1,988.8	2,457.0

(1) For further details, see Note 35 in the audited combined financial statements of the PCB Business.

**Table of Contents**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS OF THE PCB BUSINESS OF MEADVILLE**

*The following discussion and analysis should be read in conjunction with the audited combined financial statements of the PCB Business for the three years ended December 31, 2006, 2007 and 2008 and for the nine months ended September 30, 2009 and the unaudited combined financial statements of the PCB Business for the nine months ended September 30, 2008 and the notes thereto. The combined financial statements of the PCB Business have been prepared on a carve-out basis in accordance with HKFRS. HKFRS differ in certain significant respects from U.S. GAAP. For a discussion of certain material differences between HKFRS and U.S. GAAP, see the section entitled *Summary of Material Differences Between HKFRS and U.S. GAAP* below and the related notes in the combined financial statements of the PCB Business.*

**Overview**

Meadville is one of the leading PCB manufacturers in the PRC by revenue, with a focus on producing high-end products. For the year ended December 31, 2008, Meadville was the third largest PCB manufacturer in the PRC by revenue derived from production in the PRC. Meadville's products include double-sided and multi-layer PCBs, HDI PCBs, rigid-flex PCBs, IC substrates, circuit design, and quick turnaround, or QTA, value-added services. In addition to having the ability to mass produce a wide range of PCB products, Meadville is able to provide a one-stop shop service to its customers, from PCB layout design to small volume quick-turn production of PCBs, including prototypes, to large volume mass production of PCBs. Each of Meadville's PCB production plants has been certified under international quality assurance standards, which assists in ensuring that its products and production processes are of a high quality.

Meadville's main PCB customers are multinational and PRC OEMs, EMS providers, and PCB traders, many of which are based in the PRC, Japan, South Korea, Southeast Asia, North America, and Europe. These PCB customers use Meadville's products for a variety of industry applications, including in communications equipment, cellular phones, high-end computers and computer peripheral and consumer electronics, automotive components, and medical and industrial equipment. Meadville sells its products directly to some OEMs and indirectly to other OEMs through EMS providers. When selling PCB products indirectly to OEMs through EMS providers, Meadville primarily negotiates prices and receives specifications for products from OEMs, which develop and sell various end-products. However, in these situations, Meadville receives orders for its PCB products and payments from the EMS providers, which are mandated by the OEMs to manufacture such end-products and which are directed by the OEMs to purchase PCB products for assembly into the OEM's components or end-products from Meadville.

**Factors Affecting the Results of Operations of the PCB Business**

The results of operations and financial condition of the PCB Business have been and will continue to be affected by a number of factors. Set out below are some of the more significant factors that have affected the results of operations of the PCB Business in the past, as well as factors that are currently expected to affect results of operations in the foreseeable future. Other factors, beyond those identified below, may materially affect the future results of operations of the PCB Business. See the subsection entitled *Quantitative and Qualitative Disclosures About Market Risk* in this section and the section entitled *Risk Factors* in this proxy statement/prospectus.

***Cyclical nature of the industries in which the customers of the PCB Business operate***

The results of operations of the PCB Business have been and will continue to be highly dependent on its direct and indirect OEM customers, who operate in the highly volatile communications equipment, computer and computer peripherals, cellular phone, and high-end consumer electronics industries. These industries are characterized by rapidly changing customer demand patterns and strong industry-wide competition for market share resulting in aggressive pricing practices and declining margins for older technology products. The results of operations of the PCB Business depend on continued demand for its PCB products and therefore such results are highly dependent on the performance of industries that the PCB Business services. In the past, the migration of PCB manufacturing to the PRC has helped to reduce the impact of downturns in its customers' industries. However, there is no assurance that this trend will continue and future downturns in the industries that the PCB Business services



## **Table of Contents**

could have a significant impact on the selling prices of the products of the PCB Business and on the combined company's results of operations.

### ***Rapid technological change in the markets for the products of the PCB Business***

The market for the products of the PCB Business is characterized by rapidly changing technology and continuing process development. The success of the business of the PCB Business depends in large part upon their ability to maintain and enhance their technological capabilities in order to be able to respond quickly and efficiently to its customers' changing product requirements. The PCB Business must also be able to develop and market products and services that meet changing customer needs, and successfully anticipate or respond to product and technological trends on a cost-effective and timely basis. The ability of the PCB Business to effectively respond to the technological changes or trends from changing market requirements will affect the PCB Business' results of operations from period to period.

### ***Maximizing capacity utilization rates at all of the manufacturing plants of the PCB Business***

The success of the PCB Business depends in part on their ability to maximize the capacity utilization rates of each of their manufacturing plants. Given the high fixed costs of their operations, decreases in capacity utilization rates can have a significant effect on the business. Accordingly, the ability to maintain or enhance gross margins will continue to depend, in part, on maintaining satisfactory capacity utilization rates. The PCB Business attempt to maintain high capacity utilization rates by maintaining good relationships with their customer base, closely monitoring their customers' upcoming product demand levels and cycles, keeping a diversified customer base, and properly managing their raw material supply. However, acceptable capacity utilization rates also depend on the volume of orders that the PCB Business receives, its ability to offer products that meet customers' requirements at competitive prices, and the reliability of their machinery.

### ***Cost of capital expenditure requirements and ability to obtain financing***

Because the PCB Business is capital intensive, its ability to increase revenue, operating profit, and cash flow depends upon continued capital spending. The actual capital expenditures of the PCB Business may vary significantly from these planned amounts due to various factors, including, among others, delays in obtaining regulatory approvals, construction delays, or delays in obtaining purchased equipment due to long lead times from suppliers. The PCB Business' ability to obtain external financing in the future is subject to a variety of uncertainties, including the following:

their future results of operations, financial condition and cash flows;

the condition of the global economy generally and the markets for their products, specifically; and

the cost of financing and the condition of financial markets.

Currently the majority of the borrowings of the PCB Business are subject to floating interest rates and therefore its interest expense can vary from period to period, which affects the PCB Business' results of operations. The results of operations of the PCB Business will be affected if interest rates increase or if the PCB Business are forced to pay higher than expected rates for new capital. For a discussion of risks related to interest rates, see the section entitled Quantitative and Qualitative Disclosure about Market Risk.

### ***Raw material cost***

The operating profit of the PCB Business is significantly affected by the cost of the raw materials of the products it produces, certain of which cannot be passed on to customers. The significant raw materials used by the PCB Business include laminate, prepreg, copper foil, glass fabrics, epoxy resins, and precious metals such as silver and gold, all of which have been historically, and will be in the future, subject to price volatility and fluctuations in supply and demand.

**Table of Contents****Critical Accounting Policies**

Meadville continually evaluates its estimates and judgments, which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. With respect to the PCB Business, Meadville makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

***Property, plant, and equipment***

Meadville determines the estimated useful lives and related depreciation charges for the property, plant, and equipment of the PCB Business based on the historical experience of the actual useful lives of property, plant, and equipment of similar nature and functions. These estimates could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Meadville's policy is to increase the depreciation charge when useful lives are less than previously estimated lives, or to write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the PCB Business and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the combined income statement during the financial period in which they are incurred.

Depreciation of property, plant, and equipment is calculated, using the straight line method, to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives are summarized as follows:

Buildings	22 to 25 years
Leasehold improvements	22 to 25 years
Furniture and equipment	5 to 6 years
Plant, machinery and equipment	10 to 12 years
Motor vehicles	5 to 6 years

The residual values and useful lives of the assets of the PCB Business are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress represents buildings or leasehold improvements on which construction work has not been completed and plants, machinery, and equipment pending installation. It is carried at cost, which includes construction expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant, and equipment at cost less accumulated impairment losses. No depreciation is provided for construction in progress until it is completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are charged to the combined income statement.

*Foreign currency translation*

*Functional and presentation currency*

The combined financial information of the PCB Business is presented in Hong Kong Dollars. The functional currency of the PCB Business is Hong Kong Dollars.

## **Table of Contents**

### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates at the end of each reporting period of monetary assets and liabilities denominated in foreign currencies are recognized in the combined income statement, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the combined income statement within interest income or finance cost. All other foreign exchange gains and losses are presented in the combined income statement within other income.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

### ***Group companies***

The operating results and financial position of all of the PCB Subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;

income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

all resulting exchange differences are recognized as a separate component of equity.

On combination, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to owners' equity. When a foreign operation is partially disposed of or sold, such exchange differences are recognized in the combined income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### ***Trade and other receivables***

The identification of impairment of trade and other receivables requires the use of judgment and estimates. Meadville makes provisions for impairment of trade and other receivables based on its assessment of the recoverability of these receivables. Provisions are applied to trade and other receivables where events or changes in circumstances indicate

that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables, and provision for impairment losses is made in the period in which such estimate has changed.

The trade and other receivables of the PCB Business are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the PCB Business will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at

## **Table of Contents**

the effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the combined income statement within selling and distribution expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against selling and distribution expenses in the combined income statement.

### ***Revenue recognition***

The revenue of the PCB Business mainly comprises revenue generated from: (a) sales of PCBs, and (b) the provision of value added services. Meadville recognizes revenue from PCBs when it delivers products to the customer, the customer has accepted the products, and collectability of related receivables is reasonably assured. Meadville recognizes income from its value added services upon provision of the service or delivery of the related product.

### ***Deferred income tax***

Deferred income tax is recognized in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, if the deferred taxation arises from initial recognition of an asset or liability in a transaction other than a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss, a deferred income tax item is not recognized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

At the end of each reporting period, Meadville recognizes deferred income tax assets to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided for on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Meadville and it is probable that the temporary difference will not reverse in the foreseeable future.

### ***Inventories***

Inventories are stated at the lower of cost and net realizable value. Cost, calculated on the weighted average basis, comprises materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. In determining whether the cost of inventories is recoverable, significant judgment is required. The cost of inventories is written down to net realizable value when, based on its judgment, there is objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if such inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sale have increased. The amount written off to the combined income statement is the difference between the carrying value and net realizable value of the inventories.

### ***Present value of financial liabilities***

Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The accretion of the discount on the financial liability should be recognized as finance costs in the combined income statement. Adjustments to the liability for the contingent consideration other than accretion of discount are recognized against goodwill, including revision of cash flow estimates.

Meadville's management determines the estimated redemption value of the financial liabilities by using a predetermined formula based on the put option agreement described in Note 26 to the audited combined financial statements of the PCB Business. This formula requires the use of estimates and assumptions which are described in that note. Any changes in these assumptions will impact the present value determined and the amount recorded in the combined statement of financial position.



**Table of Contents*****Allocation of corporate expenses and income***

Meadville's management specifically determines the allocation of certain general corporate expenses and interest income. For those expenses and income for which a specific identification method is not practicable, the expenses and income are allocated based on the estimates that management considered as a reasonable reflection of the utilization of service provided to, or benefits received by, the PCB Business.

Corporate expenses allocated to the PCB Business mainly represented share award expenses. For shares that are granted to the employees of the PCB Business, the related expenses are recorded based on the actual expenses of those employees. For shares which are granted to corporate level management, share award expenses are allocated based on the revenue of the PCB Business compared to the revenue of Meadville's consolidated group. The allocation basis requires the use of judgment and estimates. Meadville's management has performed sensitivity analysis by applying different allocation basis (i.e., based on operating profit of the PCB Business to the operating profit of Meadville's consolidated group) and there is no significant impact on the combined income statement of the PCB Business from such different allocation basis.

**Description of Selected Profit and Loss Account Items*****Revenue***

The PCB Business generates revenue from sales of PCBs including circuit design, QTA services, and provision of high-precision drilling and routing services to other PCB manufacturers.

The following chart sets forth the unaudited breakdown of Meadville's PCB sales by end application for the periods indicated:

	<b>Year Ended</b>		<b>Nine Months Ended</b>		
	<b>December 31,</b>		<b>September 30,</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>
	<b>(In millions of HK\$)</b>				
	<b>(Unaudited)</b>				
<b>(HKFRS)</b>					
PCB Revenue by application					
Sales and Other Operating Revenues					
Automotive	\$ 34	\$ 35	\$ 53	\$ 47	\$ 41
Cellular phone	528	1,012	1,256	968	780
Communication	842	1,268	1,725	1,286	1,345
Computer	549	643	1,015	803	745
Consumer	458	568	496	319	236
Industrial and medical	168	188	224	169	123
Other	260	395	443	338	235

**Table of Contents**

The following chart sets forth the unaudited breakdown of Meadville's PCB sales by geographic locations for the periods indicated:

	Year Ended December 31,			Nine Months Ended September 30,	
2006	2007	2008	2008	2009	

(In millions of HK\$)  
(Unaudited)

**(HKFRS)****PCB Revenue by geographical locations (the final destination to where the final products are delivered)**

## Sales and Other Operating Revenues

Mainland China	\$ 1,752	\$ 2,748	\$ 3,342	\$ 2,476	\$ 2,509
Europe	224	308	468	376	285
Hong Kong	92	320	325	263	157
North Asia	448	278	270	213	118
Southeast Asia	140	231	405	282	282
North America	183	224	402	320	154

**Cost of sales**

The cost of sales of the PCB Business consists primarily of cost of materials, direct labor costs, and production overhead.

Cost of materials used in the production of PCBs consists mainly of the costs of prepreg and laminate purchased from suppliers.

Direct labor costs consist primarily of salaries, bonuses, and benefits paid to the employees of the PCB Business directly attributable to the manufacturing of products.

Production overhead consists primarily of depreciation and amortization expenses, salaries, bonus, and benefits paid to foremen, technicians, engineers, and supervisors, utilities costs, operating supplies, consumables, subcontracting charges, and repair and maintenance expenses.

Depreciation and amortization expenses relating to buildings, leasehold land and land use rights, leasehold improvements, plant and machinery, furniture, and equipment and motor vehicles constituted one of the major components of production overhead.

**Other income**

Other income includes income recorded from:

sales of scrap such as copper foil, plated scrap boards, gold solution, and other unusable raw materials;

investment tax credits; and

tooling charges related to PCB engineering and testing services and the production of PCB moulds.

***Selling and distribution expenses***

Selling and distribution expenses consist primarily of indirect labor costs, including salaries, bonuses, and benefits paid to sales and marketing personnel; freight charges; sales commissions; provisions for bad debts and bad debts written off; and others, including travel expenses and surcharges on sales returns.

***General and administrative expenses***

General and administrative expenses consist primarily of salaries, allowances, bonuses, and welfare benefits paid to administrative staff, as well as operating expenses, depreciation and amortization expenses, personnel

## **Table of Contents**

expenses, utilities costs, and others, including loss on disposal of plant and equipment and foreign exchange difference.

### ***Share award expenses***

Share award expenses consist primarily of non-cash share award compensation awarded to directors and employees.

### ***Interest income***

Interest income includes income from interest received on loans to related companies and from bank deposits.

### ***Finance costs***

Finance costs consist primarily of interest on bank borrowings and accretion charges on the financial liabilities.

### ***Income tax expense***

Taxation has been provided for at the appropriate tax rates prevailing in the countries in which the PCB Business operates. Hong Kong profits tax has been provided at the rate of 17.5%, 17.5%, 16.5%, 16.5%, and 16.5% on the estimated assessable profit for the years ended December 31, 2006, 2007, and 2008 and for the nine months ended September 30, 2008 and September 30, 2009, respectively. The rate applicable for the income tax of the PCB Business in the PRC for the years ended December 31, 2006 and 2007 is 33%, and for the year ended December 31, 2008 and nine months ended September 30, 2008 and September 30, 2009 is 25%.

Several of Meadville's PCB plants, established as wholly-owned foreign enterprises, enjoy certain exemptions or reductions from PRC tax. Meadville's GME and SMST plants are exempted from PRC national enterprise income tax for the years 2008 and 2009, and will be entitled to 50% reductions in PRC income tax for the years 2010, 2011, and 2012, and are assessed PRC income tax at the reduced rate of 12.5%. Meadville's SKE plant is also entitled to 50% reductions in PRC income tax for the years 2008 and 2009. Meadville's DMC plant, established as a jointly-owned foreign enterprise, is entitled to 50% reductions in PRC income tax for the years 2008, 2009, and 2010.

Meadville's MAS plant is also subject to 50% reductions in PRC income tax for the years 2008 and 2009, and as a High and New Technology Enterprise, or HNTE (approved in December 2008), it is entitled to an income tax rate of 15% in the year 2010.

Meadville's SME plant enjoyed a reduced PRC income tax rate of 12.5% for the year 2008, and as an HNTE (approved in December 2008), it is entitled to an income tax rate of 15% in years 2009 and 2010.

Meadville's SYE plant was approved as a HNTE in December 2008, and accordingly, it is entitled to a relief of income tax in the PRC, at an effective rate of 15% for years 2008 to 2010.

## **Review of Operating Results of the PCB Business**

### ***Nine months ended September 30, 2009 compared to nine months ended September 30, 2008***

#### ***Revenue***

The revenue of the PCB Business declined by 10.8% to HK\$3,505.4 million (US\$452.2 million) in the nine months ended September 30, 2009 from HK\$3,930.2 million (US\$504.1 million) in the nine months ended September 30,

2008. The decrease in revenue was primarily due to a decrease in global demand for PCB products as a result of global economic conditions, leading to lower export sales outside of the PRC. The decrease was partially offset by higher local sales in the PRC, which were driven by increased domestic spending as a result of the PRC government's stimulus package.

*Cost of sales*

Cost of sales decreased by 9.9% to HK\$2,844.5 million (US\$366.9 million) in the nine months ended September 30, 2009 from HK\$3,156.8 million (US\$404.9 million) in the nine months ended September 30, 2008.

## **Table of Contents**

This decrease in cost of sales was primarily due to the decrease in revenue. Cost of sales as a percentage of revenue was relatively stable at 81.1% in the nine-months ended September 30, 2009 compared with 80.3% for the nine months ended September 30, 2008.

Direct material costs decreased by 14.0% to HK\$1,623.0 million (US\$209.4 million) in the nine months ended September 30, 2009 from HK\$1,887.0 million (US\$242.0 million) in the nine months ended September 30, 2008 primarily due to a decrease in production volume and reductions in raw material and commodity prices.

Direct labor costs decreased by 2.5% to HK\$209.0 million (US\$27.0 million) in the nine months ended September 30, 2009 from HK\$214.3 million (US\$27.5 million) in the nine months ended September 30, 2008, primarily due to the temporary shut down of the GME plant in Guangzhou and the MAS plant in Suzhou during the first quarter of 2009.

Production overhead decreased by 4.1% to HK\$1,012.5 million (US\$130.5 million) in the nine months ended September 30, 2009 from HK\$1,055.5 million (US\$135.4 million) in the nine months ended September 30, 2008, primarily due to a decrease in production volume. However, the production overhead costs as a percentage of revenue increased to 28.9% in the nine months ended September 30, 2009 from 26.9% in the nine months ended September 30, 2008, due to certain overhead expenses that were fixed and did not decrease in connection with the decrease in production volume, such as indirect labor costs and depreciation.

### *Gross profit*

Gross profit decreased by 14.5% to HK\$660.9 million (US\$85.3 million) in the nine months ended September 30, 2009 from HK\$773.4 million (US\$99.2 million) in the nine months ended September 30, 2008. Gross margin on revenue decreased to 18.9% for the nine months ended September 30, 2009 from 19.7% for the nine months ended September 30, 2008. The decrease was driven by lower PCB prices due to a decrease in demand for PCB products, and the relatively higher depreciation of the assets of the PCB Business, the effect of which was partially offset by reductions in raw material, energy, and commodity prices during the period. Meadville has also taken various actions with respect to the PCB Business since the fourth quarter of 2008, such as salary reduction and wage freezes for high-cost regions, temporary closure of GME and MAS, and freezing capacity-related capital expenditures.

### *Other income*

Other income decreased by 26.8% to HK\$91.7 million (US\$11.8 million) in the nine months ended September 30, 2009 from HK\$125.2 million (US\$16.1 million) in the nine months ended September 30, 2008. This decrease was primarily due to lower sales of scrap, which were attributable to lower PCB production volume and a decrease in copper and gold scrap resale unit prices in 2009.

### *Selling and distribution expenses*

Selling and distribution expenses decreased by 8.3% to HK\$164.2 million (US\$21.2 million) in the nine months ended September 30, 2009 from HK\$179.1 million (US\$23.0 million) in the nine months ended September 30, 2008. This decrease was primarily due to a decrease in freight charges as a result of the decrease in sales volume. Selling and distribution expenses as a percentage of revenue were relatively stable at 4.7% for the nine months ended September 30, 2009, from 4.6% for the nine months ended September 30, 2008.

### *General and administrative expenses*

General and administrative expenses increased by 96.9% to HK\$276.3 million (US\$35.6 million) in the nine months ended September 30, 2009 from HK\$140.3 million (US\$18.0 million) in the nine months ended September 30, 2008.

This increase was primarily due to a significant decline in functional foreign exchange gain. For the nine months ended September 30, 2008, the PCB Business recorded a functional foreign exchange gain of approximately HK\$154.1 million (US\$19.8 million) as a result of RMB appreciation, but there was no such gain recorded in the corresponding period of 2009 as a result of a comparatively stable RMB currency during 2009.

**Table of Contents**

*Share award expenses*

Share award expenses increased by 17.9% to HK\$9.9 million (US\$1.3 million) in the nine months ended September 30, 2009 from HK\$8.4 million (US\$1.1 million) in the nine months ended September 30, 2008. This increase was primarily due to higher numbers of employee resignations during the nine months ended September 30, 2008, resulting in more return of share awards and reducing the share award expenses subsequent to that period.

*Operating profit*

As a result of the foregoing, operating profit decreased by 47.1% to HK\$302.2 million (US\$39.0 million) in the nine months ended September 30, 2009 from HK\$570.8 million (US\$73.2 million) in the nine months ended September 30, 2008.

*Interest income*

Interest income decreased by 60.0% to HK\$5.2 million (US\$0.7 million) in the nine months ended September 30, 2009 from HK\$13.0 million (US\$1.7 million) in the nine months ended September 30, 2008. This decrease was primarily due to lower bank interest rates in the nine months ended September 30, 2009.

*Finance costs*

Finance costs decreased by 32.5% to HK\$63.8 million (US\$8.2 million) in the nine months ended September 30, 2009 from HK\$94.5 million (US\$12.1 million) in the nine months ended September 30, 2008. This decrease was primarily due to lower bank interest rates, lower accretion charges on the financial liabilities as a result of reduction in fair value of financial liabilities, and lower weighted average cost of capital, which reduced finance costs in the nine months ended September 30, 2009.

*Income tax expense*

Income tax expense decreased by 41.5% to HK\$45.0 million (US\$5.8 million) in the nine months ended September 30, 2009 from HK\$76.9 million (US\$9.9 million) in the nine months ended September 30, 2008, primarily due to the decrease in profit before tax. Income tax expense as a percentage of profit before income tax expenses increased to 18.5% in the nine months ended September 30, 2009 from 15.7% in the nine months ended September 30, 2008, primarily due to operations being more concentrated in production plants which were subject to higher tax rates.

*Profit for the period*

As a result of the foregoing, profit for the period decreased by 51.8% to HK\$198.6 million (US\$25.6 million) in the nine months ended September 30, 2009 from HK\$412.4 million (US\$52.9 million) in the nine months ended September 30, 2008.

***Year ended December 31, 2008 compared to year ended December 31, 2007***

*Revenue*

The revenue of the PCB Business increased by 26.9% to HK\$5,212.4 million (US\$669.4 million) in the year ended December 31, 2008 from HK\$4,108.6 million (US\$526.6 million) for the year ended December 31, 2007. The increase in revenue was primarily due to (i) the growing demand for high technology PCBs due to continued



infrastructure spending in the PRC, (ii) the PRC government's policies, which provided incentives to encourage local and overseas investments focusing on the research, development, and production of high technology electronic products, which increased demand for high technology PCBs, and (iii) the continued outsourcing of high technology PCB production into China from the U.S., Europe and Japan, which contributed to the PCB Business increasing its blended average selling price to US\$27 per square foot of PCB in the year ended December 31, 2008, compared with a blended average selling price of US\$25 per square foot in the year ended December 31, 2007.

**Table of Contents***Cost of sales*

Cost of sales increased by 33.5% to HK\$4,205.0 million (US\$540.1 million) in the year ended December 31, 2008 from HK\$3,150.2 million (US\$403.8 million) in the year ended December 31, 2007. This increase in cost of sales was due primarily to an increase in production volume of PCBs, an increase in raw material costs and initial start-up costs of GME, the new PCB production plant in Guangzhou. Other factors contributing to the increase in cost of sales include RMB appreciation (which increased RMB costs in U.S. Dollar terms), as well as higher energy and labor costs resulting from a high level of inflation in the PRC during the first nine months of 2008.

Direct material costs increased by 28.7% to HK\$2,482.5 million (US\$318.8 million) in the year ended December 31, 2008 from HK\$1,928.9 million (US\$247.2 million) in the year ended December 31, 2007, primarily due to an increase in production volume, and an increase in raw material and commodity prices.

Direct labor costs increased by 36.0% to HK\$286.4 million (US\$36.8 million) in the year ended December 31, 2008 from HK\$210.6 million (US\$27.0 million) in the year ended December 31, 2007, primarily due to an increase in headcount as a result of the expansion of production capacity and an increase in the minimum wage rate in the PRC resulting from high inflation in the PRC.

Production overhead increased by 42.1% to HK\$1,436.2 million (US\$184.5 million) in the year ended December 31, 2008 from HK\$1,010.7 million (US\$129.6 million) in the year ended December 31, 2007, primarily due to the initial start-up costs (excluding redundancy costs) of GME, the new PCB plant in Guangzhou, as a result of its relatively low output, of which HK\$24.3 million (US\$3.1 million) was attributable to GME's cost of sales.

*Gross profit*

Gross profit increased by 5.1% to HK\$1,007.4 million (US\$129.3 million) in the year ended December 31, 2008 from HK\$958.4 million (US\$122.8 million) in the year ended December 31, 2007, primarily due to the increase in revenue and production volume. Gross margin on revenue decreased to 19.3% for the year ended December 31, 2008 from 23.3% for the year ended December 31, 2007, primarily due to the increase in cost of sales described above.

*Other income*

Other income decreased by 1.5% to HK\$158.8 million (US\$20.4 million) in the year ended December 31, 2008 from HK\$161.3 million (US\$20.7 million) in the year ended December 31, 2007. This decrease was primarily due to the change in tax incentive policies in the PRC. The PCB Business recorded approximately HK\$29.5 million (US\$3.8 million) in investment tax credits received as a result of re-investment of dividend income from subsidiaries in the PRC in the year ended December 31, 2007. The investment tax credit was not available in the year ended December 31, 2008.

*Selling and distribution expenses*

Selling and distribution expenses increased by 13.8% to HK\$227.4 million (US\$29.2 million) in the year ended December 31, 2008 from HK\$199.8 million (US\$25.6 million) in the year ended December 31, 2007. This increase was primarily due to the increase in freight charges from HK\$71.5 million (US\$9.2 million) in the year ended December 31, 2007 to HK\$95.4 million (US\$12.3 million) in the year ended December 31, 2008, as a result of the increase in production volume and revenue.

*General and administrative expenses*

General and administrative expenses increased by 29.3% to HK\$259.7 million (US\$33.4 million) in the year ended December 31, 2008 from HK\$200.9 million (US\$25.8 million) in the year ended December 31, 2007. This increase was primarily due to the start-up costs (excluding redundancy costs) incurred for the new plant in Guangzhou (GME), totaling approximately HK\$38.2 million (US\$4.9 million), compared with HK\$19.7 million (US\$2.5 million) for the year ended December 31, 2007, as well as various retrenchment costs of approximately HK\$11.2 million (US\$ 1.4 million) due to the change in global economic conditions. The higher cost was partially offset by the functional currency exchange gain of approximately HK\$152.0 million (US\$19.5 million) in the year ended December 31, 2008 as a result of the appreciation

**Table of Contents**

of RMB, compared with a gain of HK\$68.3 million (US\$8.8 million) for the year ended December 31, 2007. The functional exchange gain is a result of certain PCB Subsidiaries, whose functional currency are in RMB, having a significant amount of assets denominated in RMB, such as inventories, receivables, cash, and cash equivalents, with a significant amount of liabilities denominated in Hong Kong dollars, such as accounts payable. As the RMB appreciated significantly during 2008, an exchange gain was recorded after translation of these RMB denominated assets and Hong Kong dollar denominated liabilities.

*Share award expenses*

Share award expenses decreased by 95.3% to HK\$10.6 million (US\$1.4 million) in the year ended December 31, 2008 from HK\$226.1 million (US\$29.0 million) in the year ended December 31, 2007. This decrease was primarily due to the fact that a majority of the share awards were granted and vested in the year ended December 31, 2007. The non-cash share award expenses had no impact on the cash flow and net asset value of the PCB Business as the corresponding amounts were credited to the employee share-based compensation reserve account.

*Operating profit*

Operating profit increased by 35.6% to HK\$668.5 million (US\$85.9 million) in the year ended December 31, 2008 from HK\$492.9 million (US\$63.2 million) in the year ended December 31, 2007. This increase was primarily due to the decrease in share award expenses. Excluding share award expenses, the operating performance in the year ended December 31, 2008 was negatively impacted by the lower gross profit margin, the higher selling and distribution expenses, and the higher general and administrative expenses.

*Interest income*

Interest income decreased by 38.9% to HK\$17.4 million (US\$2.2 million) in the year ended December 31, 2008 from HK\$28.5 million (US\$3.7 million) in the year ended December 31, 2007. This decrease was primarily due to Meadville earning more bank interest income from the net proceeds from the initial public offering of Meadville's shares in February 2007, which was not applicable to 2008.

*Finance costs*

Finance costs increased by 24.1% to HK\$129.4 million (US\$16.6 million) in the year ended December 31, 2008 from HK\$104.3 million (US\$13.4 million) in the year ended December 31, 2007. This increase was primarily due to higher levels of bank borrowings and an increase in accretion charges on the financial liabilities to HK\$15.9 million (US\$2.0 million) in the year ended December 31, 2008, from none in the year ended December 31, 2007.

*Income tax expense*

Income tax expense increased by 13.6% to HK\$72.9 million (US\$9.4 million) in the year ended December 31, 2008 from HK\$64.2 million (US\$8.2 million) in the year ended December 31, 2007. Income tax expense as a percentage of profit before income tax and non-cash share award expenses increased to 12.9% in the year ended December 31, 2008 from 10.0% in the year ended December 31, 2007. This increase was primarily due to an overall increase in corporate income tax rates pursuant to the new Corporate Income Tax Law in the PRC, which became effective on January 1, 2008, and the expiration of certain tax incentives enjoyed by the DMC plant, the exemption which it had from PRC national enterprise income tax expired during the year ended December 31, 2008.

*Profit for the year*

As a result of the foregoing, profit for the year increased by 37.0% to HK\$483.6 million (US\$62.1 million) in the year ended December 31, 2008 from HK\$352.9 million (US\$45.2 million) in the year ended December 31, 2007.

**Table of Contents*****Year ended December 31, 2007 compared to year ended December 31, 2006****Revenue*

The revenue of the PCB Business increased by 44.7% to HK\$4,108.6 million (US\$526.6 million) in the year ended December 31, 2007 from HK\$2,838.8 million (US\$365.4 million) for the year ended December 31, 2006. The increase in revenue in 2007 was primarily due to (i) an increase in global demand for high-end PCBs with applications in telecommunication infrastructure, mobile handsets, and other related end products, and the growth in revenue from high value-added business from multinational original equipment manufacturers, and (ii) China's continuous infrastructure spending in preparation for the 2008 Olympic Games in Beijing, together with the growing Chinese economy, giving rise to increased demand in both infrastructure and high technology end products in the telecommunications sector. Percentage of total revenue generated from sales to the telecommunication sector increased to 50.8% in the year ended December 31, 2007 from 43.6% in the year ended December 31, 2006. The average layer count and blended average sale price also increased to 7.5 layers and US\$25 per square foot in the year ended December 31, 2007, from 7.3 layers and US\$23 per square foot in the year ended December 31, 2006.

*Cost of sales*

Cost of sales increased by 39.3% to HK\$3,150.2 million (US\$403.8 million) in the year ended December 31, 2007 from HK\$2,261.4 million (US\$291.1 million) in the year ended December 31, 2006. This increase in cost of sales was due primarily to the increase in sales volume and revenue. Cost of sales as a percentage of revenue decreased to 76.7% in the year ended December 31, 2007 from 79.7% in the year ended December 31, 2006, primarily due to an increased proportion of sales of higher layer count PCBs, which generated higher margins.

Direct material costs increased by 47.1% to HK\$1,928.9 million (US\$247.2 million) in the year ended December 31, 2007 from HK\$1,311.4 million (US\$168.8 million) in the year ended December 31, 2006, primarily due to an increase in production volume.

Direct labor costs increased by 38.6% to HK\$210.6 million (US\$27.0 million) in the year ended December 31, 2007 from HK\$152.0 million (US\$19.6 million) in the year ended December 31, 2006, primarily due to an increase in headcount as a result of production capacity expansion.

Production overhead increased by 26.7% to HK\$1,010.7 million (US\$129.6 million) in the year ended December 31, 2007 from HK\$798.0 million (US\$102.7 million) in the year ended December 31, 2006, primarily due to an overall increase in indirect labor, depreciation and amortization expenses, utilities, operating expenses, and repair and maintenance expenses, in each case as a result of increases in production volume and production capacity expansion. Production overhead as a percentage of revenue decreased to 24.6% in the year ended December 31, 2007 from 28.1% in the year ended December 31, 2006, primarily due to higher capacity utilization and better economies of scale as a result of higher concentration in high-end PCB products.

*Gross profit*

Gross profit increased by 66.0% to HK\$958.4 million (US\$122.8 million) in the year ended December 31, 2007 from HK\$577.4 million (US\$74.3 million) in the year ended December 31, 2006. Gross margin on revenue increased to 23.3% for the year ended December 31, 2007 from 20.3% for the year ended December 31, 2006. The increase was driven by an increased proportion of sales of higher layer, higher margin products and the effect of improving cost efficiency resulting from increased production capacity. In addition, revenue generated from RMB sales was sufficient for the PCB Business to pay a majority of the cost of sales, which helped hedge the PCB Business from increased cost of sales due to RMB appreciation.

*Other income*

Other income increased by 85.0% to HK\$161.3 million (US\$20.7 million) in the year ended December 31, 2007 from HK\$87.2 million (US\$11.2 million) in the year ended December 31, 2006. This increase was primarily due to higher scrap sales of HK\$120.0 million (US\$15.4 million) in the year ended December 31, 2007, compared with HK\$61.8 million (US\$8.0 million) for the year ended December 31, 2006, as a result of higher PCB production volume and increased copper and gold scrap resale unit prices.

**Table of Contents**

*Selling and distribution expenses*

Selling and distribution expenses increased by 68.0% to HK\$199.8 million (US\$25.6 million) in the year ended December 31, 2007 from HK\$118.9 million (US\$15.3 million) in the year ended December 31, 2006. This increase was primarily due to higher market development expenses and freight and shipping costs, plus higher assembly costs associated with the sales of high-end PCBs.

*General and administrative expenses*

General and administrative expenses increased by 55.1% to HK\$200.9 million (US\$25.8 million) in the year ended December 31, 2007 from HK\$129.5 million (US\$16.7 million) in the year ended December 31, 2006. This increase was primarily due to pre-operating expenses of the two new plants in Guangzhou amounting to HK\$19.7 million (US\$2.5 million) in 2007.

*Share award expenses*

Meadville had share award expenses of HK\$226.1 million (US\$29.0 million) in the year ended December 31, 2007, arising from share awards granted to employees upon the successful listing of Meadville in February 2007. The share award expenses were based on the offer price of HK\$2.25 per share. These share award expenses had no impact on the cash flow of the PCB Business and net assets value, as corresponding amounts were credited to the reserve account of the PCB Business. No such share award expenses were incurred in the year ended December 31, 2006.

*Operating profit*

Operating profit increased by 18.4% to HK\$492.9 million (US\$63.2 million) in the year ended December 31, 2007 from HK\$416.2 million (US\$53.6 million) in the year ended December 31, 2006. The increase in operating profit was primarily due to an increased proportion of sales of higher layer, higher margin products and the effect of improving cost efficiency resulting from increased production capacity.

*Interest income*

Interest income increased by 383.1% to HK\$28.5 million (US\$3.7 million) in the year ended December 31, 2007 from HK\$5.9 million (US\$0.8 million) in the year ended December 31, 2006. This increase was primarily due to interest earned from the net proceeds of Meadville's initial public offering that Meadville received in February 2007.

*Finance costs*

Finance costs increased by 33.7% to HK\$104.3 million (US\$13.4 million) in the year ended December 31, 2007 from HK\$78.0 million (US\$10.0 million) in the year ended December 31, 2006. This increase was primarily due to higher bank borrowings incurred to finance the purchase of property, plant and equipment for ongoing expansion and upgrading of the production plants, and the acquisition of an 80% interest in Meadville Aspocomp (BVI) Holdings Limited and certain equipment from Aspocomp Group OYJ on November 30, 2007, for a cost of approximately HK\$707.6 million (US\$90.7 million).

*Income tax expense*

Income tax expense increased by 54.3% to HK\$64.2 million (US\$8.2 million) in the year ended December 31, 2007 from HK\$41.6 million (US\$5.3 million) in the year ended December 31, 2006, primarily due to higher profits generated. Income tax expense as a percentage of profit before income tax and non-cash share award expenses



decreased to 10.0% in the year ended December 31, 2007 from 12.1% in the year ended December 31, 2006, due to a higher percentage of profits contributed by our DMC and SYE plants, which were entitled to exemptions from or reductions in PRC national enterprise income tax.



Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

Net cash inflow from operating activities	\$ 339,389	\$ 1,102,251	\$ 1,391,372	\$ 713,537	\$ 307,046
Net cash outflow from investing activities	(665,482)	(1,930,754)	(1,344,974)	(1,054,617)	(264,174)
Net cash inflow from financing activities	298,550	1,138,308	332,008	310,187	31,825
Net (decrease)/increase in cash and cash equivalents	\$ (27,543)	\$ 309,805	\$ 378,406	\$ (30,893)	\$ 74,697

**Table of Contents***Net cash generated from operating activities*

Net cash flow generated from operating activities consists of operating profit before working capital changes and changes in working capital. In the nine months ended September 30, 2009, net cash generated from operating activities was HK\$307.0 million (US\$39.6 million). Net cash inflow from operating activities in the nine months ended September 30, 2009 was primarily due to a profit before income tax of HK\$243.7 million (US\$31.4 million) and adjustments for non-cash and non-operating items, including primarily depreciation costs of HK\$364.0 million (US\$47.0 million) and finance costs of HK\$63.8 million (US\$8.2 million). As a consequence, a cash inflow from operating activities before working capital changes of HK\$670.6 million (US\$86.5 million) was recorded.

In the nine months ended September 30, 2009, a net cash outflow from changes in working capital of HK\$254.2 million (US\$32.8 million) was recorded. This resulted primarily from a decrease in creditors and accruals of HK\$328.0 million (US\$42.3 million), a decrease in long-term other payables of HK\$49.6 million (US\$6.4 million), and amounts due to an immediate holding company of HK\$54.9 million (US\$7.1 million). The foregoing were partially offset by a decrease in debtors and prepayments of HK\$79.9 million (US\$10.3 million) and amounts due from fellow subsidiaries of HK\$112.4 million (US\$14.5 million). The net cash generated from operating activities was also reduced by a net interest payment of HK\$61.3 million (US\$7.9 million) and HK\$48.0 million (US\$6.2 million) of taxes paid.

In 2008, net cash generated from operating activities was HK\$1,391.4 million (US\$178.7 million). Net cash generated from operating activities in the year 2008 was primarily due to profit before income tax of HK\$556.5 million (US\$71.5 million) and adjustments for non-cash and non-operating items, including primarily depreciation costs of HK\$420.9 million (US\$54.1 million) and finance costs of HK\$129.4 million (US\$16.6 million), partially offset by net exchange differences of HK\$138.5 million (US\$17.8 million). As a consequence, cash inflow from operating activities before working capital changes of HK\$993.5 million (US\$127.6 million) was recorded.

In 2008, a net cash inflow from changes in working capital of HK\$581.8 million (US\$74.7 million) was recorded. This resulted primarily due to a decrease in debtors and prepayments of HK\$317.2 million (US\$40.7 million), an increase in creditors and accruals of HK\$117.7 million (US\$15.1 million) and amounts due to an immediate holding company of HK\$354.0 million (US\$45.5 million). The foregoing were partially offset by amounts due to fellow subsidiaries of HK\$157.3 million (US\$20.2 million) and amounts due to minority shareholders of HK\$25.4 million (US\$3.3 million). The net cash generated from operating activities was also reduced by a net interest payment of HK\$70.7 million (US\$9.1 million) and HK\$113.3 million (US\$14.6 million) of taxes paid.

In 2007, net cash generated from operating activities was HK\$1,102.3 million (US\$141.3 million). Net cash generated from operating activities in the year 2007 was primarily due to profit before income tax of HK\$417.1 million (US\$53.5 million) and adjustments for non-cash and non-operating items, including primarily depreciation costs of HK\$278.7 million (US\$35.7 million), finance costs of HK\$104.3 million (US\$13.4 million), and share award expenses of HK\$226.1 million (US\$29.0 million), partially offset by net exchange differences of HK\$48.3 million (US\$6.2 million). As a consequence, a cash inflow from operating activities before working capital changes of HK\$966.1 million (US\$123.8 million) was recorded.

In 2007, a net cash inflow from changes in working capital of HK\$287.1 million (US\$36.8 million) was recorded. This resulted primarily from an increase in creditors and accruals of HK\$387.7 million (US\$49.7 million), an increase in long-term other payables of HK\$115.7 million (US\$14.8 million), and an amount due to an immediate holding company of HK\$290.0 million (US\$37.2 million). The foregoing were partially offset by an increase in inventories of HK\$104.1 million (US\$13.3 million) and an increase in debtors and prepayments of HK\$149.8 million (US\$19.2 million). The net cash generated from operating activities was also reduced by net interest payments of HK\$75.8 million (US\$9.7 million) and HK\$75.1 million (US\$9.6 million) of taxes paid.

In 2006, net cash generated from operating activities was HK\$339.4 million (US\$43.7 million). Net cash generated from operating activities in the year 2006 was primarily due to profit before income tax of HK\$344.1 million (US\$44.3 million) and adjustment for non-cash and non-operating items, including primarily depreciation costs of HK\$200.3 million (US\$25.8 million) and finance costs of HK\$78.0 million (US\$10.0 million). As a consequence, a cash inflow from operating activities before working capital changes of HK\$609.9 million (US\$78.5 million) was recorded.

**Table of Contents**

In 2006, a net cash outflow from changes in working capital of HK\$159.3 million (US\$20.5 million) was recorded. This resulted primarily from an increase in inventories of HK\$56.7 million (US\$7.3 million) and an increase in debtors and prepayments of HK\$235.3 million (US\$30.3 million). The foregoing were partially offset by an increase in creditors and accruals of HK\$202.2 million (US\$26.0 million). The net cash generated from operating activities was also reduced by net interest payments of HK\$72.1 million (US\$9.3 million) and HK\$39.0 million (US\$5.0 million) of taxes paid.

*Net cash used in investing activities*

Meadville's principal investment activities are purchases of property, plant, and equipment, and purchases of leasehold land and land use rights. In 2006, 2007, and 2008 and for the nine months ended September 30, 2009, Meadville experienced net cash outflows as a result of its investing activities.

In the nine months ended September 30, 2009, net cash used in investing activities was HK\$264.2 million (US\$34.1 million). Net cash used in investing activities in the nine months ended September 30, 2009 was primarily due to the purchase of HK\$269.0 million (US\$34.7 million) of property, plant, and equipment for Meadville's PCB plants.

In 2008, net cash used in investing activities was HK\$1,345.0 million (US\$172.7 million). Net cash used in investing activities in the year 2008 was primarily due to the purchase of HK\$1,347.6 million (US\$173.1 million) of property, plant, and equipment for Meadville's PCB plants.

In 2007, net cash used in investing activities was HK\$1,930.8 million (US\$247.5 million). Net cash used in investing activities in the year 2007 was primarily due to the purchase of HK\$1,218.3 million (US\$156.2 million) of property, plant, and equipment for Meadville's PCB plants and the use of HK\$694.7 million (US\$89.0 million) to acquire a subsidiary, net of bank balances and cash acquired, in connection with the acquisition of 80% of the share capital of Meadville Aspocomp (BVI) Holdings Limited from Aspocomp Group OYJ.

In 2006, net cash used in investing activities was HK\$665.5 million (US\$85.7 million). Net cash used in investing activities in the year 2006 was primarily due to the purchase of HK\$643.3 million (US\$82.8 million) of property, plant, and equipment for Meadville's PCB plants.

*Net cash generated from financing activities*

Historically, cash generated from financing activities is derived from long- and short-term bank loans and bank overdrafts.

In the nine months ended September 30, 2009, net cash generated from financing activities was HK\$31.8 million (US\$4.1 million). Net cash generated from financing activities in the nine months ended September 30, 2009 was primarily due to new borrowings of HK\$1,086.1 million (US\$140.1 million), capital contribution by a minority shareholder of HK\$88.3 million (US\$11.4 million), and repayment of loan to a fellow subsidiary of HK\$31.0 million (US\$4.0 million). The foregoing were partially offset by repayment of borrowings of HK\$1,082.3 million (US\$139.6 million) and dividends of HK\$91.4 million (US\$11.8 million) paid to a minority shareholder.

In 2008, net cash generated from financing activities was HK\$332.0 million (US\$42.6 million). Net cash generated from financing activities in the year 2008 was primarily due to new borrowings of HK\$3,355.8 million (US\$431.0 million), partially offset by repayment of borrowings of HK\$2,382.6 million (US\$306.0 million) and dividends of HK\$600.1 million (US\$77.1 million) paid to shareholders.

In 2007, net cash generated from financing activities was HK\$1,138.3 million (US\$145.9 million). Net cash generated from financing activities in the year 2007 was primarily due to new borrowings of HK\$3,030.0 million (US\$388.4 million), a capital contribution from an immediate holding company of HK\$826.6 million (US\$105.9 million), and a capital contribution by a minority shareholder of HK\$114.3 million (US\$14.7 million). The foregoing were partially offset by repayment of borrowings of HK\$2,031.0 million (US\$260.3 million), dividends of HK\$290.0 million (US\$37.2 million) paid to shareholders, and a distribution of HK\$410.0 million (US\$52.6 million) to a shareholder.

**Table of Contents**

In 2006, net cash generated from financing activities was HK\$298.6 million (US\$38.4 million). Net cash generated from financing activities in the year 2006 was primarily due to new borrowings of HK\$1,743.7 million (US\$224.5 million), partially offset by repayment of borrowings of HK\$1,434.0 million (US\$184.6 million) and dividends of HK\$29.2 million (US\$3.8 million) paid to a minority shareholder.

**Indebtedness**

The total borrowings of the PCB Business amounted to HK\$1,572.8 million (US\$202.2 million), HK\$2,587.4 million (US\$331.8 million), HK\$3,586.2 million (US\$462.7 million), and HK\$3,564.5 million (US\$459.9 million) as of December 31, 2006, 2007, 2008, and September 30, 2009 respectively. The increased level of borrowings during the three years ended December 31, 2008 was primarily due to the expansion of the production capacity of the PCB Business. During these periods, the borrowings were mainly used to acquire property, plant and equipment at Meadville's PCB plants and the acquisition of 80% of the share capital of Meadville Aspocomp (BVI) Holdings Limited from Aspocomp Group OYJ. The decreased level of borrowings during the nine months period ended September 30, 2009, was due to a reduction in capital expenditures and working capital in response to lower demand for PCB products resulting from global economic conditions in 2009. The gearing ratio (total borrowings as a percentage of total assets) of the PCB Business decreased from 44.3% as of December 31, 2006 to 38.3% as of December 31, 2007 due to a capital injection by an immediate holding company of the PCB Business in 2007, and subsequently increased to 44.8% as of December 31, 2008, and to 47.4% as of September 30, 2009, mainly due to an increase in bank borrowings and a reduction in amounts due from fellow subsidiaries, respectively.

The table below sets out the indebtedness of the PCB Business at the end of each of the reporting periods indicated.

	2006	As of December 31, 2007                      2008 (In thousands of HK\$)		As of September 30, 2009
Non-Current	\$ 667,600	\$ 1,679,147	\$ 2,763,230	\$ 2,954,662
Current	905,236	908,288	823,013	609,794
<b>Total</b>	\$ 1,572,836	\$ 2,587,435	\$ 3,586,243	\$ 3,564,456

	2006	As of December 31, 2007                      2008 (In thousands of HK\$)		As of September 30, 2009
Secured	\$	\$	\$	\$
Unsecured	1,572,836	2,587,435	3,586,243	3,564,456
<b>Total</b>	\$ 1,572,836	\$ 2,587,435	\$ 3,586,243	\$ 3,564,456

Following the closing of the PCB Combination, certain existing facilities of the PCB Business will be refinanced from the proceeds of the credit agreement, pursuant to which seven banks (including HSBC), subject to the satisfaction of



certain conditions to drawdown, will provide credit facilities in the total amount of approximately US\$582.5 million (equivalent to approximately HK\$4,514.5 million) to be used for such refinancing and for the working capital of the PCB Business.

**Table of Contents****Inventories**

The following table sets out a summary of the inventory of the PCB Business as of the dates indicated:

	As of December 31,			As of
	2006	2007	2008	September 30,
	(In thousands of HK\$)			2009
Raw materials	\$ 81,982	\$ 121,233	\$ 150,286	\$ 159,529
Work in progress	77,617	114,755	101,448	132,171
Finished goods	103,841	161,860	173,315	161,230
Consumable stock	3,125	572	2,004	4,639
<b>Total</b>	<b>\$ 266,565</b>	<b>\$ 398,420</b>	<b>\$ 427,053</b>	<b>\$ 457,569</b>
<b>Inventory turnover days</b>	<b>38</b>	<b>39</b>	<b>36</b>	<b>42</b>

Note: The number of days of inventory turnover is equal to the average inventory (being the inventory balance at the beginning of the year or period plus the inventory balance at the end of the year or period, divided by 2) divided by the cost of sales for the corresponding year or period and then multiplied by 365 for each of the three years ended December 31, 2006, 2007, and 2008 or 273 for the nine months ended September 30, 2009.

The number of days of inventory turnover of the PCB Business for each of the three years ended December 31, 2008 and the nine months ended September 30, 2009 were 38 days, 39 days, 36 days, and 42 days respectively. The inventory balances as at December 31, 2006, 2007, and 2008 and September 30, 2009 were HK\$266.6 million (US\$34.3 million), HK\$398.4 million (US\$51.1 million), HK\$427.1 million (US\$55.1 million) and HK\$457.6 million (US\$59.0 million), respectively. The increase in inventory balances from 2006 to 2009 primarily resulted from the continuous expansion of the operations of the PCB Subsidiaries and the increase in revenue.

The cost of inventories recognized as expenses and included in cost of sales for the period indicated was as follows:

	Year Ended December 31,			Nine Months Ended	
	2006	2007	2008	2008	2009
	(In thousands of HK\$)				
Cost of inventories	\$ 2,249,110	\$ 3,137,705	\$ 4,198,374	\$ 3,151,242	\$ 2,846,842

**Debtors and prepayments**

The following table sets out a summary of the debtors and prepayments of the PCB Business as of the dates indicated:

	<b>2006</b>	<b>As of December 31, 2007</b>	<b>2008</b>	<b>As of September 30, 2009</b>
		<b>(In thousands of HK\$)</b>		
Debtors	\$ 1,019,129	\$ 1,368,801	\$ 986,983	\$ 958,917
Prepayments and other receivables	95,781	112,052	176,689	124,842
<b>Total</b>	<b>\$ 1,114,910</b>	<b>\$ 1,480,853</b>	<b>\$ 1,163,672</b>	<b>\$ 1,083,759</b>
<b>Debtors turnover days</b>	<b>118</b>	<b>106</b>	<b>82</b>	<b>76</b>

Note: The number of days of debtors turnover is equal to the average debtor balance (being the debtor balance at the beginning of the year or period plus the debtor balance at the end of the year or period, divided by 2) divided by the revenue for the corresponding year or period and then multiplied by 365 for each of the three years ended December 31, 2006, 2007, and 2008 or 273 for the nine months ended September 30, 2009.

**Table of Contents**

The increase in debtor balance during 2007 was primarily due to growth of revenue in 2007. The decrease in debtor balance during 2008 and the nine months ended September 30, 2009 was primarily due to the decrease in revenue as a result of global economic conditions. The debtor turnover days for each of the three years ended December 31, 2008 and the nine months ended September 30, 2009 were 118 days, 106 days, 82 days, and 76 days respectively. The decrease in debtor turnover days was primarily due to continuous effort to improve and shorten the collections period.

***Creditors and accruals***

The following table sets out creditors and accruals of the PCB Business as of the dates indicated:

	<b>2006</b>	<b>As of December 31, 2007</b>	<b>2008</b>	<b>As of September 30, 2009</b>
	<b>(In thousands of HK\$)</b>			
Creditors	\$ 329,574	\$ 598,331	\$ 667,797	\$ 571,752
Accruals	381,683	672,426	720,622	488,643
<b>Total</b>	<b>\$ 711,257</b>	<b>\$ 1,270,757</b>	<b>\$ 1,388,419</b>	<b>\$ 1,060,395</b>
<b>Creditors turnover days</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>59</b>

Note: The number of days of creditors turnover is equal to the average creditor balance (being the creditor balance at the beginning of the year or period plus the creditor balance at the end of the year or period, divided by 2) divided by the cost of sales for the corresponding year or period and then multiplied by 365 for each of the three years ended December 31, 2006, 2007, and 2008 or 273 for the nine months ended September 30, 2009.

The increase in creditor balance during the three years ended December 31, 2008 was primarily due to the increasing scale of operations. The decrease in creditor balance during the nine months ended September 30, 2009 was primarily due to a decrease in capital expenditures and in purchase of supplies as a result of global economic conditions. The creditor turnover days of the PCB Business for each of the three years ended December 31, 2008 and the nine months ended September 30, 2009 were 53 days, 54 days, 55 days, and 59 days, respectively. The creditor turnover days of the PCB Business remained almost constant at 53 days in 2006, 54 days in 2007, and 55 days in 2008, and increased to 59 days for the nine months ended September 30, 2009, primarily as a result of better management of working capital.

***Off-balance sheet arrangements***

As of September 30, 2009, none of the PCB Subsidiaries was a financial guarantor of obligations of any unconsolidated entity and not a party to any material off-balance sheet obligations or arrangements.

***Working capital***

Taking into account the estimated net proceeds from the credit agreement, available banking facilities, and cash flows from the operations of the PCB Business, Meadville believes that the PCB Business has sufficient working capital for

its present requirements, which is for at least the next 12 months from the date of this proxy statement/prospectus.

***Net current assets***

As of September 30, 2009, the PCB Business had net current assets of HK\$445.0 million (US\$57.4 million). Current assets comprised mainly inventories of HK\$457.6 million (US\$59.0 million), debtors and prepayments of HK\$1,083.8 million (US\$139.8 million), cash and bank balances of HK\$849.0 million (US\$109.5 million), amounts due from fellow subsidiaries of HK\$13.9 million (US\$1.8 million), and other current assets of HK\$24.1 million (US\$3.1 million). Current liabilities comprised mainly creditors and accruals of HK\$1,060.4 million (US\$136.8 million), bank borrowings of HK\$609.8 million (US\$78.7 million), amount due to an immediate holding company of HK\$49.5 million (US\$6.4 million), amount due to a minority shareholder of HK\$122.3 million (US\$15.8 million), amounts due to fellow subsidiaries of HK\$98.0 million (US\$12.6 million),

**Table of Contents**

amount due to a subsidiary of a minority shareholder of HK\$18.3 million (US\$2.4 million), taxation payable of HK\$23.2 million (US\$3.0 million), and other current liabilities of HK\$2.0 million (US\$0.3 million).

	2006	As of December 31, 2007                      2008 (In thousands of HK\$)		As of September 30, 2009
Current assets	\$ 1,547,568	\$ 2,609,123	\$ 2,798,110	\$ 2,428,419
Current liabilities	(2,248,305)	(2,773,252)	(3,140,986)	(1,983,451)
<b>Net current (liabilities)/assets</b>	<b>\$ (700,737)</b>	<b>\$ (164,129)</b>	<b>\$ (342,876)</b>	<b>\$ 444,968</b>
<b>Quick ratio</b>	<b>0.57</b>	<b>0.80</b>	<b>0.75</b>	<b>0.99</b>

Note: Quick ratio is equal to current assets (net of inventories) divided by current liabilities.

The increase in the net current assets position of the PCB Business is primarily due to the capital injection from an immediate holding company of the PCB Business.

**Capital expenditures**

As of December 31, 2006, 2007, and 2008 and as of September 30, 2009, the PCB Business incurred HK\$665.8 million (US\$85.7 million), HK\$2,121.1 million (US\$271.9 million), HK\$1,347.6 million (US\$173.1 million), and HK\$269.0 million (US\$34.7 million), respectively, of capital expenditures. The current business strategy of the PCB Business contemplates capital expenditures of approximately HK\$116.0 million (US\$15.0 million), HK\$316.0 million (US\$40.8 million), HK\$412.0 million (US\$53.2 million), and HK\$416.0 million (US\$53.7 million) in the fourth quarter of 2009 and full years of 2010, 2011, and 2012, respectively.

The figures in the capital expenditure plans of the PCB Business are based on Meadville's estimates and have not been appraised by an independent organization. The actual capital expenditures of the PCB Business (including the types and amount of capital expenditures that the PCB Subsidiaries and/or the combined company elect to make) may differ from the amounts set forth above. The capital expenditure plans of the PCB Business are subject to a number of variables, including possible cost overruns, construction delays, availability of financing on acceptable terms, and demand for its products and services. In addition, due to changes in economic or demand conditions, government and tax policies, the competitive landscape, or other factors, capital expenditures could change. There can be no assurance that the PCB Subsidiaries and/or the combined company can execute the contemplated capital expenditure plans at or below its estimated costs or at all.

**Table of Contents*****Contractual obligations and commitments***

The following table provides information on contractual obligations and commitments as of December 31, 2008:

	<b>Total</b>	<b>Less than 1 Year</b>	<b>1 - 3 Years</b>	<b>3 - 5 Years</b>	<b>More than 5 Years</b>
	<b>(In thousands of HK\$)</b>				
Long-term debt obligations	\$ 3,122,212	\$ 358,982	\$ 1,448,099	\$ 1,315,131	\$
Interest on long-term debt obligations(1)	108,474	42,570	58,670	7,234	
Operating leases	24,078	2,391	1,468	1,524	18,695
Capital commitment in respect of property, plant and equipment	332,771	332,611	160		
Other long-term liabilities reflected on the balance sheet under HKFRS	243,184		55,354	187,830	
Interest on other long-term liabilities reflected on the balance sheet under HKFRS(1)	42,444	9,289	21,844	11,311	
<b>Total contractual obligations</b>	<b>\$ 3,873,163</b>	<b>\$ 745,843</b>	<b>\$ 1,585,595</b>	<b>\$ 1,523,030</b>	<b>\$ 18,695</b>

(1) The respective interest payments are estimated based on the liabilities outstanding and the applicable interest rates as of December 31, 2008.

**Related Party Transactions**

In 2007, SME entered into two supply agreements, on behalf of itself and other PCB Subsidiaries, with SSST and GSST, pursuant to which the PCB Subsidiaries purchased laminate and prepregs from SSST and GSST. GSST is currently owned as to approximately 22.18% by a wholly owned subsidiary of Meadville engaged in the laminate business. The subsidiary will be sold indirectly to Top Mix Investments Limited, a company controlled by Mr. Tang (the controlling shareholder of Meadville) concurrently with the effectiveness of the PCB Combination. SSST is 75% owned by GSST and will be 25% owned indirectly by Top Mix Investments Limited following the PCB Combination. In the years ended December 31, 2007 and 2008, and for the nine months ended September 30, 2009, total purchases under the two supply agreements amount to HK\$455.8 million (US\$58.4 million), HK\$431.6 million (US\$55.4 million), and HK\$267.8 million (US\$34.5 million), respectively. These two supply agreements expired on December 31, 2009. Accordingly, SME, on behalf of itself and other PCB Subsidiaries, entered into a new supply agreement with GSST and SSST on December 11, 2009 with similar terms as the existing supply agreements. The new supply agreement became effective on January 1, 2010 for a term of three years.

Certain PCB Subsidiaries also purchase from time to time laminate and prepreg from Mica-Ava (Far East) Industrial Limited, or MAF, and Mica-AVA (Guangzhou) Material Company Ltd., or MAG, two subsidiaries of Meadville which are engaged in the laminate business, both of which will be owned by Top Mix Investments Limited following the PCB Combination. These purchases are made on a spot basis from time to time. Total sales from MAF and MAG to the PCB Subsidiaries amounted to HK\$210.8 million (US\$27.1 million), HK\$282.0 million (US\$36.1 million),

HK\$345.3 million (US\$44.3 million), and HK\$279.5 million (US\$36.1 million) for the years ended December 31, 2006, 2007, and 2008, and the nine months ended September 30, 2009, respectively.

OPC, a PCB Subsidiary, is currently leasing from MAF a portion of real property located at Nos. 6-8 Dai Wang Street, Tai Po Industrial Estate, New Territories, Hong Kong, for warehouse purposes. The lease is on a monthly basis and Meadville expects that such lease will continue on that basis for the foreseeable future.

GME, a PCB Subsidiary, leases a portion of its employee dormitory spaces to MAG from time to time for the use of the employees of MAG. The dormitory spaces are rented to MAG pursuant to prior written request by MAG for its employees on an individual basis, with the monthly rent to be determined in accordance with the space area used by the individual employees and the rate as notified by GME from time to time. Such rental arrangement



**Table of Contents**

between GME and MAG is effective until either party terminates the arrangement upon three months prior written notice to the other party.

**Quantitative and Qualitative Disclosures About Market Risk**

The PCB Business is exposed to various kinds of market risks through its international operations. These risks are material in relation to both foreign currency risk and interest rate risk.

***Currency risks***

The PCB Business maintains its accounts in Hong Kong dollars and a portion of its revenue and expenses are denominated in RMB, while Meadville reports the financial results of the PCB Business in Hong Kong dollars. Fluctuations in exchange rates, primarily those involving the Hong Kong dollar against the RMB, may affect its reported operating results in Hong Kong dollar terms. A majority of the PCB Subsidiaries' equipment is purchased from companies located offshore, in such locations as Europe, Japan, or Taiwan, with payment being made in U.S. Dollars or other foreign currencies. Accordingly, a portion of the results of operations of the PCB Business is also exposed to fluctuations between the U.S. Dollar and the RMB.

The pegging of the Hong Kong dollar to the U.S. Dollar by the Hong Kong Monetary Authority reduces transaction risks to the extent conversion is necessary between the two currencies. However, if the pegged exchange rate between the Hong Kong dollar and the U.S. Dollar were to change, or if the Hong Kong Monetary Authority adopted a floating exchange rate policy, the results of operations and balance sheet of the PCB Business could be positively or negatively affected, depending upon whether and by how much the value of the Hong Kong dollar appreciated or depreciated against the U.S. Dollar or other relevant currencies and the extent of the mismatch, if any, between the revenue and expenses of the PCB Business in foreign currencies and its net foreign currency asset or liability position at the time.

The impact of future exchange rate fluctuations between the U.S. Dollar and the RMB and the Hong Kong dollar and RMB cannot be predicted. Although the impact of exchange rate fluctuations has in the past been partially mitigated by the natural hedging between the foreign currency receivables and payables of the PCB Business, there can be no assurance that the PCB Subsidiaries will be able to offset the overall impact of any exchange rate fluctuations in the future. The PCB Subsidiaries do not generally engage in hedging to manage currency risk. However, in relation to purchases of equipment in foreign currencies other than U.S. Dollars, the PCB Subsidiaries may at times purchase forward exchange contracts to manage its currency risk in relation to any particular purchase. For example, during 2009, the PCB Subsidiaries entered into certain foreign exchange forward contracts to hedge against (i) their contingent financial liabilities arising from the amount payable to Aspocomp Holding Pte. Ltd. upon the exercise of its put option in early 2013, in connection with the acquisition of an 80% interest in Meadville Aspocomp (BVI) Holdings Limited, and (ii) certain purchases of machinery denominated in foreign currencies. As at September 30, 2009, the notional amount of these contracts was approximately HK\$179.7 million (US\$23.2 million) and their net fair value was approximately HK\$22.8 million (US\$2.9 million), which was recorded as derivative financial instruments in the combined statements of financial position.

The table below presents information about certain of the foreign currency forward contracts of the PCB Business at September 30, 2009.

	<b>As of September 30, 2009</b>
	<b>Average</b>
<b>Notional</b>	<b>Contract Rate or</b>
<b>Amount</b>	<b>Strike Amount</b>

(In thousands  
of US\$)

<b>Receive foreign currency/pay US\$</b>		
Euro	22,695	1.30
Japanese Yen	485	0.01
Total	23,180	
Estimated Fair Value	2,941	

**Table of Contents****Interest rate risk**

The PCB Business is exposed to interest rate risk resulting from fluctuations in interest rates. Increases in interest rates would increase interest expenses relating to the outstanding variable rate borrowings of the PCB Business and increase the cost of new debt. Fluctuations in interest rates can also lead to significant fluctuations in the fair value of the debt obligations of the PCB Business. As of December 31, 2008 and September 30, 2009, the PCB Business had interest rate swap contracts under which it pays fixed interest rate based payments and receives variable-interest rate based payments to hedge certain of the borrowings of the PCB Business amounting to US\$100 million. However, there can be no assurances that such hedging activities and any future hedging activities will protect the PCB Business from fluctuations in interest rates.

The tables below present information about certain of the debt instruments (bank borrowings) of the PCB Business as of the periods presented. Information as of December 31, 2008 has been translated using a HK\$ / US\$ exchange rate of HK\$7.7499 to US\$1.00. Information as of September 30, 2009 has been translated using a HK\$ / US\$ exchange rate of HK\$7.7505 to US\$1.00.

**Debt Instruments**

<b>As of December 31, 2008</b>								<b>Weighted Average</b>	
	<b>2009</b>	<b>2010</b>	<b>Maturing in</b>		<b>2013 Thereafter</b>	<b>Total</b>	<b>Fair Market Value</b>	<b>Interest Rate</b>	
			<b>2011</b>	<b>2012</b>					
			<b>(In thousands of US\$)</b>						
<b>Variable Rate:</b>									
US\$	\$ 32,435	\$ 33,876	\$ 84,864	\$ 149,925	\$ 6,350	\$ 307,450	\$ 341,397	4.31%	
HK\$	12,721	31,208	34,218	13,421		91,568	95,889	4.16%	
RMB	56,359	2,688				59,047	59,147	5.85%	
<b>Total Variable Rate</b>	<b>101,515</b>	<b>67,772</b>	<b>119,082</b>	<b>163,346</b>	<b>6,350</b>	<b>458,065</b>	<b>496,433</b>		
<b>Fixed Rate:</b>									
RMB	4,682					4,682	4,682	6.57%	
<b>Total Fixed Rate</b>	<b>4,682</b>					<b>4,682</b>	<b>4,682</b>		
<b>Total</b>	<b>\$ 106,197</b>	<b>\$ 67,772</b>	<b>\$ 119,082</b>	<b>\$ 163,346</b>	<b>\$ 6,350</b>	<b>\$ 462,747</b>	<b>\$ 501,115</b>		

**As of September 30, 2009**

<b>Maturing in</b>	<b>Weighted Average Interest</b>
--------------------	--

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 Thereafter</b>	<b>Total</b>	<b>Fair Market Value</b>	<b>Rate</b>
	<b>(In thousands of US\$)</b>							
<b>Variable Rate:</b>								
US\$	\$ 7,892	\$ 34,872	\$ 109,482	\$ 177,195	\$ 7,587	\$ 337,028	\$ 337,288	1.48%
HK\$	4,359	31,526	37,051	16,406	1,323	90,665	90,725	0.97%
RMB	15,372		10,248	3,660		29,280	29,827	4.94%
<b>Total Variable Rate</b>	<b>27,623</b>	<b>66,398</b>	<b>156,781</b>	<b>197,261</b>	<b>8,910</b>	<b>456,973</b>	<b>457,840</b>	
<b>Fixed Rate:</b>								
RMB	2,928					2,928	2,928	5.30%
<b>Total Fixed Rate</b>	<b>2,928</b>					<b>2,928</b>	<b>2,928</b>	
<b>Total</b>	<b>\$ 30,551</b>	<b>\$ 66,398</b>	<b>\$ 156,781</b>	<b>\$ 197,261</b>	<b>\$ 8,910</b>	<b>\$ 459,901</b>	<b>\$ 460,768</b>	

*Interest Rate Swap Contracts (variable to fixed)*

The tables below present information about certain of the interest rate swaps of the PCB Business as of the periods presented.

**Table of Contents**

	<b>2009</b>	<b>As of December 31, 2008</b>			<b>Fair Value</b>
		<b>2010</b>	<b>2011</b>	<b>2012</b>	
		<b>(In thousands of US\$)</b>			
Average interest payout rate	3.07%	3.43%	3.43%	3.43%	
Interest payout amount	(2,816)	(1,372)	(1,066)	(345)	
Average interest receive rate	1.34%	1.34%	1.34%	1.34%	
Interest receive amount	1,244	534	415	134	
Fair value loss at December 31, 2008					(3,273)
	<b>2009</b>	<b>As of September 30, 2009</b>			<b>Fair Value</b>
		<b>2010</b>	<b>2011</b>	<b>2012</b>	
		<b>(In thousands of US\$)</b>			
Average interest payout rate	3.15%	3.43%	3.43%	3.43%	
Interest payout amount	(569)	(1,372)	(1,066)	(345)	
Average interest receive rate	1.15%	1.15%	1.15%	1.15%	
Interest receive amount	210	458	356	115	
Fair value loss at September 30, 2009					(2,060)
	164				

---

**Table of Contents**

**PLAN OF DISTRIBUTION**

The shares of our common stock issued to Meadville in the PCB Combination may be, subject to the election of the Meadville shareholders, (i) distributed by Meadville to Meadville shareholders, or (ii) sold by Meadville or purchasers, transferees, donees, pledgees, or other successors in interest, directly or through brokers, dealers, agents, or underwriters who may receive compensation in the form of discounts, commissions, or similar selling expenses paid by us, by Meadville or its affiliates, or by a purchaser of the TTM shares on whose behalf such broker-dealer may act as agent. Sales and transfers of the TTM shares may be effected from time to time in one or more transactions, in private or public transactions, on the NASDAQ Global Select Market, in the over-the-counter market, in negotiated transactions, or otherwise, at a fixed price or prices that may be changed, at market prices prevailing at the time of sale, at negotiated prices, without consideration, or by any other legally available means. Any or all of the TTM shares may be sold from time to time by means of

a sale to one or more underwriters for resale to the public or to institutional investors in one or more transactions;

a block trade, in which Meadville or a broker or dealer attempts to sell the TTM shares as agent but may position and resell a portion of the TTM shares as principal to facilitate the transaction;

purchases by a broker or dealer as principal and the subsequent sale by such broker or dealer for its account pursuant to this prospectus;

ordinary brokerage transactions (which may include long or short sales) and transactions in which the broker solicits purchasers;

the writing (sale) of put or call options on the TTM shares;

the pledging of the TTM shares as collateral to secure loans, credit, or other financing arrangements and subsequent foreclosure, and the disposition of the TTM shares by the lender thereunder;

an exchange distribution in accordance with the rules of the applicable stock exchange;

privately negotiated transactions;

settlement of short sales entered into after the date of this prospectus;

a combination of any such methods of sale; and

any other legally available means.

Meadville and any broker-dealers who participate in the distribution of the TTM shares may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act and any discounts, commissions, or similar selling expenses they receive and any profit on the TTM shares acquired by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The shares of our common stock covered by this prospectus may become qualified for sale under Section 4(1) of the Securities Act or Rules 144 or 145 promulgated thereunder, whereupon they may be sold pursuant to such provisions

rather than pursuant to this prospectus.

**DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS**

As permitted by the Exchange Act, we may deliver only one copy of this proxy statement/prospectus to our stockholders residing at the same address, unless any such stockholder has notified us of such stockholder's desire to receive multiple copies of this proxy statement/prospectus. Our stockholders residing at the same address may request delivery of only one copy of this proxy statement/prospectus by delivering notice to our Secretary at 2630 South Harbor Boulevard, Santa Ana, California 92704. We will promptly deliver, upon oral or written request, a separate copy of this proxy statement/prospectus to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should also be directed, as applicable, to our Secretary at the same address listed above.

**Table of Contents**

**EXPERTS**

Our consolidated financial statements and schedule as of December 31, 2008 and 2007, and for each of the years in the three-year period ended December 31, 2008, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2008 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined financial statements of the PCB Business as of December 31, 2008 and 2007, and 2006, and for each of the years in the three-year period ended December 31, 2008, and for the nine months ended September 30, 2009, included in this proxy statement/prospectus have been so included in reliance on the report of PricewaterhouseCoopers, independent accountants, given on the authority of said firm as experts in accounting and auditing.

**LEGAL MATTERS**

The validity of the shares of our common stock offered by this proxy statement/prospectus will be passed upon for us by Greenberg Traurig, LLP, Phoenix, Arizona. Certain legal matters with respect to the PCB Combination will be passed upon for Meadville by Skadden, Arps, Slate, Meagher & Flom, Hong Kong.

**WHERE YOU CAN FIND MORE INFORMATION**

We file reports with the SEC, which we make available on our website, [www.ttmtech.com](http://www.ttmtech.com), free of charge. Copies are also available without charge by (1) telephonic request by calling our Investor Relations Department at (714) 241-0303, (2) e-mail request to [investor@ttmtech.com](mailto:investor@ttmtech.com), or (3) a written request to TTM Technologies, Inc., Attention: Investor Relations, 2630 South Harbor Blvd., Santa Ana, California 92704. These reports include Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K, and amendments to such reports, each of which is provided on our website as soon as reasonably practicable after we electronically file such materials with or furnish them to the SEC. You can also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

We have filed with the SEC a registration statement on Form S-4 relating to the securities covered by this proxy statement/prospectus. This proxy statement/prospectus is part of the registration statement and does not contain all of the information in the registration statement. You will find additional information about us in the registration statement. Any statement made in this proxy statement/prospectus concerning a contract or other document of ours is not necessarily complete, and you should read the documents that are filed as exhibits to the registration statement or otherwise filed with the SEC for a more complete understanding of the document or matter. Each such statement is qualified in all respects by reference to the document to which it refers. You may inspect without charge a copy of the registration statement at the SEC's Public Reference Room or on the SEC's website, [www.sec.gov](http://www.sec.gov).



**Table of Contents**

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this proxy statement/prospectus.

We incorporate by reference into this proxy statement/prospectus the following documents (other than any portions of such documents that are not deemed filed under the Exchange Act in accordance with the Exchange Act and applicable SEC rules):

Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 16, 2009.

Quarterly Report on Form 10-Q for the quarter ended March 30, 2009 filed with the SEC on May 11, 2009.

Quarterly Report on Form 10-Q for the quarter ended June 29, 2009 filed with the SEC on August 7, 2009.

Quarterly Report on Form 10-Q for the quarter ended September 28, 2009, filed with the SEC on November 6, 2009.

Current Reports on Form 8-K filed with the SEC on January 16, 2009, February 19, 2009, April 28, 2009, September 4, 2009, November 16, 2009, December 15, 2009, December 23, 2009, and February 2, 2010.

The description of our common stock contained in our registration statement on Form 8-A (Registration No. 000-31285) filed on August 8, 2000, as amended by Form 8-A/A filed on August 31, 2005, including any amendments or reports filed for the purpose of updating that description.

All documents filed by us under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this proxy statement/prospectus and before the termination of this offering.

You may request a copy of these filings at no cost by writing or telephoning us as follows:

TTM Technologies, Inc.  
2630 South Harbor Boulevard  
Santa Ana, California 92704  
(714) 241-0303  
Attn: Investor Relations

Any statement contained in a document that is incorporated by reference will be modified or superseded for all purposes to the extent that a statement contained in this proxy statement/prospectus or any other document that is subsequently filed with the SEC and incorporated by reference, modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this proxy statement/prospectus, except as so modified or superseded. Since information that we later file with the SEC will update and supersede previously incorporated information, you should look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this proxy statement/prospectus or any documents previously incorporated by reference have been modified or superseded.

All information contained in this proxy statement/prospectus relating to our company has been supplied by us, and all such information relating to Meadville and its affiliates has been supplied by Meadville.

**OTHER MATTERS**

Our management is not aware of any other matters to come before the special meeting of our stockholders. If any other matter not mentioned in this proxy statement/prospectus is brought before the special meeting, the proxy holders named in the enclosed proxy will have discretionary authority to vote all proxies with respect thereto in accordance with their judgment.

**Table of Contents**

**INDEX TO FINANCIAL STATEMENTS  
OF THE PRINTED CIRCUIT BOARD BUSINESS  
OF MEADVILLE HOLDINGS LIMITED**

	<b>Page No.</b>
<u>Report of Independent Auditors</u>	F-2
<u>Combined Income Statement for the years ended December 31, 2008, 2007, and 2006 and for the nine months ended September 30, 2009 (audited) and 2008 (unaudited)</u>	F-3
<u>Combined Statement of Comprehensive Income for the years ended December 31, 2008, 2007, and 2006 and for the nine months ended September 30, 2009 (audited) and 2008 (unaudited)</u>	F-4
<u>Combined Statements of Financial Position (Balance Sheet) at December 31, 2008, 2007, and 2006 and September 30, 2009 (audited)</u>	F-5
<u>Combined Statements of Cash Flows for the years ended December 31, 2008, 2007, and 2006 and for the nine months ended September 30, 2009 (audited) and 2008 (unaudited)</u>	F-6
<u>Combined Statements of Changes in Equity for the years ended December 31, 2008, 2007, and 2006 and for the nine months ended September 30, 2009 (audited) and 2008 (unaudited)</u>	F-7
<u>Notes to the Combined Financial Statements</u>	F-10

F-1

---

**Table of Contents**

**REPORT OF INDEPENDENT AUDITORS**

TO THE BOARD OF DIRECTORS OF MEADVILLE HOLDINGS LIMITED

In our opinion, the accompanying combined statements of financial positions and the related combined statements of income, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of the Printed Circuit Board Business of Meadville Holdings Limited (the PCB Business ) as at 31 December 2006, 2007, 2008 and 30 September 2009 and the results of its operations and its cash flows for the years ended 31 December 2006, 2007 and 2008 and for the nine months ended 30 September 2009 in conformity with Hong Kong Financial Reporting Standards. These financial statements are the responsibility of the PCB Business management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Hong Kong Financial Reporting Standards vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 35 to the combined financial statements.

*/s/PricewaterhouseCoopers*

Hong Kong, 23 December 2009

F-2

---

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****COMBINED INCOME STATEMENTS**

	Note	Year Ended 31 December			Nine Months Ended 30 September	
		2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Revenue	5	2,838,773	4,108,638	5,212,437	3,930,212	3,505,389
Cost of sales	9	(2,261,374)	(3,150,277)	(4,205,020)	(3,156,792)	(2,844,527)
Gross profit		577,399	958,361	1,007,417	773,420	660,862
Other income	6	87,226	161,330	158,810	125,233	91,733
Selling and distribution expenses	9	(118,899)	(199,790)	(227,397)	(179,097)	(164,209)
General and administrative expenses	9	(129,493)	(200,869)	(259,762)	(140,314)	(276,255)
Share award expenses	7, 9		(226,097)	(10,601)	(8,404)	(9,897)
Operating profit		416,233	492,935	668,467	570,838	302,234
Interest income	10	5,871	28,507	17,440	13,010	5,192
Finance costs	11	(77,974)	(104,311)	(129,359)	(94,503)	(63,759)
Profit before income tax		344,130	417,131	556,548	489,345	243,667
Income tax expense	12	(41,577)	(64,193)	(72,895)	(76,927)	(45,002)
Profit for the year/period		302,553	352,938	483,653	412,418	198,665
Attributable to:						
Equity holders of the PCB Business		239,762	246,094	376,071	336,258	127,245
Minority interests		62,791	106,844	107,582	76,160	71,420
		302,553	352,938	483,653	412,418	198,665

The notes on pages F-10 to F-64 are an integral part of these financial statements.

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****COMBINED STATEMENTS OF COMPREHENSIVE INCOME**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Profit for the year/period	302,553	352,938	483,653	412,418	198,665
Other comprehensive income					
Exchange differences	43,235	100,657	82,304	107,037	2,736
Fair value (loss)/gain of available-for-sale financial asset			(454)	3,564	(2,921)
Cash flow hedge					
change in fair value of hedging instruments					22,796
transfer to income statement upon change in fair value of hedged items					(17,226)
transfer to property, plant and equipment					(178)
Other comprehensive income for the year/period, net of tax	43,235	100,657	81,850	110,601	5,207
Total comprehensive income for the year/period	345,788	453,595	565,503	523,019	203,872
Total comprehensive income attributable to:					
Equity holders of the PCB Business	276,899	327,997	436,370	422,897	132,083
Minority interests	68,889	125,598	129,133	100,122	71,789
	345,788	453,595	565,503	523,019	203,872

The notes on pages F-10 to F-64 are an integral part of these financial statements.

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****COMBINED STATEMENTS OF FINANCIAL POSITION**

		At 31 December			At 30 September
	Note	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	1,893,672	3,821,412	4,941,778	4,840,601
Leasehold land and land use rights	15	83,045	143,042	147,256	144,567
Intangible assets	16	22,561	149,899	22,159	21,292
Available-for-sale financial asset	17		21,089	20,635	17,714
Derivative financial instruments	24				22,358
Deferred tax assets	25	155	13,124	32,517	42,437
Loan to a fellow subsidiary	30			41,074	10,076
		1,999,433	4,148,566	5,205,419	5,099,045
<b>Current assets</b>					
Inventories	18	266,565	398,420	427,053	457,569
Debtors and prepayments	19	1,114,910	1,480,853	1,163,672	1,083,759
Derivative financial instruments	24				438
Amounts due from fellow subsidiaries	30		244,296	390,242	13,889
Amount due from intermediate holding company	31		40,177		
Amount due from a minority shareholder	29		39,055		
Taxation recoverable		1,129	3,500	19,269	23,752
Cash and bank balances	21	164,964	402,822	797,874	849,012
		1,547,568	2,609,123	2,798,110	2,428,419
<b>Total assets</b>		<b>3,547,001</b>	<b>6,757,689</b>	<b>8,003,529</b>	<b>7,527,464</b>
<b>Equity</b>					
Capital and reserves	22	433,621	1,524,327	1,371,198	1,779,298
Minority interests in equity		197,475	335,728	405,411	534,598
<b>Total equity</b>		<b>631,096</b>	<b>1,860,055</b>	<b>1,776,609</b>	<b>2,313,896</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	23	667,600	1,679,147	2,763,230	2,954,662
Derivative financial instruments	24			17,350	13,944

Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

Deferred tax liabilities	25		65,183	79,520	74,779
Financial liabilities	26		264,394	151,270	161,758
Long-term other payables	27		115,658	74,564	24,974
		667,600	2,124,382	3,085,934	3,230,117
<b>Current liabilities</b>					
Creditors and accruals	28	711,257	1,270,757	1,388,419	1,060,395
Amounts due to fellow subsidiaries	30	66,454	99,838	88,481	97,952
Amount due to immediate holding company	31		290,000	643,961	49,492
Amount due to a related party	20	417,859			
Amount due to a minority shareholder	29	119,918	173,677	169,659	122,334
Amount due to a subsidiary of a minority shareholder	29	10,716	5,040	12,338	18,251
Borrowings	23	905,236	908,288	823,013	609,794
Derivative financial instruments	24			8,015	2,023
Taxation payable		16,865	25,652	7,100	23,210
		2,248,305	2,773,252	3,140,986	1,983,451
<b>Total liabilities</b>		2,915,905	4,897,634	6,226,920	5,213,568
<b>Total equity and liabilities</b>		3,547,001	6,757,689	8,003,529	7,527,464
<b>Net current (liabilities)/assets</b>		(700,737)	(164,129)	(342,876)	444,968
<b>Total assets less current liabilities</b>		1,298,696	3,984,437	4,862,543	5,544,013

The notes on pages F-10 to F-64 are an integral part of these financial statements.



**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****COMBINED STATEMENTS OF CASH FLOWS**

Note	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
<b>Cash flows from operating activities</b>					
Profit before income tax	344,130	417,131	556,548	489,345	243,667
Adjustments for:					
Finance costs	77,974	104,311	129,359	94,503	63,759
Interest income	(5,871)	(28,507)	(17,440)	(13,010)	(5,192)
Impairment of intangible assets	55		19,860		
Impairment of property, plant and equipment		10,612			5,419
Amortisation of intangible assets	1,170	1,337	2,991	2,513	878
Amortisation of leasehold land and land use rights	1,876	2,167	3,600	2,688	2,730
Depreciation of property, plant and equipment	200,264	278,664	420,885	309,313	363,980
Dividend income from available-for-sale financial asset					(1,971)
Negative goodwill from acquisition of minority interest in a subsidiary	33(a) (1,108)				
(Gain)/loss on disposal of property, plant and equipment	(780)	2,563	19,493	6,540	735
Gain on adjustment for contingent consideration in relation to business combination			(13,933)		(13,425)
Net exchange differences	(7,849)	(48,270)	(138,453)	(139,271)	74
Share award expenses		226,097	10,601	8,404	9,897
Operating profit before working capital changes	609,861	966,105	993,511	761,025	670,551
Changes in:					
Inventories	(56,692)	(104,073)	(28,633)	(136,445)	(30,516)
Debtors and prepayments	(235,328)	(149,822)	317,181	(135,694)	79,913
Restricted bank balances	12,075	(2,477)	(1,972)	2,719	(2,524)

## Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

Creditors and accruals		202,160	387,728	117,662	167,349	(328,024)
Long-term other payables			115,658	(41,094)	(16,266)	(49,590)
Amounts due from/(to) fellow subsidiaries	33(d)	(53,667)	(210,912)	(157,303)	(153,013)	112,359
Amount due from intermediate holding company			(40,177)	40,177	40,177	
Amount due to immediate holding company	33(d)		290,000	353,961	353,187	(54,884)
Amount due to a related party		(26,340)	(7,859)			
Amounts due from/(to) minority shareholders		(3,240)	14,704	(25,429)	(17,499)	13,141
Amount due to a subsidiary of a minority shareholder		1,686	(5,676)	7,298	3,968	5,913
Cash generated from operating activities		450,515	1,253,199	1,575,359	869,508	416,339
Interest received		5,871	28,507	17,440	13,010	5,192
Interest paid		(77,974)	(104,311)	(88,118)	(80,365)	(66,470)
Hong Kong profits tax paid		(2,627)	(4,451)	(3,226)	(3,275)	
Overseas tax paid		(36,396)	(70,693)	(110,083)	(85,341)	(48,015)
Net cash generated from operating activities		339,389	1,102,251	1,391,372	713,537	307,046
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment		(643,282)	(1,218,320)	(1,347,624)	(1,058,114)	(269,023)
Purchase of leasehold land and land use rights		(22,473)				
Proceeds from sale of property, plant and equipment		6,627	3,370	2,650	3,497	2,878
Acquisition of minority interest in a subsidiary	33(a)	(6,354)				
Acquisition of a subsidiary, net of bank balances and cash acquired	33(b)		(694,715)			
Purchase of available-for-sale financial asset			(21,089)			
Dividends received from available-for-sale financial asset						1,971
		(665,482)	(1,930,754)	(1,344,974)	(1,054,617)	(264,174)

Net cash used in investing activities

**Cash flows from financing activities**

New borrowings	1,743,682	3,030,033	3,355,784	2,965,040	1,086,128
Repayment of borrowings	(1,433,973)	(2,030,992)	(2,382,602)	(2,013,526)	(1,082,289)
Capital contribution from immediate holding company		826,612			
Loan to a fellow subsidiary			(41,074)	(41,227)	
Repayment of loan to a fellow subsidiary					30,998
Dividend paid to shareholders		(290,000)	(600,100)	(600,100)	
Dividend paid to a minority shareholder	(29,227)	(101,630)			(91,361)
Capital contribution by a minority shareholder	18,068	114,285			88,349
Distribution to a shareholder		(410,000)			
Net cash generated from financing activities	298,550	1,138,308	332,008	310,187	31,825
Net (decrease)/increase in cash and cash equivalents	(27,543)	309,805	378,406	(30,893)	74,697
Exchange differences on cash and cash equivalents	(8,229)	(32,767)	(10,952)	(13,123)	(457)
Cash and cash equivalents at beginning of the year/period	157,655	121,883	398,921	398,921	766,375
Cash and cash equivalents at end of the year/period	33(c) 121,883	398,921	766,375	354,905	840,615

The notes on pages F-10 to F-64 are an integral part of these financial statements.

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****COMBINED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to the Equity Holders of the PCB Business									
	Capital Reserve	Asset Reserve	Compensation Reserve	Hedging Reserve	General Reserve	Exchange Reserve	Retained Earnings	Total	Minority Interests	Total Equity
	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000
January 2006	134,811				68,286	16,889	346,736	566,722	147,207	713,929
For the year							239,762	239,762	62,791	302,553
Comprehensive income										
Change differences					336	36,801		37,137	6,098	43,234
Comprehensive income for the year										
31 December					336	36,801	239,762	276,899	68,889	344,787
Transactions with equity holders:										
Contribution by minority shareholder									18,068	18,068
Contribution to a shareholder							(410,000)	(410,000)	(29,227)	(439,227)
Acquisition of minority interest in a subsidiary									(7,462)	(7,462)
					12,773		(12,773)			
					12,773		(422,773)	(410,000)	(18,621)	(429,900)
December 2006	134,811				81,395	53,690	163,725	433,621	197,475	631,511
January 2007	134,811				81,395	53,690	163,725	433,621	197,475	631,511
For the year							246,094	246,094	106,844	352,938
Comprehensive income										
Change differences					713	81,190		81,903	18,754	101,657

comprehensive for the year 31 December			713	81,190	246,094	327,997	125,598	45
ctions with holders: contribution by ity shareholder contribution mediate g company	826,612					826,612		82
award expenses ) nd (Note 13) er		226,097 (226,097)			(63,903) (48,461)	226,097 (290,000)	(101,630)	(39)
	826,612		48,461		(112,364)	762,709	12,655	77
December 2007	961,423		130,569	134,880	297,455	1,524,327	335,728	1,86

F-7

---

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****COMBINED STATEMENTS OF CHANGES IN EQUITY (Continued)**

	Attributable to the Equity Holders of the PCB Business								
	Capital Reserve HK\$ 000	Available- for-Sale Financial Reserve HK\$ 000	Employee Share- Based Compensation Reserve HK\$ 000	Hedging Reserve HK\$ 000	General Reserve HK\$ 000	Exchange Reserve HK\$ 000	Retained Earnings HK\$ 000	Total HK\$ 000	Minority Interests HK\$ 000
2008	961,423				130,569	134,880	297,455	1,524,327	335,728
year comprehensive							376,071	376,071	107,582
differences fair value for-sale at					649	60,104		60,753	21,551
comprehensive the year ended		(454)						(454)	
with expenses		(454)			649	60,104	376,071	436,370	129,133
(note 13)			10,601 (8,404)				10,601 (591,696) (35,388)	10,601 (600,100)	(59,450)
			2,197		35,388		(627,084)	(589,499)	(59,450)
December 2008	961,423	(454)	2,197		166,606	194,984	46,442	1,371,198	405,411
2009	961,423	(454)	2,197		166,606	194,984	46,442	1,371,198	405,411
period comprehensive							127,245	127,245	71,420
differences fair value for-sale		(2,921)			8	2,359		2,367 (2,921)	369

t									
hedge									
air value of									
uments				22,796				22,796	
income									
on change									
of hedged				(17,226)				(17,226)	
property,									
ipment				(178)				(178)	
hensive									
e nine									
l									
r 2009	(2,921)			5,392	8	2,359	127,245	132,083	71,789
with									
s:									
tribution by									
areholder									88,349
tribution									
ate									
pany									
	266,120							266,120	
expenses				9,897				9,897	
									(30,951)
	266,120			9,897				(28,183)	28,183
ber 2009	1,227,543	(3,375)	12,094	5,392	194,797	197,343	145,504	1,779,298	534,598

The notes on pages F-10 to F-64 are an integral part of these financial statements.

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****UNAUDITED COMBINED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to the equity holders of the PCB Business									
	Capital Reserve	Asset Reserve	Compensation Reserve	Hedging Reserve	General Reserve	Exchange Reserve	Retained Earnings	Total	Minority Interests	Total Equity
	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000
January 2008	961,423				130,569	134,880	297,455	1,524,327	335,728	1,860,459
Change during the period							336,258	336,258	76,160	412,418
Comprehensive income										
Exchange differences in fair value of available-for-sale asset					717	82,358		83,075	23,962	109,102
		3,564						3,564		
Comprehensive income for the nine months ended September 2008		3,564			717	82,358	336,258	422,897	100,122	512,511
Transactions with equity holders:										
Share-based payment expenses								8,404		
								(8,404)		
(Note 13)								(591,696)	(600,100)	(600,100)
					13,229			(13,229)		
					13,229			(604,925)	(35,480)	(604,925)
September 2008	961,423	3,564			144,515	217,238	28,788	1,355,528	400,370	1,755,903

The notes on pages F-10 to F-64 are an integral part of these financial statements.



**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**1 General information and basis of preparation**

***(a) General information***

Meadville Holdings Limited (the Company) and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the manufacturing and distribution of printed circuit boards (the PCB Business) and copper clad laminates (the Laminates Business).

The Company was incorporated in the Cayman Islands on 28 August 2006 as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Exchange) on 2 February 2007 (the Listing).

The accompanying combined financial statements presented the financial positions and results of operations of the PCB Business of the Group.

These combined financial statements are presented in units of Hong Kong dollars, unless otherwise stated. These combined financial statements have been approved for issue by a committee of the Board, which has been authorised by the Board of Directors pursuant to the Board resolutions dated 23 October 2009, on 23 December 2009.

***(b) Basis of preparation***

The PCB Business has historically been conducted by various subsidiaries directly or indirectly controlled by the Company. Therefore, the accompanying combined financial statements were prepared by combining the assets, liabilities, revenues, expenses and cash flows that were directly applicable to the PCB Business and operations for the years/periods presented.

The combined income statements of the PCB Business includes all the historical actual costs of the PCB Business and includes an allocation of certain general corporate expenses of the Company. These corporate expenses primarily relate to share award expenses in connection with shares that were granted by the controlling shareholder of the Company, Su Sih (BVI) Limited (SuSih) to senior executives of the Company who are involved in the PCB and Laminates businesses. For those expenses for which a specific identification method was not practicable, the expenses were allocated based on estimates that management considered as a reasonable reflection of the utilisation of services provided to, or benefits received by the PCB Business.

In relation to share award expenses, for shares that are granted to the employees of the PCB Business, the related expenses of approximately HK\$86,070,000, HK\$10,461,000, HK\$8,297,000 (unaudited) and HK\$9,632,000 for the years ended 31 December 2007, 2008 and nine months ended 30 September 2008 and 2009, respectively, are recorded based on the actual expenses of those employees. For shares which are granted to corporate level management, share award expenses of HK\$140,027,000, HK\$140,000, HK\$107,000 (unaudited) and HK\$265,000 for the years ended 31 December 2007, 2008 and nine months ended 30 September 2008 and 2009, respectively, are allocated based on revenue of the PCB Business to the Group.

While the expenses allocated to the PCB Business are not necessarily indicative of the expenses that the PCB Business would have incurred if the PCB Business had been a separate, independent entity during the years/periods presented, management believes that the foregoing presents a reasonable basis of estimating what the PCB Business expenses would have been on a historical basis.

The Company earned interest income on the deposits from the share subscriptions during the Listing in 2007. Interest income of nil, HK\$12,038,000, nil, nil (unaudited) and nil for the years ended 31 December 2006, 2007 and 2008 and nine months ended 30 September 2008 and 2009 respectively are reflected in the PCB Business income statement based on specific identification of the use of the Listing proceeds.

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The accompanying combined financial statements of the PCB Business of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ( HKFRS ). The combined financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset and financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of the combined financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in Note 4 below.

(i) The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009:

		<b>Effective for Accounting Periods Beginning on or after</b>
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Revised)	Borrowing costs	1 January 2009
HKAS 32 and HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	1 January 2009
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate	1 January 2009
HKFRS 2 (Amendment)	Share-based payment Vesting conditions and cancellations	1 January 2009
HKFRS 7 (Amendments)	Financial instruments: Disclosures	1 January 2009
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) Int 13	Customer loyalty programmes	1 July 2008
HK(IFRIC) Int 15	Agreements for construction of real estates	1 January 2009
HK(IFRIC) Int 16	Hedges of a net investment in a foreign operation	1 October 2008

HK(IFRIC) Int 18 Transfer of assets from customers is effective to transfers of assets from customers received on or after 1 July 2009.

The adoption of the above new standards, amendments to standards and interpretations have no significant impact on the results and financial position of the PCB Business.

In addition, HKICPA also published a number of amendments for the existing standards under its annual improvement project. These amendments are also not expected to have a significant financial impact on the results and financial position of the PCB Business.



Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

(ii) The following new standards, amendments to standards and interpretations have been issued but are not effective for the period beginning on 1 January 2009 and are relevant to the PCB Business operations and have not been early adopted:

		<b>Effective for Accounting Periods Beginning on or after</b>
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 39 (Amendment)	Eligible hedged items	1 July 2009
HKFRS 3 (Revised)	Business combinations	1 July 2009
HKFRS 9	Financial instruments	1 January 2013
HK(IFRIC) Int 9 and HKAS 39 (Amendments)	Reassessment of embedded derivatives	30 June 2009
HK(IFRIC) Int 17	Distributions of non-cash assets to owners	1 July 2009
HK(IFRIC) Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010

Whether the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) have no material impact on the results and financial position of the PCB Business will depend on the incidence and timing of business combinations occurring on or after 1 January 2010. The directors are not yet in a position to state whether any substantial changes to the financial statements will be resulted from adopting HKFRS 9. The directors anticipate that the adoption of other new standards, amendments and interpretations to standards will not result in a significant impact on the results and financial position of the PCB Business.

(iii) The following new standards, amendments to standards and interpretations have been issued but are not effective for the period beginning on 1 January 2009 and are not relevant to the PCB Business operations and have not been early adopted:

		<b>Effective for Accounting Periods Beginning on or after</b>
HKAS 32 (Amendment)	Classification of right issues	1 February 2010
HKFRS 1 (Revised)	First-time adoption of Hong Kong Financial Reporting Standards	1 July 2009
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters	1 January 2010
HKFRS 2 (Amendment)		1 January 2010

HK(IFRIC) Int 14 (Amendment)	Group cash-settled share-based payment transactions Prepayments of a minimum funding requirement	1 January 2011
------------------------------	---	----------------

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

(iv) HKICPA's improvements to HKFRS have been published in October 2008 but are not effective for the period beginning on 1 January 2009 and have not been early adopted by the PCB Business. Amendment has been made to the following standard according to the improvements:

		<b>Effective for Accounting Periods Beginning on or after</b>
HKFRS 5	Non-current assets held for sale and discontinued operations (and consequential amendment to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards)	1 July 2009

(v) HKICPA's improvements to HKFRS have been published in May 2009 but are not effective for the period beginning on 1 January 2009 and have not been early adopted by the PCB Business. Amendments have been made to the following standards according to the improvements:

		<b>Effective for Accounting Periods Beginning on or after</b>
HKAS 1 (Revised)	Presentation of financial statements	1 January 2010
HKAS 7	Statement of cash flows	1 January 2010
HKAS 17	Leases	1 January 2010
HKAS 18	Revenue	1 January 2010
HKAS 36	Impairment of assets	1 January 2010
HKAS 38	Intangible assets	1 July 2009
HKAS 39	Financial instruments: Recognition and measurement	1 January 2010
HKFRS 2	Share-based payment – Scope of HKFRS 2 and HKFRS 3 (Revised)	1 July 2009
HKFRS 5	Non-current assets held for sale and discontinued operations	1 January 2010
HKFRS 8	Operating segments	1 January 2010
HK(IFRIC) Int 9	Reassessment of embedded derivatives	1 July 2009
HK(IFRIC) Int 16	Hedges of a net investment in a foreign operation	1 July 2009

The directors anticipate that the adoption of the above amendments to HKFRS mentioned in Note 1(b) (iii), (iv) and (v) will not result in a significant impact on the results and financial position of the PCB Business.

F-13

---



**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**2 Summary of significant accounting policies**

**(a) Consolidation**

The combined financial statements include the financial statements of the subsidiaries included in the PCB Business made up to year/period end date.

**(i) Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the PCB Business has power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the PCB Business controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the PCB Business. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the PCB Business share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the combined income statement.

Inter-company transactions, balances and unrealised gains on transactions between entities in the PCB Business are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the combined financial statements to ensure consistency with the policies adopted by the PCB Business.

**(ii) Transactions with minority interests**

The PCB Business applies a policy of treating transactions with minority interests as transactions with parties external to the PCB Business. Disposals to minority interests result in gains and losses for the PCB Business that are recorded in the combined income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

**(b) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the PCB Business and the cost

of the item can be measured reliably. All other repairs and maintenance are charged in the combined income statement during the financial period in which they are incurred.

F-14

---

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which are summarised as follows:

Buildings	22 - 25 years
Leasehold improvements	22 - 25 years
Furniture and equipment	5 - 6 years
Plant, machinery and equipment	10 - 12 years
Motor vehicles	5 - 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of reporting period.

Construction in progress represents buildings or leasehold improvements on which construction work has not been completed and plant, machinery and equipment pending installation. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses. No depreciation is provided for construction in progress until they are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are charged to the combined income statement.

**(c) Intangible assets****(i) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the PCB Business' share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units ( CGUs ) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

**(ii) Technologies fee**

The technologies fee is shown at historical cost. The technologies fee has a definite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of technologies fee over its estimated useful life of 10 years.

*(iii) Customer relationship*

Customer relationship represents the fair value attributable to customer base or existing contractual bids with customers taken over as a result of business combination. Amortisation is calculated using the straight-line method over the estimated useful life of 10 years.

F-15

---

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

***(d) Trade and other receivables***

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the PCB Business will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the combined income statement within selling and distribution expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against selling and distribution expenses in the combined income statement.

***(e) Impairment of non-financial assets***

Non-financial assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

***(f) Available-for-sale financial assets***

Available-for-sale financial assets are non-derivative financial assets. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of reporting period.

Available-for-sale financial assets are stated initially at fair value plus transaction costs and subsequently carried at fair value.

Changes in fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised costs of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the income statement and the translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the combined income statement. Dividends on available-for-sale equity instruments are recognised in the combined income statement when the PCB Business's right to receive payments is established.

If the market for a financial asset is not active (and for unlisted securities), the PCB Business establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of

market inputs and relying as little as possible on entity-specific inputs.

The PCB Business assesses at the end of reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial asset, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that

F-16

---

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

financial asset previously recognised in profit or loss is removed from equity and recognised in the combined income statement. Impairment losses recognised in the combined income statement on equity instruments are not reversed through the combined income statement.

***(g) Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

***(h) Operating leases***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the combined income statement on a straight line basis over the period of the lease.

***(i) Borrowings***

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the combined income statement over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition and construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs capitalised are either the actual costs incurred on a specific borrowing or an amount calculated using the weighted average method, considering all borrowing costs incurred on general borrowings outstanding. Other borrowing costs are expensed.

Borrowings are classified as current liabilities unless the PCB Business has an unconditional right to defer settlement of the liability for at least twelve months after the end of reporting period.

***(j) Derivative financial instruments and hedging activities***

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The PCB Business designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge) or (ii) hedges of highly probable forecast transactions (cash flow hedges).

The PCB Business documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The PCB Business also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows

of hedged items.

*(i) Fair value hedge*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the combined income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

F-17

---



**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised through the income statement over the period to maturity.

*(ii) Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the combined income statement.

Amounts accumulated in hedging reserve are recognised in the combined income statement in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, property, plant and equipment), the gains and losses previously deferred in hedging reserve are transferred from hedging reserve and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised as depreciation in case of property, plant and equipment.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in hedging reserve and is recognised when the forecast transaction is ultimately recognised in the combined income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the combined income statement.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the combined income statement.

*(k) Current and deferred income tax*

The tax expense for the year comprises current and deferred tax. Tax is recognised in the combined income statement.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the PCB Business operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the PCB Business and it is probable that the temporary difference will not reverse in the foreseeable future.

F-18

---

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

***(l) Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

***(m) Trade payables***

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

***(n) Provisions***

Provisions are recognised when the PCB Business has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

***(o) Employee benefits***

***(i) Employee leave entitlements***

Employee entitlements to annual and long service leaves are recognised when they accrue to employees. Provisions are made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of reporting period.

***(ii) Retirement benefits***

The PCB Business pays contributions to separate trustee-administered funds on a mandatory basis. The PCB Business has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contribution.

The PCB Business employees in mainland China are covered by various government sponsored pension plans. These government agencies are responsible for the pension liabilities to these employees. The relevant PCB Business companies pay monthly contributions to these pension plans based on certain percentages of the salaries, subject to a certain ceiling. Under these plans, the PCB Business has no legal or constructive obligation to make further payments once the required contributions have been paid. Contributions to these plans are expensed as incurred.

The PCB Business overseas employees are entitled to participate in a number of defined contribution pension schemes, the assets of which are generally held in separate trustee-administered funds. The pension schemes are generally funded by payments from employees and by the relevant group companies.

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*(iii) Bonus plans*

Provisions for bonus plan due wholly within twelve months after end of reporting period are recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

*(iv) Share-based compensation*

For shares granted to the employees, the fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted. At the end of reporting period, the PCB Business revises its estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the combined income statement, with a corresponding adjustment to equity.

*(v) Other benefits*

The PCB Business employees in mainland China are also entitled to participate in various government sponsored medical insurance plan and housing funds. The relevant group companies pay monthly contributions to these funds based on certain percentages of the salaries. The PCB Business liability in respect of these funds is limited to the contributions paid. Contributions to these plans are expensed as incurred.

*(p) Government grants*

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the PCB Business will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the combined income statement over the period necessary to match them with the costs that they are intended to compensate.

*(q) Financial liabilities put option*

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The accretion of the discount on the financial liability should be recognised as finance costs in the combined income statement. Adjustments to the liability for the contingent consideration other than accretion of discount are recognised against goodwill, including revision of cash flow estimates.

*(r) Revenue recognition*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the PCB Business activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the PCB Business.

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of related receivables is reasonably assured.

Rental income is recognised in the combined income statement on a straight-line basis over the term of the lease.

Dividend income is recognised when the right to receive payment is established.

*(s) Interest income*

Interest income is recognised on a time proportion basis, using the effective interest method.

F-20

---

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

***(t) Foreign currency translation***

*(i) Functional and presentation currency*

Items included in the financial statements of each of the PCB Business entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The combined financial statements are presented in Hong Kong dollars.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the combined income statement, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the combined income statement within interest income or finance cost. All other foreign exchange gains and losses are presented in the combined income statement within other income.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

*(iii) Group companies*

The results and financial position of all the entities within the PCB Business (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of reporting period;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to owners' equity. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognized in the combined income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.



**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

***(u) Dividend distribution***

Dividend distribution to the PCB Business shareholders is recognised as a liability in the PCB Business combined financial statements in the period in which the dividends are approved by the PCB Business shareholders.

**3 Financial risk management**

***(a) Financial risk factors***

The PCB Business activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest-rate risk. The PCB Business overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the PCB Business financial performance. The PCB Business uses derivative financial instruments to hedge certain risk exposures.

***(i) Foreign exchange risk***

The PCB Business operates principally in Hong Kong and mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar ( US\$ ) and Renminbi ( RMB ). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The PCB Business attempts to minimise its foreign exchange risk exposure through payment of operating costs and maintenance of borrowings at a balanced mix of major currencies.

In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government.

The PCB Business has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the PCB Business foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

If RMB had weakened/strengthened by 3.5%, 5.0%, 4.0% and 0.1% against the Hong Kong Dollar ( HK\$ ) with all other variables held constant, post-tax profit for the year/period would have been HK\$9,852,000, HK\$26,400,000, HK\$19,875,000 and HK\$142,000 higher/lower respectively for the years ended 31 December 2006, 2007, 2008 and nine months ended 30 September 2009, mainly as a result of foreign exchange losses/gains on translation of RMB-denominated trade receivables and foreign exchange gains/losses on translation of RMB-denominated trade payables and borrowings.

If US\$ had weakened/strengthened by 0.2%, 0.4%, 0.7% and 0.1% against the HK\$ with all other variables held constant, post-tax profit for the year/period would have been HK\$634,000, HK\$3,092,000, HK\$13,817,000 and HK\$2,026,000 higher/lower respectively for the years ended 31 December 2006, 2007, 2008 and nine months ended 30 September 2009, mainly as a result of foreign exchange losses/gains on translation of US\$-denominated trade receivables and foreign exchange gains/losses on translation of US\$-denominated borrowings. Equity would have been nil, nil, nil and approximately HK\$22,000 lower/higher respectively at 31 December 2006, 2007, 2008 and 30 September 2009.

*(ii) Credit risk*

The credit risk of the PCB Business mainly arises from bank balances, amounts due from fellow subsidiaries, a related party and debtors. The carrying amounts of these balances represent the PCB Business maximum exposure to credit risk in relation to financial assets. As at 31 December 2006, 2007, 2008 and 30 September 2009, all the bank deposits are deposited in high quality financial institutions without significant credit risk.

F-22

---

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The table below shows the bank deposit balances of the five major banks as at 31 December 2006, 2007, 2008 and 30 September 2009. Management does not expect any losses from non-performance by these banks. The PCB Business has no policy to limit the amount of credit exposure to any financial institution.

Counterparty	Rating(i)	At 31 December			At 30 September
		2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
Bank 1	Aa1	45,354	142,397	243,428	194,832
Bank 2	Aa3	2,659	5,675	145,230	113,020
Bank 3	A1	66,902	106,732	144,979	184,715
Bank 4	A1	19,941	53,555	137,950	137,158
Bank 5	Baa1				82,654
Bank 6	A1	10,771	76,187	104,461	
		145,627	384,546	776,048	712,379

Note (i): The source of current credit rating is from Moody's.

In relation to the credit risk to debtors, the PCB Business has delegated a credit control team to be responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts in order to minimise the credit risk. In addition, the PCB Business reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

As at 31 December 2006, 2007, 2008 and 30 September 2009, the credit quality of financial assets which include bank balances, amounts due from fellow subsidiaries, a related party and debtors are neither past due nor impaired by making reference to the counterparty's default history. The trade debtors have no history of default in recent years.

*(iii) Liquidity risk*

Cash flow forecasting is performed in the operating entities of the combined group and aggregated by Group finance. Group finance monitors rolling forecast of the PCB Business liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the PCB Business debt financing plans, covenant compliance and external regulatory or legal requirements, for example, currency restrictions.



Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the PCB Business treasury. The PCB Business treasury invests surplus cash in interest bearing current accounts and time deposits to provide sufficient headroom as determined by the above-mentioned forecasts. The table below analyses the PCB Business financial assets held at 30 September 2009 for managing liquidity risk.

	<b>Within 1 Year HK\$ 000</b>	<b>Between 1 and 2 Years HK\$ 000</b>	<b>Between 2 and 5 Years HK\$ 000</b>	<b>Over 5 Years HK\$ 000</b>	<b>Total HK\$ 000</b>
<b>At 30 September 2009</b>					
Loan to a fellow subsidiary		10,076			10,076
Amounts due from fellow subsidiaries	13,889				13,889
Debtors	958,917				958,917
Cash and bank balances	840,615				840,615
	1,813,421	10,076			1,823,497

The table below analyses the PCB Business financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, except for the non-interest bearing current liabilities, which are disclosed at their fair values. The difference between the amounts disclosed on the combined statement of financial positions and the table below represents interest elements that have been included in borrowings and long-term other payables which are calculated based on the amounts of the borrowings and long-term other payables held at 31 December 2006, 2007, 2008 and 30 September 2009 without taking into account of future issues and a floating-rate interest which is estimated using applicable interest rate at respective end of reporting period.

	<b>Within 1 Year HK\$ 000</b>	<b>Between 1 and 2 Years HK\$ 000</b>	<b>Between 2 and 5 Years HK\$ 000</b>	<b>Over 5 Years HK\$ 000</b>	<b>Total HK\$ 000</b>
<b>At 31 December 2006</b>					
Creditors and accruals	711,257				711,257
Amounts due to fellow subsidiaries	66,454				66,454
Amount due to a related party	417,859				417,859
Amount due to a minority shareholder	119,918				119,918
Amount due to a subsidiary of a minority shareholder	10,716				10,716
Borrowings	966,642	275,241	456,377		1,698,260

Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

	2,292,846	275,241	456,377		3,024,464
<b>At 31 December 2007</b>					
Creditors and accruals	1,270,757				1,270,757
Amounts due to fellow subsidiaries	99,838				99,838
Amount due to immediate holding company	290,000				290,000
Amount due to a minority shareholder	173,677				173,677
Amount due to a subsidiary of a minority shareholder	5,040				5,040
Borrowings	1,000,902	510,385	1,292,972		2,804,259
Financial liabilities				393,823	393,823
Long-term other payables	2,482	6,081	124,020		132,583
	2,842,696	516,466	1,416,992	393,823	5,169,977

F-24

---

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	<b>Within 1 Year HK\$ 000</b>	<b>Between 1 and 2 Years HK\$ 000</b>	<b>Between 2 and 5 Years HK\$ 000</b>	<b>Over 5 Years HK\$ 000</b>	<b>Total HK\$ 000</b>
<b>At 31 December 2008</b>					
Creditors and accruals	1,388,419				1,388,419
Amounts due to fellow subsidiaries	88,481				88,481
Amount due to immediate holding company	643,961				643,961
Amount due to a minority shareholder	169,659				169,659
Amount due to a subsidiary of a minority shareholder	12,338				12,338
Borrowings	876,300	560,727	2,268,407		3,705,434
Derivative financial instruments	12,185	6,491	6,675		25,351
Financial liabilities			190,587		190,587
Long-term other payables	810	15,817	61,064		77,691
	3,192,153	583,035	2,526,733		6,301,921
<b>At 30 September 2009</b>					
Creditors and accruals	1,060,395				1,060,395
Amounts due to fellow subsidiaries	97,952				97,952
Amount due to immediate holding company	49,492				49,492
Amount due to a minority shareholder	122,334				122,334
Amount due to a subsidiary of a minority shareholder	18,251				18,251
Borrowings	690,166	1,242,236	1,797,541		3,729,943
Derivative financial instruments	8,084	6,126	2,938		17,148
Financial liabilities			196,806		196,806
Long-term other payables	21	23,267	1,780		25,068
	2,046,695	1,271,629	1,999,065		5,317,389

The table below analyses the PCB Business derivative financial instruments held at 30 September 2009 that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<b>Within 1 Year HK\$ 000</b>	<b>Between 1 and 2 Years HK\$ 000</b>	<b>Between 2 and 5 Years HK\$ 000</b>	<b>Over 5 Years HK\$ 000</b>	<b>Total HK\$ 000</b>
<b>At 30 September 2009</b>					
Forward foreign exchange contracts					
cash flow hedges:					
Outflow	(5,114)		(174,541)		(179,655)
Inflow	5,517		196,794		202,311

F-25



**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*(iv) Cash flow and fair value interest-rate risk*

The PCB Business interest-rate risk mainly arises from borrowings. Borrowings issued at variable rates expose the PCB Business to cash flow interest-rate risk. Other than borrowings, the PCB Business has no significant interest-bearing assets and liabilities. Accordingly, the PCB Business income and operating cash flows, other than finance costs, are substantially independent of changes in market interest rates.

The PCB Business aims to maintain a suitable mixture of fixed rate and floating rate borrowings in order to stabilise interest costs despite rate movements. Interest rate hedging ratio is determined after taking into consideration of general market trends, the PCB Business cash flow patterns and interest coverage ratio. The PCB Business uses interest rate swaps to hedge exposures or to modify the interest rate characteristics of its borrowings. As at 31 December 2008 and 30 September 2009, the PCB Business has interest rate swap contracts of which it pays fixed interest rate and receives variable-interest rate to hedge certain of the PCB Business borrowings amounting to US\$100 million.

The PCB Business analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the PCB Business calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the simulations performed, the impact on profit or loss of a 10 basis-point shift would be a maximum increase of HK\$1,573,000, HK\$2,358,000, HK\$2,455,000 and HK\$2,100,000 or decrease of HK\$1,573,000, HK\$2,358,000, HK\$2,455,000 and HK\$2,100,000 for the years ended 31 December 2006, 2007, 2008 and nine months ended 30 September 2009 respectively.

*(b) Capital risk management*

The PCB Business objectives when managing capital are to safeguard the PCB Business ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the PCB Business will monitor the operating cash flow generated from operations and available banking facilities to match its capital expenditures and dividend outflow payments.

The PCB Business monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the combined statement of financial position.

The PCB Business strategy was to maintain a solid capital base to support the operations and development of its business in the long term. The table below analyses the PCB Business capital structure at 31 December 2006, 2007, 2008 and 30 September 2009:

	<b>2006</b>	<b>At 31 December</b>	<b>2008</b>	<b>At 30</b>
	<b>HK\$ 000</b>	<b>2007</b>	<b>HK\$ 000</b>	<b>September</b>
		<b>HK\$ 000</b>		<b>2009</b>
			<b>HK\$ 000</b>	<b>HK\$ 000</b>
Total borrowings	1,572,836	2,587,435	3,586,243	3,564,456
Less: cash and bank balances (Note 21)	(164,964)	(402,822)	(797,874)	(849,012)
Net debt	1,407,872	2,184,613	2,788,369	2,715,444
Total capital	631,096	1,860,055	1,776,609	2,313,896
Gearing ratio	223%	117%	157%	117%

F-26

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

During 2007, the decrease in the gearing ratio above resulted primarily from the increase in capital through capital contribution from immediate holding company.

During 2008, the increase in the gearing ratio above resulted primarily from the increase in borrowings to finance the purchases of property, plant and equipment.

During 2009, the decrease in the gearing ratio above resulted primarily from the increase in capital through capital contribution from immediate holding company.

**(c) Fair value estimation**

Effective 1 January 2009, the PCB Business adopted the amendment to HKFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the PCB Business assets and liabilities that are measured at fair value at the end of the reporting period.

	<b>At 30 September 2009 HK\$ 000</b>
<b>Assets</b>	
<b>Level 2</b>	
Derivatives financial instruments	22,796
<b>Level 3</b>	
Available-for-sale financial asset	17,714
<b>Total assets</b>	<b>40,510</b>
<b>Liabilities</b>	
<b>Level 2</b>	
Derivatives financial instruments	15,967

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

(i) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curve.

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of reporting period, with the resulting value discounted back to present value.

(iii) Enterprise value calculation method is used to determine the fair value for the available-for-sale financial asset which uses an average of the latest two years' earnings before interest, tax and depreciation and amortisation ( EBITDA ) extracted from the latest unaudited financial results of the security and an enterprise value multiplier of 5.5 times. The enterprise value multiplier used is within the range of the multiplier of similar companies within the same industry.

**4 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The PCB Business makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***(a) Useful lives of property, plant and equipment***

The PCB Business' management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitors' actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

***(b) Impairment of non-financial assets***

Property, plant and equipment, leasehold land and land use rights, and intangible assets (other than goodwill) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and goodwill is tested annually for impairment in accordance with accounting policy stated in Note 2(e). The recoverable amounts are determined based on value-in-use calculations or market valuations. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the PCB Business' financial position and

results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the combined income statement.

*(c) Provision for impairment of trade and other receivables*

The PCB Business makes provision for impairment of trade and other receivables based on an assessment of the recoverability of these receivables. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of trade and

**Table of Contents**

**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

other receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and provision for impairment losses in the period in which such estimate has been changed.

***(d) Net realisable values of inventories***

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sale have increased. The amount written off to the combined income statement is the difference between the carrying value and net realisable value of the inventories. In determining whether the cost of inventories can be recoverable, significant judgement is required. In making this judgement, the PCB Business evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

***(e) Present value of financial liabilities***

The PCB Business management determines the estimated redemption value of the financial liabilities by using a predetermined formula based on the put option agreement described in Note 26. This formula requires the use of estimates and assumptions which are described in Note 26. Any changes in these assumptions will impact the present value determined and the amount recorded in the combined statement of financial position.

***(f) Allocation of corporate expenses and income***

The PCB Business management specifically determines the allocation of certain general corporate expense and interest income of the Company. For those expense and income for which a specific identification method is not practicable, the expense and income are allocated based on the estimates that management considered as a reasonable reflection of the utilisation of service provided to, or benefits received by the PCB Business.

Corporate expenses allocated to the PCB Business mainly represented share award expenses (Note 7). For shares that are granted to the employees of the PCB Business, the related expenses are recorded based on the actual expenses of those employees. For shares which are granted to corporate level management, share award expenses are allocated based on revenue of the PCB Business to the Group. The allocation basis requires the use of judgement and estimates. Management has performed sensitivity analysis by applying different allocation basis (i.e. based on operating profit of the PCB Business to the Group) and there is no significant impact on combined income statement.

**5 Turnover/Revenue**

Turnover/revenue represents the sales of printed circuit boards during the year/period.

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****6 Other income**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Sales of scrap	61,837	119,967	153,508	121,689	84,076
Investment tax credits	8,054	29,518			
Dividend income from available-for-sale financial asset					1,971
Tooling charges	10,146	5,757			
Rental income from fellow subsidiaries	2,605	959	1,282	719	508
Negative goodwill from acquisition of minority interest in a subsidiary (Note 33(a))	1,108				
Sundries	3,476	5,129	4,020	2,825	5,178
	87,226	161,330	158,810	125,233	91,733

Investment tax credits represent incentives receivable as a result of the re-investment of the dividend incomes from subsidiaries in mainland China.

**7 Share award expenses**

In 2007, SuSih, the controlling shareholder of the Company, through its then wholly owned subsidiary Total Glory Holdings Limited ( Total Glory ), granted 120,556,000 shares from Total Glory's shareholding in the Company to the employees and senior executives of the Company who are involved in the PCB Business so as to allow them to share in the PCB Business success and to incentivise and reward them.

Out of the total 120,556,000 shares, 93,396,000 shares are not subject to any vesting condition whereas 27,160,000 shares are subject to certain vesting condition. For the years ended 31 December 2007, 2008 and nine months ended 30 September 2008 and 2009, out of the 27,160,000 shares which are subject to vesting condition, nil, 4,557,000, 4,044,000 (unaudited) and 5,014,000 shares were forfeited and returned to Total Glory respectively. Based on the offer price of HK\$2.25 per share, share award expenses of approximately nil, HK\$5.3 million, HK\$4.8 million (unaudited) and HK\$0.1 million were credited to the combined income statement for the years ended 31 December 2007, 2008 and for the nine months ended 30 September 2008 and 2009 respectively as a result of forfeiture. In addition, those granted shares which are subject to vesting conditions and based on the offer price of HK\$2.25 per share, net share award expenses of HK\$16.0 million, HK\$10.6 million, HK\$8.4 million (unaudited) and HK\$9.9 million were charged to the combined income statement for the years ended 31 December 2007, 2008 and nine months ended 30 September 2008 and 2009 respectively.



In respect of 93,396,000 shares granted in 2007 which are not subject to any vesting condition, all of them were vested in 2007 and HK\$210.1 million was charged to the combined income statement for the year ended 31 December 2007. No share award expense was charged to the combined income statement for the year ended 31 December 2008 and nine months ended 30 September 2008 and 2009 in relation to those granted shares which are not subject to any vesting condition.

For the share award expenses charged for the years ended 31 December 2007 and 2008 and nine months ended 30 September 2008 and 2009, corresponding amounts were credited as an employee share-based compensation reserve under equity in the financial statements of the PCB Business.

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****8 Employee benefit expenses**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
				(Unaudited)	
Wages and salaries	362,590	532,879	691,296	516,392	515,640
Share award expenses (Note 7)		226,097	10,601	8,404	9,897
Retirement benefit costs	16,556	19,420	27,860	20,036	18,295
	379,146	778,396	729,757	544,832	543,832

The PCB Business participates in employee social security plans, including pension, medical and other welfare benefits organised by the municipal government in mainland China in accordance with relevant regulations. Contributions are calculated based on certain percentages of the total salary costs of employees, subject to certain ceilings. The assets of the plans are held separately by the municipal government, which is responsible for the entire pension obligations payable to the retired employees. The PCB Business has no other obligations except for making these specific contributions to the plans.

The PCB Business also operates a defined contribution scheme in accordance with the requirements of the Mandatory Provident Fund Ordinance for all eligible employees in Hong Kong. Contributions to the scheme are calculated based on certain percentage of the applicable salary costs or pre-determined fixed sums. The assets of the scheme are held under separate independent trust funds.

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****9 Expenses by nature**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Raw materials and consumables used	1,398,859	2,049,998	2,600,715	2,001,482	1,747,408
Employee benefit expenses (Note 8)	379,146	778,396	729,757	544,832	543,832
Amortisation of intangible assets	1,170	1,337	2,991	2,513	878
Amortisation of leasehold land and land use rights	1,876	2,167	3,600	2,688	2,730
Depreciation of property, plant and equipment	200,264	278,664	420,885	309,313	363,980
Impairment of property, plant and equipment		10,612			5,419
Impairment of intangible assets	55		19,860		
(Gain)/loss on disposal of property, plant and equipment	(780)	2,563	19,493	6,540	735
Provision for/(written-back of) bad and doubtful debts	15,818	6,590	(1,659)	2,754	2,253
Provision for/(written-back of) inventories	12,264	12,572	6,646	5,550	(2,315)
Management fee expense to a related party (Note 34(g))	5,000				
Sales commission	12,113	12,890	17,038	15,324	6,189
Subcontracting expenses	79,688	82,568	98,987	77,515	27,413
Auditor's remuneration	2,439	4,024	4,843	3,255	3,299
Operating lease rental expense Land and buildings	3,005	4,645	6,036	4,438	3,708
Net exchange (gain)/loss	(18,964)	(68,349)	(152,479)	(154,049)	11,014
Others	417,813	598,356	926,067	662,452	578,345
Total cost of sales, selling and distribution expenses, general and administrative expenses and share award expenses	2,509,766	3,777,033	4,702,780	3,484,607	3,294,888

**10 Interest income**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
Interest income from banks	2,128	9,786	4,780	3,509	1,269
Interest income from fellow subsidiaries		6,683	12,660	9,501	3,923
Interest income from related parties	3,743				
Interest income from deposits relating to share subscription during the Listing		12,038			
	5,871	28,507	17,440	13,010	5,192

(Unaudited)

F-32

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****11 Finance costs**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
				(Unaudited)	
Interest expenses on bank loans, overdrafts and other short-term loans wholly repayable within five years	77,776	104,311	138,260	97,732	69,346
Less: amounts capitalised in property, plant and equipment (Note)			(24,777)	(17,367)	(12,274)
	77,776	104,311	113,483	80,365	57,072
Interest expense to a fellow subsidiary	198				
Interests on accretion of discount of financial liabilities			15,876	14,138	6,687
	77,974	104,311	129,359	94,503	63,759

Note:

Interest expenses of approximately HK\$24,777,000, HK\$17,367,000 (unaudited) and HK\$12,274,000 arising on borrowings for the construction and acquisition of qualifying assets were capitalised during the year ended 31 December 2008 and nine months period ended 30 September 2008 and 2009 and are included in Additions under property, plant and equipment. There was no such item in 2006 and 2007. A capitalisation rate of approximately 3.9%, 3.8% (unaudited) and 2.0% per annum was used for the year ended 31 December 2008 and nine months ended 30 September 2008 and 2009, representing the interest rate of the loans used to finance the projects.

**12 Income tax expense**

The amounts of taxation charged to the combined income statement represent:

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
				(Unaudited)	

Current income tax

Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

Hong Kong profits tax	3,456	(139)	138	1,160	
Overseas taxation	44,875	73,472	78,676	89,706	59,658
Deferred income tax (Note 25)	(6,754)	(9,140)	(5,919)	(13,939)	(14,656)
	41,577	64,193	72,895	76,927	45,002

Taxation has been provided at the appropriate tax rates prevailing in the countries in which the PCB Business operates. Hong Kong profits tax has been provided at the rate of 17.5%, 17.5%, 16.5%, 16.5% and 16.5% on the estimated assessable profit for the years ended 31 December 2006, 2007 and 2008 and nine months ended 30 September 2008 and 2009 respectively. The rates applicable for income tax in mainland China are 33%, 33%, 25%, 25% and 25% for the years ended 31 December 2006, 2007, 2008 and nine months ended 30 September 2008 and 2009 respectively. Certain subsidiaries established in mainland China are entitled to exemption and concessions from income tax under tax holidays. Income tax was calculated at rates given under the concessions.

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The new Corporate Income Tax Law increases the corporate income tax rate for foreign investment enterprises from previous preferential rates to 25% with effect from 1 January 2008. Companies established in mainland China before 16 March 2007 and previously taxed at the rate lower than 25% may be offered a gradual increase of tax rate to 25% within 5 years.

Certain subsidiaries of the PCB Business established in mainland China will enjoy preferential income tax rate from 2008 to 2011 and be taxed at the rate of 25% from 2012 or when the preferential treatment expires.

The taxation of the PCB Business profit before income tax differs from the theoretical amount that would arise using the applicable tax rate, being the weighted average of tax rates prevailing in the territories in which the PCB Business operates, as follows:

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Profit before income tax	344,130	417,131	556,548	489,345	243,667
Tax calculated at domestic applicable tax rate	117,565	166,417	134,385	118,105	63,866
Effect of change in tax rate		(10,940)	(14,200)	(157)	
Effect of relief on income tax	(87,636)	(136,263)	(40,090)	(45,866)	(59,090)
Expenses not deductible for taxation purposes	42,209	51,338	40,228	39,496	30,806
Income not subject to taxation	(33,511)	(27,645)	(51,196)	(43,442)	(10,518)
Unrecognised tax loss utilised during the year/period		(2,128)	(1,086)	(4,678)	(3,379)
Tax losses for which no deferred tax recognised	2,950	23,414	4,854	13,469	23,317
Income tax expense	41,577	64,193	72,895	76,927	45,002
Weighted average domestic applicable tax rate	34.2%	39.9%	24.1%	24.1%	26.2%

The change in weighted average domestic applicable tax rates above is mainly caused by a change in mix of profit earned in different tax jurisdictions and changes in respective tax rates as mentioned above.

**13 Dividend**

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Dividend paid		290,000	600,100	600,100	

F-34

---



**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****14 Property, plant and equipment**

	<b>Buildings</b>	<b>Leasehold Improvements</b>	<b>Furniture and Equipment</b>	<b>Plant, Machinery and Equipment</b>	<b>Motor Vehicles</b>	<b>Construction in Progress</b>	<b>Total</b>
	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>
At 1 January 2006							
Cost	481,039	15,413	80,810	1,518,764	17,197	83,461	2,196,684
Accumulated depreciation and accumulated impairment	(91,345)	(7,096)	(39,813)	(646,840)	(11,489)		(796,583)
Net book amount	389,694	8,317	40,997	871,924	5,708	83,461	1,400,101
Year ended 31 December 2006							
Opening net book amount	389,694	8,317	40,997	871,924	5,708	83,461	1,400,101
Exchange differences	13,055		1,063	38,848	179	3,255	56,400
Additions	9,166	411	15,811	220,148	2,933	394,813	643,282
Disposals	(823)	(1,913)	(222)	(2,862)	(25)	(2)	(5,847)
Depreciation	(24,683)	(1,151)	(11,881)	(160,328)	(2,221)		(200,264)
Reclassification	12,873		6,733	349,587		(369,193)	
Closing net book amount	399,282	5,664	52,501	1,317,317	6,574	112,334	1,893,672
At 31 December 2006							
Cost	517,253	10,298	100,302	2,081,859	18,801	112,334	2,840,847
Accumulated depreciation and accumulated impairment	(117,971)	(4,634)	(47,801)	(764,542)	(12,227)		(947,175)
Net book amount	399,282	5,664	52,501	1,317,317	6,574	112,334	1,893,672
Year ended 31 December 2007							
Opening net book amount	399,282	5,664	52,501	1,317,317	6,574	112,334	1,893,672

Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

Exchange differences	30,448		4,422	106,264	393	36,852	178,379
Additions	8,276	91	20,762	292,816	4,024	892,351	1,218,320
Addition through business combinations	160,233		4,998	298,651	127	362,241	826,250
Disposals	(164)		(129)	(5,027)		(613)	(5,933)
Depreciation	(29,551)	(92)	(28,273)	(217,959)	(2,789)		(278,664)
Reclassification	28,338	562	49,845	156,052		(234,797)	
Impairment			(579)	(10,033)			(10,612)
Closing net book value	596,862	6,225	103,547	1,938,081	8,329	1,168,368	3,821,412

F-35

---

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	<b>Buildings</b>	<b>Leasehold Improvements</b>	<b>Furniture and Equipment</b>	<b>Plant, Machinery and Equipment</b>	<b>Motor Vehicles</b>	<b>Construction in Progress</b>	<b>Total</b>
	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>	<b>HK\$ 000</b>
<b>At 31 December 2007</b>							
Cost	752,116	10,937	221,491	2,901,088	21,590	1,168,368	5,075,590
Accumulated depreciation and accumulated impairment	(155,254)	(4,712)	(117,944)	(963,007)	(13,261)		(1,254,178)
Net book amount	596,862	6,225	103,547	1,938,081	8,329	1,168,368	3,821,412
<b>Year ended 31 December 2008</b>							
Opening net book amount	596,862	6,225	103,547	1,938,081	8,329	1,168,368	3,821,412
Exchange differences	41,027		5,245	122,414	353	46,731	215,770
Additions	6,323	85	17,640	59,314	3,406	1,260,856	1,347,624
Disposals	(19,054)		(116)	(1,385)	(118)	(1,470)	(22,143)
Depreciation	(41,354)	(140)	(35,787)	(340,399)	(3,205)		(420,885)
Reclassification	436,130		17,721	750,000		(1,203,851)	
Closing net book amount	1,019,934	6,170	108,250	2,528,025	8,765	1,270,634	4,941,778
<b>At 31 December 2008</b>							
Cost	1,217,579	11,022	263,912	3,850,084	25,424	1,270,634	6,638,655
Accumulated depreciation and accumulated impairment	(197,645)	(4,852)	(155,662)	(1,322,059)	(16,659)		(1,696,877)
Net book amount	1,019,934	6,170	108,250	2,528,025	8,765	1,270,634	4,941,778
<b>Nine months ended 30 September 2009</b>							
Opening net book amount	1,019,934	6,170	108,250	2,528,025	8,765	1,270,634	4,941,778
Exchange differences	590		20	1,701	2	499	2,812
Additions	3,866	5	20,650	8,410	446	235,646	269,023

Edgar Filing: TTM TECHNOLOGIES INC - Form S-4/A

Disposals			(239)	(186)	(2,680)	(508)	(3,613)
Depreciation	(44,664)	(116)	(31,081)	(285,680)	(2,439)		(363,980)
Reclassification	95,272		8,869	208,930		(313,071)	
Impairment						(5,419)	(5,419)
Closing net book value	1,074,998	6,059	106,469	2,461,200	4,094	1,187,781	4,840,601
At 30 September 2009							
Cost	1,317,440	11,027	292,383	4,068,360	21,491	1,193,200	6,903,901
Accumulated depreciation and accumulated impairment	(242,442)	(4,968)	(185,914)	(1,607,160)	(17,397)	(5,419)	(2,063,300)
Net book amount	1,074,998	6,059	106,469	2,461,200	4,094	1,187,781	4,840,601

F-36

---

**Table of Contents****THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Depreciation expenses for years ended 31 December 2006, 2007 and 2008 and nine months ended 30 September 2008 and 2009 have been charged to the combined income statement as below:

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
				(Unaudited)	
Cost of sales	186,799	261,906	397,621	294,655	329,683
Selling and distribution expenses	3,472	3,550	3,678	2,750	2,981
General and administrative expenses	9,993	13,208	19,586	11,908	31,316
	200,264	278,664	420,885	309,313	363,980

Impairment loss of approximately nil, HK\$10,612,000, nil, nil (unaudited) and HK\$5,419,000 has been charged to general and administrative expenses for the years ended 31 December 2006, 2007, 2008 and nine months ended 30 September 2008 and 2009 respectively.

**15 Leasehold land and land use rights**

The PCB Business interest in leasehold land and land use rights represents prepaid operating lease payments and their net book values are analysed as follows:

	At 31 December			At 30 September
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2009 HK\$ 000
Beginning of the year/period				
Cost	66,825	91,856	154,548	162,933
Accumulated amortisation	(6,750)	(8,811)	(11,506)	(15,677)
Net book amount	60,075	83,045	143,042	147,256
Opening net book amount	60,075	83,045	143,042	147,256
Exchange differences	2,373	6,271	7,814	41
Additions	22,473			
Acquisition through business combination (Note 33(b))		55,893		
Amortisation	(1,876)	(2,167)	(3,600)	(2,730)

Closing net book amount	83,045	143,042	147,256	144,567
End of the year/period				
Cost	91,856	154,548	162,933	162,981
Accumulated amortisation	(8,811)	(11,506)	(15,677)	(18,414)
Net book amount	83,045	143,042	147,256	144,567

F-37

---

Table of Contents**THE PRINTED CIRCUIT BOARD BUSINESS OF MEADVILLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Amortisation expenses for years ended 31 December 2006, 2007 and 2008 and nine months ended 30 September 2008 and 2009 have been charged to the combined income statement as below:

	Year Ended 31 December			Nine Months Ended 30 September	
	2006 HK\$ 000	2007 HK\$ 000	2008 HK\$ 000	2008 HK\$ 000 (Unaudited)	2009 HK\$ 000
Cost of sales	157	157	157	118	118
General and administrative expenses	1,719	2,010	3,443	2,570	2,612
	1,876	2,167	3,600	2,688	2,730