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## **TECHCOMP (HOLDINGS) LIMITED**

**天美（控股）有限公司\***

*(Incorporated in Bermuda with limited liability)*

Hong Kong Stock Code: 1298

Singapore Stock Code: T43

### **ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015**

The board of directors (the “Board”) of Techcomp (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2015 together with the comparative figures as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the three months and six months ended 30 June*

	<i>Note</i>	<b>3 months ended 30 June</b>			<b>6 months ended 30 June</b>		
		<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>Change</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>Change</u></b>
		<i>US\$'000</i>	<i>US\$'000</i>	<i>%</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>%</i>
<b>Revenue</b>	3	38,287	37,458	2.2	71,819	67,641	6.2
Cost of sales		<u>(24,977)</u>	<u>(24,692)</u>	1.2	<u>(47,299)</u>	<u>(45,168)</u>	4.7
<b>Gross profit</b>		13,310	12,766	4.3	24,520	22,473	9.1
Other operating income		771	350	120.3	911	799	14.0
Distribution costs		(4,306)	(4,904)	(12.2)	(9,376)	(9,119)	2.8
Administrative expenses		(7,373)	(6,370)	15.7	(14,202)	(12,946)	9.7
Finance costs	5	<u>(368)</u>	<u>(347)</u>	6.1	<u>(743)</u>	<u>(740)</u>	0.4
<b>Profit before income tax</b>		2,034	1,495	36.1	1,110	467	137.7
Income tax expense	6	<u>(148)</u>	<u>(91)</u>	62.6	<u>(208)</u>	<u>(74)</u>	181.1
<b>Profit for the period</b>	4	<u>1,886</u>	<u>1,404</u>	34.3	<u>902</u>	<u>393</u>	129.5

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the three months and six months ended 30 June*

		3 months ended 30 June			6 months ended 30 June		
		<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
	Note	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Other comprehensive (expense) income</b>							
- exchange differences arising on translation of foreign operations		(165)	(667)	(75.3)	326	(731)	n/a
Other comprehensive (expense) income for the period, net of tax		(165)	(667)	(75.3)	326	(731)	n/a
Total comprehensive (expense) income for the period		<u>1,721</u>	<u>737</u>	<u>133.5</u>	<u>1,228</u>	<u>(338)</u>	<u>n/a</u>
<b>Profit for the period attributable to:</b>							
Owners of the Company		1,853	1,531	21.0	891	734	21.4
Non-controlling interests		33	(127)	n/a	11	(341)	n/a
		<u>1,886</u>	<u>1,404</u>	<u>34.3</u>	<u>902</u>	<u>393</u>	<u>129.5</u>
<b>Total comprehensive income (expense) attributable to:</b>							
Owners of the Company		1,688	907	86.1	1,217	47	2,489.4
Non-controlling interests		33	(170)	(119.4)	11	(385)	n/a
		<u>1,721</u>	<u>737</u>	<u>133.5</u>	<u>1,228</u>	<u>(338)</u>	<u>n/a</u>
<b>Earnings per share (US cents)</b>	8						
- Basic					<u>0.37</u>	<u>0.32</u>	
- Diluted					<u>0.37</u>	<u>0.31</u>	

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<u>At</u> <u>30 June</u> <u>2015</u> <i>US\$'000</i>	<u>At</u> <u>31 December</u> <u>2014</u> <i>US\$'000</i>
<b>Non-current assets</b>			
Properties, plant and equipment	10	11,811	11,992
Goodwill		3,109	3,109
Other intangible assets		4,116	4,497
Available-for-sale investments		944	944
Deferred tax asset		20	20
<b>Total non-current assets</b>		<u>20,000</u>	<u>20,562</u>
<b>Current assets</b>			
Inventories		48,900	38,105
Trade and other receivables	11	68,694	83,908
Income tax recoverable		53	68
Cash and bank balances		12,001	16,095
<b>Total current assets</b>		<u>129,648</u>	<u>138,176</u>
<b>Current liabilities</b>			
Trade and other payables	12	27,084	29,389
Liabilities for trade bills discounted with recourse		4,283	5,733
Income tax payable		1,893	1,679
Bank borrowings and overdrafts	13	25,279	33,284
<b>Total current liabilities</b>		<u>58,539</u>	<u>70,085</u>
<b>NET CURRENT ASSETS</b>		<u>71,109</u>	<u>68,091</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>91,109</u>	<u>88,653</u>
<b>Non-current liabilities</b>			
Bank borrowings	13	8,171	8,175
Retirement benefit plan liabilities		482	482
Deferred tax liabilities		193	237
<b>Total non-current liabilities</b>		<u>8,846</u>	<u>8,894</u>
		<u>82,263</u>	<u>79,759</u>
<b>Capital, reserves and non-controlling interests</b>			
Share Capital	14	13,772	13,369
Reserves		68,722	66,632
Equity attributable to owners of the Company		82,494	80,001
Non-controlling interests		(231)	(242)
		<u>82,263</u>	<u>79,759</u>

## STATEMENT OF FINANCIAL POSITION

<u>Company</u>	<i>Note</i>	<u>At</u> <u>30 June</u> <u>2015</u> <i>US\$'000</i>	<u>At</u> <u>31 December</u> <u>2014</u> <i>US\$'000</i>
<b>Non-current asset</b>			
Subsidiaries		37,329	38,630
<b>Current asset</b>			
Cash and bank balances		4	4
<b>Current liability</b>			
Other payables		-	14
<b>NET CURRENT ASSET / (LIABILITY)</b>		4	(10)
<b>NET ASSET</b>		37,333	38,620
<b>Equity attributable to Owners of the Company</b>			
Share Capital	14	13,772	13,369
Reserves		23,561	25,251
		37,333	38,620

# **CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended</b>	
	<b><u>30 June 2015</u></b>	<b><u>30 June 2014</u></b>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Operating activities</b>		
Profit before income tax	1,110	467
<b>Adjustments for:</b>		
Depreciation of properties, plant and equipment	583	550
Amortisation of intangible assets	882	874
Interest income	(22)	(9)
Finance costs	743	740
Loss on disposal of property, plant and equipment	1	-
Share-based payment expenses	<u>38</u>	<u>3</u>
<b>Operating cash flows before movements in working capital</b>	3,335	2,625
Trade and other receivables	15,308	10,107
Inventories	(10,701)	(11,548)
Trade and other payables	(2,309)	404
Trade bills discounted with recourse	(1,451)	(1,230)
Amount due from an associate	<u>-</u>	<u>(174)</u>
Cash generated from operations	4,182	184
PRC Enterprises Income Tax paid	25	14
Tax refund in other jurisdictions	<u>60</u>	<u>45</u>
<b>Net cash from operating activities</b>	<u>4,267</u>	<u>243</u>
<b>Investing activities</b>		
Deposits paid for acquisition of additional interests in a subsidiary/an associate	-	(636)
Purchase of properties, plant and equipment	(403)	(545)
Product development costs paid	(527)	(365)
Interest received	<u>22</u>	<u>9</u>
<b>Net cash used in investing activities</b>	<u>(908)</u>	<u>(1,537)</u>
<b>Financing activities</b>		
Proceeds from bank borrowings	29,282	34,497
Repayment of bank borrowings	(36,528)	(37,058)
Issue of shares	1,238	-
Interest paid	<u>(743)</u>	<u>(740)</u>
<b>Net cash used in financing activities</b>	<u>(6,751)</u>	<u>(3,301)</u>
Net decrease in cash and cash equivalents	(3,392)	(4,595)
Cash and cash equivalents at beginning of the period	13,927	12,635
Effect of foreign exchange rate changes	<u>60</u>	<u>65</u>
<b>Cash and cash equivalents at end of the period</b>	<u>10,595</u>	<u>8,105</u>
<b>Cash and cash equivalents comprised:</b>		
Cash and bank balances	12,001	9,817
Bank overdrafts	<u>(1,406)</u>	<u>(1,712)</u>
	<u>10,595</u>	<u>8,105</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Group

	Share capital	Share premium	Contributed surplus	Merger reserve <sup>(a)</sup>	Currency translation reserve	Legal reserve <sup>(b)</sup>	Capital reserve <sup>(c)</sup>	Warrant reserve	Equity reserve <sup>(d)</sup>	Share option reserve	Retained earnings	Attributable to owners of the Company	Non- controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2015	13,369	17,026	394	(4,112)	3,750	535	3,003	-	(2,490)	2,005	46,521	80,001	(242)	79,759
Total comprehensive income for the period:														
Profit for the period	-	-	-	-	-	-	-	-	-	-	891	891	11	902
Other comprehensive income	-	-	-	-	326	-	-	-	-	-	-	326	-	326
	-	-	-	-	326	-	-	-	-	-	891	1,217	11	1,228
Transactions with owners, recognised directly in equity:														
Issue of shares	403	835	-	-	-	-	-	-	-	-	-	1,238	-	1,238
Share-based payment expenses	-	-	-	-	-	-	-	-	-	38	-	38	-	38
	403	835	-	-	-	-	-	-	-	38	-	1,276	-	1,276
At 30 June 2015	13,772	17,861	394	(4,112)	4,076	535	3,003	-	(2,490)	2,043	47,412	82,494	(231)	82,263
Balance as at 1 January 2014	11,625	8,099	394	(4,112)	4,075	535	3,003	26	(2,037)	2,002	43,569	67,179	2,042	69,221
Total comprehensive income (expense) for the period:														
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	734	734	(341)	393
Other comprehensive expense	-	-	-	-	(687)	-	-	-	-	-	-	(687)	(44)	(731)
	-	-	-	-	(687)	-	-	-	-	-	734	47	(385)	(338)
Transactions with owners, recognised directly in equity:														
Share-based payment expenses	-	-	-	-	-	-	-	-	-	3	-	3	-	3
	-	-	-	-	-	-	-	-	-	3	-	3	-	3
At 30 June 2014	11,625	8,099	394	(4,112)	3,388	535	3,003	26	(2,037)	2,005	44,303	67,229	1,657	68,886

*Notes:*

- (a) Merger reserve represents the difference between the combined share capital of the entities in the merged group and the capital of the Company arising from a restructuring exercise undertaken in 2004.
- (b) The legal reserves is non-distributable and represents reserve fund and enterprise expansion fund of a subsidiary in the People's Republic of China ("PRC") that can be used to offset prior years' losses or convert into capital, provided such conversion is approved by a resolution at a shareholders' meeting.
- (c) Capital reserve represents a transfer of retained earnings by a PRC subsidiary in 2004.
- (d) Equity reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

## STATEMENT OF CHANGES IN EQUITY

### Company

	Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2015	13,369	17,026	394	2,005	-	5,826	38,620
Total comprehensive expense for the period	-	-	-	-	-	(2,563)	(2,563)
Transaction with owners, recognised directly in equity:							
Issue of shares	403	835	-	-	-	-	1,238
Share-based payment expenses	-	-	-	38	-	-	38
Balance as at 30 June 2015	13,772	17,861	394	2,043	-	3,263	37,333
Balance as at 1 January 2014	11,625	8,099	394	2,002	26	4,177	26,323
Total comprehensive expense for the period	-	-	-	-	-	(355)	(355)
Transaction with owners, recognised directly in equity:							
Share-based payment expenses	-	-	-	3	-	-	3
Balance as at 30 June 2014	11,625	8,099	394	2,005	26	3,822	25,971



## NOTES TO FINANCIAL STATEMENTS

### 1 General Information

The Company was incorporated in Bermuda as an exempt company with limited liability under the Companies Act on 26 January 2004. The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. Its principal place of business in Hong Kong is located at 6th Floor, Mita Center, 552–566 Castle Peak Road, Kwai Chung, Kowloon, Hong Kong. The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") since 12 July 2004 and 21 December 2011 respectively.

The Company is an investment holding company. The principal activities of the Group are the design, manufacture and distribution, of analytical and laboratory instruments and life science equipment.

### 2 Basis of preparation and principal accounting policies

The condensed consolidated financial statements have been prepared on historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRSs"):

Amendments to IAS 19	Defined benefit plans: Employee contributions
Amendments to IFRSs	Annual improvements to IFRSs 2010-2012 cycle
Amendments to IFRSs	Annual improvements to IFRSs 2011-2013 cycle

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

IFRS 9	Financial instruments <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures <sup>1</sup>

1 Effective for annual periods beginning on or after 1 January 2018.

The Directors anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

### 3 Revenue and segment information

The Group is organised into two operating divisions - distribution and manufacturing. These are also the basis on which resources are being allocated and performance evaluated for management purpose.

Principal activities of each reportable segment are as follows:

Distribution - distribution of analytical and laboratory instruments and life science equipment; and

Manufacturing - the design and manufacture of analytical and laboratory instruments and life science equipment.

Information regarding the Group's reportable segments is presented below.

#### Segment revenues and results

	<u>Distribution</u> <i>US\$'000</i>	<u>Manufacturing</u> <i>US\$'000</i>	<u>Total</u> <i>US\$'000</i>
<b><u>Period ended 30 Jun, 2015</u></b>			
<b>REVENUE</b>	<u>39,877</u>	<u>31,942</u>	<u>71,819</u>
<b>RESULTS</b>			
Segment result and profit before income tax	1,259	(149)	1,110
Income tax expenses			<u>(208)</u>
Profit for the period			<u>902</u>
<b><u>Period ended 30 Jun, 2014</u></b>			
<b>REVENUE</b>	<u>42,534</u>	<u>25,107</u>	<u>67,641</u>
<b>RESULTS</b>			
Segment result and profit before income tax	836	(369)	467
Income tax expenses			<u>(74)</u>
Profit for the period			<u>393</u>
<b>Segment assets and liabilities</b>			
<b><u>At 30 Jun, 2015</u></b>			
<b>ASSETS</b>			
Segment assets	98,572	50,058	148,630
Unallocated assets			<u>1,018</u>
Consolidated total assets			<u>149,648</u>
<b>LIABILITIES</b>			
Segment liabilities	52,961	12,339	65,300
Unallocated liabilities			<u>2,085</u>
Consolidated total liabilities			<u>67,385</u>
<b>Other segment information</b>			
Capital expenditure	54	876	930
Depreciation and amortisation	89	1,376	1,465
Finance costs	729	14	743
Interest income	<u>(19)</u>	<u>(3)</u>	<u>(22)</u>

### 3 Revenue and segment information (continued)

	<u>Distribution</u> <i>US\$'000</i>	<u>Manufacturing</u> <i>US\$'000</i>	<u>Total</u> <i>US\$'000</i>
<b><u>At 30 Jun, 2014</u></b>			
<b>ASSETS</b>			
Segment assets	87,745	50,360	138,105
Unallocated assets			<u>3,200</u>
Consolidated total assets			<u>141,305</u>
<b>LIABILITIES</b>			
Segment liabilities	52,375	18,329	70,704
Unallocated liabilities			<u>1,715</u>
Consolidated total liabilities			<u>72,419</u>
<b>Other segment information</b>			
Capital expenditure	22	888	910
Depreciation and amortisation	70	1,354	1,424
Finance costs	682	58	740
Interest income	<u>(5)</u>	<u>(4)</u>	<u>(9)</u>

#### Geographical information

The Group operates principally in the People's Republic of China ("PRC"), Hong Kong, Macau, Singapore, France, Switzerland and the United Kingdom.

##### (a) Revenue from external customers

	<b><u>6 months ended 30 June</u></b>	
	<b><u>2015</u></b> <i>US\$'000</i>	<b><u>2014</u></b> <i>US\$'000</i>
PRC (including Hong Kong & Macau)	46,868	48,860
Europe	11,166	12,059
Americas	9,274	1,962
Asia (other than PRC)	<u>4,511</u>	<u>4,760</u>
Total	<u>71,819</u>	<u>67,641</u>

##### (b) Non-current assets (excluding available-for-sale investments and deferred tax assets)

	<b><u>At 30 June</u></b>	
	<b><u>2015</u></b> <i>US\$'000</i>	<b><u>2014</u></b> <i>US\$'000</i>
PRC (including Hong Kong & Macau)	8,207	10,535
Europe	7,522	8,113
Americas	3,288	1,627
Asia (other than PRC)	<u>19</u>	<u>37</u>
Total	<u>19,036</u>	<u>20,312</u>

#### 4 Profit for the period

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

	3 months ended 30 June			6 months ended 30 June		
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Amortisation of intangible assets (included in administrative expenses)	526	414	27.1	882	874	0.9
Depreciation of properties, plant and equipment	322	309	4.2	583	550	6.0
Net foreign exchange gain	(689)	(279)	147.0	(641)	(624)	2.7
Interest income	(13)	(6)	116.7	(22)	(9)	144.4
Finance costs	<u>368</u>	<u>347</u>	6.1	<u>743</u>	<u>740</u>	0.4

#### 5 Finance costs

	6 months ended 30 June	
	<u>2015</u>	<u>2014</u>
	US\$'000	US\$'000
Interest on bank overdrafts and loans		
- wholly repayable within 5 years	710	722
- not wholly repayable within 5 years	<u>33</u>	<u>18</u>
	<u>743</u>	<u>740</u>

#### 6 Income tax expenses

	6 months ended 30 June	
	<u>2015</u>	<u>2014</u>
	US\$'000	US\$'000
Current tax:		
Hong Kong Profits Tax	55	74
PRC Enterprise Income Tax	95	11
Others	<u>60</u>	<u>45</u>
	210	130
Deferred tax	<u>(2)</u>	<u>(56)</u>
Income tax expense for the period	<u>208</u>	<u>74</u>

The income tax expense for the Group is calculated at the respective statutory tax rates prevailing in the relevant jurisdictions.

Hong Kong and Singapore income tax are respectively calculated at 16.5% and 17% of the estimated assessable profit for the period respectively.

PRC Enterprise Income Tax is calculated at the applicable tax rate at 25% in accordance with the relevant laws and regulations in the PRC.

## 7 Dividends

No dividend was declared and paid during the six months ended 30 June 2015.

The Company did not recommend or declare any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

## 8 Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company for the six months ended 30 June 2015 is based on the following data:

	<b>2015</b>	<b>2014</b>
	<i>US\$'000</i>	<i>US\$'000</i>
Profit for the period attributable to owners of the Company	<u>891</u>	<u>734</u>
	<u>Number of shares</u>	
	'000	
Number of ordinary shares for the purpose of basic earnings per share	240,154	232,500
Add: Effect of dilutive potential ordinary shares relating to outstanding share options issued by the Company	<u>3,285</u>	<u>2,497</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>243,439</u>	<u>234,997</u>

The calculation of diluted earnings per share takes into account on the effects of employee share options outstanding at the end of the reporting period.

## 9 Net asset value

	<b>Group</b>		<b>Company</b>	
	<u><b>30 June</b></u>	<u><b>31 Dec</b></u>	<u><b>30 June</b></u>	<u><b>31 Dec</b></u>
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
	<i>US cents</i>	<i>US cents</i>	<i>US cents</i>	<i>US cents</i>
Net asset value per ordinary share capital at the end of the financial period	30.0	29.9	13.6	14.4

The net asset value per share as at 30 June 2015 is computed using the number of shares in issue of 275,437,000 shares (31 December 2014: 267,375,000 shares) as at that date.

## 10 Additions to properties, plant and equipment

During the period, the Group spent approximately US\$403,000 (31 December 2014: US\$ \$1,299,000) on acquisition of properties, plant and equipment.

## 11 Trade and other receivables

	<b><u>30 June</u></b> <b><u>2015</u></b> <i>US\$'000</i>	<b><u>31 December</u></b> <b><u>2014</u></b> <i>US\$'000</i>
Trade receivables and bills receivables	61,441	72,192
Less: Allowance for doubtful debts	<u>(3,279)</u>	<u>(3,285)</u>
	58,162	68,907
Trade bills receivable discounted with recourse	4,282	5,733
Prepayments	2,687	6,066
Other receivables	<u>3,563</u>	<u>3,202</u>
	<u>68,694</u>	<u>83,908</u>

The Group allows credit period of 30 to 90 days to its trade customers. The aging of trade receivables and bills receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period, is as follows:

	<b><u>30 June</u></b> <b><u>2015</u></b> <i>US\$'000</i>	<b><u>31 December</u></b> <b><u>2014</u></b> <i>US\$'000</i>
0 to 90 days	30,140	47,853
91 to 120 days	8,100	10,227
121 to 365 days	13,041	6,353
1 year to 2 years	5,040	3,654
Over 2 years	<u>1,841</u>	<u>820</u>
	<u>58,162</u>	<u>68,907</u>

## 12 Trade and other payables

	<b><u>30 June</u></b> <b><u>2015</u></b> <i>US\$'000</i>	<b><u>31 December</u></b> <b><u>2014</u></b> <i>US\$'000</i>
Trade payables	12,323	14,324
Accruals	4,573	6,726
Customer deposits	6,758	4,581
Other payables	<u>3,430</u>	<u>3,758</u>
	<u>27,084</u>	<u>29,389</u>

The Group normally receives credit terms of 30 to 75 days from its suppliers. The aging of trade payables, presented based on the invoice date at the end of the reporting period, is as follows:

	<b><u>30 June</u></b> <b><u>2015</u></b> <i>US\$'000</i>	<b><u>31 December</u></b> <b><u>2014</u></b> <i>US\$'000</i>
0 to 60 days	8,706	11,338
61 to 180 days	2,599	1,552
181 to 365 days	649	710
Over 365 days	<u>369</u>	<u>724</u>
	<u>12,323</u>	<u>14,324</u>

### 13 Bank borrowings and overdrafts

#### Amount repayable in one year or less, or on demand

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
298	24,981	160	33,124

#### Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
2,767	5,404	2,800	5,375

#### Details of any collateral

The Group has pledged its leasehold land and buildings of approximately US\$4,817,000 (31 December 2014: US\$4,699,000) to certain banks to secure bank facilities granted to the Group.

### 14 Share Capital

	<b><u>Group and Company</u></b>	
	Number of ordinary shares of US\$0.05 each	US\$'000
Authorised	<u>800,000,000</u>	<u>40,000</u>
Issued and paid up:		
At 31 December 2014	267,375,000	13,369
Issue of shares pursuant to exercise of share options	<u>8,062,000</u>	<u>403</u>
At 30 June 2015	<u>275,437,000</u>	<u>13,772</u>

On 22 October 2014, the Company issued 34,875,000 new ordinary shares of US\$0.05 each, for consideration of HK\$2.4 (equivalent to US\$0.3077) per share.

The subscription price of HK\$2.4 per subscription share represents a discount of approximately 5.88% to the closing price of HK\$2.55 per share as quoted on the Stock Exchange on 9 October 2014 (the date on which the terms of the issue were fixed).

The net proceeds received by the Company from the subscription are approximately HK\$83.35 million (equivalent to US\$10.69 million), representing a net price of HK\$2.39 (equivalent to US\$0.3064) per share.

The allocation was made to two subscribers. The subscribers and their respective ultimate beneficial owners were independent of and not connected with the Company or any of its connected persons on the subscription date. The subscribers are KCH Investment Company Limited that is wholly owned by Mr. Guo Bing (Note 1) and GW Capital Limited that is wholly owned by Mr. Guo Yong.

Pursuant to exercise of share options under the 2004 Share Option Scheme (as defined below), the Company issued 8,062,000 ordinary shares of US\$0.05 each for the net proceeds of approximately US\$1,238,000 for the period.

The new issued shares rank pari passu with the then existing shares in all respects. The Company has one class of ordinary shares which carry one vote per share and no right to fixed income.

*Note 1: Mr. Guo Bing was subsequently appointed as Director of the Company on 2 July 2015.*

## 15 Share option

The Company has two share option schemes, the details of which are as follows:

### 2004 Share Option Scheme

On 28 May 2004, the Company adopted a share option scheme (the "2004 Share Option Scheme"). The purpose of the 2004 Share Option Scheme was to provide the eligible participants with an opportunity to have a personal stake in the Company with a view to motivating them to optimize their performance efficiency for the benefit of the Company.

The size of the 2004 Share Option Scheme shall not exceed 15% of the issued ordinary share capital of the Company. The options that are granted under the 2004 Share Option Scheme may have exercise prices that are set at a price equal to the average of the last dealt prices for the Shares determined by reference to the daily official list or other publication published by the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive market days immediately preceding the relevant date of grant of such options or at a discount to the abovementioned price (subject to a maximum discount of 20%).

Directors (including non-executive directors and independent directors) and employees of the Group are eligible to participate in the 2004 Share Option Scheme. Controlling shareholders and their associates are not eligible to participate in the 2004 Share Option Scheme. Holders of options who are executive directors or employees of any company in the Group will have up to 10 years from the date of grant to exercise their options. Holders of options who are non-executive directors of any company within the Group will have up to 5 years from the relevant date of grant to exercise their options. Offers of options made to grantees, if not accepted within 30 days, will lapse.

The number of shares comprised in any option to be offered to a participant of the 2004 Share Option Scheme shall be determined by the absolute discretion of the Remuneration Committee.

The Company granted a total of 21,835,000 options under the 2004 Share Option Scheme, of which options to subscribe for 8,062,000 ordinary shares of US\$0.05 each have been exercised. The number of outstanding share options under the 2004 Share Option Scheme as at 30 June 2015 is 13,773,000 (31 December 2014: 21,835,000), representing 5.0% (31 December 2014: 8.2%) of the issued share capital of the Company as at 30 June 2015.

Pursuant to the 2004 Share Option Scheme, 30% of the options shall be vested on the first anniversary of the date of grant. The remaining 70% of the options shall be vested on the third anniversary of the date of grant. Upon acceptance of the option, the grantee shall pay S\$1.00 to the Company by way of consideration for the grant of the option.

No further option has been granted under the 2004 Share Option Scheme upon the listing of the Company on the SEHK on 21 December 2011 and the 2004 Share Option Scheme was subsequently superseded by the 2011 Share Option Scheme (as defined below).

### 2011 Share Option Scheme

On 9 June 2011, the Company adopted another share option scheme (the "2011 Share Option Scheme"). The purpose of the 2011 Share Option Scheme was to enable the Company to grant options to eligible participants as incentives or rewards for their contribution to the Group, and to encourage eligible participants to perform their best in achieving goals of the Group.

Directors (including non-executive directors and independent directors) and employees of the Group are eligible to participate in the 2011 Share Option Scheme.

The 2011 Share Option Scheme shall be in force up to a maximum period of 10 years from the date on which the 2011 Share Option Scheme was adopted (i.e. 9 June 2011) and may be continued beyond the stipulated period with the approval of shareholders by way of ordinary resolution in a general meeting and of such relevant authorities which may then be required.



### **Share option (continued)**

The options that are granted under the 2011 Share Option Scheme may have exercise prices that are the higher of (I) the closing price of the Shares as stated in the daily quotations sheet issued by the SEHK or the SGX-ST (whichever is higher) on the offer date of such options, which must be a business day; and (II) the average closing price of the Shares as stated in the daily quotations sheets issued by the SEHK or the SGX-ST for the five consecutive business days immediately preceding the offer date of such options (whichever is higher).

Where the options are granted to the controlling shareholders and their associates, (a) the aggregate number of Shares available to the controlling shareholders and their associates shall not exceed 25% of the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2011 Share Option Scheme; (b) the aggregate number of Shares available to each controlling shareholder or his associate shall not exceed 10% of the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2011 Share Option Scheme; (c) separate approval of independent shareholders shall be obtained for each participant in respect of his participation and the number of Shares comprised in the options to be granted to him and the terms.

The number of shares comprised in any option to be offered to a participant in the 2011 Share Option Scheme shall be determined by the absolute discretion of the Remuneration Committee.

Pursuant to the annual general meeting of the Company on 30 April 2012 (the “2012 AGM”) and the approval granted by the Listing Committee of the SEHK, the scheme mandate limit of the 2011 Share Option Scheme was refreshed and the Company might grant options entitling the eligible participants to subscribe for up to a maximum number of 23,250,000 Shares, representing 10% of the issued share capital of the Company as at the date of the 2012 AGM.

On 22 January 2015, the Company granted a total of 2,000,000 options under its 2011 Share Option Scheme for a total of 2,000,000 new ordinary shares of US\$0.05 each in the capital of the Company at the exercise price of HK\$2.00 per share, of which options to subscribe for 300,000 shares were cancelled on 23 January 2015 and options to subscribe for 1,700,000 shares remained outstanding (representing 0.6% of the issued share capital of the Company as at 30 June 2015).

Pursuant to the 2011 Share Option Scheme, the first tranche of the options (30% of the Share Options) is exercisable from 22 January 2018 to 22 January 2025, the second tranche of the options (30% of the Share Options) is exercisable from 22 January 2019 to 22 January 2025, and the third tranche of the options (40% of the Share Options) is exercisable from 22 January 2020 to 22 January 2025. Upon acceptance of the option, the grantee shall pay S\$1.0 to the Company by way of consideration for the grant of the option.

**Particulars of the share options granted under the share option schemes are as follows:**

Grant date	Expiry date	Exercisable period	Share options granted at initial date ('000)	Exercise price	Fair value at grant date	Group and Company outstanding share options at January 1, 2013, December 31, 2013 and December 31, 2014	Granted during the period	Exercised during the period	Cancelled during the period	Group and Company outstanding share options outstanding at 30 Jun 2015
<b>2004 Share Option Scheme</b>										
15/4/2008	14/4/2018	Apr 15, 2009 to Apr 14, 2018	825	S\$0.26	S\$0.14 (1) & S\$0.11 (2)					
Director						-	-	-	-	-
Employee						750,000	-	(615,000)	-	135,000
2/3/2009	1/3/2019	Mar 2, 2010 to Mar 1, 2019 (Note)	3,855	S\$0.16	S\$0.11 (1) & S\$0.10 (2)					
Director						-	-	-	-	-
Employee						3,810,000	-	(2,539,500)	-	1,270,500
22/5/2009	21/5/2019	May 22, 2010 to May 21, 2019 (Note)	150	S\$0.16	S\$0.11 (1) & S\$0.10 (2)					
Director						-	-	-	-	-
Employee						150,000	-	-	-	150,000
11/1/2010	10/1/2020	Jan 11, 2011 to Jan 10, 2020 (Note)	10,500	S\$0.23	S\$0.16 (1) (2)					
Director						3,600,000	-	-	-	3,600,000
Employee						6,750,000	-	(4,907,500)	-	1,842,500
6/1/2011	5/1/2021	Jan 6, 2012 to Jan 5, 2021 (Note)	6,800	S\$0.42	S\$0.19 (1) & S\$0.18 (2)					
Director						1,400,000	-	-	-	1,400,000
Employee						5,375,000	-	-	-	5,375,000
Total						21,835,000	-	(8,062,000)	-	13,773,000
<b>2011 Share Option Scheme</b>										
22/1/2015	22/1/2025	Jan 22, 2018 to Jan 22, 2025	2,000	HK\$2.00	HK\$1.90					
Director						-	-	-	-	-
Employee						-	2,000,000	-	(300,000)	1,700,000
Total						-	2,000,000	-	(300,000)	1,700,000
(1) Senior management										
(2) General management										
Note: 30% of the options vested on the first anniversary of the date of grant. The remaining 70% of the options vested on the third anniversary of the date of grant.										

## 16 Contingent liabilities

As at 30 June 2015 and 31 December 2014, the Group had no material contingent liabilities.

## **BUSINESS REVIEW**

For the six months ended 30 June 2015 (“HY2015”), Group revenue for distribution business decreased by 6.2% to US\$39.9 million from US\$42.5 million for the six months ended 2014 (“HY2014”) mainly due to the decrease in revenue in the PRC for the period. The revenue in the PRC decreased by 4.0% to US\$46.9 million in HY2015 from US\$48.9 million in HY2014 due to the slower funding release. Nevertheless, the improved gross margin of the distribution products due to the depreciation of Japanese Yen enhanced the segment results from distribution business by 50.6% to US\$1.3 million.

Group revenue for the manufacturing business increased by 27.2% to US\$31.9 million in HY2015 from US\$25.1 million in HY2014 mainly due to the new business in relation to the gas chromatograph which commenced in late last quarter of 2014. The segment losses from manufacturing business improved from US\$0.4 million in HY2014 to US\$0.1 million in HY2015 mainly due to the increase in revenue of manufactured products.

The profit attributable to the owners of the Company increased by 21.3% to US\$0.9 million in HY2015 from US\$0.7 million in HY2014, mainly attributable to the improved margin for the period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Statement of Comprehensive Income**

#### **Revenue**

Revenue in the three months ended 30 June 2015 (“2Q2015”) increased by 2.2% to US\$38.2 million from US\$37.5 million for the same period ended 30 June 2014 (“2Q2014”) while the revenue in HY2015 increased by 6.2% to US\$71.8 million. The revenue increased mainly due to the contribution from the new business of Gas Chromatograph and Gas Chromatography Mass Spectrometry being acquired in last quarter of 2014. As a result, revenue from Americas increased by 372.7% to US\$9.3 million in HY2015 from US\$2.0 million in HY2014. However, revenue in PRC decreased by 4.1% to US\$46.9 million in HY2015 from US\$48.9 million in HY2014 whereas revenue in Europe decreased by 7.4% from US\$12.1 million in HY2014 to US\$11.2 million in HY2015 due mainly to the strengthening of United States dollar against the European currencies.

#### **Cost of sales**

Cost of sales in 2Q2015 increased by 1.2% to US\$25.0 million from US\$24.7 million in 2Q2014 while cost of sales in HY2015 increased by 4.7% to US\$47.3 million from US\$45.2 million in HY2014. The increase was in tandem with revenue growth.

#### **Gross profit and gross profit margin**

Gross profit in HY2015 increased by 9.1% to US\$24.5 million from US\$22.5 million in HY2014 due to increase in revenue. The gross profit margin in HY2015 was 34.1% compared to 33.2% in HY2014, and the gross profit margin for distribution business increased by 0.8 percentage points primarily due to the depreciation of Japanese Yen when compared to corresponding period.

#### **Other operating income**

Other operating income in HY2015 increased by 14.0% to US\$0.9 million from US\$0.8 million in HY2014 mainly due to the increase in sundry income by US\$69,000 in HY2015.

#### **Distribution costs**

Distribution costs in 2Q2015 decreased by 12.2% to US\$4.3 million. In HY2015, distribution costs increased by 2.8% to US\$9.4 million, due to the expenditure arising from new business of Gas Chromatograph which was acquired in last quarter of 2014.

#### **Administrative expenses**

Administrative expenses in HY2015 increased by 9.7% to US\$14.2 million mainly due to expenditure arising from new business of Gas Chromatograph which was acquired in last quarter of 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **Finance costs**

Finance costs remained stable at US\$0.7 million in HY2015.

### **Profit before income tax**

Profit before income tax increased by US\$0.6 million from US\$0.5 million in HY2014 to US\$1.1 million in HY2015 due to the increase in revenue during the period.

### **Profit for the period**

The profit attributable to the owners of the Company increased by US\$0.2 million to US\$0.9 million in HY2015 from US\$0.7 million in HY2014.

## **Statement of Financial Position**

### **Inventories**

Inventories increased by US\$10.8 million from US\$38.1 million as at 31 December 2014 to US\$48.9 million as at 30 June 2015, which mainly due to the higher level of inventory of raw materials and finished goods held to meet the expected increase in manufacturing and distribution business in the second half of the year.

### **Trade and other receivables**

Trade and other receivables decreased by US\$15.2 million from US\$83.9 million as at 31 December 2014 to US\$68.7 million as at 30 June 2015, which was in line with the seasonal pattern in our business where a higher portion of sales were traditionally realized in the second half of the year.

### **Trade and other payables**

Trade and other payables decreased by US\$2.3 million from US\$29.4 million as at 31 December 2014 to US\$27.1 million as at 30 June 2015.

### **Cash and cash equivalents**

The decrease in cash and cash equivalents by US\$4.1 million from US\$16.1 million as at 31 December 2014 to US\$12.0 million as at 30 June 2015 was mainly due to the net cash outflow from investing and financing activities of US\$0.9 million and US\$6.8 million respectively, which was partially offset by the cash inflow from operating activities of US\$4.3 million for the period.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30 June 2015, the Group's net current assets stood at US\$71.1 million (31 December 2014: US\$68.1 million), of which the cash and bank balances were US\$12.0 million (31 December 2014: US\$16.1 million). The Group's current ratio was 2.2 (31 December 2014: 2.0).

Total bank borrowings were US\$33.5 million (31 December 2014: US\$41.5 million). The Group's gearing ratio as at 30 June 2015 was 40.7% (31 December 2014: 52.0%), which is calculated based on the Group's total interest-bearing debts over the total equity. The Group adopts centralized financing and treasury policies in order to ensure that group financing is managed efficiently. The Group also regularly monitors its liquidity requirements, its compliance with lending covenants and its relationship with banks to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

**PROSPECTS (A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months)**

Similar to the seasonal trend experiences in the past, management expects increased business activities for the group in second half of the year to continue.

Furthermore, the first half result of the China market was affected by more stringent approval process in government funding and slower economic growth that resulted in weaker overall demand in the industrial sector. That notwithstanding, management anticipates modest sales growth going forward as demand for scientific equipment is expected to grow with increase in investments in research and development, food safety, environmental and health care industries.

Management expects that the other Asian markets like India and Indonesia to remain stable. As for Europe, management expects the Group operations to continue to improve and benefit from productivity measures and marketing initiatives implemented. In addition, the Group will continue to consolidate the GC business acquired last year and optimize the sourcing and manufacturing operations across Europe, Asia and the United States of America.

**EMPLOYEES AND EMOLUMENT POLICY**

As at 30 June 2015, there were 811 (31 December 2014: 821) employees in the Group. Staff remuneration packages are determined after consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities on the SEHK or the SGX.

**AUDIT COMMITTEE**

The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2015, including the review of the accounting principles and practices adopted by the Group, and has also discussed auditing, internal control and financial reporting matters. The Audit Committee has no disagreement with the accounting principles, treatments and practices adopted by the Group.

**CORPORATE GOVERNANCE**

The Company recognizes the importance of good corporate governance and accountability to shareholders. The Board believes that the Company and all its stakeholders can benefit from such practice and management culture. Therefore, the Company continuously reviews its corporate governance practices to comply, where applicable, with the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Singapore Code") and the Corporate Governance Code (the "Hong Kong Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules").

In the opinion of the Directors, the Company has complied with the applicable provisions of the Hong Kong Code throughout the period ended 30 June 2015, except for a deviation from Code Provision A.2.1 of the Hong Kong Code which is explained below:

According to Code Provision A.2.1 of the Hong Kong Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Given the size of the Company's current business operations and the nature of its activities, the Board is of the view that it is not necessary to separate the roles of the Chairman and Chief Executive Officer. In addition, given that three out of six directors are independent non-executive Directors, and that each of the three Board Committees is chaired by an independent director and comprises members who are all independent directors, the Board is of the view that there is an appropriate balance of power within the Board, and that there is no undue concentration of power and authority in a single individual. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are in line with those in the Code.

## **HONG KONG CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Board of the Company confirms, having made specific enquiries with all directors that during the period ended 30 June 2015, all members of the Board have complied with the required standards of the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 of the Listing Rules.

## **AUDIT OR REVIEW OF THE FINANCIAL RESULTS**

The results have not been audited or reviewed by the auditors of the Company.

## **FORECAST STATEMENT**

No forecast statement has been previously disclosed to shareholders.

## **DISCLOSURE ON THE WEBSITE OF THE EXCHANGES**

This announcement shall be published on the respective website of the SGX, the SEHK and the Company.

## **DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii) SGX LISTING MANUAL**

No mandate from shareholders has been obtained for IPTs.

## **CONFIRMATION BY THE BOARD**

The Board of the Company confirm to the best of their knowledge that nothing has come to the attention of the board of directors of the Company which may render the unaudited financial information of the Group and Company for the second quarter and six months ended 30 June 2015 to be false or misleading in any material aspect.

By Order of the Board of  
**Techcomp (Holdings) Limited**  
**Lo Yat Keung**  
*President*

Hong Kong, 13 August 2015

*As at the date of this announcement, the executive Directors are Mr. Lo Yat Keung (Chairman), Mr. Chan Wai Shing and Mr. Guo Bing, and the independent non-executive Directors are Mr. Seah Kok Khong, Manfred, Mr. Ho Yew Yuen and Mr. Teng Cheong Kwee.*

*\*For identification purpose only*