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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 2013

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 2013 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June

	<i>Note</i>	3 months ended 30 June			6 months ended 30 June		
		<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
		<i>US\$ '000</i>	<i>US\$ '000</i>	<i>%</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>%</i>
Revenue	3	39,700	41,216	(3.7)	68,834	68,232	0.9
Cost of sales		<u>(25,734)</u>	<u>(29,266)</u>	(12.1)	<u>(45,766)</u>	<u>(48,087)</u>	(4.8)
Gross profit		13,966	11,950	16.9	23,068	20,145	14.5
Other operating income (expenses)		567	(637)	n/a	1,226	(68)	n/a
Distribution costs		(5,629)	(3,898)	44.4	(9,788)	(7,588)	29.0
Administrative expenses		(6,395)	(4,526)	41.3	(12,892)	(10,762)	19.8
Share of results of an associate		1	(73)	(101.4)	(94)	(181)	(48.1)
Finance costs	5	<u>(401)</u>	<u>(359)</u>	11.7	<u>(862)</u>	<u>(634)</u>	36.0
Profit before income tax		2,109	2,457	(14.2)	658	912	(27.9)
Income tax expense	6	<u>(85)</u>	<u>(125)</u>	(32.0)	<u>(30)</u>	<u>(48)</u>	n/a
Profit for the period		<u>2,024</u>	<u>2,332</u>	(13.2)	<u>628</u>	<u>864</u>	(27.3)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the three months and six months ended 30 June

	3 months ended 30 June			6 months ended 30 June		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Note	US\$ '000	US\$ '000	%	US\$ '000	US\$ '000	%
Other comprehensive income						
- exchange differences arising on translation of foreign operations	893	(415)	n/a	973	(467)	n/a
- share of exchange reserve of an associate	3	-	n/a	3	-	n/a
Other comprehensive income (expense) for the period, net of tax	896	(415)	n/a	976	(467)	n/a
Total comprehensive income for the period	2,920	1,917	52.3	1,604	397	304.0
Profit for the period attributable to:						
Owners of the Company	2,313	2,335	(0.9)	1,207	1,127	7.1
Non-controlling interests	(289)	(3)	9,533.3	(579)	(263)	120.2
	2,024	2,332	(13.2)	628	864	(27.3)
Total comprehensive income attributable to:						
Owners of the Company	3,144	1,923	63.5	2,083	694	200.1
Non-controlling interests	(224)	(6)	3,633.3	(479)	(297)	61.3
	2,920	1,917	52.3	1,604	397	304.0
Earnings per share (US cents)	8					
- Basic				0.52	0.48	
- Diluted				0.52	0.48	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<u>At</u> <u>30 June</u> <u>2013</u> <i>US\$ '000</i>	<u>At</u> <u>31 December</u> <u>2012</u> <i>US\$ '000</i>
Non-current assets			
Properties, plant and equipment	10	13,126	13,230
Goodwill		3,434	1,839
Intangible assets		4,758	5,003
Available-for-sale investments		944	534
Deferred tax asset		89	88
Interest in an associate		133	223
Total non-current assets		22,484	20,917
Current assets			
Inventories		40,186	32,125
Trade and other receivables	11	59,209	68,668
Income tax recoverable		97	161
Amount due from an associate		2,571	2,771
Cash and bank balances		12,623	17,015
Total current assets		114,686	120,740
Current liabilities			
Trade and other payables	12	24,016	23,012
Liabilities for trade bills discounted with recourse		3,653	5,015
Income tax payable		1,141	1,025
Bank borrowings and overdrafts	13	27,805	30,312
Total current liabilities		56,615	59,364
NET CURRENT ASSETS		58,071	61,376
TOTAL ASSETS LESS CURRENT LIABILITIES		80,555	82,293
Non-current liabilities			
Bank borrowings	13	13,409	16,796
Deferred tax liabilities		156	234
Total non-current liabilities		13,565	17,030
		66,990	65,263
Capital and reserves			
Share Capital	14	11,625	11,625
Reserves		52,985	50,779
Equity attributable to Owners of the Company		64,610	62,404
Non-controlling interests		2,380	2,859
		66,990	65,263

STATEMENT OF FINANCIAL POSITION

<u>Company</u>	<i>Note</i>	<u>At</u> <u>30 June</u> <u>2013</u> <i>US\$ '000</i>	<u>At</u> <u>31 December</u> <u>2012</u> <i>US\$ '000</i>
Non-current asset			
Subsidiaries		<u>23,150</u>	<u>23,632</u>
Current liability			
Other payables		<u>38</u>	<u>76</u>
NET CURRENT LIABILITY		<u>(38)</u>	<u>(76)</u>
NET ASSET		<u>23,112</u>	<u>23,556</u>
Equity attributable to Owners of the Company			
Share Capital	14	11,625	11,625
Reserves		<u>11,487</u>	<u>11,931</u>
		<u>23,112</u>	<u>23,556</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	<u>30 June 2013</u>	<u>30 June 2012</u>
	US\$'000	US\$'000
Operating activities		
Profit before income tax	658	912
Adjustments for:		
Depreciation of properties, plant and equipment	545	558
Amortisation of intangible assets	946	826
Interest income	(8)	(5)
Finance costs	862	634
Share of results of an associate	94	181
Share-based payment expenses	123	222
Reversal for doubtful debts	-	(44)
Gain on disposal of investments carried at fair value through profit or loss	-	(13)
Operating cash flows before movements in working capital	<u>3,220</u>	<u>3,271</u>
Trade and other receivables	12,718	5,625
Inventories	(5,001)	(7,906)
Trade and other payables	(1,516)	4,825
Trade bills discounted with recourse	(1,362)	(1,266)
Amount due from an associate	<u>200</u>	<u>(2,606)</u>
Cash generated from operations	8,259	1,943
PRC Enterprises Income Tax paid	(32)	(51)
Tax refund in other jurisdictions	<u>64</u>	<u>60</u>
Net cash from operating activities	<u>8,291</u>	<u>1,952</u>
Investing activities		
Acquisition of a subsidiary	(4,452)	(1,247)
Product development costs paid	(826)	(1,001)
Purchase of properties, plant and equipment	(58)	(187)
Purchase of available-for-sale investments	(410)	-
Interest received	8	5
Proceeds from disposal of investments carried at fair value through profit or loss	-	570
Acquisition of additional interest in subsidiaries	<u>-</u>	<u>(2,646)</u>
Net cash used in investing activities	<u>(5,738)</u>	<u>(4,506)</u>
Financing activities		
Proceeds from bank borrowings	28,097	43,628
Repayment of bank borrowings	(34,960)	(38,512)
Interest paid	(862)	(634)
Dividends paid	<u>-</u>	<u>(1,848)</u>
Net cash (used in) from financing activities	<u>(7,725)</u>	<u>2,634</u>
Net (decrease) increase in cash and cash equivalents	(5,172)	80
Cash and cash equivalents at beginning of the period	15,930	7,298
Effect of foreign exchange rate changes	<u>(189)</u>	<u>(424)</u>
Cash and cash equivalents at end of the period	<u>10,569</u>	<u>6,954</u>
Cash and cash equivalents comprised:		
Cash and bank balances	12,623	10,084
Bank overdrafts	<u>(2,054)</u>	<u>(3,130)</u>
	<u>10,569</u>	<u>6,954</u>

Note:

In February 2013, the Group entered Sales and Purchase agreement for the acquisition of 100% of the issued capital of Edinburgh Instruments Limited and Precisa Ltd. for a total consideration of approximately GBP3,376,000 (US\$5,167,000). Edinburgh Instruments Limited and Precisa Ltd. were acquired so as to continue the expansion of the Group's manufacturing operation.

Consideration transferred

	6 months ended
	<u>30 June 2013</u>
	US\$'000
Cash	<u>5,167</u>

Acquisition-related costs have been excluded from the consideration transferred. The costs were insignificant and have been recognised as an expense in the period within the administrative expenses in consolidated statement of comprehensive income.

Assets acquired and liabilities assumed at the date of acquisition

	6 months ended
	<u>30 June 2013</u>
	US\$'000
Property, plant and equipment	222
Cash and bank balances	715
Trade and other receivables	2,446
Inventories	2,398
Trade and other payables	<u>(2,208)</u>
Net assets acquired and liabilities assumed	<u>3,573</u>

The fair values of the assets and liabilities acquired have been determined on a provisional basis, awaiting the completion of the identification of separable assets and valuation of the assets and liabilities.

Goodwill arising on acquisition

	6 months ended
	<u>30 June 2013</u>
	US\$'000
Consideration transferred	5,167
Net assets acquired and liabilities assumed	<u>(3,573)</u>
Goodwill arising on acquisition of subsidiary	<u>1,594</u>

Goodwill of US\$1,594,000 was recognised in the acquisition as the purchase consideration exceeds fair value of the net assets acquired and liabilities assumed.

Net cash outflow on acquisition

	6 months ended
	<u>30 June 2013</u>
	US\$'000
Cash consideration	5,167
Cash and bank balances acquired	<u>(715)</u>
Net assets outflow from acquisition of subsidiaries	<u>4,452</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

	Share capital	Share premium	Contributed surplus	Merger reserve ^(a)	Currency translation reserve	Legal reserve ^(b)	Capital reserve ^(c)	Equity reserve ^(d)	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
At 1 January 2013	11,625	8,099	394	(4,112)	3,269	488	3,003	(2,037)	1,759	39,916	62,404	2,859	65,263
Total comprehensive income (expense) for the period	-	-	-	-	876	-	-	-	-	1,207	2,083	(479)	1,604
Share-based payments expenses	-	-	-	-	-	-	-	-	123	-	123	-	123
At 30 June 2013	11,625	8,099	394	(4,112)	4,145	488	3,003	(2,037)	1,882	41,123	64,610	2,380	66,990
At 1 January 2012	11,625	8,099	394	(4,112)	3,867	274	3,003	(37)	1,325	38,784	63,222	2,764	65,986
Total comprehensive (expense) income for the period	-	-	-	-	(433)	-	-	-	-	1,127	694	(297)	397
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	283	283
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	(2,298)	-	-	(2,298)	598	(1,700)
Dividend paid	-	-	-	-	-	-	-	-	-	(1,848)	(1,848)	-	(1,848)
Share-based payments expenses	-	-	-	-	-	-	-	-	222	-	222	-	222
At 30 June 2012	11,625	8,099	394	(4,112)	3,434	274	3,003	(2,335)	1,547	38,063	59,992	3,348	63,340

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 <i>US\$ '000</i>	Share premium <i>US\$ '000</i>	Contributed surplus <i>US\$ '000</i>	Share option reserve <i>US\$ '000</i>	Retained earnings <i>US\$ '000</i>	Total <i>US\$ '000</i>
At 1 January 2013	11,625	8,099	394	1,759	1,679	23,556
Total comprehensive expense for the period	-	-	-	-	(567)	(567)
Share-based payment expenses	-	-	-	123	-	123
At 30 June 2013	11,625	8,099	394	1,882	1,112	23,112
At 1 January 2012	11,625	8,099	394	1,325	2,124	23,567
Total comprehensive expense for the period	-	-	-	-	(659)	(659)
Dividend paid	-	-	-	-	(1,848)	(1,848)
Share-based payment expenses	-	-	-	222	-	222
At 30 June 2012	11,625	8,099	394	1,547	(383)	21,282

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 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 the historical cost basis, except for certain financial instruments, which are measured at fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

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

Amendments to IFRSs	Annual improvements to IFRSs 2009-2011 cycle
Amendments to IFRS 7	Disclosures - Offsetting financial assets and financial liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 19 (Revised 2011)	Employee benefits
IAS 27 (Revised 2011)	Separate financial statements
IAS 28 (Revised 2011)	Investments in associates and joint ventures

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 ²
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures ²
Amendments to IAS 10, IFRS 12 and IAS 27	Investment Entities ¹
Amendments to IAS 32	Offsetting financial assets and financial liabilities ¹

1 Effective for annual periods beginning on or after 1 January 2014.

2 Effective for annual periods beginning on or after 1 January 2015.

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 of whereby 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>
<u>Period ended 30 June, 2013</u>			
REVENUE	<u>43,675</u>	<u>25,159</u>	<u>68,834</u>
RESULTS			
Segment result	940	(188)	752
Unallocated results			<u>(94)</u>
Profit before income tax			658
Income tax expenses			<u>(30)</u>
Profit for the period			<u>628</u>
<u>Period ended 30 June, 2012</u>			
REVENUE	<u>45,830</u>	<u>22,402</u>	<u>68,232</u>
RESULTS			
Segment result	791	289	1,080
Unallocated results			<u>(168)</u>
Profit before income tax			912
Income tax expenses			<u>(48)</u>
Profit for the period			<u>864</u>

Segment assets and liabilities

At 30 June, 2013

ASSETS			
Segment assets	79,473	53,863	133,336
Unallocated assets			<u>3,834</u>
Consolidated assets			<u>137,170</u>
LIABILITIES			
Segment liabilities	53,185	15,699	68,884
Unallocated liabilities			<u>1,296</u>
Consolidated total liabilities			<u>70,180</u>
Other segment information			
Capital expenditure	49	1,057	1,106
Depreciation and amortisation	125	1,366	1,491
Finance costs	837	25	862
Interest income	<u>(5)</u>	<u>(3)</u>	<u>(8)</u>

3 Revenue and segment information (continued)

	<u>Distribution</u> US\$ '000	<u>Manufacturing</u> US\$ '000	<u>Total</u> US\$ '000
<u>At 30 June, 2012</u>			
ASSETS			
Segment assets	77,933	52,727	130,660
Unallocated assets			<u>4,448</u>
Consolidated assets			<u>135,108</u>
LIABILITIES			
Segment liabilities	49,846	20,810	70,656
Unallocated liabilities			<u>1,112</u>
Consolidated total liabilities			<u>71,768</u>
Other segment information			
Capital expenditure	75	1,112	1,187
Depreciation and amortisation	113	1,271	1,384
Finance costs	614	20	634
Interest income	<u>(2)</u>	<u>(3)</u>	<u>(5)</u>

Geographical information

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

(a) Revenue from external customers

	<u>6 months ended 30 June</u>	
	<u>2013</u> US\$ '000	<u>2012</u> US\$ '000
PRC (including Hong Kong & Macau)	52,526	54,121
Asia (other than PRC)	4,590	5,087
Europe	10,444	7,726
Others ⁽¹⁾	<u>1,274</u>	<u>1,298</u>
Total	<u>68,834</u>	<u>68,232</u>

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

	<u>At 30 June</u>	
	<u>2013</u> US\$ '000	<u>2012</u> US\$ '000
PRC (including Hong Kong & Macau)	10,585	10,380
Europe	9,097	8,394
The United States of America	1,721	1,666
Others ⁽²⁾	<u>48</u>	<u>60</u>
Total	<u>21,451</u>	<u>20,500</u>

Notes:

(1) "Others" include the United States of America and Australia, etc.

(2) "Others" include Singapore and India etc.

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>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>%</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>%</i>
Amortisation of intangible assets (included in administrative expenses)	474	409	15.9	946	826	14.5
Depreciation of properties, plant and equipment	158	358	(55.9)	545	558	(2.3)
Net foreign exchange (gain) loss	(501)	736	n/a	(1,084)	263	n/a
Interest income	(4)	(2)	100.0	(8)	(5)	60.0
Finance costs	401	359	11.7	862	634	36.0
Reversal for doubtful debts	-	(44)	n/a	-	(44)	n/a
Gain on disposal of investments carried at fair value through profit or loss	-	(13)	n/a	-	(13)	n/a

5 Finance costs

	<u>6 months ended 30 June</u>	
	<u>2013</u>	<u>2012</u>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Interest on bank overdrafts and loans		
- wholly repayable within 5 years	831	607
- not wholly repayable within 5 years	<u>31</u>	<u>27</u>
	<u>862</u>	<u>634</u>

6 Income tax expenses

	<u>6 months ended 30 June</u>	
	<u>2013</u>	<u>2012</u>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Current tax:		
Hong Kong Profits Tax	-	-
PRC Enterprise Income Tax	46	20
Others	<u>64</u>	<u>28</u>
	110	48
Deferred tax	<u>(80)</u>	<u>-</u>
Income tax expense for the period	<u>30</u>	<u>48</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 2013. Final dividend of USD1,848,000 for the year ended 31 December 2011 was declared and paid during the six months ended 30 June 2012.

The Company did not recommend or declare any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: 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 is based on the following data:

	2013	2012
	<i>US\$ '000</i>	<i>US\$ '000</i>
Profit for the period attributable to owners of the Company	<u>1,207</u>	<u>1,127</u>
	<u>Number of shares</u>	
	'000	
Number of ordinary shares for the purpose of basic earnings per share	232,500	232,500
Add: Effect of dilutive potential ordinary shares relating to outstanding share options issued by the Company	<u>1,478</u>	<u>3,375</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>233,978</u>	<u>235,875</u>

The calculation of diluted earnings per share takes into account on the effects of employee share options granted up to the end of the reporting period.

9 Net asset value

	Group		Company	
	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</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	27.8	26.8	9.9	10.1

The net asset value per share as at 30 June 2013 is computed using the number of shares in issue of 232,500,000 shares (31 December 2012: 232,500,000 shares) as at that date.

10 Additions to properties, plant and equipment

During the period, the Group spent approximately US\$58,000 (31 Dec 2012: US\$503,000) on acquisition of properties, plant and equipment.

11 Trade and other receivables

	<u>30 June</u> <u>2013</u> <i>US\$ '000</i>	<u>31 December</u> <u>2012</u> <i>US\$ '000</i>
Trade receivables and bills receivables	50,728	59,487
Less: Allowance for doubtful debts	<u>(1,981)</u>	<u>(2,129)</u>
	48,747	57,358
Trade bills receivable discounted with recourse	3,653	5,015
Prepayments	2,703	2,482
Other receivables	<u>4,106</u>	<u>3,813</u>
	<u>59,209</u>	<u>68,668</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:

	<u>30 June</u> <u>2013</u> <i>US\$ '000</i>	<u>31 December</u> <u>2012</u> <i>US\$ '000</i>
0 to 90 days	27,765	37,032
91 to 120 days	2,577	4,035
121 to 365 days	12,613	10,904
1 year to 2 years	4,153	4,349
Over 2 years	<u>1,639</u>	<u>1,038</u>
	<u>48,747</u>	<u>57,358</u>

12 Trade and other payables

	<u>30 June</u> <u>2013</u> <i>US\$ '000</i>	<u>31 December</u> <u>2012</u> <i>US\$ '000</i>
Trade payables	12,122	15,651
Accruals	2,713	2,320
Customer deposits	5,613	2,426
Other payables	<u>3,568</u>	<u>2,615</u>
	<u>24,016</u>	<u>23,012</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:

	<u>30 June</u> <u>2013</u> <i>US\$ '000</i>	<u>31 December</u> <u>2012</u> <i>US\$ '000</i>
0 to 60 days	8,130	11,149
61 to 180 days	1,872	2,870
181 to 365 days	1,255	1,161
Over 365 days	<u>865</u>	<u>471</u>
	<u>12,122</u>	<u>15,651</u>

13 Bank borrowings and overdrafts

Amount repayable in one year or less, or on demand

As at 30 Jun 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
422	27,383	597	29,715

Amount repayable after one year

As at 30 Jun 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3,238	10,171	3,400	13,396

Details of any collateral

The Group has pledged its leasehold land and buildings of approximately US\$5,123,000 (31 December 2012: US\$5,245,000) to certain banks to secure bank facilities granted to the Group.

14 Share Capital

	Group and Company			
	<u>30 June</u> <u>2013</u>	<u>31 December</u> <u>2012</u>	<u>30 June</u> <u>2013</u>	<u>31 December</u> <u>2012</u>
	Number of ordinary shares of US\$0.05 each		US\$'000	US\$'000
Authorised:	<u>800,000,000</u>	<u>800,000,000</u>	<u>40,000</u>	<u>40,000</u>
Issued and paid up:				
At beginning and at end of the period	<u>232,500,000</u>	<u>232,500,000</u>	<u>11,625</u>	<u>11,625</u>

The Company has one class of ordinary shares which carry no right to fixed income.

15 Share option

The Company has two share option schemes, as follows:

Share Option Scheme I

On 28 May 2004, the Company adopted the Share Option Scheme (the "2004 Share Option Scheme"). The purpose of the 2004 Share Option Scheme was a share incentive scheme and was established to recognize and acknowledge the contributions that the eligible participants have or may have made to the Company. The 2004 Share Option Scheme will provide the eligible participants with an opportunity to have a personal stake in the Company with a view to motivate the eligible participants to optimize their performance efficiency for the benefit of the Company. The 2004 Share Option Scheme is administered by the Remuneration Committee.

The number of outstanding share options under the 2004 Share Option Scheme as at 30 June 2013 is 21,835,000 (31 December 2012: 21,835,000). No further option will be granted under the 2004 Share Option Scheme upon the listing of the Company on the Stock Exchange on 21 December 2011.

Share Option Scheme II

On 9 June 2011, the Company adopted the share option scheme (the "2011 Share Option Scheme"). The purpose of the 2011 Share Option Scheme is 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.

The 2011 Share Option Scheme is administered by the Remuneration Committee.

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, 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 (whichever is higher).

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

Where the options are granted to controlling shareholders and their associates, (a) the aggregate number of Shares available to 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) the separate approval of independent shareholders is obtained for each participant in respect of his participation and the number of Shares comprise 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 at the absolute discretion of the Remuneration Committee.

No options have been granted under the 2011 Share Option Scheme since its adoption date.

16 Contingent liabilities

As at 30 June 2013 and 31 December 2012, the Group had no material contingent liabilities.

BUSINESS REVIEW

For the six months ended 30 June 2013 (“HY2013”), our revenue for distribution business decreased 4.7% to US\$43.7 million from US\$45.8 million for the six months ended 2012 (“HY2012”) mainly due to the decrease in revenue in PRC. Despite the decrease in revenue for distribution business in HY2013, the segment results from distribution business increased 18.8% to US\$0.9 million due to improved gross margin for the period benefited from the depreciation of Japanese Yen as significant portion of distribution products are imported from Japan.

Our manufacturing business increased 12.3% to US\$25.2 million for the six months ended 30 June 2013 from US\$22.4 million for the six months ended 30 June 2012 mainly attributable to the consolidation of newly acquired subsidiaries in Europe during the period. However, the segment results from manufacturing business incurred a loss of US\$0.2 million in HY2013 compared to a profit of US\$0.3 million in HY2012 mainly due to the increased loss contribution from the non-wholly owned subsidiaries namely Techcomp Jingke Scientific Instruments (Shanghai) Co. Ltd and IXRF Systems Inc.

The profit attributable to the owners of the Company was US\$1.2 million for HY2013, representing an increase of 7.1% as compared with US\$1.1 million in HY2012. This was mainly attributable to the improved performance of the distribution business.

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Comprehensive Income

Revenue

Revenue in the three months ended 30 June 2013 (“2Q2013”) decreased by 3.7% to US\$39.7 million from US\$41.2 million in the three months ended 30 June 2012 (“2Q2012”) mainly due to the less orders received for the Japanese distribution products in last quarter of 2012 due to the tense Sino-Japan relations. The sales of our products in PRC decreased by US\$1.6 million (2.9%) from US\$54.1 million in HY2012 to US\$52.5 million in HY2013. However, the consolidation of newly acquired subsidiaries in Europe during the period has expanded revenue in HY2013 by 0.9% to US\$68.8 million from US\$68.2 million in HY2012.

Cost of sales

Cost of sales in HY2013 decreased by 4.8% to US\$45.8 million from US\$48.1 million in HY2012 whereas that in 2Q2013 decreased by 12.1% to US\$25.7 million from US\$29.3 million in 2Q2012. The decrease was mainly attributable to the improved gross margins in both distribution and manufacturing business.

Gross profit and gross profit margin

Gross profit in HY2013 increased by 14.5% to US\$23.1 million from US\$20.1 million in HY2012 resulting from the improved gross margins in both distribution and manufacturing business. The overall gross profit margin achieved in HY2013 increased by 4.0 percentage points to 33.5% compared with 29.5% in HY2012. The increase was primarily due to the depreciation of the Japanese Yen which decreased the cost of the products sold and the increased sales mix of higher margin products in the manufacturing segment.

Other operating income (expenses)

Other operating income in HY2013 amounted to US\$1.3 million compared to net expenses of US\$0.1 million in HY2012 as there was net foreign exchange gain of US\$1.1 million in HY2013 whereas a net foreign exchange loss of US\$0.3 million was incurred in HY2012.

Distribution costs

Distribution costs in 2Q2013 increased by 44.4% to US\$5.6 million whereas that in HY2013 increased 29.0% to US\$9.8 million, due to the consolidation of new acquired subsidiaries during the period as well as the increase in sales and marketing activities during the period.

Administrative expenses

Administrative expenses in HY2013 increased by 19.8% to US\$12.9 million mainly attributable to consolidation of new acquired subsidiaries during the period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Finance costs

Finance costs in HY2013 increased by 36.0% to US\$0.9 million, mainly due to higher average balances of bank borrowings and interest rates during the period.

Profit before income tax

Profit before income tax decreased by US\$0.2 million from US\$0.9 million in HY2012 to US\$0.7 million in HY2013 due to the increases in operating costs during the period.

Income tax expenses

Income tax expenses decreased by US\$18,000 from US\$48,000 in HY2012 to US\$30,000 in HY2013 mainly attributable to the decrease in profit for the period.

Profit for the period

In view of the above, profit for the period decreased by US\$0.3 million from US\$0.9 million in HY2012 to US\$0.6 million in HY2013. However, the profit for the period attributable to the owners of the Company increased by US\$0.1 million from US\$1.1 million in HY2012 to US\$1.2 million in HY2013 resulting from the increase in credit from the non-controlling interests by US\$0.3 million in HY2013.

Statement of Financial Position

Properties, plant and equipment

Properties, plant and equipment comprise leasehold properties, machinery and equipment, furniture and fixtures and motor vehicles. The balance decreased by US\$0.1 million from US\$13.2 million as at 31 December 2012 to US\$13.1 million as at 30 June 2013.

Intangible assets

Intangible assets comprise development costs incurred for the manufacture of analytical instruments and payments made to acquire technical know-how. The development costs and technical know-how have finite useful lives and are amortised on a straight line basis over their estimated useful lives. The balance decreased by US\$0.2 million from US\$5.0 million as at 31 December 2012 to US\$4.8 million as at 30 June 2013.

Inventories

The inventories increased by US\$8.1 million from US\$32.1 million as at 31 December 2012 to US\$40.2 million as at 30 June 2013, due mainly to the higher level of inventory of raw materials and finished goods held to meet the expected increase in manufacturing and distribution activities.

Trade and other receivables

The trade and other receivables decreased by US\$9.5 million from US\$68.7 million as at 31 December 2012 to US\$59.2 million as at 30 June 2013 was in line with the seasonal pattern in our business where higher portion of sales were realized in second half of the year, particularly in the last quarter of the year.

Trade and other payables

The trade and other payables increased by US\$1.0 million from US\$23.0 million as at 31 December 2012 to US\$24.0 million as at 30 June 2013 mainly due to the increase in customer deposits and other payables by US\$4.1 million which was partially offset by the decrease in trade payables by US\$3.5 million in HY2013.

Cash and bank balances

Cash and bank balances decreased by US\$4.4 million from US\$17.0 million as at 31 December 2012 to US\$12.6 million as at 30 June 2013 mainly due to the net cash outflow from investing and financing activities of US\$5.7 million and US\$7.7 million respectively, which was partially offset by the net cash inflow from operating activities of US\$8.3 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2013, the Group's net current assets stood at US\$58.1 million (31 December 2012: US\$61.4 million), of which the cash and bank balances were US\$12.6 million (31 December 2012: US\$17.0 million). The Group's current ratio was 2.0 (31 December 2012: 2.0).

Total bank borrowings were US\$41.2 million (31 December 2012: US\$47.1 million). The Group's gearing ratio as at 30 June 2013 was 61.5% (31 December 2012: 72.2%), 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 bankers 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 previous years, the management expects the seasonal trend of a stronger second half of the year to continue. The Group expects growth in demand for its products from the PRC to be the key growth driver for its business unless the Sino-Japan relations deteriorate. The management believes the sales outlook for its products in the emerging Asian markets such as India and Indonesia to remain stable. In spite of the weak market sentiment in Europe, the Group expects improvement and positive development in these markets arising from the Group's marketing activities and contribution from its newly acquired subsidiaries.

As a significant portion of the Group's distribution products are purchased in Japanese Yen, any depreciation or appreciation of Japanese Yen will improve or impair the gross margins of the Group's distribution business.

That notwithstanding, the Group will continue to integrate the R&D, sourcing and manufacturing functions in Europe and PRC in order to achieve cost savings and operational synergy for its manufacturing operations.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2013, there were 914 (31 December 2012: 879) 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 and SGX.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2013, 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 in 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 practice to comply, where applicable, with the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the “Singapore Code”) and the Code on Corporate Governance Practices (the “Hong Kong Code”) formerly contained in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK and the new addition of the Corporate Governance Code for the six months ended 30 June 2013.

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Hong Kong Code throughout the period ended 30 June 2013, except for a deviation from Code Provision A.2.1 of the Hong Kong Code which is explained below:

Accordingly 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 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, 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 2013, 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 SEHK listing rules.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

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

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 website of SGX, the SEHK and on the Company’s website.

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 2013 to be false or misleading in any material aspect.

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

Hong Kong, 14 August 2013

As at the date of this announcement, the executive Directors are Mr. Lo Yat Keung (Chairman), Mr. Chan Wai Shing and Mr. Xu Guoping, 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*