



天美

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

# Leveraging on our Strengths

Interim Report 2015



\* for identification purpose only

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# CORPORATE INFORMATION

## Board of Directors

Lo Yat Keung  
(President & Executive Director)

Chan Wai Shing  
(Vice President & Executive Director)

Guo Bing  
(Executive Director)  
*(Appointed on 2 July 2015)*

Xu Guoping  
(Executive Director)  
*(Resigned on 2 July 2015)*

Ho Yew Yuen  
(Independent Non-executive Director)

Seah Kok Khong, Manfred  
(Lead Independent  
Non-executive Director)

Teng Cheong Kwee  
(Independent Non-executive Director)

## Audit Committee

Ho Yew Yuen  
(Chairman)  
Seah Kok Khong, Manfred  
Teng Cheong Kwee

## Nomination Committee

Seah Kok Khong, Manfred  
(Chairman)  
Ho Yew Yuen  
Teng Cheong Kwee

## Remuneration Committee

Teng Cheong Kwee  
(Chairman)  
Ho Yew Yuen  
Seah Kok Khong, Manfred

## Joint Company Secretaries

Chan C.P. Grace  
Sin Sheung Nam, Gilbert  
Wong Wai Han

## Bermuda Resident Representative and Assistant Secretary

Appleby Corporate Services  
(Bermuda) Ltd  
Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

## Registered Office

Canon's Court, 22 Victoria Street  
Hamilton HM 12 Bermuda  
Bermuda Company Registration  
Number 34778

## Head office and principal place of business in Hong Kong

6/F., Mita Center  
552-566 Castle Peak Road  
Kwai Chung, Kowloon,  
Hong Kong

## Singapore Share Transfer Agent

M & C Services Private Limited  
112 Robinson Road  
#05-01  
Singapore 068902

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## Auditors

Deloitte & Touche LLP  
Public Accountants and Chartered  
Accountants  
6 Shenton Way  
OUE Downtown 2  
#33-00  
Singapore 068809

## Partner-in-charge

Mrs Wong-Yeo Siew Eng  
(Appointed with effect from the financial  
year ended December 31, 2015)

## Hong Kong Legal Adviser

Stephenson Harwood  
18th floor, United Centre  
95 Queensway  
Hong Kong

## Listing Information

The Stock Exchange of Hong Kong Limited  
Stock Code: 1298  
Singapore Exchange Securities Limited  
Stock Code: T43

# MANAGEMENT DISCUSSION AND ANALYSIS

## (I) BUSINESS REVIEW

For the six months ended 30 June 2015 (“HY2015”), revenue of Techcomp (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) 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’s 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.

## (II) FINANCIAL REVIEW

### 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) FINANCIAL REVIEW (CONTINUED)

### 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.

### 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.

### 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 was 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) FINANCIAL REVIEW (CONTINUED)

### 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.

## (III) PROSPECTS

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 DISCUSSION AND ANALYSIS

## (III) PROSPECTS (CONTINUED)

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 Gas Chromatograph business acquired last year and optimize the sourcing and manufacturing operations across Europe, Asia and the United States of America.

## (IV) DISCLOSURE OF INTERESTS

### SHARE CAPITAL AND SHARE OPTION SCHEMES

Details of the movements in the issued share capital of the Company and share options scheme during the period are set out in Notes 12 and 13 respectively to the condensed consolidated financial statements.

Holders of the share options have no right to participate in any share issue of any other company. No employee or employee of related corporations has received 5% or more of the total options available except as disclosed below.

The following are participants who received 5% or more of the total number of ordinary share options available under the Share Option Scheme of the Company adopted in 2004:

Name of participant	Options granted during the financial period	Aggregate options granted since commencement of Scheme to end of the financial period	Aggregate options exercised since commencement of Scheme to end of the financial period	Aggregate options cancelled/ lapsed since commencement of Scheme to end of the financial period	Aggregate options outstanding as at end of the financial period
Chan Wai Shing (Note 1)	–	2,500,000	–	–	2,500,000
Xu Guoping (Notes 1 and 2)	–	2,500,000	–	–	2,500,000
Sin Sheung Nam, Gilbert	–	2,020,000	1,320,000	–	700,000

Notes:

1. Mr. Chan Wai Shing and Mr. Xu Guoping are the only directors of the Company participating in the 2004 Share Option Scheme.
2. Mr. Xu Guoping resigned as director of the Company on 2 July 2015.

There are no participants who received 5% or more of the total number of ordinary share options available under the Share Option Scheme of the Company adopted in 2011.

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Listing Manual) under the Share Option Schemes of the Company adopted in 2004 and 2011.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (IV) DISCLOSURE OF INTERESTS (CONTINUED)

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “SEHK”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the SEHK (the “Listing Rules”), were as follows:

#### Long position

##### (a) Ordinary shares of US\$0.05 each of the Company (“Shares”)

Name of Director	At 31 December 2014			At 30 June 2015		
	Number of Shares		Approximate percentage of the issued share capital of the Company	Number of Shares		Approximate percentage of the issued share capital of the Company
	Directly beneficially owned	Through spouse		Directly beneficially owned	Through spouse	
Lo Yat Keung	104,956,500	7,500,000 (Note 1)	42.06	104,956,500	7,500,000 (Note 1)	40.83
Chan Wai Shing	9,720,000	–	3.64	9,720,000	–	3.53
Xu Guoping (Note 2)	9,870,000	–	3.69	5,005,000	–	1.82
Ho Yew Yuen	300,000	–	0.11	300,000	–	0.11

Notes:

- These 7,500,000 shares are held in the name of Ms. Yung Yat, the spouse of Mr. Lo Yat Keung.
- Mr. Xu Guoping resigned as director of the Company on 2 July 2015.

##### (b) Share options of the Company (“Shares Options”)

Name of Director	At 30 June 2015
	Number of Shares to be issued upon full exercise of the Share Options
Chan Wai Shing	2,500,000
Xu Guoping (Note 1)	2,500,000

Note 1: Mr. Xu Guoping resigned as director of the Company on 2 July 2015.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (IV) DISCLOSURE OF INTERESTS (CONTINUED)

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Listing Manual of SGX-ST ("Listing Manual")).

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, so far as known to the Directors of the Company, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows, other than the interests and short positions disclosed above in respect of certain Directors, the following shareholders had notified the Company of their relevant interests in the shares and underlying shares of the Company:

#### Interest in shares of the Company (Long position)

##### (a) Ordinary shares of US\$0.05 each of the Company ("Shares")

Name	Capacity and nature of interests	At 31 December 2014				At 30 June 2015			
		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
		Number of issued Shares held	Approximate percentage of the issued share capital of the Company	Number of issued Shares held	Approximate percentage of the issued share capital of the Company	Number of issued Shares held	Approximate percentage of the issued share capital of the Company	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Kabouter Fund I (QP), LLC	Beneficial owner	14,659,829	5.48	-	-	14,659,829	5.32	-	-
Kabouter Management LLC	Investment manager	-	-	29,729,352 (Note 1)	11.12	-	-	29,729,352 (Note 1)	10.79
KCH Investment Company Limited	Beneficial owner	28,105,648	10.51	-	-	41,032,648	14.90	-	-
Guo Bing (Note 2)	Controlled corporation	-	-	28,105,648 (Note 3)	10.51	-	-	41,032,648 (Note 3)	14.90
Zhang Li	Interest of spouse	-	-	28,105,648 (Note 4)	10.51	-	-	41,032,648 (Note 4)	14.90
Yung Yat	Beneficial owner	7,500,000	2.81	-	-	7,500,000	2.72	-	-
	Interest of spouse	-	-	104,956,500 (Note 5)	39.25	-	-	104,956,500 (Note 5)	38.11

# MANAGEMENT DISCUSSION AND ANALYSIS

## (IV) DISCLOSURE OF INTERESTS (CONTINUED)

Notes:

1. Kabouter Management LLC notified the Company that it is deemed interested in the shares, held through HKSCC Nominees Limited, owned by Kabouter Fund II, LLC (managed by Kabouter Management LLC), Kabouter Fund I (QP), LLC (managed by Kabouter Management LLC) and Kabouter Fund III LLC (managed by Kabouter Management LLC). As at 30 June 2015, (i) Kabouter Fund II, LLC was interested in 10,505,401 shares, (ii) Kabouter Fund I (QP), LLC was interested in 14,659,829 shares, and (iii) Kabouter Fund III LLC was interested in 4,564,122 shares. Each of Kabouter Fund II, LLC, Kabouter Fund I (QP), LLC and Kabouter Fund III LLC is wholly-owned by Kabouter Management LLC. Pursuant to the SFO, Kabouter Management LLC is deemed to be interested in the shares held by Kabouter Fund II, LLC, Kabouter Fund I (QP), LLC and Kabouter Fund III LLC, totalling 29,729,352 shares.
2. Mr. Guo Bing was appointed as director of the Company on 2 July 2015.
3. Mr. Guo Bing is deemed to be interested in the shares held by KCH Investment Company Limited, which is wholly-owned by Mr. Guo Bing, pursuant to the SFO.
4. These shares were held in the name of Mr. Guo Bing, the spouse of Ms. Zhang Li.
5. These shares were held in the name of Mr. Lo Yat Keung, the spouse of Ms. Yung Yat.

Other than as disclosed above, as at 30 June 2015, the Company has not been notified by any persons (other than the Directors and chief executives of the Company) of any other relevant interests or short positions in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## (V) SUPPLEMENTARY INFORMATION

### 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (V) SUPPLEMENTARY INFORMATION (CONTINUED)

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 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 non-executive director and comprises members who are all independent non-executive 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 Hong Kong Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board of the Company confirms, having made specific enquiries with all directors of the Company 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.

### 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (V) SUPPLEMENTARY INFORMATION (CONTINUED)

### DISCLOSURE ON THE WEBSITES OF THE EXCHANGES AND THE COMPANY

This report shall be published on the respective websites 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.

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

Hong Kong, 16 September 2015

*As at the date of this report, 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.*

# FINANCIAL STATEMENTS

## RESULTS

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:

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

		6 months ended 30 June	
		2015	2014
	Note	US\$'000	US\$'000
<b>Revenue</b>	3	71,819	67,641
Cost of sales		(47,299)	(45,168)
<b>Gross profit</b>		24,520	22,473
Other operating income		911	799
Distribution costs		(9,376)	(9,119)
Administrative expenses		(14,202)	(12,946)
Finance costs	5	(743)	(740)
<b>Profit before income tax</b>		1,110	467
Income tax expense	6	(208)	(74)
<b>Profit for the period</b>	4	902	393

# FINANCIAL STATEMENTS

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

		6 months ended 30 June	
		2015	2014
	Note	US\$'000	US\$'000
<b>Other comprehensive income (expense)</b>			
- exchange differences arising on translation of foreign operations		326	(731)
- Other comprehensive income (expense) for the period, net of tax		326	(731)
Total comprehensive income (expense) for the period		1,228	(338)
<b>Profit (loss) for the period attributable to:</b>			
Owners of the Company		891	734
Non-controlling interests		11	(341)
		902	393
<b>Total comprehensive income (expense) attributable to:</b>			
Owners of the Company		1,217	47
Non-controlling interests		11	(385)
		1,228	(338)
<b>Earnings per share (US cents)</b>			
	8		
- Basic		0.37	0.32
- Diluted		0.37	0.31

# FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2015	At 31 December 2014
	Note	<i>US\$'000</i>	<i>US\$'000</i>
<b>Non-current assets</b>			
Properties, plant and equipment	9	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>		<b>20,000</b>	<b>20,562</b>
<b>Current assets</b>			
Inventories		48,900	38,105
Trade and other receivables	10	68,694	83,908
Income tax recoverable		53	68
Cash and bank balances		12,001	16,095
<b>Total current assets</b>		<b>129,648</b>	<b>138,176</b>
<b>Current liabilities</b>			
Trade and other payables	11	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		25,279	33,284
<b>Total current liabilities</b>		<b>58,539</b>	<b>70,085</b>
<b>NET CURRENT ASSETS</b>		<b>71,109</b>	<b>68,091</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>91,109</b>	<b>88,653</b>
<b>Non-current liabilities</b>			
Bank borrowings		8,171	8,175
Retirement benefit plan liabilities		482	482
Deferred tax liabilities		193	237
<b>Total non-current liabilities</b>		<b>8,846</b>	<b>8,894</b>
		<b>82,263</b>	<b>79,759</b>
<b>Capital, reserves and non-controlling interests</b>			
Share Capital	12	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)
		<b>82,263</b>	<b>79,759</b>

# FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June	
	2015	2014
	<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	38	3
<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	–	(174)
<b>Cash generated from operations</b>	4,182	184
PRC Enterprises Income Tax refund	25	14
Tax refund in other jurisdictions	60	45
<b>Net cash from operating activities</b>	4,267	243
<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	22	9
<b>Net cash used in investing activities</b>	(908)	(1,537)

# FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	6 months ended 30 June	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
<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	(743)	(740)
<b>Net cash used in financing activities</b>	<b>(6,751)</b>	<b>(3,301)</b>
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	60	65
<b>Cash and cash equivalents at end of the period</b>	<b>10,595</b>	<b>8,105</b>
<b>Cash and cash equivalents comprised:</b>		
Cash and bank balances	12,001	9,817
Bank overdrafts	(1,406)	(1,712)
	<b>10,595</b>	<b>8,105</b>

# FINANCIAL STATEMENTS

## CONDENSED 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>	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
Balance 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
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

# FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### Group (Continued)

	Share capital US\$'000	Share premium US\$'000	Share contributed surplus US\$'000	Merger reserve <sup>(a)</sup> US\$'000	Currency translation reserve US\$'000	Legal reserve <sup>(b)</sup> US\$'000	Capital reserve <sup>(c)</sup> US\$'000	Warrant reserve US\$'000	Equity reserve <sup>(d)</sup> US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	Total US\$'000
Balance 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)
Transactions with owners, recognised directly in equity:														
Share-based payment expenses	-	-	-	-	-	-	-	-	-	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:

- 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.
- 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.
- Capital reserve represents a transfer of retained earnings by a PRC subsidiary in 2004.
- Equity reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED 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.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2 Basis of preparation and principal accounting policies (continued)

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.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3 Revenue and segment information (continued)

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

#### Segment revenues and results

	Distribution	Manufacturing	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Period ended 30 June, 2015</b>			
<b>REVENUE</b>	39,877	31,942	71,819
<b>RESULTS</b>			
Segment result and profit before income tax	1,259	(149)	1,110
Income tax expenses			(208)
Profit for the period			902
<b>Period ended 30 June, 2014</b>			
<b>REVENUE</b>	42,534	25,107	67,641
<b>RESULTS</b>			
Segment result and profit before income tax	836	(369)	467
Income tax expenses			(74)
Profit for the period			393
<b>Segment assets and liabilities</b>			
<b>At 30 June, 2015</b>			
<b>ASSETS</b>			
Segment assets	98,572	50,058	148,630
Unallocated assets			1,018
Consolidated total assets			149,648
<b>LIABILITIES</b>			
Segment liabilities	52,961	12,339	65,300
Unallocated liabilities			2,085
Consolidated total liabilities			67,385
<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	(19)	(3)	(22)

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3 Revenue and segment information (continued)

	Distribution	Manufacturing	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>At 30 June, 2014</b>			
<b>ASSETS</b>			
Segment assets	87,745	50,360	138,105
Unallocated assets			3,200
<b>Consolidated total assets</b>			<b>141,305</b>
<b>LIABILITIES</b>			
Segment liabilities	52,375	18,329	70,704
Unallocated liabilities			1,715
<b>Consolidated total liabilities</b>			<b>72,419</b>
<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	(5)	(4)	(9)

### 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

	<b>6 months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>US\$'000</i>	<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)	4,511	4,760
<b>Total</b>	<b>71,819</b>	<b>67,641</b>

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3 Revenue and segment information (continued)

#### Geographical information (continued)

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

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

### 4 Profit for the period

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

	6 months ended 30 June	
	2015	2014
	US\$'000	US\$'000
Amortisation of intangible assets (included in administrative expenses)	882	874
Depreciation of properties, plant and equipment	583	550
Net foreign exchange gain	(641)	(624)
Interest income	(22)	(9)
Finance costs	743	740

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5 Finance costs

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

### 6 Income tax expense

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

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 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	891	734
	<b>Number of shares</b>	
	<i>'000</i>	
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	3,285	2,497
Weighted average number of ordinary shares for the purpose of diluted earnings per share	243,439	234,997

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 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.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10 Trade and other receivables

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

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>30 June 2015</b>	<b>31 December 2014</b>
	<i>US\$'000</i>	<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	1,841	820
	<b>58,162</b>	<b>68,907</b>

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11 Trade and other payables

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

	30 June 2015	31 December 2014
	<i>US\$'000</i>	<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	369	724
	<u>12,323</u>	<u>14,324</u>

### 12 Share Capital

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

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12 Share Capital (continued)

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.*

### 13 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.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 Share option (continued)

#### 2004 Share Option Scheme (continued)

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 approximately 5.00% (31 December 2014: 8.17%) 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.

When the 2004 Share Option Scheme was adopted on 28 May 2014, the scheme shall be in force up to a maximum period of 10 years from the adoption date. 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), and as such, the total number of securities available for issue under the 2004 Share Option Scheme remains 13,773,000 shares, representing approximately 5.15%, 5.15% and 5.00% of the issued share capital of the Company as at 31 December 2014, 19 March 2015 (i.e. the date of the annual report for the year ended 31 December 2014) and 30 June 2015 respectively.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 Share option (continued)

#### 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.

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.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 Share option (continued)

#### 2011 Share Option Scheme (continued)

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 approximately 0.64%, 0.64% and 0.62% of the issued share capital of the Company as at 31 December 2014, 19 March 2015 (i.e. the date of the annual report for the year ended 31 December 2014) and 30 June 2015 respectively).

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\$1.00 to the Company by way of consideration for the grant of the option.

As of 30 June 2015, the total number of securities available for issue under the 2011 Share Option Scheme is 22,950,000 shares, being the refreshed mandate limit of 23,250,000 shares less the cancelled options of 300,000 shares, representing approximately 8.58%, 8.58% and 8.33% of the issued share capital of the Company as at 31 December 2014, 19 March 2015 (i.e. the date of the annual report for the year ended 31 December 2014) and 30 June 2015 respectively.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 Share option (continued)

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 at 30 Jun 2015
2004 Share Option Scheme										
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 1)	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 1)	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 1)	10,500	S\$0.23	S\$0.16(1)(2)	–	–	–	–	–
Director										
Chan Wai Shing						1,800,000	–	–	–	1,800,000
Xu Guoping (Note 2)						1,800,000	–	–	–	1,800,000
Employee						6,750,000	–	(4,907,500)	–	1,842,500

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 Share option (continued)

Grant date	Expiry date	Exercisable period	Share options granted at initial date ('000)	Fair value at grant date	Group and Company outstanding share options at		Group and Company outstanding share options at 30 Jun 2015
					January 1, 2013, December 31, 2013 and December 31, 2014	Granted during the period	
2004 Share Option Scheme (continued)							
6/1/2011	5/1/2021	Jan 6, 2012 to Jan 5, 2021 (Note 1)	6,800	S\$0.19 (1) & S\$0.18 (2)	S\$0.42	-	-
Director							
Chan Wai Shing						700,000	-
Xu Guoping (Note 2)						700,000	-
Employee						5,375,000	-
Total						21,835,000	(8,062,000)
2011 Share Option Scheme							
22/1/2015	22/1/2025	Jan 22, 2018 to Jan 22, 2025	2,000	HK\$1.90	HK\$2.00	-	-
Director						-	-
Employee						2,000,000	(300,000)
Total						2,000,000	(300,000)
						-	-
						1,700,000	1,700,000
						2,000,000	(300,000)
						-	-
						1,700,000	1,700,000

(1) Senior management

(2) General management

Notes:

- 30% of the options vested on the first anniversary of the date of grant. There remaining 70% of the options vested on the third anniversary of the date of grant.
- Mr. Xu Guoping resigned as director of the Company on 2 July 2015.

# FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14 Contingent liabilities

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

### 15 Capital commitments

As at 30 June 2015 and 31 December 2014, the Group did not have any significant capital commitment.

### 16 Related parties transactions

The Group entered into the following significant transactions with a related party during the period:

	6 months ended 30 June	
	2015	2014
	<i>USD'000</i>	<i>USD'000</i>
Sale of goods to an associate	–	1,182
Purchase of goods from an associate	–	130