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TECHCOMP (HOLDINGS) LIMITED

天美（控股）有限公司*

(Incorporated in Bermuda with limited liability)

2012 FIRST QUARTER RESULTS

Hong Kong Stock Code: 1298

Singapore Stock Code: T43

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This quarterly report is prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial information set out in this report has been prepared in accordance with International Financial Reporting Standard and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

By Order of the Board
Techcomp (Holdings) Limited
Sin Sheung Nam Gilbert
Company Secretary

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*

TECHCOMP (HOLDINGS) LIMITED**First Quarter Financial Statement for the Period Ended 31/03/2012****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 &Q3),
HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Change %
	3 months ended 31 March 2012 US\$'000	31 March 2011 US\$'000	
Revenue	27,016	22,737	18.9
Cost of sales	(18,821)	(16,121)	16.7
Gross profit	8,195	6,616	23.9
Other operating income (expenses)	569	(175)	NM
Distribution expenses	(3,690)	(2,974)	24.1
Administrative expenses	(6,236)	(5,126)	21.7
Share of results of an associate	(108)	(75)	44.0
Finance expenses	(275)	(115)	139.1
Loss before income tax	(1,545)	(1,849)	(16.4)
Income tax expenses	77	36	113.9
Loss for the period	(1,468)	(1,813)	(19.0)
Other comprehensive (expense) income :			
Exchange differences arising on translation of foreign operations	(52)	985	
Total comprehensive expense for the period	(1,520)	(828)	

NM: Not meaningful

	Group	
	3 months ended	
	31 March 2012	31 March 2011
	US\$'000	US\$'000
Loss for the period attributable to:		
Owners of the Company	(1,208)	(1,793)
Non-controlling interests	(260)	(20)
	<u>(1,468)</u>	<u>(1,813)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(1,229)	(799)
Non-controlling interests	(291)	(29)
	<u>(1,520)</u>	<u>(828)</u>

Note:

Loss for the period is arrived at after charging (crediting) the following:

	Group	
	3 months ended	
	31 March 2012	31 March 2011
	US\$'000	US\$'000
Depreciation of properties, plant and equipment	200	183
Amortisation of intangible assets	417	269
Gain on disposal from investment carried at fair value through profit or loss	(13)	-
Interest expenses	275	115
Interest income	(3)	(4)
Net foreign exchange gain	<u>(473)</u>	<u>(199)</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 March 2012 US\$'000	31 December 2011 US\$'000	31 March 2012 US\$'000	31 December 2011 US\$'000
ASSETS				
Current assets:				
Cash and bank balances	8,206	8,515	-	-
Trade and other receivables	59,290	65,918	-	-
Inventories	41,584	32,000	-	-
Income tax recoverable	176	196	-	-
Investment carried at fair value through profit and loss	-	557	-	-
Amount due from an associate	2,564	754	-	-
Total current assets	<u>111,820</u>	<u>107,940</u>	<u>-</u>	<u>-</u>
Non-current assets:				
Properties, plant and equipment	12,238	12,292	-	-
Subsidiaries	-	-	23,428	24,854
Goodwill	512	512	-	-
Intangible assets	6,205	6,059	-	-
Available-for-sale investment	534	534	-	-
Deferred tax asset	208	208	-	-
Interest in an associate	276	384	-	-
Total non-current assets	<u>19,973</u>	<u>19,989</u>	<u>23,428</u>	<u>24,854</u>
Total assets	<u><u>131,793</u></u>	<u><u>127,929</u></u>	<u><u>23,428</u></u>	<u><u>24,854</u></u>

	Group		Company	
	31 March 2012 US\$'000	31 December 2011 US\$'000	31 March 2012 US\$'000	31 December 2011 US\$'000
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Bank borrowings and overdrafts	30,936	26,875	-	-
Trade and other payables	30,987	28,645	26	1,287
Income tax payable	645	748	-	-
Amount due to non-controlling interest	1,289	1,244	-	-
Total current liabilities	<u>63,857</u>	<u>57,512</u>	<u>26</u>	<u>1,287</u>
Non-current liabilities:				
Bank borrowings	4,174	4,071	-	-
Deferred tax liabilities	314	360	-	-
	<u>4,488</u>	<u>4,431</u>	<u>-</u>	<u>-</u>
Capital, reserves and non-controlling interests:				
Share capital	11,625	11,625	11,625	11,625
Reserves	49,557	51,597	11,777	11,942
Equity attributable to Owners of the Company	<u>61,182</u>	<u>63,222</u>	<u>23,402</u>	<u>23,567</u>
Non-controlling interests	2,266	2,764	-	-
Total equity	<u>63,448</u>	<u>65,986</u>	<u>23,402</u>	<u>23,567</u>
Total equity and liabilities	<u>131,793</u>	<u>127,929</u>	<u>23,428</u>	<u>24,854</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 March 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
856	30,080	936	25,939

Amount repayable after one year

As at 31 March 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3,572	602	3,490	581

Details of any collateral

The Group has pledged its leasehold land and buildings with carrying amount of approximately US\$5,491,000 (31 December 2011: US\$5,282,000) to certain banks to secure bank facilities granted to the Group.

- 1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 months ended	
	31 March 2012	31 March 2011
	US\$'000	US\$'000
Cash flows from operating activities:		
Loss before income tax	(1,545)	(1,849)
Adjustment for:		
Depreciation of properties, plant and equipment	200	183
Interest income	(3)	(4)
Finance costs	275	115
Amortisation of intangible assets	417	269
Allowance for doubtful debts	-	294
Gain on disposal of investment held for trading	(13)	-
Share-based payment expense	116	12
Share of results of an associate	108	75
Operating cash flows before movements in working capital	(445)	(905)
Trade and other receivables	6,727	1,473
Inventories	(9,323)	(7,909)
Trade and other payables	2,338	(1,328)
Amount due from an associate	(1,810)	(1,365)
Cash used in operations	(2,513)	(10,034)
Income tax paid	(54)	(74)
Net cash used in operating activities	(2,567)	(10,108)
Cash flows from investing activities:		
Purchase of properties, plant and equipment	(20)	(20)
Development costs paid	(485)	(360)
Interest income received	3	4
Acquisition of additional interest of a subsidiary	(1,134)	-
Proceeds from disposal of investment carried at fair value through profit or loss	570	-
Net cash used in investing activities	(1,066)	(376)
Cash flows from financing activities:		
Net Proceeds from bank borrowings	4,034	2,541
Interest paid	(275)	(115)
Repayment from non-controlling interest	-	26
Net cash from financing activities	3,759	2,452
Net increase (decrease) in cash and cash equivalents	126	(8,032)
Cash and cash equivalents at beginning of the period	7,298	16,813
Effect of foreign exchange rate changes	(565)	506
Cash and cash equivalents at end of the period	<u>6,859</u>	<u>9,287</u>

Cash and cash equivalents

	3 months ended	
	31 March 2012	31 March 2011
	US\$'000	US\$'000
Cash and bank balances	8,206	9,547
Bank overdrafts	(1,347)	(260)
Cash and cash equivalents	<u>6,859</u>	<u>9,287</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital	Share premium	Contributed surplus	Merger reserve	Currency translation reserve	Legal reserve	Capital reserve	Share option reserve	Equity reserve	Retained earnings	Sub-total	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 as at 1 January 2012	11,625	8,099	394	(4,112)	3,867	274	3,003	1,325	(37)	38,784	63,222	2,764	65,986
Total comprehensive expense for the period	-	-	-	-	(21)	-	-	-	-	(1,208)	(1,229)	(291)	(1,520)
Share-based payment expenses	-	-	-	-	-	-	-	116	-	-	116	-	116
Effect of acquiring non-controlling interests in subsidiary	-	-	-	-	-	-	-	-	(927)	-	(927)	(207)	(1,134)
Balance as at 31 March 2012	11,625	8,099	394	(4,112)	3,846	274	3,003	1,441	(964)	37,576	61,182	2,266	63,448

Group

	Share Capital	Share premium	Contributed surplus	Merger reserve	Currency translation reserve	Legal reserve	Capital reserve	Share option reserve	Equity reserve	Retained earnings	Sub-total	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 as at 1 January 2011	11,625	8,099	394	(4,112)	2,484	274	3,003	589	(37)	32,260	54,579	2,952	57,531
Total comprehensive income (expense) for the period	-	-	-	-	994	-	-	-	-	(1,793)	(799)	(29)	(828)
Share-based payment expenses	-	-	-	-	-	-	-	12	-	-	12	-	12
Balance as at 31 March 2011	11,625	8,099	394	(4,112)	3,478	274	3,003	601	(37)	30,467	53,792	2,923	56,715

Company

	Share capital	Share premium	Contributed surplus	Share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2012	11,625	8,099	394	1,325	2,124	23,567
Total comprehensive expense for the period	-	-	-	-	(281)	(281)
Share-based payment expenses	-	-	-	116	-	116
Balance as at 31 March 2012	11,625	8,099	394	1,441	1,843	23,402

	Share capital	Share premium	Contributed surplus	Share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2011	11,625	8,099	394	589	6,207	26,914
Total comprehensive expense for the period	-	-	-	-	(514)	(514)
Share-based payment expenses	-	-	-	12	-	12
Balance as at 31 March 2011	11,625	8,099	394	601	5,693	26,412

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company has two share option schemes, as follows:

Share Option Scheme I

On 28 May 2004, the Company adopted the Share Option Scheme ("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 31 March 2012 is 21,835,000 (31 December 2011: 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 ("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.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares excluding treasury shares was 232,500,000 as at 31 March 2012. (31 December 2011: 232,500,000)

There were no treasury shares as at 31 December 2011 and 31 March 2012.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

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

- 3. Where the figures have been audited or reviewed, the auditors' report (including) any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2011.

The Group has also adopted the new / revised International Financial Reporting Standards. However, the adoption of these new / revised standards has no material impact on the financial statements of the Group for the period and the comparative period.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

See item 4 above.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	3 months ended	
	31 March 2012	31 March 2011
(a) Based on the weighted average number of shares	<u>(0.52) US cents</u>	<u>(0.77) US cents</u>
(b) On a fully diluted basis	<u>(0.52) US cents</u>	<u>(0.77) US cents</u>

The calculation of basic earnings per share is based on the Group's net loss for the period of US\$1,208,000 (2011: US\$1,793,000) divided by the weighted average number of ordinary shares of 232,500,000 (2011: 232,500,000) in issue during the period.

The calculation of fully diluted earnings per share is computed based on the weighted average number of ordinary shares during the period adjusted to assume conversion of all dilutive ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Net asset value per ordinary share capital at the end of the financial period	26.3 US cents	27.2US cents	10.1 US cents	10.1 US cents

The net asset value per share as at 31 March 2012 is computed using the shares in issue of 232,500,000 shares (31 December 2011: 232,500,000 shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(1) Revenue

The Group's revenue increased by 18.9% to US\$27,016,000 in 2012Q1 from US\$22,737,000 in 2011Q1. Increase in revenue was mainly attributable to increased demand in PRC as well as other Asian countries.

(2) Gross profit

Gross profit increased by 23.9% to US\$8,195,000 in 2012Q1 from US\$6,616,000 in 2011Q1 which was due to the growth in revenue.

(3) Other operating income (expenses)

Other operating income recorded a gain of US\$569,000 in 2012Q1 compared to a loss of US\$175,000 in 2011Q1. The gain in 2012Q1 was mainly attributable to a net foreign exchange gain of US\$473,000 compared to a net foreign exchange gain of US\$199,000 in 2011Q1 and the absence of listing expenses of US\$379,000 incurred in 2011Q1.

(4) Distribution expenses

Distribution expenses increased by 24.1% to US\$3,690,000 in 2012Q1 compared to US\$2,974,000 in 2011Q1 mainly arising from the increase in the business activities as well as the general salaries increase.

(5) Administrative expenses

Administrative expenses increased by 21.7% to US\$6,236,000 in 2012Q1 compared to US\$5,126,000 in 2011Q1 mainly due to the increase in business activities as well as the general salaries increase.

(6) Finance expenses

Finance expenses increased by 139.1% to US\$275,000 in 2012Q1 compared to US\$115,000 in 2011Q1. This was because of higher average borrowings and interest rates during the period.

Financial Position

(7) Inventories

Inventories increased by US\$9,584,000 to US\$41,584,000 as at 31 March 2012 compared to US\$32,000,000 as at 31 December 2011. More inventories were purchased to meet anticipated increase in business volume in the coming quarters due to the seasonal pattern in Group sales.

(8) Trade and other receivables

Trade and other receivables decreased by US\$6,628,000 to US\$59,290,000 as at 31 March 2012 compared to US\$65,918,000 as at 31 December 2011 resulting from payments received from customers for sales shipment made in the last quarter of the year.

(9) Trade and other payables

Trade and other payables increased by US\$2,342,000 to US\$30,987,000 as at 31 March 2012 compared to US\$28,645,000 as at 31 December 2011 due to more inventories purchased to meet orders anticipated for shipment in the coming quarters of the year.

(10) Bank borrowings

Bank borrowings increased by US\$4,164,000 to US\$35,110,000 as at 31 March 2012 compared to US\$30,946,000 as at 31 December 2011 mainly due to the increase in trade finance loans as a result of the growth in business volume.

(11) Cash flow

The net cash used in operation decreased to US\$2.6 million in 2012Q1 from US\$10.1 million in 2011Q1. The cash and cash equivalents increased by US\$126,000 in 2012Q1 mainly attributable to the proceeds from bank borrowings of US\$4,034,000 during the period offset by the net cash used in operating activities of US\$2,567,000 and in investing activities of US\$1,066,000.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **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.**

The Group expects the demand for its products to continue to grow in China and other emerging markets in Asia such as India and Indonesia. The Group's revenue in first quarter of the year is traditionally lower than that of other quarters of the year due to the seasonal pattern of its customers demands. It anticipates that the seasonal trend of a stronger second half year will continue as in previous year.

While the Group continues its effort to strengthen its network in China and Asia as well as expanding its European network to increase product awareness, the Group has extended its reach to North America through its acquisition of a 56% interest of IXRF, a privately-owned company incorporated in the United States of America. This acquisition is in line with our strategy of expanding into other major markets which the Group does not have a strong presence.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommend, a statement to that effect.

No dividend has been recommended in the current financial period reported on.

13. Interested Person Transactions – Pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

No mandate from shareholders has been obtained for IPTs.

Confirmation by the Board

The board of directors 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 first quarter ended 31 March 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Sin Sheung Nam Gilbert
Company Secretary
11 May 2012

** For identification purpose only*