

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

2013 THIRD QUARTER RESULTS

This announcement is published pursuant to 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. 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 Techcomp (Holdings) Limited (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

Hong Kong, 14 November 2013

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

** For identification purpose only*

TECHCOMP (HOLDINGS) LIMITED

Third Quarter Financial Statement for the Period Ended 30/09/2013

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.

	3 months ended 30 September			9 months ended 30 September		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	42,915	38,498	11.5	111,749	106,730	4.7
Cost of sales	(29,837)	(27,090)	10.1	(75,603)	(75,177)	0.6
Gross profit	<u>13,078</u>	<u>11,408</u>	14.6	<u>36,146</u>	<u>31,553</u>	14.6
Other operating (expenses) income	(139)	(134)	3.7	1,087	(202)	N.M
Distribution costs	(5,288)	(3,632)	45.6	(15,076)	(11,220)	34.4
Administrative expenses	(6,567)	(6,164)	6.5	(19,459)	(16,926)	15.0
Share of results of an associate	(21)	(2)	950.0	(115)	(183)	(37.2)
Finance costs	<u>(418)</u>	<u>(365)</u>	14.5	<u>(1,280)</u>	<u>(999)</u>	28.1
Profit before income tax	645	1,111	(41.9)	1,303	2,023	(35.6)
Income tax expense	<u>(36)</u>	<u>(52)</u>	(30.8)	<u>(66)</u>	<u>(100)</u>	(34.0)
Profit for the period	<u>609</u>	<u>1,059</u>	(42.5)	<u>1,237</u>	<u>1,923</u>	(35.7)
Other comprehensive income						
- exchange differences arising on translation of foreign operations	(169)	(28)	503.6	804	(495)	N.M.
- share of exchange reserve of an associate	<u>-</u>	<u>15</u>	N.M.	<u>3</u>	<u>15</u>	(80.0)
Other comprehensive (expense) income for the period, net of tax	<u>(169)</u>	<u>(13)</u>	N.M.	<u>807</u>	<u>(480)</u>	N.M.
Total comprehensive income for the period	<u>440</u>	<u>1,046</u>	(57.9)	<u>2,044</u>	<u>1,443</u>	41.6

	3 months ended 30 September			9 months ended 30 September		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit for the period attributable to:						
Owners of the Company	699	1,248	(44.0)	1,906	2,375	(19.7)
Non-controlling interests	(90)	(189)	(52.4)	(669)	(452)	48.0
	<u>609</u>	<u>1,059</u>	<u>(42.5)</u>	<u>1,237</u>	<u>1,923</u>	<u>(35.7)</u>
Total comprehensive income attributable to:						
Owners of the Company	532	1,237	(57.0)	2,615	1,931	35.4
Non-controlling interests	(92)	(191)	(51.8)	(571)	(488)	17.0
	<u>440</u>	<u>1,046</u>	<u>(57.9)</u>	<u>2,044</u>	<u>1,443</u>	<u>41.6</u>
Earnings per share (US cents)						
- Basic				<u>0.82</u>	<u>1.02</u>	
- Diluted				<u>0.81</u>	<u>1.00</u>	

Note:

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

	3 months ended 30 September			9 months ended 30 September		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Amortisation of intangible assets (included in administrative expenses)	408	411	(0.7)	1,354	1,237	9.5
Depreciation of properties, plant and equipment	279	275	1.5	824	833	(1.1)
Net foreign exchange loss (gain)	274	160	71.3	(810)	423	N.M.
Interest income	(4)	(3)	33.3	(12)	(8)	50.0
Finance costs	418	365	14.5	1,280	999	28.1
Provision (Reversal) for doubtful debts	-	10	N.M.	-	(34)	N.M.
Gain on disposal of investments carried at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>N.M.</u>	<u>-</u>	<u>(13)</u>	<u>N.M.</u>

N.M.: Not meaningful

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	
	30 September 2013 US\$'000	31 December 2012 US\$'000	30 September 2013 US\$'000	31 December 2012 US\$'000
ASSETS				
Current assets:				
Cash and bank balances	13,537	17,015	-	-
Trade and other receivables	56,926	68,668	-	-
Inventories	40,211	32,125	-	-
Income tax recoverable	127	161	-	-
Amount due from an associate	2,202	2,771	-	-
Total current assets	113,003	120,740	-	-
Non-current assets:				
Properties, plant and equipment	13,125	13,230	-	-
Subsidiaries	-	-	23,029	23,632
Goodwill	3,434	1,839	-	-
Intangible assets	4,076	5,003	-	-
Available-for-sale investment	944	534	-	-
Deferred tax asset	89	88	-	-
Interest in an associate	112	223	-	-
Total non-current assets	21,780	20,917	23,029	23,632
Total assets	134,783	141,657	23,029	23,632
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Bank borrowings and overdrafts	24,943	30,312	-	-
Trade and other payables	27,473	28,027	-	76
Income tax payable	1,164	1,025	-	-
Total current liabilities	53,580	59,364	-	76
Non-current liabilities:				
Bank borrowings	13,548	16,796	-	-
Deferred tax liabilities	165	234	-	-
	13,713	17,030	-	-
Capital, reserves and non- controlling interests:				
Share capital	11,625	11,625	11,625	11,625
Reserves	53,577	50,779	11,404	11,931
Equity attributable to Owners of the Company	65,202	62,404	23,029	23,556
Non-controlling interests	2,288	2,859	-	-
Total equity	67,490	65,263	23,029	23,556
Total equity and liabilities	134,783	141,657	23,029	23,632

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

As at 30 September 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
367	24,576	597	29,715

Amount repayable after one year

As at 30 September 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3,350	10,198	3,400	13,396

Details of any collateral

The Group has pledged its leasehold land and buildings with carrying amount of approximately US\$5,288,000 (31 December 2012: US\$5,245,000) 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.**

	9 months ended	
	30 September 2013	30 September 2012
	US\$'000	US\$'000
Operating activities:		
Profit before income tax	1,303	2,023
Adjustments for:		
Depreciation of properties, plant and equipment	824	833
Interest income	(12)	(8)
Finance costs	1,280	999
Amortisation of intangible assets	1,354	1,237
Share-based payment expense	183	349
Share of results of an associate	115	183
Reversal for doubtful debts	-	(34)
Gain on disposal of investment held for trading	-	(13)
Operating cash flows before movements in working capital	5,047	5,569
Trade and other receivables	14,636	3,576
Inventories	(4,934)	(7,493)
Trade and other payables	425	3,933
Trade bills discounted with recourse	(3,369)	(1,266)
Amount due from an associate	610	(2,609)
Cash generated from operations	12,415	1,710
PRC Enterprises Income Tax refund	24	34
Tax refund in other jurisdictions	17	60
Net cash generated from operating activities	12,456	1,804
Investing activities:		
Acquisition of a subsidiary (Note)	(4,452)	(1,247)
Development costs paid	(902)	(1,140)
Purchase of available-for-sale investments	(410)	-
Purchase of properties, plant and equipment	(251)	(313)
Interest income received	12	8
Proceeds from disposal of investment carried at fair value through profit or loss	-	570
Acquisition of additional interest in subsidiaries	-	(2,646)
Net cash used in investing activities	(6,003)	(4,768)
Financing activities:		
Proceeds from bank borrowings	67,220	84,497
Repayment of bank borrowings	(76,616)	(80,406)
Interest paid	(1,280)	(999)
Dividend paid	-	(1,848)
Net cash (used in) from financing activities	(10,676)	1,244
Net decrease in cash and cash equivalents	(4,223)	(1,720)
Cash and cash equivalents at beginning of the period	15,930	7,298
Effect of foreign exchange rate changes	(34)	(443)
Cash and cash equivalents at end of the period	11,673	5,135
Cash and cash equivalents comprised:		
Cash and bank balances	13,537	8,268
Bank overdrafts	(1,864)	(3,133)
	11,673	5,135

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

	9 months ended
	<u>30 September 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

	9 months ended
	<u>30 September 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

	9 months ended
	<u>30 September 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

	9 months ended
	<u>30 September 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>

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 ^(a)	Currency translation reserve	Legal reserve ^(b)	Capital reserve ^(c)	Share option reserve	Equity reserve ^(d)	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 as at 30 June 2013	11,625	8,099	394	(4,112)	4,145	488	3,003	1,882	(2,037)	41,123	64,610	2,380	66,990
Total comprehensive (expense) income for the period	-	-	-	-	(167)	-	-	-	-	699	532	(92)	440
Share-based payment expenses	-	-	-	-	-	-	-	60	-	-	60	-	60
Balance as at 30 September 2013	11,625	8,099	394	(4,112)	3,978	488	3,003	1,942	(2,037)	41,822	65,202	2,288	67,490
Balance as at 1 January 2013	11,625	8,099	394	(4,112)	3,269	488	3,003	1,759	(2,037)	39,916	62,404	2,859	65,263
Total comprehensive income (expense) for the period	-	-	-	-	709	-	-	-	-	1,906	2,615	(571)	2,044
Share-based payment expenses	-	-	-	-	-	-	-	183	-	-	183	-	183
Balance as at 30 September 2013	11,625	8,099	394	(4,112)	3,978	488	3,003	1,942	(2,037)	41,822	65,202	2,288	67,490

	Share capital	Share premium	Contributed surplus	Merger reserve ^(a)	Currency translation reserve	Legal reserve ^(b)	Capital reserve ^(c)	Share option reserve	Equity reserve ^(d)	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 as at 30 June 2012	11,625	8,099	394	(4,112)	3,434	274	3,003	1,547	(2,335)	38,063	59,992	3,348	63,340
Total comprehensive (expense) income for the period	-	-	-	-	(11)	-	-	-	-	1,248	1,237	(191)	1,046
Share-based payment expenses	-	-	-	-	-	-	-	127	-	-	127	-	127
Balance as at 30 September 2012	11,625	8,099	394	(4,112)	3,423	274	3,003	1,674	(2,335)	39,311	61,356	3,157	64,513
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) income for the period	-	-	-	-	(444)	-	-	-	-	2,375	1,931	(488)	1,443
Dividend paid	-	-	-	-	-	-	-	-	-	(1,848)	(1,848)	-	(1,848)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	283	283
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	(2,298)	-	(2,298)	598	(1,700)
Share-based payment expenses	-	-	-	-	-	-	-	349	-	-	349	-	349
Balance as at 30 September 2012	11,625	8,099	394	(4,112)	3,423	274	3,003	1,674	(2,335)	39,311	61,356	3,157	64,513

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.

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 30 June 2013	11,625	8,099	394	1,882	1,112	23,112
Total comprehensive expense for the period	-	-	-	-	(144)	(144)
Share-based payment expenses	-	-	-	61	-	61
Balance as at 30 September 2013	11,625	8,099	394	1,943	968	23,029
Balance as at 1 January 2013	11,625	8,099	394	1,759	1,679	23,556
Total comprehensive expense for the period	-	-	-	-	(711)	(711)
Share-based payment expenses	-	-	-	184	-	184
Balance as at 30 September 2013	11,625	8,099	394	1,943	968	23,029
Balance as at 30 June 2012	11,625	8,099	394	1,547	(383)	21,282
Total comprehensive expense for the period	-	-	-	-	(457)	(457)
Share-based payment expenses	-	-	-	127	-	127
Balance as at 30 September 2012	11,625	8,099	394	1,674	(840)	20,952
Balance as at 1 January 2012	11,625	8,099	394	1,325	2,124	23,567
Total comprehensive expense for the period	-	-	-	-	(1,116)	(1,116)
Dividend paid	-	-	-	-	(1,848)	(1,848)
Share-based payment expenses	-	-	-	349	-	349
Balance as at 30 September 2012	11,625	8,099	394	1,674	(840)	20,952

- 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 30 September 2013 is 21,835,000 (31 December 2012: 21,835,000). No further option will be granted under the 2004 Share Option Scheme.

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 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 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 30 September 2013. (31 December 2012: 232,500,000)

There were no treasury shares as at 31 December 2012 and 30 September 2013.

- 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 2012.

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 30 September		9 months ended 30 September	
	2013 US cents	2012 US cents	2013 US cents	2012 US cents
(a) Based on the weighted average number of shares	<u>0.30</u>	<u>0.54</u>	<u>0.82</u>	<u>1.02</u>
(b) On a fully diluted basis	<u>0.30</u>	<u>0.53</u>	<u>0.81</u>	<u>1.00</u>

The calculation of basic earnings per share is based on the Group's net profit for the 3 months ended period of US\$699,000 (30 September 2012: US\$1,248,000) divided by the weighted average number of ordinary shares of 232,500,000 (30 September 2012: 232,500,000) in issue during the period.

The calculation of basic earnings per share is based on the Group's net profit for the 9 months ended period of US\$1,906,000 (30 September 2012: US\$2,375,000) divided by the weighted average number of ordinary shares of 232,500,000 (30 September 2012: 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	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
	US cents	US cents	US cents	US cents
Net asset value per ordinary share capital at the end of the financial period	28.0	26.8	9.9	10.1

The net asset value per share as at 30 September 2013 is computed using the shares in issue of 232,500,000 shares (31 December 2012: 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

Revenue increased by 11.5% to US\$42,915,000 in 3Q2013 from US\$38,498,000 in 3Q2012. As a result, the Group's revenue increased by 4.7% to US\$111,749,000 for the nine months ended 30 Sep 2013 from US\$106,730,000 for the nine months ended 30 Sep 2012. Increase in revenue was mainly attributable to the consolidation of the newly acquired subsidiaries in Europe during the period.

(2) Gross profit and gross profit margin

Gross profit increased by 14.6% to US\$13,078,000 in 3Q2013 from US\$11,408,000 in 3Q2012 whereas the Group's gross profit increased by 14.6% to US\$36,146,000 for the nine months ended 30 Sep 2013 from US\$31,553,000 for the nine months ended 30 Sep 2012 which was primarily due to improved margin in both distribution and manufacturing business. The overall gross margin achieved for the period ended 30 Sep 2013 increased by 2.7 percentage points to 32.3% compared with 29.6% for the 9 months ended 30 Sep 2012 primarily attributable to (i) the depreciation of Japanese Yen, which lowered the costs of the products sold, and (ii) the increased sales mix of higher margin products in the manufacturing segment.

(3) Other operating (expenses) income

Other operating income for the nine months ended 30 Sep 2013 amounted to US\$1,087,000 compared to net expenses of US\$202,000 primarily due to a net foreign exchange gain of US\$810,000 for the current period compared to a net foreign exchange loss of US\$423,000 incurred in the nine months ended 30 Sep 2012.

(4) Distribution costs

Distribution costs in 3Q2013 increased 45.6% to US\$5,288,000 whereas that in the nine months ended 30 Sep 2013 increased by 34.4% to US\$15,076,000, primarily due to the consolidation of newly acquired subsidiaries and the increase in sales and marketing activities during the period.

(5) Administrative expenses

Administrative expenses in 3Q2013 increased 6.5% to US\$6,567,000 whereas that in the nine months ended 30 Sep 2013 increased by 15.0% to US\$19,459,000, mainly due to the consolidation of new acquired subsidiaries during the period.

(6) Finance expenses

Finance expenses increased by 28.1% to US\$1,280,000 for the nine months ended 30 Sep 2013 from US\$999,000 for the nine months ended 30 Sep 2012 resulting from higher average balances of bank borrowings and interest rates during the period.

Financial Position

(7) Inventories

Inventories increased by US\$8,086,000 to US\$40,211,000 as at 30 September 2013 compared to US\$32,125,000 as at 31 December 2012. More inventories were held to meet anticipated increase in business volume in the following quarter due to the seasonal pattern in Group sales.

(8) Trade and other receivables

Trade and other receivables decreased by US\$11,742,000 to US\$56,926,000 as at 30 September 2013 compared to US\$68,668,000 as at 31 December 2012 owing to the seasonal pattern of the Group's business where a higher portion of sales was typically generated in the last quarter of the year.

(9) Trade and other payables

Trade and other payables decreased by US\$554,000 to US\$27,473,000 as at 30 September 2013 compared to US\$28,027,000 as at 31 December 2012.

(10) Bank borrowings

Bank borrowings decreased by US\$8,617,000 to US\$38,491,000 as at 30 September 2013 compared to US\$47,108,000 as at 31 December 2012 mainly due to the decrease in trade finance loans being raised during the period.

(11) Available-for-sale investments

Available-for-sale investments increased by US\$410,000 to US\$944,000 as at 30 September 2013 compared to US\$534,000 as at 31 December 2012 attributable to the investment in 15% unquoted shares in an Australian company during the period.

(12) Cash flow

The cash generated from operating activities amounted to US\$12,456,000 during the period compared to US\$1,804,000 for the nine months ended 30 September 2012. However, the cash and cash equivalents decreased by US\$4,223,000 for the nine months ended 30 Sep 2013 mainly attributable to the net cash used in investing activities of US\$6,003,000 and the net cash used in financing activities of US\$10,676,000 during the period.

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 management expects the demand for Techcomp products from PRC will continue to grow benefitting from increased investments in food safety, health care and research and development. However, the economic uncertainties in certain countries and the recent devaluation of India Rupees and Indonesia Rupiah had adversely affected the Group's sales in South Asia and ASEAN markets.

For its European business, management sees improvements in the general trading condition and expects the operation to contribute positively to the Group's results in the near future. The Group will continue to leverage on its low cost manufacturing base in the PRC to achieve cost savings and operational synergy for its operations in Europe.

On 2 October, 2013, the group has successfully placed an aggregate of 46.5 million unlisted warrants and raised a net proceed of approximately HK\$290,000. Any additional proceeds from the issue of the warrant shares upon the exercise of the subscription rights attaching to the warrants in the future up to a maximum amount of approximately HKD\$139,500,000 will also be applied as the general working capital and as funds for future development of the Group.

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 nine months ended 30 September 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Sin Sheung Nam Gilbert
Company Secretary
14 November 2013