



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

INTERIM REPORT 2016

*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)

Christopher James O'Connor
(Executive Director)
(Appointed on 1 September 2016)

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

Auditor

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

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 2016 (“HY2016”), revenue of Techcomp (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the distribution business increased by 15.5% to US\$46.1 million from US\$39.9 million for corresponding period last year (“HY2015”) mainly due to the increased sales in the PRC. However, gross margin of the distribution products was lower due to the appreciation of Japanese Yen. The segment results from distribution business decreased by 71.8% to US\$0.4 million.

Group revenue for the manufacturing business decreased by 0.6% to US\$31.7 million in HY2016 from US\$31.9 million in HY2015 mainly due to the depreciation of European currencies where a significant portion of sales of manufactured products are denominated in. The segment losses from the manufacturing business increased from US\$0.1 million in HY2015 to US\$0.4 million in HY2016 mainly due to the set-up of manufacturing facilities in Europe for production of gas chromatograph.

The profit attributable to the owners of the Company decreased by 80.2% to US\$0.2 million in HY2016 from US\$0.9 million in HY2015, mainly due to the lower gross margins of the distribution products, the increased operating costs and the set-up of manufacturing facilities in Europe.

(II) FINANCIAL REVIEW

Revenue

Revenue in HY2016 increased by 8.3% to US\$77.8 million from US\$71.8 million in HY2015, mainly attributable to the increase in sales in the PRC.

Cost of sales

Cost of sales in HY2016 increased by 8.0% to US\$51.1 million from US\$47.3 million in HY2015. The increase was in tandem with the revenue growth.

Gross profit and gross profit margin

Gross profit in HY2016 increased by 9.0% to US\$26.7 million from US\$24.5 million in HY2015 due to the increase in revenue. The gross profit margin in HY2016 was 34.3% compared to 34.1% in HY2015.

Other operating income

Other operating income in HY2016 decreased by 49.5% to US\$0.5 million from US\$0.9 million in HY2015 mainly due to the decrease in exchange gain by US\$373,000 in HY2016.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

Distribution costs

In HY2016, distribution costs increased by 4.6% to US\$9.8 million, due to the expansion of offices in Europe.

Administrative expenses

Administrative expenses in HY2016 increased by 18.0% to US\$16.8 million mainly due to the establishment of manufacturing operation in Europe for the production of gas chromatograph.

Finance costs

Finance costs remained stable at US\$0.7 million in HY2016.

Profit for the period

The profit attributable to the owners of the Company decreased by US\$0.7 million to US\$0.2 million in HY2016 from US\$0.9 million in HY2015.

Inventories

Inventories increased by US\$16.4 million from US\$37.2 million as at 31 December 2015 to US\$53.6 million as at 30 June 2016, mainly due to the higher level of inventories of raw materials and finished goods held to meet the expected increase in the manufacturing and distribution businesses in the second half of the year.

Trade and other receivables

Trade and other receivables decreased by US\$13.6 million from US\$83.4 million as at 31 December 2015 to US\$69.8 million as at 30 June 2016. This 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 increased by US\$0.2 million from US\$28.9 million as at 31 December 2015 to US\$29.1 million as at 30 June 2016.

Cash and cash equivalents

The decrease in cash and cash equivalents by US\$5.4 million from US\$16.0 million as at 31 December 2015 to US\$10.6 million as at 30 June 2016. This was mainly due to the net cash outflow from the investing, financing activities and operating activities of US\$0.8 million, US\$3.6 million and US\$1.2 million respectively for HY2016.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2016, the Group's net current assets stood at US\$75.8 million (31 December 2015: US\$78.4 million), of which the cash and bank balances were US\$10.6 million (31 December 2015: US\$16.0 million). The Group's current ratio was 2.3 (31 December 2015: 2.3).

Total bank borrowings as at 30 June 2016 were US\$37.2 million (31 December 2015: US\$38.6 million). The Group's gearing ratio as at 30 June 2016 was 45.1% (31 December 2015: 46.0%), 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, the Group expects its business activities to increase in the second half of the year.

Management anticipates modest sales growth in the PRC as the demand for scientific equipment is expected to grow in tandem with increase in investments in research and development, food safety and environmental industries. The other Asian markets like India and Indonesia are envisaged to remain stable. While the European market remains challenging, the demand for the Company's products is expected to be stable.

As a significant portion of our purchases is denominated in Japanese Yen, appreciation of the Japanese Yen will impair on the gross margins of the Group's distribution business and adversely affect the profitability of the distribution business. On the other hand, the weakened European currencies will enhance the competitiveness of certain manufactured products of the Group in the global market.

Notwithstanding that Brexit will bring uncertainty to the economy in Europe, particularly in the United Kingdom where our Regional Head Quarter and certain manufacturing facilities are located, there is no immediate impact on the Group's Europe operations. Management will monitor closely the development of Brexit and take appropriate actions to mitigate the risks arising from Brexit.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) DISCLOSURE OF INTERESTS

SHARE CAPITAL AND SHARE OPTIONS SCHEMES

Details of the movements in the issued share capital of the Company and share options schemes 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 Scheme:

Name of participant	Options granted during the 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
Christopher James O'Connor (Note 1 and 2)	-	700,000	-	-	700,000
Xu Guoping	-	2,500,000	-	-	2,500,000

Notes:

1. Mr. Chan Wai Shing and Mr. Christopher James O'Connor are the only directors of the Company participating in the Share Option Scheme.
2. Mr. Christopher James O'Connor was appointed as director of the Company on 1 September 2016.

There are no options granted to any of the Company's controlling shareholders or their associates.

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

As at 30 June 2016, 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:

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) DISCLOSURE OF INTERESTS (CONTINUED)

Long position

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

Name of Director	At 31 December 2015			At 30 June 2016		
	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)	40.83	104,956,500	7,500,000 (Note 1)	40.83
Chan Wai Shing	9,720,000	–	3.53	9,720,000	–	3.53
Ho Yew Yuen	300,000	–	0.11	300,000	–	0.11

Note:

- These 7,500,000 shares are held in the name of Ms. Yung Yat, the spouse of Mr. Lo Yat Keung.

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

Name of Director	At 30 June 2016
	Number of Shares to be issued upon full exercise of the share options
Chan Wai Shing	2,500,000
Christopher James O'Connor (Note 1)	700,000

Note:

- Mr. Christopher James O'Connor was appointed as director of the Company on 1 September 2016.

There are no options granted to any of the Company's controlling shareholders or their associates.

Save as disclosed above, as at 30 June 2016, 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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) DISCLOSURE OF INTERESTS (CONTINUED)

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

As at 30 June 2016, 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 disclosed 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 2015				At 30 June 2016			
		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	5.32	-	-	14,659,829	5.32	-	-
Kabouter Management, LLC	Investment manager	-	-	29,729,352 (Note 1)	10.79	-	-	29,729,352 (Note 1)	10.79
KCH Investment Company Limited	Beneficial owner	44,528,648	16.17	-	-	44,528,648	16.17	-	-
Guo Bing	Controlled corporation	-	-	44,528,648 (Note 2)	16.17	-	-	44,528,648 (Note 2)	16.17
Zhang Li	Interest of spouse	-	-	44,528,648 (Note 3)	16.17	-	-	44,528,648 (Note 3)	16.17
Yung Yat	Beneficial owner Interest of spouse	7,500,000	2.72	-	-	7,500,000	2.72	-	-
		-	-	104,956,500 (Note 4)	38.11	-	-	104,956,500 (Note 4)	38.11

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 2016, (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.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) DISCLOSURE OF INTERESTS (CONTINUED)

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

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

2. 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.
3. These shares were held in the name of Mr. Guo Bing, the spouse of Ms. Zhang Li.
4. 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 2016, 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

CONVERSION OF THE COMPANY'S LISTING STATUS FROM PRIMARY LISTING TO SECONDARY LISTING ON THE MAIN BOARD OF THE SGX-ST

As disclosed in the Company's announcement dated 27 January 2016, the Company received the in-principle approval from the SGX-ST for its application for the conversion in its listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST while maintaining its primary listing status on the SEHK.

The Company has obtained its shareholders' approval at the special general meeting held on 23 March 2016. As at the end of HY2016, the Company completed the conversion of its listing status on the SGX-ST. The Company is now primarily listed on the SEHK and secondarily listed on the SGX-ST.

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

During HY2016, 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-ST.

DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION

Pursuant to rule 13.51B(1) of the Listing Rules, the changes and updated Directors' information are as follows:

Mr. Christopher James O'Connor was appointed as an Executive Director of the Company on 1 September 2016. Mr. Christopher James O'Connor is currently the Chief Executive Officer of Techcomp Europe Limited. He is responsible for Froilabo, Precisa, Edinburgh Instruments, Scion as well as Dynamica distribution in Europe. Prior to joining the Group in 2011, he was the Managing Director of Barloworld Scientific.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) SUPPLEMENTARY INFORMATION (CONTINUED)

DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION (CONTINUED)

Save as disclosed above, Mr. Christopher James O'Connor (i) does not hold, and has not held other directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company within the meaning of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim financial statements of the Group for HY2016, 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.

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 Corporate Governance Code (the "Hong Kong CG 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 CG Code throughout the six months ended 30 June 2016, except for a deviation from Code Provision A.2.1 of the Hong Kong CG Code which is explained below:

According to Code Provision A.2.1 of the Hong Kong CG 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 (i.e. the Audit Committee, the nomination committee and the remuneration committee) 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 that the Company's corporate governance practices are in line with those in the Hong Kong CG Code.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) SUPPLEMENTARY INFORMATION (CONTINUED)

HONG KONG MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board of the Company confirms, having made specific enquiries with all Directors that during HY2016, 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 2016, there were 843 (31 December 2015: 812) employees in the Group. Staff remuneration packages are determined after consideration of market conditions and 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.

DISCLOSURE ON THE WEBSITES OF THE EXCHANGES AND THE COMPANY

This report shall be published on the respective websites of the SEHK, SGX-ST and the Company.

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

Hong Kong, 21 September 2016

As at the date of this report, the executive Directors are Mr. Lo Yat Keung (President), Mr. Chan Wai Shing and Mr. Christopher James O'Connor, 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 (the “Board”) of directors (the “Director(s)”) 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 2016 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		6 months ended 30 June	
		2016	2015
	Note	US\$'000	US\$'000
Revenue	3	77,810	71,819
Cost of sales		(51,081)	(47,299)
Gross profit		26,729	24,520
Other operating income		460	911
Distribution costs		(9,806)	(9,376)
Administrative expenses		(16,754)	(14,202)
Finance costs	5	(674)	(743)
(Loss)/Profit before income tax		(45)	1,110
Income tax expense	6	(45)	(208)
(Loss)/Profit for the period	4	(90)	902

FINANCIAL STATEMENTS

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

	Note	6 months ended 30 June	
		2016	2015
		US\$'000	US\$'000
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
- exchange differences arising on translation of foreign operations		(344)	326
Other comprehensive (expense) income for the period, net of tax		(344)	326
Total comprehensive (expense) income for the period		(434)	1,228
Profit/(Loss) for the period attributable to:			
Owners of the Company		176	891
Non-controlling interests		(266)	11
		(90)	902
Total comprehensive (expense) income attributable to:			
Owners of the Company		(165)	1,217
Non-controlling interests		(269)	11
		(434)	1,228
Earnings per share (US cents)	8		
- Basic		0.06	0.37
- Diluted		0.06	0.37

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2016 <i>US\$'000</i>	At 31 December 2015 <i>US\$'000</i>
Non-current assets			
Properties, plant and equipment	9	10,464	10,904
Goodwill		2,881	2,881
Other intangible assets		4,699	4,443
Other assets		944	944
Deferred tax assets		26	26
Total non-current assets		19,014	19,198
Current assets			
Inventories		53,571	37,191
Trade and other receivables	10	69,807	83,389
Income tax recoverable		184	242
Cash and bank balances		10,580	16,038
Total current assets		134,142	136,860
Current liabilities			
Trade and other payables	11	29,089	28,891
Liabilities for trade bills discounted with recourse		1,779	1,901
Income tax payable		1,748	1,951
Bank borrowings and overdrafts		25,749	25,704
Total current liabilities		58,365	58,447
NET CURRENT ASSETS		75,777	78,413
TOTAL ASSETS LESS CURRENT LIABILITIES		94,791	97,611
Non-current liabilities			
Bank borrowings		11,466	12,902
Retirement benefit plan liabilities		527	514
Deferred tax liabilities		233	237
Total non-current liabilities		12,226	13,653
		82,565	83,958
Capital, reserves and non-controlling interests			
Share Capital	12	13,772	13,772
Reserves		69,547	70,671
Equity attributable to owners of the Company		83,319	84,443
Non-controlling interests		(754)	(485)
		82,565	83,958

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June	
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Operating activities		
(Loss)/Profit before income tax	(45)	1,110
Adjustments for:		
Depreciation of properties, plant and equipment	450	583
Amortisation of intangible assets	516	882
Interest income	(20)	(22)
Finance costs	674	743
Loss on disposal of property, plant and equipment	5	1
Share-based payment expenses	30	38
Operating cash flows before movements in working capital	1,610	3,335
Decrease in trade and other receivables	14,058	15,308
Increase in inventories	(16,350)	(10,701)
Decrease in trade and other payables	(215)	(2,309)
Decrease in trade bills discounted with recourse	(122)	(1,451)
Cash (used in) generated from operations	(1,019)	4,182
PRC Enterprises Income Tax paid	(194)	25
Tax refund in other jurisdictions	–	60
Net cash (used in) from operating activities	(1,213)	4,267
Investing activities		
Purchase of properties, plant and equipment	(27)	(403)
Product development costs paid	(813)	(527)
Interest received	20	22
Net cash used in investing activities	(820)	(908)

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	6 months ended 30 June	
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Financing activities		
Proceeds from bank borrowings	34,400	29,282
Repayment of bank borrowings	(36,349)	(36,528)
Dividends paid	(989)	–
Issue of shares	–	1,238
Interest paid	(674)	(743)
Net cash used in financing activities	(3,612)	(6,751)
Net decrease in cash and cash equivalents	(5,645)	(3,392)
Cash and cash equivalents at beginning of the period	15,278	13,927
Effect of foreign exchange rate changes	(371)	60
Cash and cash equivalents at end of the period	9,262	10,595
Cash and cash equivalents comprised:		
Cash and bank balances	10,580	12,001
Bank overdrafts	(1,318)	(1,406)
	9,262	10,595

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Share premium US\$'000	Share capital US\$'000	Contributed surplus US\$'000	Merger reserve ^(a) US\$'000	Currency translation reserve US\$'000	Legal reserve ^(b) US\$'000	Capital reserve ^(c) US\$'000	Equity reserve ^(d) US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Attributable to owners of the Company		Non-controlling interests US\$'000	Total US\$'000
												US\$'000	US\$'000		
Balance as at 1 January 2016	13,772	18,385	13,772	394	(4,112)	3,417	535	3,003	(2,490)	1,537	50,002	84,443	(485)	83,958	
Total comprehensive income (expense) for the period:															
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	176	176	(266)	(90)	
Other comprehensive expense	-	-	-	-	-	(341)	-	-	-	-	-	(341)	(3)	(344)	
Transactions with owners, recognised directly in equity:															
Dividends	-	-	-	-	-	-	-	-	-	-	(989)	(989)	-	(989)	
Share-based payment expenses	-	-	-	-	-	-	-	-	-	30	-	30	-	30	
	-	-	-	-	-	-	-	-	-	30	(989)	(959)	-	(959)	
At 30 June 2016	13,772	18,385	13,772	394	(4,112)	3,076	535	3,003	(2,490)	1,567	49,189	83,319	(754)	82,565	

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Share premium	Share contributed surplus	Merger reserve ^(a)	Currency translation reserve	Legal reserve ^(b)	Capital reserve ^(c)	Equity reserve ^(d)	Share option reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2015	13,369	17,026	394	(4,112)	3,750	535	3,003	(2,490)	2,005	46,521	80,001	(242)	79,759
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	891	891	11	902
Other comprehensive income	-	-	-	-	326	-	-	-	-	-	326	-	326
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

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 (Registration No. 34778) was incorporated in Bermuda on 26 January 2004 under The Companies Act 1981 of Bermuda (“The Bermuda Companies Act”) as an exempted company with limited liability and with its registered office at Canon’s Court, 22 Victoria Street, Hamilton Hm12, Bermuda and its principal place of business at 6th Floor, Mita Center, 552-556, Castle Peak Road, Kwai Chung, Kowloon, Hong Kong. Its ultimate controlling shareholder is Mr. Lo Yat Keung who is the chief executive of the Company. The Company is listed on both the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) and on the Main Board of the Stock Exchange of Hong Kong Limited (“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 the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015.

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 1 | Disclosure Initiative |
| ● Amendments to IAS 16 and IAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| ● Amendments to IFRS 10, IFRS 12 and IAS 28 | Investment Entities: Applying the Consolidation Exception |
| ● Amendments to IFRSs | Annual Improvements to IFRSs 2012-2014 Cycle |

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

The 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.

The principal activities of the operating segments are as follows:

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

Manufacturing - the design, manufacture and sales 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>
Period ended 30 June, 2016			
REVENUE	46,073	31,737	77,810
RESULTS			
Segment result and profit (loss) before income tax	355	(400)	(45)
Income tax expenses			(45)
Loss for the period			(90)
Period ended 30 June, 2015			
REVENUE	39,877	31,942	71,819
RESULTS			
Segment result and profit (loss) before income tax	1,259	(149)	1,110
Income tax expenses			(208)
Profit for the period			902
Segment assets and liabilities			
At 30 June, 2016			
ASSETS			
Segment assets	94,994	57,008	152,002
Unallocated assets			1,154
Consolidated total assets			153,156
LIABILITIES			
Segment liabilities	52,095	16,516	68,611
Unallocated liabilities			1,980
Consolidated total liabilities			70,591
Other segment information			
Capital expenditure	20	7	27
Depreciation and amortisation	65	901	966
Finance costs	608	66	674
Interest income	(15)	(5)	(20)

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3 Revenue and segment information (continued)

Segment revenues and results (continued)

	Distribution	Manufacturing	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At 30 June, 2015			
ASSETS			
Segment assets	98,572	50,058	148,630
Unallocated assets			1,018
Consolidated total assets			149,648
LIABILITIES			
Segment liabilities	52,961	12,339	65,300
Unallocated liabilities			2,085
Consolidated total liabilities			67,385

Other segment information

Capital expenditure	54	876	930
Depreciation and amortisation	89	1,376	1,465
Finance costs	729	14	743
Interest income	(19)	(3)	(22)

Geographical information

The Group operates principally in People's Republic of China ("PRC"), Asia (other than the PRC), Europe and Americas.

(a) Revenue from external customers

	6 months ended 30 June	
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
PRC (including Hong Kong & Macau)	55,646	46,868
Europe	11,801	11,166
Americas	4,139	9,274
Asia (other than PRC)	6,224	4,511
Total	77,810	71,819

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3 Revenue and segment information (continued)

Geographical information (continued)

(b) Non-current assets (excluding other assets and deferred tax assets)

	30 June	31 December
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
PRC (including Hong Kong & Macau)	8,372	8,931
Europe	8,390	7,840
Americas	1,263	1,438
Asia (other than PRC)	19	19
Total	18,044	18,228

4 (Loss)/profit for the period

(Loss)/profit for the period has been arrived at after charging (crediting) the following:

	6 months ended 30 June	
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Amortisation of intangible assets (included in administrative expenses)	516	882
Depreciation of properties, plant and equipment	450	583
Net foreign exchange gain	(268)	(641)
Interest income	(20)	(22)
Finance costs	674	743

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Finance costs

	6 months ended 30 June	
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Interest on bank borrowings	674	743

6 Income tax expense

	6 months ended 30 June	
	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Current tax:		
Hong Kong Profits Tax	10	55
PRC Enterprise Income Tax	30	95
Others	7	60
	47	210
Deferred tax	(2)	(2)
Income tax expense for the period	45	208

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

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the period.

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

During the current interim period, the Company paid a final dividend of HK\$0.028 (US\$0.0036) per share in respect of the year ended 31 December 2015 (six months ended 30 June 2015: Nil).

The Company did not recommend or declare any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: 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 2016 is based on the following data:

	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Profit for the period attributable to owners of the Company	176	891
	Number of shares	
	<i>'000</i>	
Number of ordinary shares for the purpose of basic earnings per share	275,437	240,154
Add: Effect of dilutive potential ordinary shares relating to outstanding share options issued by the Company	888	3,285
Weighted average number of ordinary shares for the purpose of diluted earnings per share	276,325	243,439

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\$27,000 (six months ended 30 June 2015: US\$403,000) on acquisition of properties, plant and equipment.

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Trade and other receivables

	30 June 2016	31 December 2015
	<i>US\$'000</i>	<i>US\$'000</i>
Trade receivables and bills receivables	62,211	77,877
Less: Allowance for doubtful debts	(3,132)	(3,667)
	59,079	74,210
Trade bills receivable discounted with recourse	1,779	1,901
Prepayments	3,987	3,556
Other receivables	4,962	3,722
	69,807	83,389

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:

	30 June 2016	31 December 2015
	<i>US\$'000</i>	<i>US\$'000</i>
0 to 90 days	34,121	53,087
91 to 120 days	8,552	7,289
121 to 365 days	9,285	7,031
1 year to 2 years	5,789	5,784
Over 2 years	1,332	1,019
	59,079	74,210

11 Trade and other payables

	30 June 2016	31 December 2015
	<i>US\$'000</i>	<i>US\$'000</i>
Trade payables	15,268	14,434
Accruals	7,822	7,603
Customer deposits	4,751	5,926
Other payables	1,248	928
	29,089	28,891

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Trade and other payables (continued)

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 2016	31 December 2015
	<i>US\$'000</i>	<i>US\$'000</i>
0 to 60 days	11,185	12,169
61 to 180 days	2,899	1,723
181 to 365 days	655	228
Over 365 days	529	314
	15,268	14,434

12 Share capital

	<i>Number of ordinary shares of US\$0.05 each</i>	<i>US\$'000</i>
Authorised	800,000,000	40,000
Issued and fully-paid :		
At 31 December 2015 and 30 June 2016	275,437,000	13,772

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

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 of the Company ("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 at the absolute discretion of the Remuneration Committee of the Company. The maximum entitlement of any offeree, in accordance with and during the operation of the 2004 Share Option Scheme, shall not exceed 20% in aggregate of the total number of Shares which have been issued and may be issued by the Company under the 2004 Share Option Scheme.

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 2016 was 13,773,000 Shares (31 December 2015: 13,773,000 Shares), representing approximately 5.00% (31 December 2015: 5.00%) of the issued share capital of the Company as at 30 June 2016.

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.

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Share option (continued)

2004 Share Option Scheme (continued)

When the 2004 Share Option Scheme was adopted on 28 May 2004, it was to 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 Stock Exchange of Hong Kong Limited (the “SEHK”) on 21 December 2011 and the 2004 Share Option Scheme was subsequently superseded by the 2011 Share Option Scheme (as defined below). As such, the total number of securities available for issue under the 2004 Share Option Scheme remains at 13,773,000 Shares, representing approximately 5.00% of the issued share capital of the Company as at 30 June 2016.

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 this participation and the number of Shares comprised in the options to be granted to him and the terms.

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Share option (continued)

2011 Share Option Scheme (continued)

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 of the Company. The total number of Shares issued and to be issued upon exercise of the options granted to such participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue under the 2011 Share Option Scheme.

Pursuant to the extraordinary general meeting of the Company on 9 June 2011 (the "Adoption Date") and the approval granted by the Listing Committee of the SEHK, the Company may 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 Adoption Date. 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 0.62% of the issued share capital of the Company as at 30 June 2016.

Pursuant to the 2011 Share Option Scheme, the first tranche of the options grant on 22 January 2015(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 2016, the total number of securities available for issue under the 2011 Share Option Scheme was 22,950,000 Shares, being the refreshed mandate limit of 23,250,000 Shares less the cancelled options of 300,000 Shares, representing approximately 8.33% of the issued share capital of the Company as at 30 June 2016.

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 1 January 2016	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Group and Company outstanding share options at 30 June 2016
2004 Share Option Scheme												
<u>Director</u>												
Chan Wai Shing	11/01/2010	10/01/2020	11 Jan 2011 to 10 Jan 2020 (Note 1)	10,500	\$S0.23	\$S0.16 (1) (2)	1,800,000	-	-	-	-	1,800,000
	06/01/2011	05/01/2021	6 Jan 2012 to 5 Jan 2021 (Note 1)	6,800	\$S0.42	\$S0.19 (1) & \$S0.18 (2)	700,000	-	-	-	-	700,000
							2,500,000	-	-	-	-	2,500,000
<u>Employees</u>												
Other employees	15/04/2008	14/04/2018	15 Apr 2009 to 14 Apr 2018	825	\$S0.26	\$S0.14 (1) & \$S0.11 (2)	135,000	-	-	-	-	135,000
	02/03/2009	01/03/2019	2 Mar 2010 to 1 Mar 2019 (Note 1)	3,855	\$S0.16	\$S0.11 (1) & \$S0.10 (2)	1,270,500	-	-	-	-	1,270,500
	22/05/2009	21/05/2019	22 May 2010 to 21 May 2019 (Note 1)	150	\$S0.16	\$S0.11 (1) & \$S0.10 (2)	150,000	-	-	-	-	150,000

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)	Exercise price	Fair value at grant date	Group and Company outstanding share options at 1 January 2016	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Group and Company outstanding share options outstanding at 30 June 2016
2004 Share Option Scheme (continued)												
Employees (continued)												
	11/01/2010	10/01/2020	11 Jan 2011 to 10 Jan 2020 (Note 1)	10,500	S\$0.23	S\$0.16 (1) (2)	3,642,500	-	-	-	-	3,642,500
	06/01/2011	05/01/2021	6 Jan 2012 to 5 Jan 2021 (Note 1)	6,800	S\$0.42	S\$0.19 (1) & S\$0.18 (2)	6,075,000	-	-	-	-	6,075,000
2011 Share Option Scheme												
Christopher James O'Connor (Note 2)	22/01/2015	22/01/2025	22 Jan 2018 to 22 Jan 2025	2,000	HK\$2.00	HK\$1.90	700,000	-	-	-	-	700,000
Other employees	22/01/2015	22/01/2025	22 Jan 2018 to 22 Jan 2025	2,000	HK\$2.00	HK\$1.90	1,000,000	-	-	-	-	1,000,000
Total							12,973,000	-	-	-	-	12,973,000
							15,473,000	-	-	-	-	15,473,000

(1) Senior management
(2) General management

Note:

- 30% of the options vested on the first anniversary of the date of grant. The remaining 70% of the options vested on the third anniversary of the date of grant.
- Mr. Christopher James O'Connor was a director of the Company who was appointed as director on 1 September 2016.

FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 **Contingent liabilities**

As at 30 June 2016 and 31 December 2015, the Group had no material contingent liabilities.

15 **Capital commitments**

As at 30 June 2016 and 31 December 2015, the Group did not have any significant capital commitment.

16 **Related parties transactions**

The Group did not entered into any significant transactions with a related party during the period.