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TECHCOMP (HOLDINGS) LIMITED

天美（控股）有限公司*

(Incorporated in Bermuda with limited liability)

Hong Kong Stock Code: 1298

Singapore Stock Code: T43

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board of directors (the “Board”) of Techcomp (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2014 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June

| | <i>Note</i> | 3 months ended 30 June | | | 6 months ended 30 June | | |
|----------------------------------|-------------|-------------------------------|--------------------|----------------------|-------------------------------|--------------------|----------------------|
| | | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| | | <i>US\$'000</i> | <i>US\$'000</i> | <i>%</i> | <i>US\$'000</i> | <i>US\$'000</i> | <i>%</i> |
| Revenue | 3 | 37,458 | 39,700 | (5.6) | 67,641 | 68,834 | (1.7) |
| Cost of sales | | <u>(24,692)</u> | <u>(25,734)</u> | (4.0) | <u>(45,168)</u> | <u>(45,766)</u> | (1.3) |
| Gross profit | | 12,766 | 13,966 | (8.6) | 22,473 | 23,068 | (2.6) |
| Other operating income | | 350 | 567 | (38.3) | 799 | 1,226 | (34.8) |
| Distribution costs | | (4,904) | (5,629) | (12.9) | (9,119) | (9,788) | (6.8) |
| Administrative expenses | | (6,370) | (6,395) | (0.4) | (12,946) | (12,892) | 0.4 |
| Share of results of an associate | | - | 1 | n/a | - | (94) | n/a |
| Finance costs | 5 | <u>(347)</u> | <u>(401)</u> | (13.5) | <u>(740)</u> | <u>(862)</u> | (14.2) |
| Profit before income tax | | 1,495 | 2,109 | (29.1) | 467 | 658 | (29.0) |
| Income tax expense | 6 | <u>(91)</u> | <u>(85)</u> | 7.1 | <u>(74)</u> | <u>(30)</u> | 146.7 |
| Profit for the period | | <u>1,404</u> | <u>2,024</u> | (30.6) | <u>393</u> | <u>628</u> | (37.4) |

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

For the three months and six months ended 30 June

| | | 3 months ended 30 June | | | 6 months ended 30 June | | |
|---|------|------------------------|--------------|---------------|------------------------|--------------|---------------|
| | | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| | Note | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Other comprehensive income | | | | | | | |
| - exchange differences arising on translation of foreign operations | | (667) | 893 | n/a | (731) | 973 | n/a |
| - share of exchange reserve of an associate | | - | 3 | n/a | - | 3 | n/a |
| Other comprehensive income (expense) for the period, net of tax | | (667) | 896 | n/a | (731) | 976 | n/a |
| Total comprehensive income (expense) for the period | | <u>737</u> | <u>2,920</u> | (74.8) | <u>(338)</u> | <u>1,604</u> | n/a |
| Profit for the period attributable to: | | | | | | | |
| Owners of the Company | | 1,531 | 2,313 | (33.8) | 734 | 1,207 | (39.2) |
| Non-controlling interests | | (127) | (289) | (56.1) | (341) | (579) | (41.1) |
| | | <u>1,404</u> | <u>2,024</u> | (30.6) | <u>393</u> | <u>628</u> | (37.4) |
| Total comprehensive income (expense) attributable to: | | | | | | | |
| Owners of the Company | | 907 | 3,144 | (71.2) | 47 | 2,083 | (97.7) |
| Non-controlling interests | | (170) | (224) | (24.1) | (385) | (479) | (19.6) |
| | | <u>737</u> | <u>2,920</u> | (74.8) | <u>(338)</u> | <u>1,604</u> | n/a |
| Earnings per share (US cents) | 8 | | | | | | |
| - Basic | | | | | <u>0.32</u> | <u>0.52</u> | |
| - Diluted | | | | | <u>0.31</u> | <u>0.52</u> | |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | <i>Note</i> | <u>At</u> <u>30 June</u> <u>2014</u> <i>US\$'000</i> | <u>At</u> <u>31 December</u> <u>2013</u> <i>US\$'000</i> |
|--|-------------|--|--|
| Non-current assets | | | |
| Properties, plant and equipment | 10 | 13,169 | 13,322 |
| Goodwill | | 3,166 | 3,166 |
| Intangible assets | | 3,341 | 3,891 |
| Available-for-sale investments | | 944 | 944 |
| Deferred tax asset | | 65 | 67 |
| Deposits paid for acquisition of additional interests in a subsidiary/an associate | | 636 | - |
| Total non-current assets | | 21,321 | 21,390 |
| Current assets | | | |
| Inventories | | 39,710 | 28,402 |
| Trade and other receivables | 11 | 68,266 | 78,600 |
| Income tax recoverable | | 32 | 58 |
| Amount due from an associate | | 2,159 | 2,033 |
| Cash and bank balances | | 9,817 | 14,682 |
| Total current assets | | 119,984 | 123,775 |
| Current liabilities | | | |
| Trade and other payables | 12 | 28,234 | 27,737 |
| Liabilities for trade bills discounted with recourse | | 3,812 | 5,042 |
| Income tax payable | | 1,478 | 1,320 |
| Bank borrowings and overdrafts | 13 | 31,628 | 31,272 |
| Total current liabilities | | 65,152 | 65,371 |
| NET CURRENT ASSETS | | 54,832 | 58,404 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 76,153 | 79,794 |
| Non-current liabilities | | | |
| Bank borrowings | 13 | 7,031 | 10,283 |
| Deferred tax liabilities | | 236 | 290 |
| Total non-current liabilities | | 7,267 | 10,573 |
| | | 68,886 | 69,221 |
| Capital, reserves and non-controlling interests | | | |
| Share Capital | 14 | 11,625 | 11,625 |
| Reserves | | 55,604 | 55,554 |
| Equity attributable to owners of the Company | | 67,229 | 67,179 |
| Non-controlling interests | | 1,657 | 2,042 |
| | | 68,886 | 69,221 |

STATEMENT OF FINANCIAL POSITION

| <u>Company</u> | <i>Note</i> | <u>At</u> <u>30 June</u> <u>2014</u> <i>US\$'000</i> | <u>At</u> <u>31 December</u> <u>2013</u> <i>US\$'000</i> |
|---|-------------|---|---|
| Non-current asset | | | |
| Subsidiaries | | 25,945 | 26,288 |
| Current asset | | | |
| Cash and bank balances | | 26 | 47 |
| Current liability | | | |
| Other payables | | - | 12 |
| NET CURRENT ASSET | | 26 | 35 |
| NET ASSET | | 25,971 | 26,323 |
| Equity attributable to Owners of the Company | | | |
| Share Capital | 14 | 11,625 | 11,625 |
| Reserves | | 14,346 | 14,698 |
| | | 25,971 | 26,323 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 months ended | |
|--|---------------------|---------------------|
| | 30 June 2014 | 30 June 2013 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| Operating activities | | |
| Profit before income tax | 467 | 658 |
| Adjustments for: | | |
| Depreciation of properties, plant and equipment | 550 | 545 |
| Amortisation of intangible assets | 874 | 946 |
| Interest income | (9) | (8) |
| Finance costs | 740 | 862 |
| Share of results of an associate | - | 94 |
| Share-based payment expenses | <u>3</u> | <u>123</u> |
| Operating cash flows before movements in working capital | 2,625 | 3,220 |
| Trade and other receivables | 10,107 | 12,718 |
| Inventories | (11,548) | (5,001) |
| Trade and other payables | 404 | (1,516) |
| Trade bills discounted with recourse | (1,230) | (1,362) |
| Amount due from an associate | <u>(174)</u> | <u>200</u> |
| Cash generated from operations | 184 | 8,259 |
| PRC Enterprises Income Tax paid | 14 | (32) |
| Tax refund in other jurisdictions | <u>45</u> | <u>64</u> |
| Net cash from operating activities | <u>243</u> | <u>8,291</u> |
| Investing activities | | |
| Deposits paid for acquisition of additional interests in a subsidiary/an associate | (636) | - |
| Purchase of properties, plant and equipment | (545) | (58) |
| Product development costs paid | (365) | (826) |
| Interest received | 9 | 8 |
| Acquisition of a subsidiary | - | (4,452) |
| Purchase of available-for-sale investments | <u>-</u> | <u>(410)</u> |
| Net cash used in investing activities | <u>(1,537)</u> | <u>(5,738)</u> |
| Financing activities | | |
| Proceeds from bank borrowings | 34,497 | 28,097 |
| Repayment of bank borrowings | (37,058) | (34,960) |
| Interest paid | <u>(740)</u> | <u>(862)</u> |
| Net cash used in financing activities | <u>(3,301)</u> | <u>(7,725)</u> |
| Net decrease in cash and cash equivalents | (4,595) | (5,172) |
| Cash and cash equivalents at beginning of the period | 12,635 | 15,930 |
| Effect of foreign exchange rate changes | <u>65</u> | <u>(189)</u> |
| Cash and cash equivalents at end of the period | <u>8,105</u> | <u>10,569</u> |
| Cash and cash equivalents comprised: | | |
| Cash and bank balances | 9,817 | 12,623 |
| Bank overdrafts | <u>(1,712)</u> | <u>(2,054)</u> |
| | <u>8,105</u> | <u>10,569</u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

| | Share capital | Share premium | Contributed surplus | Merger reserve ^(a) | Currency translation reserve | Legal reserve ^(b) | Capital reserve ^(c) | Warrant reserve | 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 | US\$'000 |
| Balance as at 1 January 2014 | 11,625 | 8,099 | 394 | (4,112) | 4,075 | 535 | 3,003 | 26 | (2,037) | 2,002 | 43,569 | 67,179 | 2,042 | 69,221 |
| Total comprehensive income (expense) for the period: | | | | | | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | - | - | - | - | 734 | 734 | (341) | 393 |
| Other comprehensive expense | - | - | - | - | (687) | - | - | - | - | - | - | (687) | (44) | (731) |
| | - | - | - | - | (687) | - | - | - | - | - | 734 | 47 | (385) | (338) |
| Transactions with owners, recognised directly in equity: | | | | | | | | | | | | | | |
| Share-based payment expenses | - | - | - | - | - | - | - | - | - | 3 | - | 3 | - | 3 |
| | - | - | - | - | - | - | - | - | - | 3 | - | 3 | - | 3 |
| At 30 June 2014 | 11,625 | 8,099 | 394 | (4,112) | 3,388 | 535 | 3,003 | 26 | (2,037) | 2,005 | 44,303 | 67,229 | 1,657 | 68,886 |
| At 1 January 2013 | 11,625 | 8,099 | 394 | (4,112) | 3,269 | 488 | 3,003 | - | (2,037) | 1,759 | 39,916 | 62,404 | 2,859 | 65,263 |
| Total comprehensive income (expense) for the period: | | | | | | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | - | - | - | - | 1,207 | 1,207 | (579) | 628 |
| Other comprehensive income | - | - | - | - | 876 | - | - | - | - | - | - | 876 | 100 | 976 |
| | - | - | - | - | 876 | - | - | - | - | - | 1,207 | 2,083 | (479) | 1,604 |
| Transactions with owners, recognised directly in equity: | | | | | | | | | | | | | | |
| Share-based payment expenses | - | - | - | - | - | - | - | - | - | 123 | - | 123 | - | 123 |
| | - | - | - | - | - | - | - | - | - | 123 | - | 123 | - | 123 |
| At 30 June 2013 | 11,625 | 8,099 | 394 | (4,112) | 4,145 | 488 | 3,003 | - | (2,037) | 1,882 | 41,123 | 64,610 | 2,380 | 66,990 |

Notes:

- (a) Merger reserve represents the difference between the combined share capital of the entities in the merged group and the capital of the Company arising from a restructuring exercise undertaken in 2004.
- (b) The legal reserves is non-distributable and represents reserve fund and enterprise expansion fund of a subsidiary in the People's Republic of China ("PRC") that can be used to offset prior years' losses or convert into capital, provided such conversion is approved by a resolution at a shareholders' meeting.
- (c) Capital reserve represents a transfer of retained earnings by a PRC subsidiary in 2004.
- (d) Equity reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

STATEMENT OF CHANGES IN EQUITY

Company

| | Share capital | Share premium | Contributed surplus | Share option reserve | Warrant reserve | Retained earnings | Total |
|---|------------------|------------------|------------------------|----------------------------|--------------------|----------------------|----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance as at 1 January 2014 | 11,625 | 8,099 | 394 | 2,002 | 26 | 4,177 | 26,323 |
| Total comprehensive expense for the period | - | - | - | - | - | (355) | (355) |
| Transaction with owners, recognised directly in equity: Share-based payment expenses | - | - | - | 3 | - | - | 3 |
| Balance as at 30 June 2014 | 11,625 | 8,099 | 394 | 2,005 | 26 | 3,822 | 25,971 |
| Balance as at 1 January 2013 | 11,625 | 8,099 | 394 | 1,759 | - | 1,679 | 23,556 |
| Total comprehensive expense for the period | - | - | - | - | - | (567) | (567) |
| Transaction with owners, recognised directly in equity: Share-based payment expenses | - | - | - | 123 | - | - | 123 |
| Balance as at 30 June 2013 | 11,625 | 8,099 | 394 | 1,882 | - | 1,112 | 23,112 |

NOTES TO FINANCIAL STATEMENTS

1 General Information

The Company was incorporated in Bermuda as an exempt company with limited liability under the Companies Act on 26 January 2004. The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. Its principal place of business in Hong Kong is located at 6th Floor, Mita Center, 552–566 Castle Peak Road, Kwai Chung, Kowloon, Hong Kong. The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") since 12 July 2004 and 21 December 2011 respectively.

The Company is an investment holding company. The principal activities of the Group are design, manufacture and distribution, of analytical and laboratory instruments and life science equipment.

2 Basis of preparation and principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

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

| | |
|--|--|
| Amendments to IFRSs | Annual improvements to IFRSs 2011-2013 cycle |
| Amendments to IFRS 10, IFRS 12 and IAS 27 | Investment Entities |
| Amendments to IAS 19 | Defined Benefit Plans: Employee Contributions |
| Amendments to IAS 32 | Offsetting Financial Assets and Financial Liabilities |
| Amendments to IAS 36 | Recoverable Amount Disclosures for Non-Financial Assets |
| Amendments to IAS 39 | Novation of Derivatives and Continuation of Hedge Accounting |

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

The Group has not early applied the following new and revised standards or amendments that have been issued but are not yet effective.

| | |
|------------------------------------|--|
| IFRS 9 | Financial instruments ¹ |
| Amendments to IFRS 9 and IFRS 7 | Mandatory effective date of IFRS 9 and transition disclosures ¹ |

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

The Directors anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3 Revenue and segment information

The Group is organised into two operating divisions - distribution and manufacturing. These are also the basis of whereby resources are being allocated and performance evaluated for management purpose.

Principal activities of each reportable segment are as follows:

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

Manufacturing - the design and manufacture of analytical and laboratory instruments and life science equipment.

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

Segment revenues and results

| | <u>Distribution</u> <i>US\$'000</i> | <u>Manufacturing</u> <i>US\$'000</i> | <u>Total</u> <i>US\$'000</i> |
|--|--|---|---------------------------------|
| <u>Period ended 30 June, 2014</u> | | | |
| REVENUE | <u>42,534</u> | <u>25,107</u> | <u>67,641</u> |
| RESULTS | | | |
| Segment result | | | |
| and profit before income tax | 836 | (369) | 467 |
| Income tax expenses | | | <u>(74)</u> |
| Profit for the period | | | <u>393</u> |
| <u>Period ended 30 June, 2013</u> | | | |
| REVENUE | <u>43,675</u> | <u>25,159</u> | <u>68,834</u> |
| RESULTS | | | |
| Segment result | 940 | (188) | 752 |
| Unallocated results | | | <u>(94)</u> |
| Profit before income tax | | | 658 |
| Income tax expenses | | | <u>(30)</u> |
| Profit for the period | | | <u>628</u> |

Segment assets and liabilities

At 30 June, 2014

| | | | |
|----------------------------------|------------|------------|----------------|
| ASSETS | | | |
| Segment assets | 87,745 | 50,360 | 138,105 |
| Unallocated assets | | | <u>3,200</u> |
| Consolidated assets | | | <u>141,305</u> |
| LIABILITIES | | | |
| Segment liabilities | 52,375 | 18,329 | 70,704 |
| Unallocated liabilities | | | <u>1,715</u> |
| Consolidated total liabilities | | | <u>72,419</u> |
| Other segment information | | | |
| Capital expenditure | 22 | 888 | 910 |
| Depreciation and amortisation | 70 | 1,354 | 1,424 |
| Finance costs | 682 | 58 | 740 |
| Interest income | <u>(5)</u> | <u>(4)</u> | <u>(9)</u> |

3 Revenue and segment information (continued)

| | <u>Distribution</u> <i>US\$'000</i> | <u>Manufacturing</u> <i>US\$'000</i> | <u>Total</u> <i>US\$'000</i> |
|----------------------------------|--|---|---------------------------------|
| <u>At 30 June, 2013</u> | | | |
| ASSETS | | | |
| Segment assets | 79,473 | 53,863 | 133,336 |
| Unallocated assets | | | <u>3,834</u> |
| Consolidated assets | | | <u>137,170</u> |
| LIABILITIES | | | |
| Segment liabilities | 53,185 | 15,699 | 68,884 |
| Unallocated liabilities | | | <u>1,296</u> |
| Consolidated total liabilities | | | <u>70,180</u> |
| Other segment information | | | |
| Capital expenditure | 49 | 1,057 | 1,106 |
| Depreciation and amortisation | 125 | 1,366 | 1,491 |
| Finance costs | 837 | 25 | 862 |
| Interest income | <u>(5)</u> | <u>(3)</u> | <u>(8)</u> |

Geographical information

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

(a) Revenue from external customers

| | <u>6 months ended 30 June</u> | |
|-----------------------------------|---------------------------------------|---------------------------------------|
| | <u>2014</u> <i>US\$'000</i> | <u>2013</u> <i>US\$'000</i> |
| PRC (including Hong Kong & Macau) | 48,860 | 52,526 |
| Asia (other than PRC) | 4,760 | 4,590 |
| Europe | 12,059 | 10,444 |
| Others ⁽¹⁾ | <u>1,962</u> | <u>1,274</u> |
| Total | <u>67,641</u> | <u>68,834</u> |

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

| | <u>At 30 June</u> | |
|-----------------------------------|---------------------------------------|---------------------------------------|
| | <u>2014</u> <i>US\$'000</i> | <u>2013</u> <i>US\$'000</i> |
| PRC (including Hong Kong & Macau) | 10,535 | 10,585 |
| Europe | 8,113 | 9,097 |
| The United States of America | 1,627 | 1,721 |
| Others ⁽²⁾ | <u>37</u> | <u>48</u> |
| Total | <u>20,312</u> | <u>21,451</u> |

Notes:

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

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

4 Profit for the period

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

| | 3 months ended 30 June | | | 6 months ended 30 June | | |
|---|-------------------------------|--------------------|----------------------|-------------------------------|--------------------|----------------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| | <i>US\$'000</i> | <i>US\$'000</i> | <i>%</i> | <i>US\$'000</i> | <i>US\$'000</i> | <i>%</i> |
| Amortisation of intangible assets (included in administrative expenses) | 414 | 474 | (12.7) | 874 | 946 | (7.6) |
| Depreciation of properties, plant and equipment | 309 | 158 | 95.6 | 550 | 545 | 0.9 |
| Net foreign exchange gain | (279) | (501) | (44.3) | (624) | (1,084) | (42.4) |
| Interest income | (6) | (4) | 50.0 | (9) | (8) | 12.5 |
| Finance costs | <u>347</u> | <u>401</u> | (13.5) | <u>740</u> | <u>862</u> | (14.2) |

5 Finance costs

| | 6 months ended 30 June | |
|---------------------------------------|-------------------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| Interest on bank overdrafts and loans | | |
| - wholly repayable within 5 years | 722 | 831 |
| - not wholly repayable within 5 years | <u>18</u> | <u>31</u> |
| | <u>740</u> | <u>862</u> |

6 Income tax expenses

| | 6 months ended 30 June | |
|-----------------------------------|-------------------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| Current tax: | | |
| Hong Kong Profits Tax | 74 | - |
| PRC Enterprise Income Tax | 11 | 46 |
| Others | <u>45</u> | <u>64</u> |
| | 130 | 110 |
| Deferred tax | <u>(56)</u> | <u>(80)</u> |
| Income tax expense for the period | <u>74</u> | <u>30</u> |

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

Hong Kong and Singapore income tax are respectively calculated at 16.5% and 17% of the estimated assessable profit for the period respectively.

PRC Enterprise Income Tax is calculated at the applicable tax rate at 25% in accordance with the relevant laws and regulations in the PRC.

7 Dividends

No dividend was declared and paid during the six months ended 30 June 2014.

The Company did not recommend or declare any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

8 Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company for the six months ended 30 June is based on the following data:

| | 2014 <i>US\$'000</i> | 2013 <i>US\$'000</i> |
|--|---------------------------------|--------------------------------|
| Profit for the period attributable to owners of the Company | <u>734</u> | <u>1,207</u> |
| | <u>Number of shares</u> '000 | |
| Number of ordinary shares for the purpose of basic earnings per share | 232,500 | 232,500 |
| Add: Effect of dilutive potential ordinary shares relating to outstanding share options issued by the Company | <u>2,497</u> | <u>1,478</u> |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | <u>234,997</u> | <u>233,978</u> |

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 Net asset value

| | Group | | Company | |
|--|---|---|---|---|
| | <u>30 Jun</u> <u>2014</u> <i>US cents</i> | <u>31 Dec</u> <u>2013</u> <i>US cents</i> | <u>30 Jun</u> <u>2014</u> <i>US cents</i> | <u>31 Dec</u> <u>2013</u> <i>US cents</i> |
| Net asset value per ordinary share capital at the end of the financial period | <u>28.9</u> | <u>28.9</u> | <u>11.2</u> | <u>11.3</u> |

The net asset value per share as at 30 June 2014 is computed using the number of shares in issue of 232,500,000 shares (31 December 2013: 232,500,000 shares) as at that date.

10 Additions to properties, plant and equipment

During the period, the Group spent approximately US\$545,000 (31 Dec 2013: US\$1,256,000) on acquisition of properties, plant and equipment.

11 Trade and other receivables

| | <u>30 June</u> <u>2014</u> <i>US\$'000</i> | <u>31 December</u> <u>2013</u> <i>US\$'000</i> |
|---|--|--|
| Trade receivables and bills receivables | 58,513 | 70,424 |
| Less: Allowance for doubtful debts | <u>(2,956)</u> | <u>(2,964)</u> |
| | 55,557 | 67,460 |
| Trade bills receivable discounted with recourse | 3,812 | 5,042 |
| Prepayments | 3,455 | 3,250 |
| Other receivables | <u>5,442</u> | <u>2,848</u> |
| | <u>68,266</u> | <u>78,600</u> |

The Group allows credit period of 30 to 90 days to its trade customers. The aging of trade receivables and bills receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period, is as follows:

| | <u>30 June</u> <u>2014</u> <i>US\$'000</i> | <u>31 December</u> <u>2013</u> <i>US\$'000</i> |
|-------------------|--|--|
| 0 to 90 days | 28,893 | 45,584 |
| 91 to 120 days | 5,589 | 6,208 |
| 121 to 365 days | 14,194 | 9,534 |
| 1 year to 2 years | 4,762 | 4,877 |
| Over 2 years | <u>2,119</u> | <u>1,257</u> |
| | <u>55,557</u> | <u>67,460</u> |

12 Trade and other payables

| | <u>30 June</u> <u>2014</u> <i>US\$'000</i> | <u>31 December</u> <u>2013</u> <i>US\$'000</i> |
|-------------------|--|--|
| Trade payables | 18,599 | 16,092 |
| Accruals | 2,208 | 4,080 |
| Customer deposits | 5,791 | 4,741 |
| Other payables | <u>1,636</u> | <u>2,824</u> |
| | <u>28,234</u> | <u>27,737</u> |

The Group normally receives credit terms of 30 to 75 days from its suppliers. The aging of trade payables, presented based on the invoice date at the end of the reporting period, is as follows:

| | <u>30 June</u> <u>2014</u> <i>US\$'000</i> | <u>31 December</u> <u>2013</u> <i>US\$'000</i> |
|-----------------|--|--|
| 0 to 60 days | 12,393 | 12,225 |
| 61 to 180 days | 3,800 | 2,359 |
| 181 to 365 days | 1,655 | 688 |
| Over 365 days | <u>751</u> | <u>820</u> |
| | <u>18,599</u> | <u>16,092</u> |

13 Bank borrowings and overdrafts

Amount repayable in one year or less, or on demand

| As at 30 Jun 2014 | | As at 31 Dec 2013 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 176 | 31,452 | 348 | 30,924 |

Amount repayable after one year

| As at 30 Jun 2014 | | As at 31 Dec 2013 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 3,257 | 3,774 | 3,301 | 6,982 |

Details of any collateral

The Group has pledged its leasehold land and buildings of approximately US\$5,138,000 (31 December 2013: US\$5,206,000) to certain banks to secure bank facilities granted to the Group.

14 Share Capital

| | Group and Company | | | |
|---------------------------------------|--|---------------------------|-----------------------|---------------------------|
| | <u>30 June</u> | <u>31 December</u> | <u>30 June</u> | <u>31 December</u> |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| | Number of ordinary shares of US\$0.05 each | | US\$'000 | US\$'000 |
| Authorised: | <u>800,000,000</u> | <u>800,000,000</u> | <u>40,000</u> | <u>40,000</u> |
| Issued and paid up: | | | | |
| At beginning and at end of the period | <u>232,500,000</u> | <u>232,500,000</u> | <u>11,625</u> | <u>11,625</u> |

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

15 Share option

The Company has two share option schemes, as follows:

Share Option Scheme I

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

The number of outstanding share options under the 2004 Share Option Scheme as at 30 June 2014 is 21,835,000 (31 December 2013: 21,835,000). No further option will be granted under the 2004 Share Option Scheme upon the listing of the Company on the Stock Exchange on 21 December 2011.

Share Option Scheme II

On 9 June 2011, the Company adopted the share option scheme (the "2011 Share Option Scheme"). The purpose of the 2011 Share Option Scheme is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution to the Group, and to encourage eligible participants to perform their best in achieving goals of the Group.

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

The options that are granted under the 2011 Share Option Scheme may have exercise prices that are the higher of (I) the closing price of the Shares as stated in the daily quotations sheet issued by the SEHK or the SGX-ST (whichever is higher) on the Offer Date, which must be a business day; and (II) the average closing price of the Shares as stated in the daily quotations sheets issued by the SEHK or the SGX-ST for the five consecutive business days immediately preceding the Offer Date (whichever is higher).

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

Where the options are granted to controlling shareholders and their associates, (a) the aggregate number of Shares available to controlling shareholders and their associates shall not exceed 25% of the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2011 Share Option Scheme; (b) the aggregate number of Shares available to each controlling shareholder or his associate shall not exceed 10% of the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2011 Share Option Scheme; (c) the separate approval of independent shareholders is obtained for each participant in respect of his participation and the number of Shares comprise in the options to be granted to him and the terms.

The number of shares comprised in any option to be offered to a participant in the 2011 Share Option Scheme shall be determined at the absolute discretion of the Remuneration Committee.

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

16 Contingent liabilities

As at 30 June 2014 and 31 December 2013, the Group had no material contingent liabilities.

BUSINESS REVIEW

For the six months ended 30 June 2014 (“HY2014”), Group revenue for distribution business decreased 2.6% to US\$42.5 million from US\$43.7 million for the six months ended 2013 (“HY2013”) mainly due to the decrease in revenue in PRC for the period. The revenue in PRC declined by 7.0% to US\$48.9 million in HY2014 from US\$52.5 million in HY2013 due to the slower government funding and lengthened approval cycles in the PRC. As a result of the decrease in revenue for distribution business in HY2014, the segment results from distribution business declined by 11.1% to US\$0.8 million.

For the manufacturing business, Group revenue remained at US\$25.1 million and US\$25.2 million for the six months ended 30 June 2014 and 30 June 2013. The segment losses from manufacturing business increased to US\$0.4 million in HY2014 from US\$0.2 million in HY2013 mainly due to the lower gross margin arising from different product mix.

The profit attributable to the owners of the Company was US\$0.7 million for HY2014, representing a decrease of 39.2% as compared with US\$1.2 million in HY2013. This was mainly due to lower sales in PRC for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Comprehensive Income

Revenue

Revenue in the three months ended 30 June 2014 (“2Q2014”) decreased by 5.6% to US\$37.5 million from US\$39.7 million for the same period ended 30 June 2013 (“2Q2013”) while the revenue in HY2014 declined by 1.7% to US\$67.6 million. It was due to the decrease in revenue in PRC. The sales of our products in PRC decreased by US\$3.6 million (7.0%) from US\$52.5 million in HY2013 to US\$48.9 million in HY2014, which was partially offset by the increase in revenue from Europe by US\$1.7 million from US\$10.4 million in HY2013 to US\$12.1 million in HY2014.

Cost of sales

Cost of sales in 2Q2014 decreased by 4.0% to US\$24.7 million from US\$25.7 million for the same period ended 30 June 2013 (“2Q2013”) while cost of sales in HY2014 decreased by 1.3% to US\$45.2 million from US\$45.8 million in HY2013. The decrease was attributed to the decline in both distribution and manufacturing business.

Gross profit and gross profit margin

Gross profit in HY2014 decreased by 2.6% to US\$22.5 million from US\$23.1 million in HY2013 resulted from the decrease in both distribution and manufacturing business. The gross profit margin in HY2014 was 33.2%, about the same as 33.5% in HY2013.

Other operating income (expenses)

Other operating income in HY2014 decreased by 34.8% to US\$0.8 million from US\$1.2 million in HY2013 mainly due to the decrease in foreign exchange gain by US\$0.5 million in HY2014.

Distribution costs

Distribution costs in 2Q2014 decreased by 12.9% to US\$4.9 million whereas that in HY2014 decreased 6.8% to US\$9.1 million, due to the decrease in headcounts in sales and service team as well as the decrease in sales and marketing activities during the period.

Administrative expenses

Administrative expenses in HY2014 increased by 0.4% to US\$12.9 million mainly attributable to higher research and development costs incurred for the period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Finance costs

Finance costs in HY2014 decreased by 14.2% to US\$0.7 million, mainly due to lower average balances of bank borrowings during the period.

Profit before income tax

Profit before income tax decreased by US\$0.2 million from US\$0.7 million in HY2013 to US\$0.5 million in HY2014 due to the decrease in revenue during the period.

Profit for the period

In addition to the above, the profit attributable to the owners of the Company decreased by US\$0.5 million to US\$0.7 million in HY2014 from US\$1.2 million in HY2013 resulted from the decrease in credit from the non-controlling interests by US\$0.2 million in HY2014.

Statement of Financial Position

Intangible assets

Intangible assets comprise development costs incurred for the manufacture of analytical instruments and payments made to acquire technical know-how. The development costs and technical know-how have finite useful lives and are amortised on a straight line basis over their estimated useful lives. The balance decreased by US\$0.6 million from US\$3.9 million as at 31 December 2013 to US\$3.3 million as at 30 June 2014.

Inventories

The increase in inventories by US\$11.3 million from US\$28.4 million as at 31 December 2013 to US\$39.7 million as at 30 June 2014, was mainly due to the higher level of inventory of raw materials and finished goods held to meet the expected increase in manufacturing and distribution business in the second half of the year.

Trade and other receivables

The decrease in trade and other receivables by US\$10.3 million from US\$78.6 million as at 31 December 2013 to US\$68.3 million as at 30 June 2014, 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

The increase in trade and other payables by US\$0.5 million from US\$27.7 million as at 31 December 2013 to US\$28.2 million as at 30 June 2014 was mainly due to the increase in trade payables for purchase of inventories to meet the expected stronger second half of the year.

Cash and cash equivalents

The decrease in cash and cash equivalents by US\$2.5 million from US\$10.3 million as at 31 December 2013 to US\$8.1 million as at 30 June 2014 resulted mainly from the net cash outflow from investing and financing activities of US\$1.5 million and US\$3.3 million respectively.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2014, the Group's net current assets stood at US\$55.5 million (31 December 2013: US\$58.4 million), of which the cash and bank balances were US\$9.8 million (31 December 2013: US\$14.7 million). The Group's current ratio was 1.8 (31 December 2013: 1.9).

Total bank borrowings were US\$38.7 million (31 December 2013: US\$41.6 million). The Group's gearing ratio as at 30 June 2014 was 56.1% (31 December 2013: 60.0%), 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.

PROSPECTS (A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months)

As in previous years, management expects the seasonal trend of a stronger second half of the year to continue. Notwithstanding the slower government funding and lengthened approval cycles in the PRC which have affected our business, management anticipates improvement in the second half of the year due to the expected release in government funding, as well as increased investments in quality control systems and third party testing services. As a result, management expects a moderate growth in PRC market in the foreseeable future. However, the current uncertainty surrounding the Sino-Japan relations remain a significant risk factor for our PRC business.

Management believes the sales outlook for its products in the emerging Asian markets such as India and Indonesia to be stable. Notwithstanding the challenging market conditions in Europe, the Group remains optimistic on the growth in revenue contribution from Europe.

The Group expects the acquisitions of remaining interests in Techcomp Jingke Scientific Instruments (Shanghai) Co., Ltd and Techcomp Jingke Trading (Shanghai) Co., Ltd will be completed within the year.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2014, there were 813 (31 December 2013: 886) employees in the Group. Staff remuneration packages are determined after consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

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

During the period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities on the SEHK and SGX.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2014, including the review of the accounting principles and practices adopted by the Group, and has also discussed auditing, internal control and financial reporting matters. The Audit Committee has no disagreement with the accounting principles, treatments and practices adopted by the Group.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate in governance and accountability to shareholders. The Board believes that the Company and all its stakeholders can benefit from such practice and management culture. Therefore, the Company continuously reviews its corporate governance practices to comply, where applicable, with the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the “Singapore Code”) and the Corporate Governance Code (the “Hong Kong Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK.

In the opinion of the Directors, the Company has complied with the applicable provisions of the Hong Kong Code throughout the period ended 30 June 2014, except for a deviation from Code Provision A.2.1 of the Hong Kong Code which is explained below:

According to Code Provision A.2.1 of the Hong Kong Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Given the size of the Company’s current business operations and the nature of its activities, the Board is of the view that it is not necessary to separate the roles of the Chairman and Chief Executive Officer. In addition, given that three out of six directors are independent non-executive Directors, and that each of the three Board Committees is chaired by an independent director and comprises members who are all independent directors, the Board is of the view that there is an appropriate balance of power within the Board, and that there is no undue concentration of power and authority in a single individual. As such, the Company considers that sufficient measures have been taken to ensure the Company’s corporate governance practices are in line with those in the Code.

HONG KONG CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board of the Company confirms, having made specific enquiries with all directors that during the period ended 30 June 2014, all members of the Board have complied with the required standards of the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 of the SEHK listing rules.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

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

FORECAST STATEMENT

No forecast statement has been previously disclosed to shareholders.

DISCLOSURE ON THE WEBSITE OF THE EXCHANGES

This announcement shall be published on the website of SGX, the SEHK and on the Company’s website.

DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii) SGX LISTING MANUAL

No mandate from shareholders has been obtained for IPTs.

CONFIRMATION BY THE BOARD

The Board of the Company confirm to the best of their knowledge that nothing has come to the attention of the board of directors of the Company which may render the unaudited financial information of the Group and Company for the second quarter and six months ended 30 June 2014 to be false or misleading in any material aspect.

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

Hong Kong, 13 August 2014

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*