

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



## COMPUTIME GROUP LIMITED

金寶通集團有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 320)**

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of directors (the “**Board**”) of Computime Group Limited (the “**Company**” or “**Computime**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2021 (the “**Year**”, or “**FY2021**”) together with the comparative figures for the year ended 31 March 2020 (“**FY2020**”), as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 March 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
<b>REVENUE</b>	3, 4	<b>3,596,660</b>	3,262,496
Cost of sales		<u><b>(3,130,871)</b></u>	<u>(2,824,362)</u>
Gross profit		<b>465,789</b>	438,134
Other income	4	<b>22,524</b>	15,973
Selling and distribution expenses		<b>(91,434)</b>	(113,809)
Administrative expenses		<b>(292,916)</b>	(306,112)
Other operating income, net		<b>9,012</b>	2,579
Finance costs	5	<b>(13,329)</b>	(24,723)
Share of profit less loss of associates		<u><b>2,848</b></u>	<u>2,827</u>
<b>PROFIT BEFORE TAX</b>	6	<b>102,494</b>	14,869
Income tax expense	7	<u><b>(21,103)</b></u>	<u>(3,896)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>81,391</b></u>	<u>10,973</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)*  
*Year ended 31 March 2021*

	<i>Note</i>	<b>2021</b> <b><i>HK\$'000</i></b>	2020 <i>HK\$'000</i>
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>81,391</b>	10,993
Non-controlling interests		<u>—</u>	<u>(20)</u>
		<b><u>81,391</u></b>	<b><u>10,973</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
	9		
Basic		<b><u>9.69 HK cents</u></b>	<u>1.31 HK cents</u>
Diluted		<b><u>9.69 HK cents</u></b>	<u>1.31 HK cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2021

	2021 HK\$'000	2020 HK\$'000
<b>PROFIT FOR THE YEAR</b>	<b><u>81,391</u></b>	<b><u>10,973</u></b>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>68,633</b>	(25,805)
Release of exchange reserve upon disposal of a subsidiary	<b><u>636</u></b>	<u>—</u>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX</b>	<b><u>69,269</u></b>	<b><u>(25,805)</u></b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>	<b><u>150,660</u></b>	<b><u>(14,832)</u></b>
Attributable to:		
Owners of the Company	<b>150,660</b>	(14,812)
Non-controlling interests	<b><u>—</u></b>	<u>(20)</u>
	<b><u>150,660</u></b>	<b><u>(14,832)</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>318,755</b>	250,707
Right-of-use assets		<b>89,642</b>	89,398
Goodwill		<b>36,420</b>	36,420
Club debenture		<b>705</b>	705
Intangible assets		<b>177,859</b>	170,247
Interests in associates		<b>9,265</b>	9,338
Financial asset at fair value through other comprehensive income		–	–
Financial asset at fair value through profit or loss		<b>8,386</b>	–
Prepayments and deposits		<b>20,095</b>	29,694
Deferred tax assets		<b>14,087</b>	26,069
Total non-current assets		<b>675,214</b>	612,578
<b>CURRENT ASSETS</b>			
Inventories		<b>739,223</b>	718,676
Trade receivables	10	<b>404,382</b>	489,785
Prepayments, deposits and other receivables		<b>77,598</b>	75,437
Cash and bank balances		<b>591,203</b>	432,031
Total current assets		<b>1,812,406</b>	1,715,929
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	<b>771,143</b>	715,432
Other payables and accrued liabilities		<b>116,444</b>	80,713
Contract liabilities		<b>7,254</b>	6,777
Derivative financial instruments		<b>562</b>	2,352
Interest-bearing bank borrowings		<b>83,454</b>	139,099
Lease liabilities		<b>36,756</b>	41,535
Amount due to a non-controlling shareholder		–	713
Tax payable		<b>5,144</b>	4,589
Total current liabilities		<b>1,020,757</b>	991,210
<b>NET CURRENT ASSETS</b>		<b>791,649</b>	724,719
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,466,863</b>	1,337,297

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**As at 31 March 2021*

	<b>2021</b> <b>HK\$'000</b>	2020 <b>HK\$'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	<b>39,801</b>	51,186
Deferred tax liabilities	<b>28,643</b>	27,188
	<hr/>	<hr/>
Total non-current liabilities	<b>68,444</b>	78,374
	<hr/>	<hr/>
Net assets	<b>1,398,419</b>	1,258,923
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	<b>83,974</b>	83,974
Reserves	<b>1,314,436</b>	1,174,940
	<hr/>	<hr/>
	<b>1,398,410</b>	1,258,914
	<hr/>	<hr/>
<b>Non-controlling interests</b>	<b>9</b>	9
	<hr/>	<hr/>
Total equity	<b>1,398,419</b>	1,258,923
	<hr/>	<hr/>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 June 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 6/F, Building 20E, Phase 3, Hong Kong Science Park, 20 Science Park East Avenue, Shatin, New Territories, Hong Kong.

During the year, the Group is principally engaged in the research and development, design, manufacture and trading of electronic control products.

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, a financial asset at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“**HK dollars**” or “**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

## 2.1 BASIS OF PREPARATION (Continued)

### Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the “**Conceptual Framework**”) sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

- (b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 April 2020. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“**RFR**”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.



### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the smart solutions segment, which is engaged in the research and development, design, manufacture, trading and distribution of building and home control and appliance control products; and
- (b) the contract manufacturing services segment, which is engaged in the research and development, design, manufacture, trading and distribution of commercial and industrial control products.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income, finance costs, share of profit less loss of associates, loss on disposal of a subsidiary, loss on remeasurement of existing interest in an associate upon business combination, as well as corporate and unallocated expenses are excluded from such measurement.

Segment assets mainly exclude property, plant and equipment, goodwill, a club debenture, interests in associates, a financial asset at fair value through other comprehensive income, a financial asset at fair value through profit or loss, right-of-use assets, deferred tax assets, certain balances of intangible assets, cash and bank balances, and prepayments, deposits and other receivables, and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities mainly exclude interest-bearing bank borrowings, derivative financial instruments, an amount due to a non-controlling shareholder, lease liabilities, deferred tax liabilities, certain balances of trade and bills payables, other payables and accruals, and tax payable, and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

### 3. OPERATING SEGMENT INFORMATION (Continued)

	Smart solutions		Contract manufacturing services		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>						
Sales to external customers	<u>1,092,285</u>	<u>1,214,380</u>	<u>2,504,375</u>	<u>2,048,116</u>	<u>3,596,660</u>	<u>3,262,496</u>
<b>Segment results</b>	<u>32,632</u>	<u>48,259</u>	<u>168,514</u>	<u>83,349</u>	<u>201,146</u>	<u>131,608</u>
Bank interest income					525	566
Government grants					19,393	11,898
Other income (excluding bank interest income and government grants)					2,606	3,509
Corporate and other unallocated expenses					(109,683)	(110,816)
Finance costs					(13,329)	(24,723)
Share of profit less loss of associates	2,848	2,827	–	–	2,848	2,827
Loss on disposal of a subsidiary					(668)	–
Loss on remeasurement of existing interest in an associate upon business combination					(344)	–
Profit before tax					102,494	14,869
Income tax expense					(21,103)	(3,896)
Profit for the year					<u>81,391</u>	<u>10,973</u>
<b>Assets and liabilities</b>						
Segment assets	625,936	758,339	702,532	639,945	1,328,468	1,398,284
Interests in associates	9,265	9,338	–	–	9,265	9,338
Corporate and other unallocated assets					1,149,887	920,885
Total assets					<u>2,487,620</u>	<u>2,328,507</u>
Segment liabilities	26,583	24,698	5,347	9,602	31,930	34,300
Corporate and other unallocated liabilities					1,057,271	1,035,284
Total liabilities					<u>1,089,201</u>	<u>1,069,584</u>
<b>Other segment information:</b>						
Capital expenditure*					186,160	162,687
Depreciation of property, plant and equipment					57,167	54,532
Depreciation of right-of-use assets					38,178	44,811
Amortisation of deferred expenditure	34,859	36,379	10,790	12,720	45,649	49,099
Write-off of deferred expenditure	5,734	7,610	947	5,084	6,681	12,694
Impairment/(reversal of impairment) of trade receivables, net	(264)	377	(434)	(2,262)	(698)	(1,885)
Write-down of/(reversal of provision for) inventories to net realisable value	<u>5,863</u>	<u>21,914</u>	<u>1,753</u>	<u>(83)</u>	<u>7,616</u>	<u>21,831</u>

\* Capital expenditure consists of additions to property, plant and equipment, intangible assets and leasehold land classified as right-of-use assets.

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

#### Geographical information

##### *(a) Revenue from external customers*

	2021 HK\$'000	2020 HK\$'000
The America	1,516,607	1,008,680
Europe	1,611,872	1,582,565
Asia	468,181	671,251
	<u>3,596,660</u>	<u>3,262,496</u>

The revenue information above is based on the locations of the customers.

##### *(b) Non-current assets*

	2021 HK\$'000	2020 HK\$'000
The America	2,946	3,343
Europe	6,120	7,148
Asia	428,691	368,646
	<u>437,757</u>	<u>379,137</u>

The non-current assets information above is based on the locations of the assets and excludes goodwill, a club debenture, intangible assets, a financial asset at fair value through other comprehensive income, a financial asset at fair value through profit or loss and deferred tax assets.

#### Information about major customers

For the year ended 31 March 2021, revenue of approximately HK\$854,217,000 (2020: HK\$769,620,000) and HK\$760,745,000 (2020: HK\$446,257,000), which represented 23.8% (2020: 23.6%) and 21.2% (2020: 13.7%) of the Group's total revenue, respectively, was derived from sales by the contract manufacturing services segment to two separate single customers. They included sales to a group of entities which are known to be under common control with these customers.

#### 4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers	<b>3,596,660</b>	3,262,496

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

	2021 HK\$'000	2020 HK\$'000
<b>Geographical markets</b>		
The America	1,516,607	1,008,680
Europe	1,611,872	1,582,565
Asia	468,181	671,251
	<b>3,596,660</b>	3,262,496

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2021 HK\$'000	2020 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of electronic control products	<b>3,819</b>	3,770

#### 4. REVENUE AND OTHER INCOME (Continued)

##### Revenue from contracts with customers (Continued)

##### (ii) Performance obligations

##### *Sale of electronic control products*

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 150 days (2020: 30 to 150 days) from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with early settlement rebates which give rise to variable consideration subject to constraint.

An analysis of other income is as follows:

	2021 HK\$'000	2020 HK\$'000
Bank interest income	525	566
Government grants*	19,393	11,898
Sundry income	2,606	3,509
	<u>22,524</u>	<u>15,973</u>

\* Government grants were granted by respective governmental authorities in Hong Kong and in Mainland China. During the year ended 31 March 2021, HK\$10,341,000 (2020: Nil) and RMB4,355,000 (2020: RMB8,932,000) (equivalent to approximately HK\$5,127,000 (2020: HK\$9,924,000)) were granted by respective governmental authorities to subsidise stable employment of enterprises, and HK\$244,000 (2020: Nil) and RMB3,244,000 (2020: RMB1,770,000) (equivalent to approximately HK\$3,681,000 (2020: HK\$1,974,000)) were granted by respective governmental authorities to subsidise the development of the industry which the Group operates. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 HK\$'000	2020 HK\$'000
Interest on bank loans	10,143	22,113
Interest on lease liabilities	3,186	2,610
	<u>13,329</u>	<u>24,723</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2021 HK\$'000	2020 HK\$'000
Cost of inventories sold*	3,123,255	2,802,531
Depreciation of property, plant and equipment	57,167	54,532
Depreciation of right-of-use assets	38,178	44,811
Research and development costs:		
Amortisation of deferred expenditure^	45,649	49,099
Write-off of deferred expenditure^	6,681	12,694
Current year expenditure	8,013	4,323
	<u>60,343</u>	<u>66,116</u>
Foreign exchange differences, net#	(17,775)	7,422
Loss on disposal of items of property, plant and equipment, net#	2,202	452
Reversal of impairment of trade receivables, net#	(698)	(1,885)
Income from forfeiture of receipt in advance from customers#	–	(6,981)
Write-down of inventories to net realisable value**	7,616	21,831
Fair value losses/(gains), net:		
Derivative instruments – transactions not qualifying as hedges#		
– Realised losses/(gains)	6,932	(1,701)
– Unrealised losses	562	2,352
Financial asset at fair value through profit or loss		
– designated as such upon initial recognition#	(635)	–
Loss on disposal of a subsidiary#	668	–
Loss on remeasurement of existing interest in an associate upon business combination#	344	–

\* Employee benefit expense of HK\$432,409,000 (2020: HK\$391,191,000) is included in “Cost of inventories sold” above.

\*\* Write-down of inventories to net realisable value is included in “Cost of sales” on the face of the consolidated statement of profit or loss.

^ The amortisation of deferred expenditure and write-off of deferred expenditure for the year are included in “Administrative expenses” on the face of the consolidated statement of profit or loss.

# These items are included in “Other operating income, net” on the face of the consolidated statement of profit or loss.

## 7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2020: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group entities operate.

	2021 HK\$'000	2020 HK\$'000
Current – Hong Kong:		
Charge for the year	155	336
Underprovision/(overprovision) in prior years	(14)	239
Current – Mainland China and other countries:		
Charge for the year	9,676	15,416
Overprovision in prior years	(2,909)	(2,031)
Deferred	<u>14,195</u>	<u>(10,064)</u>
Total tax charge for the year	<u>21,103</u>	<u>3,896</u>

## 8. DIVIDENDS

### Dividend paid during the year

	2021 HK\$'000	2020 HK\$'000
Final dividend in respect of the financial year ended 31 March 2020 – HK\$0.0131 per ordinary share (2020: final dividend of HK\$0.0164 per ordinary share, in respect of the financial year ended 31 March 2019)	<u>11,001</u>	<u>13,772</u>

### Proposed final dividend

	2021 HK\$'000	2020 HK\$'000
Final – HK\$0.0595 (2020: HK\$0.0131) per ordinary share	<u>49,965</u>	<u>11,001</u>

The proposed final dividend for the year ended 31 March 2021 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. This announcement does not reflect the final dividend payable.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$81,391,000 (2020: HK\$10,993,000) and the weighted average number of ordinary shares of 839,740,000 (2020: 839,740,000) in issue during the year.

The computation of diluted earnings per share for the year ended 31 March 2021 does not assume the exercise of certain share options granted by the Company because the relevant exercise prices of those options were higher than the relevant average market prices of the shares of the Company for the year ended 31 March 2021.

For the year ended 31 March 2020, the calculation of the diluted earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$10,993,000. The weighted average number of ordinary shares used in the calculation of 840,948,000 is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

A reconciliation between the weighted average number of shares used in calculating the basic and diluted earnings per share is as follows:

	2020
Weighted average number of ordinary shares used in calculating the basic earnings per share	839,740,000
Weighted average number of ordinary shares assumed to have been issued at nil consideration on the deemed exercise of all dilutive options in issue during the year	<u>1,208,000</u>
Weighted average number of ordinary shares used in calculating the diluted earnings per share	<u>840,948,000</u>

## 10. TRADE RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables	489,779	571,154
Impairment	<u>(85,397)</u>	<u>(81,369)</u>
	<u>404,382</u>	<u>489,785</u>

As at 31 March 2021, gross trade receivables of certain customers of HK\$200,518,000 (2020: HK\$213,002,000), which are designated in trade receivable factoring arrangements entered into between the Group and banks, were measured at fair value through other comprehensive income as these trade receivables are managed within a business model with the objective of both holding to collect contractual cash flows and selling for working capital management and the contractual terms of these receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## 10. TRADE RECEIVABLES (Continued)

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one to five months (2020: one to five months). The Group maintains strict credit control over its customers and outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, 10.8% (2020: 9.2%) and 38.1% (2020: 47.1%) of the total trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 month	214,264	266,708
1 to 2 months	96,673	61,538
2 to 3 months	56,514	51,157
Over 3 months	36,931	110,382
	<u>404,382</u>	<u>489,785</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the payment due date and net of loss allowance, is as follows:

	2021 HK\$'000	2020 HK\$'000
Current and due within 1 month	393,053	461,672
1 to 2 months	3,396	12,003
2 to 3 months	2,985	2,923
Over 3 months	4,948	13,187
	<u>404,382</u>	<u>489,785</u>

Included in the Group's provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK\$83,693,000 (2020: HK\$78,967,000) with a carrying amount before provision of HK\$83,693,000 (2020: HK\$78,967,000). The individually impaired trade receivables mainly relate to balances that were in dispute, or in the status of insolvency and reorganisation proceedings for Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A. (collectively the "Fagor Group") as detailed below.

On 13 November 2013, Fagor Electrodomesticos Sociedad Cooperativa, a company incorporated under the laws of Spain, submitted a petition to open formal insolvency proceedings (concurso) before the Commercial Court No. 1 of San Sebastian (Spain). The Court opened the insolvency proceedings on 19 November 2013.

## 10. TRADE RECEIVABLES *(Continued)*

FagorBrandt SAS, a company incorporated under the laws of France, was subject to reorganisation proceedings (redressement judiciaire) before the Commercial Court of Nanterre (France) since 7 November 2013. On 11 April 2014, the Commercial Court of Nanterre (France) converted the reorganisation proceedings into liquidation proceedings. On 15 April 2014, the Commercial Court of Nanterre (France) approved various bids for the assets of FagorBrandt SAS, including the bid of Cevital. During the year ended 31 March 2017, FagorBrandt SAS has completed the realisation of most of the assets to Cevital in order to raise funds for settlement to its creditors.

On 31 October 2013, Fagor Mastercook S.A., a company incorporated under the laws of Poland, submitted a petition to open formal insolvency proceedings (concurso) before the Commercial Court No. 1 of San Sebastian (Spain). The Court opened the insolvency proceedings on 19 November 2013. On 18 February 2014, the Polish Court in Wroclaw opened the secondary proceedings of Fagor Mastercook S.A. These proceedings under the EC Regulation 1346/2000 are liquidation proceedings.

Full impairment provision of EUR8,123,000 (2020: EUR8,123,000) (approximately HK\$74,299,000 (2020: approximately HK\$69,653,000)) has already been made in prior years against the Group's trade receivables of EUR8,123,000 (2020: EUR8,123,000) (approximately HK\$74,299,000 (2020: approximately HK\$69,653,000)) due from the Fagor Group as at 31 March 2021 in view of the insolvency and reorganisation proceedings of the Fagor Group underway.

Included in trade receivables is an amount due from an associate of HK\$13,565,000 (2020: HK\$10,982,000) which is repayable on credit terms similar to those offered to the major customers of the Group.

## 11. TRADE AND BILLS PAYABLES

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	126,542	121,035
1 to 2 months	135,943	119,959
2 to 3 months	227,547	151,435
Over 3 months	281,111	323,003
	<hr/>	<hr/>
	771,143	715,432
	<hr/>	<hr/>

## 11. TRADE AND BILLS PAYABLES (Continued)

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2021 HK\$'000	2020 HK\$'000
Current and due within 1 month	626,372	500,902
1 to 2 months	55,167	122,128
2 to 3 months	26,799	47,841
Over 3 months	62,805	44,561
	<u>771,143</u>	<u>715,432</u>

The trade payables are non-interest-bearing and generally have payment terms ranging from one to five months (2020: one to four months).

## 12. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year ended 31 March 2021, on 13 April 2021, the Company received a writ of summons (“**Writ**”) indorsed with a statement of claim filed with the Registry of the High Court of the Hong Kong Special Administrative Region issued by Altis Technology (Hong Kong) Limited, Altis Technology Limited, and Altis Global Limited as the plaintiffs (collectively the “**Plaintiffs**”). The defendants listed in the Writ are, among others, the Company and three wholly-owned subsidiaries of the Company (i.e., CT Nova Limited, Computime China Distribution (Hong Kong) Limited and Computime International Limited); Mr. AUYANG Pak Hong Bernard (“**Mr. Bernard AUYANG**”), the chief executive officer and executive director of the Company; and Solar Power Group Limited, a substantial shareholder of the Company (collectively the “**Defendants**”).

The Plaintiffs allege that Mr. Bernard AUYANG, during his tenure as director of Altis Technology (Hong Kong) Limited and Altis Technology Limited, was in breach of his fiduciary duty and that the other Defendants dishonestly assisted in, or were knowing recipients of gains that were derived from, that breach. The Plaintiffs also claim against the Defendants for breach of confidence, passing off and unlawful means conspiracy.

The Plaintiffs claim against the Defendants, among others, compensation for loss, account of profit, injunction restraining future wrongful acts, and other expenses. No quantum of loss has been specified by the Plaintiffs. Based on the Group’s current assessment, it does not expect the above proceeding to have any material impact on the Group. Details are set out in the announcement of the Company dated 13 April 2021.

## **FINAL DIVIDEND**

The Board has resolved to recommend to the shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting of the Company to be held on Thursday, 2 September 2021 (the “**2021 AGM**”) a final dividend of HK\$0.0595 per share for the Year (the “**Proposed Final Dividend**”) to be paid on Tuesday, 5 October 2021 to those Shareholders whose names appear on the register of members of the Company on Thursday, 16 September 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(a) Entitlement to attend and vote at the 2021 AGM**

The 2021 AGM is scheduled to be held on Thursday, 2 September 2021. For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Monday, 30 August 2021 to Thursday, 2 September 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2021 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 27 August 2021.

### **(b) Entitlement to the Proposed Final Dividend**

The Proposed Final Dividend is subject to the approval of the Shareholders at the 2021 AGM. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Tuesday, 14 September 2021 to Thursday, 16 September 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 13 September 2021.

## **ANNUAL GENERAL MEETING**

It is proposed that the 2021 AGM will be held on Thursday, 2 September 2021. Notice of the 2021 AGM will be sent to the Shareholders in due course.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Market Overview**

Due to the outbreak of COVID-19, the business environment has seen unprecedented challenges during the Year. International business operations and consumption patterns were seriously disrupted when the outbreak hit the global stage by April 2020, and that has led to a growing conservatism among manufacturers, retailers, and end consumers. However, approaching the end of 2020, as lockdown and quarantine measures gradually took effect, we observed a recovery in consumer confidence, in the form of consumer confidence index (“CCI”) of major economies, which paved the way for a solid rebound. According to the Organization for Economic Co-operation and Development (OECD), Europe’s CCI rose to 100.8 by May 2021, as compared with the lowest point of 97.9 in May 2020, whereas CCI of the US rose to 99.8 by April 2021 (May 2020, 98.3).

Against such a background, the export business of the electronics manufacturing services (“EMS”) industry was able to recover in the second half, with notable resilience and rebound observed particularly in Mainland China, which has demonstrated effective pandemic control since the early days. According to the Ministry of Industry and Information Technology of the People’s Republic of China, export value of its EMS industry recorded notable improvement despite COVID-related impacts, hitting 6.4% year-over-year (“YoY”) growth during the Year (2019: 1.7%).

Yet, not all have been bright and positive by the end of 2020. Particularly from the second half of our fiscal year onwards, raw materials market turned tight, impacting our product shipping schedule and margin.

Overall, the world is gradually adapting and transitioning in light of the impacts of the COVID-19 pandemic, presenting new market opportunities to be captured. Computime continues to prepare for the future, by addressing external factors through its internal capabilities, while maintaining lean operations and prudent financial position to achieve growth and sustainability.

### **Business & Financial Review**

Despite the intense headwinds, the Group achieved notable milestones across its operations and financial performance. Revenue for the Year increased by approximately 10.2% to approximately HK\$3,596.7 million (FY2020: approximately HK\$3,262.5 million), mainly attributable to the rebound in business volume from the easing of lockdown measures of certain major European countries. However, due to the growing revenue contribution from the lower-margin Contract Manufacturing Services (“CMS”) business, as well as the rising material cost as a result of production and logistics disruptions from COVID-19, gross profit margin decreased slightly by 0.4 percentage points to 13.0%, with gross profit reaching approximately HK\$465.8 million for the Year (FY2020: approximately HK\$438.1 million).

In addition to the expanding revenue, the Group also engaged in a number of restructuring and cost rationalisation exercises to re-engineer and to reduce its cost base. Specifically, the Group has made notable efforts in controlling its selling and distribution expenses, reducing such expenses by HK\$22.4 million compared to FY2020. The Group also strived to reduce its borrowing level during the Year, with interest expenses recording a YoY reduction of 46.1%. Driven by the growing top line and the aforementioned cost-saving initiatives, the Group successfully delivered a net profit attributable to owners of the Company of approximately HK\$81.4 million, as compared with approximately HK\$11.0 million of last year, representing a YoY growth of 640.4%, despite significant disruption from the COVID-19 pandemic as well as one-time restructuring costs incurred.

By segment, the CMS business delivered a revenue of approximately HK\$2,504.4 million for the Year, representing an increase of approximately 22.3% YoY, mainly due to the increasing demand of consumer home products as a result of the growing prevalence of work-from-home and the development of the stay-at-home economy. As for the Smart Solutions (“SS”) segment, segment revenue for the Year was approximately HK\$1,092.3 million, representing a decrease of approximately 10.1%, mainly attributable to the slow throughput of heating, ventilation, and air conditioning (“HVAC”) products, as the regional lockdowns in Europe had prevented most home installations from completion. Nonetheless, the Group’s well-balanced business portfolio has helped Computime to deliver satisfactory revenue growth, well reflecting our corporate agility in manoeuvring volatile business environments.

Certain geographical markets particularly showed outperforming improvements, including the European market for Salus, our own brand business. Despite the lockdowns in some European countries, the Group’s heat control and energy-saving products under the Salus brand was distributing well through its professional channels, demonstrating a YoY growth of 28.2%.

Meanwhile, the commercialisation of a smart connected Internet of Things (“IoT”) cloud platform represents yet another important milestone of the Group. Apart from its unique expertise in end-to-end solutions and seamless integration from devices all the way to cloud, the Group’s IoT cloud platform also allows flexibility for customisation, end-to-end integration to provide fast time to market, while enabling autonomy in the way that multiple customers each with their own independent database.

Leveraging such distinctive capability, the Group has further expanded into new promising market segments, such as the irrigation and gardening sector, by providing hardware devices as well as mobile App and cloud platform, in forming a comprehensive smart irrigation ecosystem. The Group developed the HVAC IoT technology platform, and provided the IoT connected solutions to the customers on a wide range of products, from smart thermostats, smart sensors, smart electronic radiator valve controls, IoT gateways to the mobile App and cloud platform with maintenance services on smart heating & energy management solutions. By expanding our offering to a “Platform as a



Solution (PaaS)” service, the Group was able to gain notable projects in the HVAC segment. This represents a significant breakthrough, as the Group was able to generate new revenue streams covering both hardware and software services. More importantly, it establishes a new business model within HVAC market segment, providing a scalable experience to other market segments in the view of greatly increasing future revenue.

While it is important to generate more sales, the Group remained steadfast in its inventory management. During the Year, the Group recorded an increase in inventory to meet increased demand and supply challenges, from approximately HK\$718.7 million as at 31 March 2020, to approximately HK\$739.2 million as at 31 March 2021. The Group also maintained a healthy receivable turnover, with trade receivables decreasing from approximately HK\$489.8 million as at 31 March 2020, to approximately HK\$404.4 million as at 31 March 2021.

Facing the uncertainties brought by the pandemic, it is also important for the Group to remain strong in its financial position in preparation for the unexpected. As at 31 March 2021, the Group had cash and bank balances of approximately HK\$570.2 million (2020: HK\$429.8 million) and time deposit with original maturity of three months or less when acquired of approximately HK\$11.9 million (2020: HK\$2.2 million). The Group also maintained a healthy gearing ratio of 21.8% (2020: 28.6%), which was calculated based on the net debt divided by the equity attributable to owners plus net debt. Net debt is defined as the sum of interest-bearing bank borrowings, trade and bills payables and other payables and accrued liabilities, minus cash and bank balances and time deposits with original maturity of three months or less when acquired. It allows the Group to react with maximum agility when operating environment changes.

On business development, the Group continued to carry out the expansion of its manufacturing footprint and capability. During the Year, the Group has strengthened its foothold in Malaysia through the recent acquisition of a production plant, and has been progressively ramping up its utilisation and driving efficiency with new clients and orders in the region. In addition, the Group also tapped into Vietnam, by collaborating with a local partner in the form of virtual manufacturing, which would allow the Group to better serve its customers with closer market proximity and higher flexibility.

The Group also made strides in diversifying its product offerings, following its goal of progressively transforming from an original equipment manufacturer to a one-stop, total solutions provider. Specifically, the Group entered into strategic collaborations with companies focusing on robotic solutions and Artificial Intelligence (“AI”) cloud platform, as well as cloud solutions, with the aim of strengthening its technological capability and software solutions. The Group has also partnered with Clearmoon, a company principally engaged in providing consumer communication and wireless products in Hong Kong, Mainland China and Malaysia, to expand its product portfolio and reap synergies on manufacturing capabilities. Furthermore, leveraging its extensive distribution network and reputable customer base, the Group also launched its business-to-consumer (B2C) business during the Year, by introducing Computime’s products and services directly to the consumer market.

## Outlook

Stepping into the new financial year, the Group remains cautiously optimistic regarding the business and the industry. Due to the development of effective vaccinations and pandemic control in certain regions, customer demand is swiftly recovering. Such demand is well reflected in the Group's strong order book on hand, despite the first quarter's seasonal weakness. Coupled with the cost rationalisation initiatives and the lean operating processes, these have given the Group a solid foundation to drive business forward.

The growth momentum of our own brand Salus in Europe and the United Kingdom ("UK") is expected to continue, supported by expanded professional channels in UK, Germany and the Nordics, as well as the new online offerings. Regarding the North American market, the Group is looking to take advantage of the post-COVID-19 economic recovery for its Salus products with redefined product strategies and refocused channels.

On the other hand, the intensified raw material shortage and the associated material price increase at the beginning of 2021, the disruption in production caused by power shortage in Mainland China, and the surge in COVID-19 cases in Southeast Asia, altogether impact the order fulfillment and margin profitability. The Group is taking multi-dimensional actions to mitigate the impact of these challenges.

To further enhance the overall competitiveness of the Group, Computime will continue to embrace its ongoing diversification of geographical footprint, supply chain capabilities and flexibility. In addition to further ramping up the production base in Malaysia and deepening its virtual manufacturing operations in Vietnam, Computime will also explore opportunities in other geographic markets, including the Americas and Europe.

In terms of new technologies and product diversification, the Group will remain abreast of market trends, and continue to evolve from offering hardware to offering ecosystem and total solutions, while further leveraging its unique smart connected IoT cloud platform to unlock new market segments and expand revenue stream beyond hardware sales. The Group also sees promising potential and strong synergies in the area of robotics, in which the Group intends to solidify its strategic collaboration with its partner to explore commercial and consumer applications, while promoting the use of AI and machine learning across its heating control devices to create new solutions. It also intends to expand its business presence in the connected irrigation and gardening segment through its cloud offering, further establishing itself in the IoT space supported by its Long Range (LoRa) and sensor technologies.



## **Liquidity, Financial Resources and Capital Structure**

The Group continued to maintain a sound financial and liquidity position in the Year. As at 31 March 2021, the Group maintained cash and bank balances of HK\$591,203,000 (2020: HK\$432,031,000), which included cash and bank balances of HK\$570,196,000 (2020: HK\$429,846,000), time deposits with original maturity of three months or less when acquired of HK\$11,868,000 (2020: HK\$2,185,000) and restricted deposits of HK\$9,139,000 (2020: Nil) for issuance of bank acceptance notes. The Group held cash and bank balance of HK\$153,927,000 (2020: HK\$91,320,000) denominated in Renminbi (“**RMB**”). The remaining balance was mainly denominated in United States dollars (“**US dollars**”), HK dollars or Euro (“**EUR**”). Overall, the Group maintained a robust current ratio of 1.8 times (as at 31 March 2020: 1.7 times).

As at 31 March 2021, total interest-bearing bank borrowings were HK\$83,454,000 (2020: HK\$139,099,000), comprising mainly bank loans repayable within one year. The majority of these borrowings were denominated either in US dollars or Euro (2020: US dollars or Euro) and the interest rates applied were primarily subject to floating rate terms.

As at 31 March 2021, total equity attributable to owners of the Company amounted to HK\$1,398,410,000 (2020: HK\$1,258,914,000). The Group had a net balance of total cash and bank balances less total interest-bearing bank borrowings of HK\$507,749,000 (2020: HK\$292,932,000).

## **Treasury Policies**

The Group is exposed to foreign exchange risk through sales and purchases that are denominated in currencies other than the functional currency of the operations to which they relate. The currencies involved are primarily US dollars, RMB, Euro and Great British Pound (“**GBP**”). As at 31 March 2021, the Group had outstanding foreign currency forward contracts to sell EUR5.8 million buy US dollars (2020: sell EUR9.0 million buy HK dollars), and sell GBP9.5 million buy US dollars (2020: sell GBP2.0 million buy US dollars and sell GBP1.5 million buy HK dollars). These forward contracts were entered into for managing the foreign exchange risk. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimise the relevant exposures.

## **Capital Expenditure and Commitments**

During the Year, the Group incurred total capital expenditures of approximately HK\$186,160,000 (2020: HK\$162,687,000) for additions to leasehold land, property, plant and equipment as well as for deferred expenditure associated with the development of new products.

As at 31 March 2021, the Group had capital commitments contracted but not provided for of HK\$16,686,000 (2020: HK\$54,360,000), mainly for the acquisition of property, plant and equipment.

### **Contingent Liabilities**

As at 31 March 2021, the Group did not have any significant contingent liabilities (2020: Nil).

### **Charges on Assets**

As at 31 March 2021, no bank deposits and other assets have been pledged to secure the Group's banking facilities (2020: Nil).

### **Employee Information**

As at 31 March 2021, the Group had a total of 5,100 full-time employees (2020: 4,984 full-time employees). Total staff costs for the Year amounted to HK\$665,819,000 (2020: HK\$649,059,000). Salaries and wages are generally reviewed on an annual basis in accordance with individual qualifications and performance, the Group's results and market conditions. The Group provides year-end double pay, discretionary bonus, medical insurance, provident fund, educational subsidy and training to its employees. The Company currently has a share option scheme (which was adopted on 14 September 2016 due to the expiry of the old share option scheme on 15 September 2016) under which the Company can grant options to, inter alia, employees of the Group to subscribe for shares of the Company with a view to rewarding those who have contributed to the Group and encouraging employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole. Up to the date of this announcement, 18,800,000 share options remained outstanding under the 2006 Share Option Scheme and 6,000,000 share options remained outstanding under the 2016 Share Option Scheme.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

### **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance practices with a view to enhancing the management efficiency of the Company as well as preserving the interests of the Shareholders as a whole. In the opinion of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the Year.

## **AUDIT COMMITTEE**

The Audit Committee of the Company, which comprises the four independent non-executive directors of the Company, namely, Mr. LUK Koon Hoo (chairman of the Audit Committee), Mr. Patrick Thomas SIEWERT, Mr. HO Pak Chuen Patrick and Mr. Roy KUAN and a non-executive director of the Company, namely, Mr. KAM Chi Chiu, Anthony have reviewed the consolidated financial statements of the Group for the Year and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal control and financial reporting matters.

## **SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2021 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on this announcement.

## **PUBLICATION OF FURTHER INFORMATION**

The annual report of the Company for the Year, containing the information required by the Listing Rules, will be despatched to the Shareholders as well as published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.computime.com](http://www.computime.com)) in due course.

## **APPRECIATION**

On behalf of the Board, I would like to express my gratitude to our management and staff for their dedication and contribution to the Group throughout the Year.

By Order of the Board  
**Computime Group Limited**  
**AUYANG Ho**  
*Chairman*

Hong Kong, 24 June 2021

As at the date of this announcement, the Board comprises the following directors:

*Executive directors*

Mr. AUYANG Ho (*Chairman*)

Mr. AUYANG Pak Hong Bernard (*Chief Executive Officer*)

Mr. WONG Wah Shun

*Non-executive directors*

Mr. KAM Chi Chiu, Anthony

Mr. WONG Chun Kong

*Independent non-executive directors*

Mr. LUK Koon Hoo

Mr. Patrick Thomas SIEWERT

Mr. HO Pak Chuen Patrick

Mr. Roy KUAN

\* *For identification purposes only*