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匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1729)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL HIGHLIGHTS

For the year ended 31 March	2021	2020 (restated)	Change
Operating results *(HK$'million)*			
Revenue	**3,008.0**	2,780.2	8.2%
Gross profit	**580.2**	499.6	16.1%
Total profit for the year – Adjusted *(Note)*	**230.8**	173.6	32.9%
Total profit for the year	**226.6**	154.5	46.7%
Basic earnings per share *(Hong Kong cents)* – Adjusted *(Note)*	**12.5**	9.4	33.0%
Basic earnings per share *(Hong Kong cents)*	**12.3**	8.4	46.4%
Financial position *(HK$'million)*			
Cash generated from operations	**189.8**	601.9	-68.5%
Bank balances and cash	**156.6**	366.9	-57.3%
Shareholders' funds	**852.5**	1,158.0	-26.4%
Capital expenditure	**46.8**	50.3	-7.0%
Key ratios *(%)*			
Gross profit margin	**19.3**	18.0	1.3pts
Net profit margin – Adjusted *(Note)*	**7.7**	6.2	1.5pts
Net profit margin	**7.5**	5.6	1.9pts
EBITDA/Revenue – Adjusted *(Note)*	**12.9**	12.4	0.5pts
EBITDA/Revenue	**12.7**	11.7	1.0pts
Return on shareholders' funds	**26.6**	13.3	13.3pts

Note: Total profit, net profit margin and EBITDA are calculated by excluding the extreme transaction expenses.

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Time Interconnect Technology Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2021 (the "**FY2021**"), together with the comparative figures for the year ended 31 March 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	**2021** **HK$'000**	2020 HK$'000 (restated)
Revenue	*4*	**3,008,019**	2,780,150
Cost of goods sold		**(2,427,802)**	(2,280,536)
Gross profit		**580,217**	499,614
Other income	*5*	**13,955**	15,066
Other gains and losses	*6*	**(10,970)**	5,740
Loss on revaluation of property, plant and equipment		**(5,755)**	–
Distribution and selling expenses		**(51,678)**	(50,224)
Administrative expenses		**(122,607)**	(123,634)
Professional fees and costs relating to acquisition of business		**(4,168)**	(19,079)
Research and development expenses		**(88,358)**	(68,386)
Finance costs	*7*	**(42,525)**	(70,245)
Profit before taxation	*8*	**268,111**	188,852
Taxation	*9*	**(41,480)**	(34,368)
Profit for the year		**226,631**	154,484
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of right-of-use assets and property, plant and equipment		**322,935**	–
Deferred tax arising from revaluation of right-of-use assets and property, plant and equipment		**(77,980)**	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**94,636**	(65,522)
Other comprehensive income (expense) for the year		**339,591**	(65,522)
Total comprehensive income for the year		**566,222**	88,962
Profit for the year attributable to:			
Owners of the Company		**226,361**	154,080
Non-controlling interest		**270**	404
		226,631	154,484
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**562,148**	89,172
Non-controlling interest		**4,074**	(210)
		566,222	88,962
Earnings per share	*10*		
– Basic (HK cents)		**12.30**	8.37
– Diluted (HK cents)		**12.30**	8.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	**31.3.2021** ***HK$'000***	31.3.2020 *HK$'000* (restated)	1.4.2019 *HK$'000* (restated)
Non-current assets				
Property, plant and equipment		**733,666**	640,862	686,093
Right-of-use assets		**400,171**	134,716	143,290
Deposits paid for acquisition of property, plant and equipment		**6,726**	1,179	69,695
Financial assets at fair value through profit or loss		**6,035**	5,760	5,633
Rental deposits		**700**	920	867
		1,147,298	783,437	905,578
Current assets				
Inventories		**474,894**	401,171	427,941
Trade and other receivables	*12*	**808,755**	576,512	853,997
Amount due from ultimate holding company		**–**	1,024,630	535,364
Contract assets		**2,860**	20,917	1,644
Taxation recoverable		**1,516**	320	1,026
Pledged bank deposits		**7,091**	13,511	26,505
Bank balances and cash		**156,550**	366,933	390,678
		1,451,666	2,403,994	2,237,155
Current liabilities				
Trade and other payables	*13*	**571,869**	553,604	542,947
Contract liabilities		**5,093**	714	363
Lease liabilities		**7,785**	6,653	4,654
Amount due to ultimate holding company		**–**	217,947	272,673
Amount due to a fellow subsidiary		**–**	–	22
Taxation payable		**9,605**	12,508	5,907
Unsecured bank borrowings – amount due within one year		**606,583**	1,179,289	1,093,460
		1,200,935	1,970,715	1,920,026
Net current assets		**250,731**	433,279	317,129
Total assets less current liabilities		**1,398,029**	1,216,716	1,222,707
Non-current liabilities				
Unsecured bank borrowing – amount due after one year		**405,625**	–	75,000
Lease liabilities		**36,471**	40,402	41,393
Deferred tax liabilities		**91,532**	10,419	9,272
		533,628	50,821	125,665
Net assets		**864,401**	1,165,895	1,097,042
Capital and reserves				
Share capital		**18,404**	28,790	28,790
Reserves		**834,070**	1,129,252	1,060,189
Equity attributable to owners of the Company		**852,474**	1,158,042	1,088,979
Non-controlling interest		**11,927**	7,853	8,063
Total equity		**864,401**	1,165,895	1,097,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. GENERAL INFORMATION

1.1 General information

Time Interconnect Technology Limited (the "**Company**") is a limited company incorporated in the Cayman Islands and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The immediate holding company of the Company is Time Interconnect Holdings Limited ("**Time Holdings**") which was incorporated in the British Virgin Islands ("**BVI**"). The ultimate holding company is Linkz Industries Limited ("**Linkz Industries**"), which was incorporated in Hong Kong. Its ultimate controlling shareholder is Mr. Lo Chung Wai Paul ("**Mr. Paul Lo**"), who is also the non-executive director of the Company.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of cable assembly products and networking cables products.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") while the functional currency of the Company is United States dollars ("**US$**"). The reason for selecting HK$ as the Company's presentation currency is that the directors of the Company consider that it is more relevant to the users of the consolidated financial statements as the Company listed its shares on the Stock Exchange.

1.2 Merger accounting for business combination involving entities under common control

Extreme and connected transaction in relation to the acquisition of the entire issued share capital and the shareholders' loan of Linkz Cables Limited (the "Acquisition")

On 24 March 2020, the Company entered into a sale and purchase agreement ("**Sale and Purchase Agreement**") with Linkz Industries, the ultimate holding company of the Company, pursuant to which the Company has conditionally agreed to acquire, and Linkz Industries has conditionally agreed to sell entire issued share capital of Linkz Cables Limited (the "**Target Company**", together with its subsidiaries upon completion of a group reorganisation (the "**Linkz Cables Reorganisation**"), collectively referred to as the "**Target Group**"), and the shareholder's loan owed by the Target Group to Linkz Industries at completion date. The consideration of the Acquisition is 95% of the completion net asset value, being defined as the sum of (i) consolidated net asset value of the Target Group at the date of completion; (ii) the fair value gain of land and buildings of the Target Group, being the difference between the book value and the fair value of the land and buildings at the date of completion; and (iii) the monetary value of all obligations and liabilities incurred or owing by the Target Group to Linkz Industries at the date of completion (the "**Shareholders' Loan**"). The Listing Committee of the Stock Exchange has resolved that the Acquisition constitutes an extreme transaction under Rule 14.06C of the Listing Rules and the reverse takeover rules do not apply. Linkz Industries, which is ultimately and beneficially owned by Mr. Paul Lo as to 59.82% of its effective interest, is a controlling shareholder of the Company interested in 63.86% of the Company through Time Holdings. As such, Linkz Industries is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Acquisition constituted an extreme and connected transaction under the Listing Rules. The principal activities of the Target Group are manufacturing and sales of networking cables products. Details of the Acquisition are set out in the Company's circular dated 30 March 2020.

The Linkz Cables Reorganisation and the Acquisition were completed on 30 June 2020 ("**Completion Date**"). The consideration was amounted to HK$780,993,000 including payment for the equity interests of HK$658,756,000 and settlement of the Shareholders' Loan of HK$122,237,000. The consideration was satisfied by the Company through the payment in cash.

Upon completion of the Acquisition, the difference between the consideration of HK$658,756,000 paid for acquisition of equity interests and the share capital of the Target Company HK$8,390,000 amounting to HK$650,366,000 was recognised in the special reserve.

The Acquisition was considered as a business combination under common control as the Company and its subsidiaries and the Target Group are both ultimately controlled by Linkz Industries. The acquisition of the Target Group was accounted for using merger accounting in accordance with Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("**AG 5**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The Group and the Target Group are regarded as continuing entities.

Under merger accounting, based on the guidance set out in AG 5, the financial information incorporate the financial statement items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustments to eliminate share/registered capital of the combining businesses against the related investment costs have been made to special reserve in the consolidated statement of changes in equity.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the prior years have been restated to include the results of the Target Group as if these acquisitions had been completed since the date the respective business first came under the common control of the Company. The consolidated statement of financial position as at 1 April 2019 and 31 March 2020 have been restated to adjust the carrying amounts of the assets and liabilities of the Target Group which had been in existence as at 1 April 2019 and 31 March 2020 as if those businesses were combined from the date when they first came under the common control of the Company (see below for the financial impacts).

(i) Effect on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2020:

	The Group (before business combination under common control) *HK$'000* (audited and originally stated)	Business combination of entities under common control *HK$'000*	Adjustments *HK$'000* *(note)*	Consolidated *HK$'000* (restated)
Revenue	1,438,776	1,361,661	(20,287)	2,780,150
Cost of goods sold	(1,133,628)	(1,167,195)	20,287	(2,280,536)
Gross profit	305,148	194,466	–	499,614
Other income	11,787	3,279	–	15,066
Other gains and losses	(6,280)	12,020	–	5,740
Distribution and selling expenses	(21,095)	(29,129)	–	(50,224)
Administrative expenses	(65,641)	(57,993)	–	(123,634)
Professional fees and costs relating to acquisition of business	(19,079)	–	–	(19,079)
Research and development expenses	(43,931)	(24,455)	–	(68,386)
Finance costs	(5,015)	(65,230)	–	(70,245)
Profit before taxation	155,894	32,958	–	188,852
Taxation	(27,780)	(6,588)	–	(34,368)
Profit for the year	128,114	26,370	–	154,484
Other comprehensive expense				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translating foreign operations	(24,846)	(40,676)	–	(65,522)
Total comprehensive income (expense) for the year	103,268	(14,306)	–	88,962
Profit for the year attributable to:				
Owners of the Company	128,114	25,966	–	154,080
Non-controlling interest	–	404	–	404
	128,114	26,370	–	154,484
Total comprehensive income (expense) for the year attributable to:				
Owners of the Company	103,268	(14,096)	–	89,172
Non-controlling interest	–	(210)	–	(210)
	103,268	(14,306)	–	88,962

Note: The adjustments represent the elimination of intercompany sales amounted to HK$20,287,000 between the Group and the Target Group.

(ii) Effect on the consolidated statement of financial position as at 1 April 2019:

	The Group (before business combination under common control) *HK$'000* (audited and originally stated)	Business combination of entities under common control *HK$'000*	Adjustments *HK$'000* *(note)*	Consolidated *HK$'000* (restated)
Non-current assets				
Property, plant and equipment	175,152	510,941	–	686,093
Right-of-use assets	130,016	13,274	–	143,290
Deposits paid for acquisition of property, plant and equipment	2,315	67,380	–	69,695
Financial assets at fair value through profit or loss ("FVTPL")	–	5,633	–	5,633
Rental deposits	747	120	–	867
	308,230	597,348	–	905,578
Current assets				
Inventories	186,623	241,318	–	427,941
Trade and other receivables	197,755	656,481	(239)	853,997
Amount due from ultimate holding company	–	535,364	–	535,364
Contract assets	1,644	–	–	1,644
Taxation recoverable	583	443	–	1,026
Pledged bank deposits	16,260	10,245	–	26,505
Bank balances and cash	223,808	166,870	–	390,678
	626,673	1,610,721	(239)	2,237,155
Current liabilities				
Trade and other payables	286,084	257,102	(239)	542,947
Contract liabilities	80	283	–	363
Lease liabilities	4,081	573	–	4,654
Amount due to ultimate holding company	–	272,673	–	272,673
Amount due to a fellow subsidiary	–	22	–	22
Taxation payable	5,284	623	–	5,907
Unsecured bank borrowings – amount due within one year	49,233	1,044,227	–	1,093,460
	344,762	1,575,503	(239)	1,920,026
Net current assets	281,911	35,218	–	317,129
Total assets less current liabilities	590,141	632,566	–	1,222,707
Non-current liabilities				
Unsecured bank borrowings – amount due after one year	–	75,000	–	75,000
Lease liabilities	40,246	1,147	–	41,393
Deferred tax liabilities	817	8,455	–	9,272
	41,063	84,602	–	125,665
Net assets	549,078	547,964	–	1,097,042
Capital and reserves				
Share capital	18,400	10,390	–	28,790
Reserves	530,678	529,511	–	1,060,189
Equity attributable to owners of the Company	549,078	539,901	–	1,088,979
Non-controlling interest	–	8,063	–	8,063
Total equity	549,078	547,964	–	1,097,042

Note: The adjustments represent the elimination of trade and other receivables and trade and other payables of the Group owed by the Target Group.

(iii) Effect on the consolidated statement of financial position as at 31 March 2020:

	The Group (before business combination under common control) HK$'000 (audited and originally stated)	Business combination of entities under common control HK$'000	Adjustments HK$'000 (note)	Consolidated HK$'000 (restated)
Non-current assets				
Property, plant and equipment	155,069	485,793	–	640,862
Right-of-use assets	120,590	14,126	–	134,716
Deposits paid for acquisition of property, plant and equipment	840	339	–	1,179
Financial assets at FVTPL	–	5,760	–	5,760
Rental deposits	805	115	–	920
	277,304	506,133	–	783,437
Current assets				
Inventories	200,990	200,181	–	401,171
Trade and other receivables	247,449	332,338	(3,275)	576,512
Amount due from ultimate holding company	–	1,024,630	–	1,024,630
Contract assets	20,917	–	–	20,917
Taxation recoverable	265	55	–	320
Pledged bank deposits	13,273	238	–	13,511
Bank balances and cash	281,558	85,375	–	366,933
	764,452	1,642,817	(3,275)	2,403,994
Current liabilities				
Trade and other payables	341,908	214,971	(3,275)	553,604
Contract liabilities	425	289	–	714
Lease liabilities	5,089	1,564	–	6,653
Amount due to ultimate holding company	–	217,947	–	217,947
Taxation payable	11,170	1,338	–	12,508
Unsecured bank borrowings – amount due within one year	40,000	1,139,289	–	1,179,289
	398,592	1,575,398	(3,275)	1,970,715
Net current assets	365,860	67,419	–	433,279
Total assets less current liabilities	643,164	573,552	–	1,216,716
Non-current liabilities				
Lease liabilities	38,907	1,495	–	40,402
Deferred tax liabilities	852	9,567	–	10,419
	39,759	11,062	–	50,821
Net assets	603,405	562,490	–	1,165,895
Capital and reserves				
Share capital	18,400	10,390	–	28,790
Reserves	585,005	544,247	–	1,129,252
Equity attributable to owners of the Company	603,405	554,637	–	1,158,042
Non-controlling interest	–	7,853	–	7,853
Total equity	603,405	562,490	–	1,165,895

Note: The adjustments represent the elimination of trade and other receivables and trade and other payables of the Group owed by the Target Group.

(iv) The effect of the restatement on the Group's equity on 1 April 2019 is summarised as follows:

	1.4.2019 *HK$'000* (audited and originally stated)	Business combination of entities under common control *HK$'000*	Adjustments *HK$'000* *(note)*	1.4.2019 *HK$'000* (restated)
Share capital	18,400	10,390	–	28,790
Share premium	271,921	–	–	271,921
People's Republic of China ("**PRC**") statutory reserves	2,872	–	21,241	24,113
Special reserves	(104,180)	–	112,000	7,820
Capital reserve	9,107	–	–	9,107
Share options reserve	3,807	–	–	3,807
Translation reserve	8,236	48,816	–	57,052
Accumulated profits	338,915	347,454	–	686,369
General reserve	–	12,482	(12,482)	–
Enterprise expansion reserve	–	8,759	(8,759)	–
Capital revaluation reserve	–	112,000	(112,000)	–
Total	549,078	539,901	–	1,088,979
Non-controlling interest	–	8,063	–	8,063
Total equity	549,078	547,964	–	1,097,042

Note: The adjustments represent the reclassification of reserves to conform with the presentation of the Group's consolidated financial statements.

(v) The effect of the restatement on the Group's equity on 31 March 2020 is summarised as follows:

	31.3.2020 *HK$'000* (audited and originally stated)	Business combination of entities under common control *HK$'000*	Adjustments *HK$'000* *(note)*	31.3.2020 *HK$'000* (restated)
Share capital	18,400	10,390	–	28,790
Share premium	271,921	–	–	271,921
PRC statutory reserves	13,460	–	21,241	34,701
Special reserves	(104,180)	–	112,000	7,820
Capital reserve	9,107	28,832	–	37,939
Share options reserve	10,066	–	–	10,066
Translation reserve	(16,610)	8,754	–	(7,856)
Accumulated profits	401,241	373,420	–	774,661
General reserve	–	12,482	(12,482)	–
Enterprise expansion reserve	–	8,759	(8,759)	–
Capital revaluation reserve	–	112,000	(112,000)	–
Total	603,405	554,637	–	1,158,042
Non-controlling interest	–	7,853	–	7,853
Total equity	603,405	562,490	–	1,165,895

Note: The adjustments represent the reclassification of reserves to conform with the presentation of the Group's consolidated financial statements.

(vi) The effect of the restatement on the Group's basic and diluted earnings per share for the year ended 31 March 2020 is as follows:

	HK cents
Basic earnings per share	
As audited and originally stated	6.96
Adjustments arising from business combination under common control	1.41
Restated	8.37
Diluted earnings per share	
As audited and originally stated	6.90
Adjustments arising from business combination under common control	1.40
Restated	8.30

(vii) The effect of the restatement on the Group's cash flow for the year ended 31 March 2020 is summarised as follows:

	HK$'000
Increase in net cash from operating activities	428,934
Increase in net cash used in investing activities	(480,202)
Increase in net cash used in financing activities	(30,092)
Increase in cash and cash equivalents at the end of year	78,684

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the "Amendments to References to the Conceptual Framework in HKFRSs" and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

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

Except as described below, the application of the "Amendments to References to the Conceptual Framework in HKFRSs" and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "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, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

2.2 Impacts on application of Amendments to HKFRS 3 "Definition of a Business"

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[5]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[1]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[5]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[5]
Amendments to HKAS 8	Definition of Accounting Estimates[5]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction[5]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[4]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020[4]

[1] Effective for annual periods beginning on or after 1 June 2020
[2] Effective for annual periods beginning on or after 1 January 2021
[3] Effective for annual periods beginning on or after 1 April 2021
[4] Effective for annual periods beginning on or after 1 January 2022
[5] Effective for annual periods beginning on or after 1 January 2023
[6] Effective for annual periods beginning on or after a date to be determined

3. SEGMENT INFORMATION

HKFRS 8 "Operating Segments" ("**HKFRS 8**") requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by Chief Operating Decision Maker ("**CODM**") in order to allocate resources to segments and to assess their performance. Specifically, the Group's reportable segments under HKFRS 8 are organised into two main operating divisions – (i) cable assembly and (ii) networking cables.

The accounting policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS consolidated financial statements. Information reported to the Group's chief executive officer, being the CODM, for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered.

The basis of measurement of segment results has been changed due to the completion of the Acquisition by presenting the segment results of cable assembly and networking cables. The corresponding segment revenue and results for the year ended 31 March 2020 and segment assets and liabilities as at 31 March 2020 have been restated.

Principal activities of the Group's reportable segments are as follows:

Cable assembly	–	manufacturing and trading of cable assembly products
Networking cables	–	manufacturing and trading of networking cables products

These divisions are the basis on which the Group reports its operating segment information.

Segment results represent the profit earned or loss incurred by each segment without allocation of results attributable to professional fees and costs relating to acquisition of business, finance costs, unallocated income and unallocated expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

(a) Segment revenue and results

For the year ended 31 March 2021

	Cable assembly *HK$'000*	**Networking cables** *HK$'000*	**Total reportable segments** *HK$'000*	**Eliminations** *HK$'000*	**Total** *HK$'000*
Segment revenue					
External sales	**1,655,508**	**1,352,511**	**3,008,019**	**–**	**3,008,019**
Inter-segment sales	**122**	**22,220**	**22,342**	**(22,342)**	**–**
	1,655,630	**1,374,731**	**3,030,361**	**(22,342)**	**3,008,019**
Segment results	**253,818**	**71,650**	**325,468**	**–**	**325,468**
Professional fees and costs relating to acquisition of business					**(4,168)**
Finance costs					**(42,525)**
Unallocated income					**628**
Unallocated expenses					**(11,292)**
Profit before taxation					**268,111**

For the year ended 31 March 2020 (restated)

	Cable assembly *HK$'000*	Networking cables *HK$'000*	Total reportable segments *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	1,438,630	1,341,520	2,780,150	–	2,780,150
Inter-segment sales	146	20,141	20,287	(20,287)	–
	1,438,776	1,361,661	2,800,437	(20,287)	2,780,150
Segment results	190,173	97,858	288,031	–	288,031
Professional fees and costs relating to acquisition of business					(19,079)
Finance costs					(70,245)
Unallocated income					1,110
Unallocated expenses					(10,965)
Profit before taxation					188,852

(b) Segment assets and liabilities

An analysis of the Group's segment assets and segment liabilities by reportable and operating segments is as follows:

At 31 March 2021	**Cable assembly** *HK$'000*	**Networking cables** *HK$'000*	**Consolidated** *HK$'000*
Assets			
Reportable segment assets	**985,734**	**1,610,509**	**2,596,243**
Unallocated assets			**2,721**
Consolidated total assets			**2,598,964**
Liabilities			
Reportable segment liabilities	**415,036**	**306,374**	**721,410**
Unallocated liabilities			**1,013,153**
Consolidated total liabilities			**1,734,563**

At 31 March 2020 (restated)	Cable assembly *HK$'000*	Networking cables *HK$'000*	Consolidated *HK$'000*
Assets			
Reportable segment assets	1,032,941	2,145,675	3,178,616
Unallocated assets			8,815
Consolidated total assets			3,187,431
Liabilities			
Reportable segment liabilities	385,721	447,171	832,892
Unallocated liabilities			1,188,644
Consolidated total liabilities			2,021,536

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain other receivables, bank balances and cash and other unallocated assets; and

- all liabilities are allocated to operating segments other than certain bank borrowings, other payables and other allocated liabilities.

(c) Other information

For the year ended 31 March 2021

Amounts included in the measure of segment profit or loss or segment assets.

	Cable assembly *HK$'000*	**Networking cables** *HK$'000*	**Consolidated** *HK$'000*
Capital additions	**38,886**	**8,714**	**47,600**
Depreciation of property, plant and equipment	**24,567**	**33,146**	**57,713**
Depreciation of right-of-use assets	**8,916**	**5,287**	**14,203**
Loss on disposal and written off of property, plant and equipment	**1,991**	**47**	**2,038**
Write off of inventories	**4,646**	**–**	**4,646**

For the year ended 31 March 2020 (restated)

Amounts included in the measure of segment profit or loss or segment assets.

	Cable assembly *HK$'000*	Networking cables *HK$'000*	Consolidated *HK$'000*
Capital additions	13,132	41,299	54,431
Depreciation of property, plant and equipment	22,430	33,446	55,876
Depreciation of right-of-use assets	8,486	1,351	9,837
Loss on disposal and written off of property, plant and equipment	26	33	59
Write off of inventories	2,356	–	2,356

Information about the Group's revenue from external customers presented based on the geographical location of the customers is as follows:

	2021 *HK$'000*	2020 *HK$'000* (restated)
PRC	**1,582,132**	1,347,544
The United States of America	**752,591**	700,977
Netherlands	**184,299**	139,275
Singapore	**176,095**	171,507
Hong Kong	**117,691**	157,340
United Kingdom	**36,557**	68,619
Others	**158,654**	194,888
	3,008,019	2,780,150

Information about the Group's non-current assets (excluding financial assets at FVTPL and rental deposits) is presented based on the geographical location of the assets:

	2021	2020
	HK$'000	*HK$'000*
		(restated)
PRC	**1,128,657**	766,826
Hong Kong	**11,906**	9,931
	1,140,563	776,757

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Customer A	**478,094**	485,105
Customer B	**807,135**	677,183
Customer C	**476,338**	456,472
Customer D	**N/A***	350,146

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the manufacturing and sales of cable assembly products and networking cables products, during the years ended 31 March 2021 and 2020.

The revenue of the Group derives from manufacturing and sales of cable assembly products and networking cables products. The Group's revenue is fixed price and short-term contracts. The normal credit term is 30 to 120 days upon delivery.

The revenue of the Group is recognised at a point in time except for revenue from certain sales, which are recognised over time. Under the transfer-of-control approach in HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**"), revenue from certain sales of goods to the Group's customers in connection with the production of cable assembly products and networking cables products are recognised when the goods are physically passed to the customers, which is the point in time when the goods have been delivered or shipped to the customers' specific location (delivery) and the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods upon customer acceptance. For certain sales of cable assembly, revenue is recognised over time when the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Revenue from its major products

The following is an analysis of the Group's revenue from its major products:

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Cable assembly		
– Optical fibres	**970,582**	827,792
– Copper	**684,927**	610,838
Networking cables		
– Cat 6/6A cables	**1,001,233**	934,610
– Cat 5/5e cables	**226,309**	220,986
– Cat 7/7A cables	**44,683**	100,127
– Others	**80,285**	85,797
	3,008,019	2,780,150

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Over time	**807,135**	677,183
Point in time	**2,200,884**	2,102,967
	3,008,019	2,780,150

5. OTHER INCOME

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Government grants *(note)*	**11,585**	12,060
Interest income	**627**	1,113
Others	**1,743**	1,893
	13,955	15,066

Note: During the year ended 31 March 2021, the Group recognised government grants of HK$1,674,000 (2020: nil) relating to Employment Support Scheme provided by the Hong Kong Government. The remaining government grants for both years are related to export and other incentive payments received by the Group from relevant government departments. There are no unfulfilled conditions attached to these grants.

6. OTHER GAINS AND LOSSES

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Net foreign exchange loss (gain)	**9,190**	(5,601)
Loss on disposal of property, plant and equipment	**2,038**	59
Gain on change in fair value of financial assets at FVTPL	**(258)**	(198)
	10,970	(5,740)

7. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Interest on unsecured bank borrowings	**39,803**	67,377
Interest on lease liabilities	**2,722**	2,868
	42,525	70,245

8. PROFIT BEFORE TAXATION

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**57,713**	55,876
Depreciation of right-of-use assets	**14,203**	9,837
Less: capitalised in inventories	**(58,293)**	(54,690)
Less: included in research and development expenses	**(3,615)**	(2,225)
	10,008	8,798
Directors' emoluments	**14,569**	12,228
Other staff costs	**336,929**	286,754
Retirement benefits schemes contributions for other staff	**33,348**	37,126
Equity-settled share-based payment for other staff	**4,009**	4,316
Total staff costs	**388,855**	340,424
Less: capitalised in inventories	**(261,899)**	(226,641)
Less: included in research and development expenses	**(43,140)**	(31,432)
	83,816	82,351
Auditor's remuneration	**2,680**	2,311
Cost of inventories recognised as expense *(note)*	**2,427,802**	2,280,536
Expense relating to short-term leases	**3,627**	3,823

Note: Write off of inventories amounting to HK$4,646,000 (2020: HK$2,356,000) was recognised as an expense during the year ended 31 March 2021.

9. TAXATION

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Hong Kong Profits Tax		
Current tax	**21,953**	21,098
Underprovision in respect of prior years	**1**	228
	21,954	21,326
PRC Enterprise Income Tax ("**EIT**")		
Current tax	**17,798**	10,254
Overprovision in respect of prior years	**–**	(1,950)
Withholding tax in the PRC	**1,603**	3,599
	19,401	11,903
Deferred tax	**125**	1,139
	41,480	34,368

(i) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

(ii) PRC EIT

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Pursuant to the relevant laws and regulations in the PRC, certain entities of the Group operating in the PRC were awarded the Advanced-Technology Enterprise Certificate and are eligible for tax concessionary rate of 15% for the years ended 31 March 2021 and 2020.

Certain entities operating in the PRC that have taxable income of not more than RMB3 million are qualified as small and micro enterprises for the years ended 31 March 2021 and 2020. For the first RMB1 million taxable income, 25% of its first RMB1 million taxable income would be taxed at a reduced rate of 20%. With effect from 1 January 2021, these entities were entitled to a further reduced EIT rate of 10% on 25% of its first RMB1 million taxable income. For the portion over first RMB1 million and up to RMB3 million, only 50% of the taxable income would be taxed at a reduced EIT rate of 20%.

The withholding tax mainly represented taxation recognised in respect of dividend income from PRC subsidiaries and is recognised at tax rates of 10% (2020: 5%) in accordance with the Implementation Regulation of the EIT Law of the PRC.

According to relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim an additional 75% of their research and development expense so incurred as tax deductible expenses when determining their assessable profits for the period up to 31 December 2020. With effect from 1 January 2021, these entities are entitled to claim an additional 100% of their research and development expenses ("**Super Deduction**"). The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits for the year ended 31 March 2021.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**226,361**	154,080

	Number of shares	
	2021	2020
	'000	*'000*
		(restated)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,840,057**	1,840,000
Effect of dilutive potential ordinary shares:		
– Share options	**–**	17,419
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,840,057**	1,857,419

The computation of diluted earnings per share for the year ended 31 March 2021 did not assume the exercise of the Company's share options because the adjusted exercise price of the share options (after the adjustment of the fair value of the unvested share options) was higher than the average market prices of shares of the Company during the year ended 31 March 2021.

11. DIVIDENDS

	2021	2020
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2020 final dividend – HK1.5 cents (2020: 2019 final dividend – HK2 cents) per ordinary share	**27,600**	36,800
2021 interim dividend – HK1.5 cents (2020: 2020 interim dividend – HK1 cent) per ordinary share	**27,600**	18,400
	55,200	55,200

On 28 June 2021, a final dividend of HK1.5 cents per ordinary share in respect of the year ended 31 March 2021, totalling HK$27,606,000 has been proposed by the board of directors of the Company. The final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

12. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Trade receivables	**744,725**	501,118
Trade receivable from a fellow subsidiary	**426**	554
Bills receivables	**7,468**	9,699
Trade and bills receivables	**752,619**	511,371
Value added tax receivables	**33,418**	26,741
Other receivables	**5,086**	6,186
Deposits and prepayments	**17,632**	32,214
Deposits, prepayments and other receivables	**56,136**	65,141
Trade and other receivables	**808,755**	576,512

As at 1 April 2019, trade and bills receivables amounted to HK$664,765,000 (restated).

The Group allows credit period ranging from 30 days to 120 days to its trade customers. Before accepting any new customers, the Group will internally assess the credit quality of the potential customers and determine appropriate credit limits. The ageing analysis of trade and bills receivables, based on invoice date which approximates revenue recognition date, at the end of the reporting period is as follows:

	2021	2020
	HK$'000	*HK$'000*
		(restated)
0 – 30 days	**336,684**	260,980
31 – 60 days	**166,088**	94,136
61 – 90 days	**165,580**	121,895
91 – 180 days	**83,863**	32,949
Over 180 days	**404**	1,411
	752,619	511,371

13. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
		(restated)
Trade payables	**482,363**	417,262
Trade payables to related companies *(notes a and b)*	**252**	223
Bills payables	**24,754**	77,028
Trade and bills payables	**507,369**	494,513
Other payables	**6,279**	6,200
Salaries and staff related costs payables	**34,364**	28,362
Accrued charges	**14,809**	22,634
Other tax payables	**9,048**	1,895
Accruals and other payables	**64,500**	59,091
Trade and other payables	**571,869**	553,604

Note: (a) Mr. Paul Lo, a non-executive director of the Company is the controlling shareholder of the related companies.

(b) The immediate holding company of the related company has significant influence over Linkz Industries, the ultimate holding company of the Group.

The average credit period of trade payables ranges from 30 days to 120 days.

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

	2021	2020
	HK$'000	*HK$'000*
		(restated)
0 – 30 days	**283,373**	275,233
31 – 60 days	**60,778**	43,135
61 – 90 days	**81,089**	52,069
91 – 180 days	**81,759**	123,730
Over 180 days	**370**	346
	507,369	494,513

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During FY2021, the COVID-19 pandemic had a more negative impact on economic activities than anticipated. Greater scarring from the larger-than-anticipated hit to economic activities have shown during the lockdown and persistent social distancing, and a negative impact has been made on productivity as surviving businesses have to spend efforts to enhance workplace safety and hygiene standards. For economies still struggling to control infection rates, the need for continued lockdown and social distancing will take an additional toll on economic activities. Meanwhile, since Joe Biden has been elected the new president of the United States in November last year, he has been busy coping with the epidemic and recovering the economy of its own country. Hence, the Sino-U.S. trade war seems to have eased, which has given the economy a chance to breath. Now, with the introduction of vaccines, countries around the world are vigorously urging people to get vaccinate and actively introducing economic recovery measures. The market is looking forward to economic recovery.

In order to cope with the changes and uncertainties of the external environment and ensure continued growth of the Group's business, a "Strategic Business Development Task Force" (the "**Task Force**") has been set up under the executive office of TIME Interconnect Technology Group on 1 September 2020. The Task Force is led by the Group's Chief Executive Officer (the "**CEO**") and its main responsibilities are to formulate long-term business strategies for the Group, accelerate the development of new markets and strategic customers for both cable assembly and networking cables business. It is expected that the Task Force can make use of the Group's business advantages and resources of different business units to create positive synergy. In addition, the Group has engaged doctoral consultants to enhance its internal technology and product development capabilities. The Group continued to pay great efforts in solidifying its customer base by developing relationships with leading international customers and further enhancing the business relationships with existing customers. During FY2021, the Group has successfully captured new customers and carried out the fundamental works for cooperation. In the meantime, the Group has pushed forward to improve its research and development capabilities and improve its product mix, so as to elevate the Group's overall competitiveness and seize the huge opportunities generating from the arrival of this generation 5G networking technology.

The acquisition of Linkz Cables Limited and its subsidiaries (the "**Target Group**"), a long-established networking cables manufacturer with its manufacturing facilities located in the PRC, was completed on 30 June 2020. The Target Group has over 27 years of business operation and currently owns three sizable industrial complexes situated in Shanghai and Kunshan City, Jiangsu Province, PRC. It is certified as the first market share ranking of the PRC networking cables market by the China Electronic Components Association. It has technical know-how in the next-generation networking cables, such as Cat 8 cables, PoE, hybrid cables and compatibility with the HDBaseT standard. The Target Group has distinct customer base as compared with the Group and its major customers are reputable multinational corporations that have presence in the PRC. With the successful acquisition, the Group's revenue base has been significantly enlarged and its risk of customer concentration has been mitigated by merging with the diverse customer base of the Target Group. The Company believes that the acquisition can better position the Group and the Target Group to capture the evolving opportunities brought by the rapid development of 5G technology, and strategically improves the Group's defence position amid the global economic uncertainties. The expanded business scale after the completion of the acquisition provides the Group a broader and more diversified revenue stream and enhances its profit source.

In addition, the Target Group's wholly-owned subsidiary Linkz Industries (Suzhou) Limited ("**Linkz Ind (Suzhou)**") has achieved ISO14064 accreditation on environmental control in July 2020, being the first wire and cable company in Asia to receive the Greenhouse Gas verification from UL, one of the world's leading safety science companies. With the increasing problems on global environment, the society has higher requirements for environmental protection. In particular, the Chinese government has issued a number of environmental protection policies in recent years, vigorously promoting enterprises to reduce damage on environment during production. As a well-established supplier of custom cable assemblies, the Group has always attached great importance to the protection of natural resources and the environment, and has actively implemented a series of environmental protection measures to achieve sustainable development, including low energy consumption, recycling, solar energy, electricity reduction and etc. This time, Linkz Ind (Suzhou) has commissioned UL to verify the greenhouse gas declaration of Linkz Ind (Suzhou) according to ISO14064-3:2019 greenhouse gas specification, and confirmed that the greenhouse gas emission of Linkz Ind (Suzhou) met the required standard. This fully reflects Linkz Ind (Suzhou)'s unremitting efforts in strengthening environmental protection.

On 16 March 2021, Ms Li Hui, secretary of Kunshan Huaqiao Government, Suzhou, Jiangsu Province, PRC (She is also the member of the Standing Committee of the CPC Kunshan Municipal Committee, Deputy Secretary of the Party Working Committee and Director of the Administrative Committee of Huaqiao Economic Development Zone), visited Linkz Ind (Suzhou). As a globally recognised supplier of high-quality wire and cable, the Target Group has experiences in cable industry for many years and is one of the largest specialised manufacturers in Asia that produces and exports digital communication cables. Over the years, the Target Group promotes the transformation and upgrade of intelligent manufacturing and contributes to the 5G+ Smart City construction in China. With the support of Huaqiao Economic Development Promotion Bureau, the Target Group is committed to the construction of 5G+ smart factories, and strives to become the region's benchmark enterprise with "green manufacturing" and digital production. This visit was exclusively reported by Suzhou Kunshan City TV.

Looking back on last year, due to the outbreak of COVID-19, the Group's production capacity had dropped temporarily as the PRC government announced the temporary lockdown in various provinces since January 2020 to avoid the spreading of the pandemic. Following the end of the extended Chinese New Year holiday on 10 February 2020, the Group's production facilities begun resuming in phases. The Group experienced a slower-than-usual return to normal conditions, as many workers around the country had delayed returning to work, which led to a loss of 60% of production capacities of February 2020. The Group's production facilities had resumed full operations since mid-March 2020. Fortunately, the demand from customers remained relatively stable and there was no significant decrease or cancellation of sales orders from customers. The Group had proactively liaised with customers to adjust the delivery schedule in order to minimise the impact, and the delayed delivery schedule for those sales orders resumed normal in April 2020. As compared to the Chinese New Year holiday in February 2021, in response to the call of the PRC government, the Group recommended its workers to stay in the factory. Except the four days of statutory holidays, the Group's workers have worked as usual in the rest of holidays, making this year's output and shipment volume higher than those of last year.

In spite of the challenges in the macro-economy environment, the Group still reported solid operating results. During FY2021, the Group recorded revenue amounting to HK$3,008.0 million, representing an increase of HK$227.8 million or 8.2% as compared with HK$2,780.2 million (restated) for FY2020. Operating profit of FY2021 was HK$320.6 million, representing an increase of HK$42.4 million or 15.2%, as compared with HK$278.2 million (restated) for the previous financial year, with the operating profit margin improved 0.7% to 10.7% for FY2021. The increase of operating profit was mainly attributable to the improvement of profit margin of new 5G products in the telecommunication sector and the increase in revenue from the data centre sector, the medical equipment sector and the industrial equipment sector. Net profit of FY2021 was HK$226.6 million, representing an increase of HK$72.1 million or 46.7%, as compared with HK$154.5 million (restated) for the previous financial year, with the net profit margin improved 1.9% from 5.6% (restated) to 7.5% for FY2021. As compared to the net profit amounting to HK$128.1 million for the year ended 31 March 2020 as disclosed in the 2020 annual report of the Company, the net profit of FY2021 reported a significant increase of HK$98.5 million or 76.9%.

RESULTS OF OPERATIONS

Financial Overview

For the year ended 31 March	**2021**	2020 (restated)	Change
	HK$'million	*HK$'million*	*HK$'million*
Revenue	**3,008.0**	2,780.2	227.8
Gross profit	**580.2**	499.6	80.6
Gross profit margin	**19.3%**	18.0%	
Other income and other gains and losses	**3.0**	20.8	(17.8)
Total operating expenses	**(262.6)**	(242.2)	(20.4)
Total operating expenses as a percentage of revenue	**8.7%**	8.7%	
Operating profit	**320.6**	278.2	42.4
Operating profit margin	**10.7%**	10.0%	
Loss on revaluation of building	**(5.8)**	–	(5.8)
Extreme transaction expenses	**(4.2)**	(19.1)	14.9
Finance costs	**(42.5)**	(70.2)	27.7
Profit before taxation	**268.1**	188.9	79.2
Taxation	**(41.5)**	(34.4)	(7.1)
Effective tax rate	**15.5%**	18.2%	
Profit for the year	**226.6**	154.5	72.1
Net profit margin	**7.5%**	5.6%	
Profit for the year (excluding Extreme transaction expenses)	**230.8**	173.6	57.2
Net profit margin	**7.7%**	6.2%	

Revenue
The Group's revenue in FY2021 increased by HK$227.8 million to HK$3,008.0 million from $2,780.2 million (restated) in the previous financial year, which represented an increase of 8.2% as compared to previous financial year. The increase in revenue was mainly driven by the substantially increased sales in data centre, medical equipment and industrial equipment sector.

Market Sector	**2021**		2020 (restated)		Change	
	HK$'million	*%*	*HK$'million*	*%*	*HK$'million*	*%*
Cable assembly						
Data centre	**811.6**	**27.0%**	698.8	25.1%	112.8	16.1%
Telecommunication	**568.1**	**18.9%**	565.8	20.4%	2.3	0.4%
Medical equipment	**181.7**	**6.0%**	126.3	4.5%	55.4	43.9%
Industrial equipment	**94.1**	**3.1%**	47.8	1.7%	46.3	96.9%
	1,655.5	**55.0%**	1,438.7	51.7%	216.8	15.1%
Networking cables						
Cat 5/5e cables	**226.3**	**7.5%**	221.0	7.9%	5.3	2.4%
Cat 6/6A cables	**1,001.2**	**33.3%**	934.6	33.6%	66.6	7.1%
Cat 7/7A cables	**44.7**	**1.5%**	100.1	3.6%	(55.4)	-55.3%
Others	**80.3**	**2.7%**	85.8	3.1%	(5.5)	-6.4%
	1,352.5	**45.0%**	1,341.5	48.3%	11.0	0.8%
Total	**3,008.0**	**100.0%**	2,780.2	100.0%	227.8	8.2%

Data centre sector: The Group had resolved the additional tariffs issue by procuring the "Country of origin and Marking Ruling" from the U.S. Customs and Border Protection for data centre sector's products last year. The shipments of the data centre sector resumed to the normal level prior to the Sino-U.S. trade war since May 2019. The revenue of data centre sector has significantly increased by HK$112.8 million or 16.1% to HK$811.6 million for FY2021 as compared to HK$698.8 million for the previous financial year, the orders of this sector still maintained at a high shipment level during the year, and it is remaining the highest revenue sector in the cable assembly business.

Telecommunication sector: It recorded a slight increase of revenue from HK$565.8 million in the previous financial year to HK$568.1 million for FY2021, representing an increase of HK$2.3 million or 0.4%. Although the revenue increase was not much, orders of new 5G products have increased gradually and the profit margin has improved as these new 5G products carry a better margin.

Medical equipment sector: The outbreak of COVID-19 has stimulated an increase in medical equipment cables orders. In the early stage of the epidemic, the order level has increased by two to three times than normal from some of the customers. The revenue of medical equipment sector for FY2021 was HK$181.7 million, representing a substantial increase of HK$55.4 million or 43.9% as compared to HK$126.3 million for the previous financial year.

Industrial equipment sector: In order to minimise the risks and uncertainties in the unstable economic environment, the Group has striven to grasp different business opportunities. For example, in March 2020, the Group successfully gained trial orders from a new prestigious customer, which has become one of the Group's major revenue contributors in this sector. The revenue of industrial equipment sector substantially increased by HK$46.3 million or 96.9% from HK$47.8 million (restated) for the previous financial year to HK$94.1 million for FY2021.

Networking cables: As the impact of the COVID-19 pandemic has been lasting for a longer time than originally expected, the revenue of networking cables sector for FY2021 was HK$1,352.5 million, representing only a slight increase of HK$11.0 million or 0.8% as compared with HK$1,341.5 million (restated) for the previous financial year. The COVID-19 pandemic seriously affected the global economic activities as the major oversea markets being lockdown, and many companies have to adopt work from home policies or no-pay leave arrangements. The flow of people and logistics have been restricted. As a result, some new projects were on hold and customer demand reduced. Fortunately, PRC is one of the fastest market to reopen, where the recovery from the sharp contraction in the first quarter is underway. The demand from PRC customers remained relatively stable and there was no significant decrease or cancellation of sales orders from customers. On the other hand, after acquisition of the Target Group, the Group increased its cable assembly product mix by increasing the intragroup purchase from the Target Group and speed up the development of certain new products, such as high-speed cables and hybrid cables, for cable assembly customers. The Group believes that this strategy will be effective given that individual customer of either the Group or the Target Group should require both groups' products, which will absolutely benefit to both groups business.

Gross Profit/Margin

Gross profit for FY2021 was HK$580.2 million, representing an increase of HK$80.6 million or 16.1% as compared with HK$499.6 million (restated) for the previous financial year. Gross profit margin increased from 18.0% (restated) to 19.3%. Although the direct labour costs increased due to the labour shortage and the depreciation increased due to the amortisation of fair value gain of the PRC properties, the Group's gross profit margin has made improvement mainly due to the increase in revenue from the new 5G products of the telecommunication sector, and the increase in revenue from the data centre sector and the medical equipment sector, which carrying a higher profit margin.

Operating Profit/Margin

Operating profit (excluding the loss on revaluation of building, extreme transaction expenses and finance costs) for FY2021 was HK$320.6 million, representing an increase of HK$42.4 million or 15.2% as compared with HK$278.2 million (restated) recorded in the previous financial year. Operating profit margin was 10.7% for FY2021 compared to 10.0% (restated) in the previous financial year. The ratio of EBITDA (excluding the extreme transaction expenses) to revenue increased to 12.9% from 12.4% (restated) for the previous financial year.

Other income, which comprise of primarily bank interest income, government grants, handling income was in aggregate HK$14.0 million for FY2021, representing a decrease of 7.3% as compared with HK$15.1 million (restated) for the previous financial year. Such decrease was mainly attributable to the decrease of government grants of HK$0.5 million and a decrease of bank interest income HK$0.5 million.

Other gains and losses were recorded a loss of HK$11.0 million for FY2021 compared to a gain of HK$5.7 million (restated) for the previous financial year. Such loss was mainly due to the exchange loss from RMB appreciation of HK$9.2 million, which was attributable to the Group's operations in the ordinary course of business, as compared to an exchange gain of HK$5.6 million (restated) in the previous financial year.

The total operating expenses for FY2021 were HK$262.6 million, an increase of HK$20.4 million or 8.4% compared to HK$242.2 million (restated) recorded in the previous financial year. Total operating expenses as a percentage of Group's revenue remained stable at 8.7%, same as previous financial year.

Distribution and selling expenses increased from HK$50.2 million (restated) to HK$51.7 million during FY2021, representing an increase of HK$1.5 million or 3.0% as compared with the previous financial year. It was mainly attributable to the increase of staff cost HK$2.3 million, and a decrease of travel and entertainment HK$0.9 million due to the lockdown and social distancing. As a percentage of Group's revenue, distribution and selling expenses slightly decreased from 1.8% (restated) to 1.7% as compared to the previous financial year.

Administrative expenses decreased from HK$123.6 million (restated) to HK$122.6 million over the previous financial year. The decline was mainly due to the drop of share option expenses of HK$1.2 million. Administrative expenses as a percentage of revenue decreased from 4.4% (restated) to 4.1%.

During FY2021, the research and development expenses were HK$88.4 million, which represented an increase of HK$20.0 million or 29.2% as compared with the previous financial year. It was mainly attributable to the increase of staff cost HK$11.7 million, materials cost HK$6.0 million and depreciation HK$1.4 million. Research and development expenses as a percentage of Group's revenue increased from 2.5% (restated) to 2.9%. The Company continuously put great efforts to enhance its R&D capabilities by expanding the R&D team, so as to launch more new products and technologies.

Extreme Transaction Expenses

As at 30 June 2020, the Company completed the acquisition of the business of manufacturing and sales of networking cables engaged by the Target Group, at a final consideration of HK$781.0 million. The expenses incurred in connection with this acquisition was approximately HK$4.2 million for FY2021.

Finance Costs

For FY2021, the finance costs were recorded at HK$42.5 million against HK$70.2 million (restated) for the previous financial year. The finance costs included (i) bank loan interest of HK$27.8 million for short-term bank borrowings mostly for networking cables business; (ii) interest expenses of HK$12.0 million for the Company's club loan financing its acquisition of the networking cables business; and (iii) interest expenses of HK$2.7 million on the lease liabilities under adoption of HKFRS 16 "Leases" effective from 1 April 2019.

Total Profit for the year and Earnings per Share

Total profit for the year of the Group for FY2021 was HK$226.6 million, representing an increase of HK$72.1 million or 46.7% as compared with HK$154.5 million (restated) for the previous financial year. By excluding the extreme transaction expenses, total profit was HK$230.8 million and net profit margin was recorded at 7.7% as compared with 6.2% (restated) for the previous financial year. As compared with HK$128.1 million for the net profit of the Group for the year ended 31 March 2020 as disclosed in the 2020 annual report, it represented a significant increase of HK$98.5 million or 76.9%.

Taxation represents the tax expenses arising from the assessable profit generated by the Group in Hong Kong and the PRC. Taxation was provided at the respective tax rate of 16.5% and 25% based on the profit from operating activities. The major manufacturing subsidiaries, TIME Interconnect Technology (Huizhou) Limited ("**Huizhou TIME**") and Linkz Ind (Suzhou), were awarded the Advanced-Technology Enterprise Certificate and are eligible for tax concessionary rate of 15%. Taxation charges increased from HK$34.4 million (restated) in the previous financial year to HK$41.5 million in FY2021. The effective tax rate decreased from 18.2% (restated) to 15.5%.

Basic earnings per share for FY2021 was HK12.3 cents as compared to the basic earnings per share of HK8.4 cents (restated) in the previous financial year.

Dividends

The Directors recommend to the Shareholders the payment of a final dividend in respect of FY2021 of HK1.5 cents (2020: HK1.5 cents) per share, amounting to a total of approximately HK$27.6 million.

Dividend per share	**2021**	2020
	HK cents	*HK cents*
Interim	**1.5**	1.0
Final*	**1.5**	1.5
Total	**3.0**	2.5

* Final dividend proposed after the end of the reporting period

OUTLOOK

Looking ahead, the cable assembly industry is expected to sustain growth in the coming years. To meet the market demand, the Group is striving to enhance its production capacity by acquiring a parcel of industrial land with two industrial buildings for its production. The management remains confident that the Group's enlarged production capacity and well-established business fundamentals would enable it to capture the market opportunities upon the arrival of this generation 5G network. In the meantime, with the successful acquisition of networking cables business (engaged by Linkz Cables Limited and its subsidiaries), the Group's revenue base has been significantly enlarged and its risk of customer concentration has been mitigated by merging with the diverse customer base of the Target Group. Moreover, the Company believes that the acquisition can better position the Group and the Target Group to capture the evolving opportunities brought by the rapid development of 5G technology, and strategically improves the Group's defence position amid the global economic uncertainties. The expanded business scale after the completion of the acquisition provides the Group a broader and more diversified revenue stream and enhances its profit source.

In April 2021, the Ministry of Industry and Information Technology of the PRC stated that the country has initially built the world's largest 5G mobile network. With the rapid development of the 5G cellular network technology in the PRC and the 5G network deployment announced by various mobile operators in the second half of 2019, the Group noted that there will be gradual and large scale replacement of 5G devices and equipment in the coming years, which is expected to drive the demand of cable assembly products. The PRC has continuously made great efforts to accelerate the research and development of 5G technology, it is expected the sales order from the Group's Customer A will continue to increase and benefit the telecommunication sector. In addition, the COVID-19 pandemic has changed many economic activities. For example, companies are forced to work from home and increase online meetings during the lockdown period and persistent social distancing, which will directly increase the application and demand of network communication.

Huawei recently predicted that, the utilisation rate of cloud technology in the companies around the world will reach 85% by 2025. In cloud computing, the computing storage network must be placed in the data centre, therefore, the growing cloud technology is expected to drive the development of data centre. At the same time, as the development of 5G will boost the application of big data, IoT, internet gaming and video streaming through cloud platform. So for data centre sector, as the additional tariffs issue had been resolved, the fibre cable assembly products will not be subjected to any additional tariffs when importing into the United States anymore. The shipments of the data centre sector were back to the normal level prior to the Sino-U.S. trade war. The Group remains very positive on the continuous growth of the business of data centre sector.

Although the COVID-19 vaccines have been available, and countries vigorously urged people to get vaccinated, the epidemic is still severe or has rebounded due to the mutation of the virus, and the number of confirmed cases and deaths is still on the rise in the near future. As for the medical equipment sector, the Group expects the demand for medical cables will last for a while and it will continue to bring positive impact to the Group's medical cables orders in this year. Moving ahead, the Group believes that this sector will maintain its dynamic pace of growth, considering the arising demand from the medical equipment market. To catch up with the trend, the Group will continue to enhance its medical equipment customers base, as well as to strengthen its research and development capabilities.

On the other hand, with the introduction of vaccines, and the economic recovery measures successively launched by the countries, it is expected that the market will rebound significantly. The Group noticed that the orders in industrial equipment sector has been increased in recent months. For the industrial equipment sector, the Group has striven to grasp different business opportunities in order to minimise the risks and uncertainties involved in the unstable economies. Moving ahead, the Group expects the demand for sales order in this sector will increase gradually for the coming year.

In addition to the cable assembly and networking cables business units, the Group set up a new business unit – Robotics Business Unit. Whilst it is challenging, robotics business is a new endeavour of the Group. In order to better develop this new business, the Group has set up a new wholly-owned subsidiary "TIME Robotics Technology (Shanghai) Limited" ("**Shanghai TIME**") in Shanghai. It carries a flexible manufacturing setup, provides digitised supply chain management and high-level product traceability. The Group is also building a new team for robotic product assembly and developing related manufacturing capabilities in vertical integration. Even this new business is still in a developing stage, but the Group believes that this new business can create many possibilities and lead the Group to another new stage.

The pandemic is impacting the business operations of various enterprises in different manner and disrupting the way we live, work and learn. As a reputable customised interconnect solutions supplier, the Group remain committed to fighting against COVID-19 and protecting and supporting its people, as well as its valued customers, partners and communities. Over the past several months, the Group have mobilized across the Hong Kong office and China factories to respond to the pandemic, by focusing on the safety of its staff, manufacturing continuity and providing solutions to support the customers' response. Its factories are in full operation to receive the incoming deliveries from suppliers and making outgoing shipments to customers. The Group is closely monitoring the potential adverse impact on supply chain continuity to support its global customers who depend on its products. Moving ahead, the Group will continue to stay alert to the changes in economic environment and take prompt and decisive actions to maintain the Group's competitiveness and sustainability. Meanwhile, the Group will keep enhancing its business operations, so that it is fully capable to capitalise on an eventual market turnaround.

LIQUIDITY AND FINANCIAL RESOURCES

Shareholders' funds as at 31 March 2021 were approximately HK$852.5 million, which represented a decrease of HK$305.5 million or 26.4% from HK$1,158.0 million (restated) as at 31 March 2020. The decrease was mainly due to the acquisition of networking cables business during FY2021. To conform with applicable accounting standards in relation to the acquisition of Target Group, the comparative consolidated financial information of the Group for the year ended 31 March 2020 has been restated as if the acquisition had been completed at the beginning of the comparative period. Such decrease was partly offset by (i) the revaluation surplus of PRC properties HK$242.1 million under adoption of revaluation model HKAS 16 effective from 1 July 2020; (ii) the profit attributable to owners of the Company for FY2021 of HK$226.4 million; and (iii) the appreciation of RMB at the reporting date, an increase of HK$93.7 million in the translation reserve from converting RMB into Hong Kong dollars as recorded in the financial statements of the PRC subsidiary. As a result, shareholders' funds per share decreased by 27.0% from HK$0.63 (restated) to HK$0.46.

As at 31 March 2021, the Group had bank balances and cash of HK$156.6 million, representing a decrease of 57.3% as compared to HK$366.9 million (restated) as of 31 March 2020. Such decrease was mainly due to the balance payment of the acquisition of networking cables business of HK$151.0 million and distribution of the Company's final dividend for the year ended 31 March 2020 of HK$27.6 million and the interim dividend for the six months ended 30 September 2020 of HK$27.6 million during FY2021. As at 31 March 2021, the Group's bank loan was HK$1,012.2 million, representing a decrease of HK$167.1 million or 14.2% from HK$1,179.3 million (restated) as at 31 March 2020. The Group believes it has sufficient committed and unutilised banking facilities as at 31 March 2021 to meet its current business operation and capital expenditure requirements.

Charge on Group Assets

Save for the bank deposits that were pledged in order to secure the bills payables issued by the bank under the general banking facilities granted to the Group, as at 31 March 2021 and 2020, banking facilities extended to the Group were not secured with the Group's assets. Pledged bank deposits amounted to HK$7.1 million and HK$13.5 million (restated) as at 31 March 2021 and 2020 respectively.

Gearing Ratio

Gearing ratio is calculated as total debt divided by total equity and multiplied by 100%. As at 31 March 2021, the Group's gearing ratio was 117.1% as compared to the previous financial year 101.1% (restated).

DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

On 30 June 2020, the Company entered into a four years term loan facility agreement for an aggregate amount of HK$630.0 million with four leading banks in Hong Kong for the exclusive purpose of acquisition of the networking cables business. Pursuant to the terms of the facility agreement, it shall be an event of default if (i) Mr. Paul Lo ceases to be the single largest beneficial shareholder of the Company or beneficially own more than 51% of the issued share capital of Linkz Industries; (ii) Mr. Paul Lo ceases to be the chairman of the board of directors of the Company or have control over the management and business of the Group; or (iii) Linkz Industries ceases to beneficially own more than 50% of the issued share capital of the Company. Upon the occurrence of an event of default, the entire outstanding amount of the facility shall be prepaid together with accrued interest.

As at 31 March 2021 and up to the date of this announcement, there is no breach of the covenants.

CAPITAL STRUCTURE

The shares of the Company were listed on the Main Board of the Stock Exchange. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2021, the Company's issued share capital was HK$18.4 million and the number of its issued ordinary shares were 1,840,432,000 of HK$0.01 each.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's receipts and payments are denominated in US dollars, Hong Kong dollars, RMB and Euro. The Group's management monitors the risk of related foreign exchange exposure by entering into forward foreign exchange contracts. Foreign currency exchange rates are volatile and may have an impact on the Group's results. The Group's management evaluates the Group's foreign currency exposure on a continuing basis and takes actions to minimise the Group's exposure whenever necessary.

TREASURY POLICIES

As an internal treasury policy, the Group continues to implement a prudent policy on financial management policy and does not participate in any high risk speculative activities. However, the Group's management monitors exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Save for the net proceeds from the listing, the Group will also monitor and maintain a Hong Kong dollar cash balance in order to minimise the need for unnecessary foreign exchange conversion which may result in exchange loss.

The reporting currency of the Group is presented in Hong Kong dollars, as the Directors consider that it is more relevant to the users of the consolidated financial statements as the Company listed its shares on the Stock Exchange.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2021, the capital commitment of the Group is as follows:

	2021	2020 (restated)
	HK$'million	*HK$'million*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements	**3.6**	2.9

As of 31 March 2021, the Group had not provided any form of guarantee for any company outside the Group and had not been involved in any material legal proceedings for which provision for contingent liabilities was required.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company completed the acquisition of the business of manufacturing and sales of networking cables engaged by the Target Group on 30 June 2020. As one or more of the applicable percentage ratios in respect of the acquisition exceeds 100%, the acquisition constituted a very substantial acquisition of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). In addition, as the acquisition may have the effect of achieving a listing of the Target Group, the Listing Committee has resolved that the acquisition was an extreme transaction under Rule 14.06C of the Listing Rules.

As at the date of completion, Linkz Industries, which was ultimately and beneficially owned by Mr. Paul Lo as to 59.82% of its effective interest, was a Controlling Shareholder of the Company interested in 63.86% of the Company through Time Holdings. As such, Linkz Industries was a connected person of the Company under Chapter 14A of the Listing Rules.

The acquisition of the Target Group was approved by the independent shareholders at the extraordinary general meeting of the Company held on 29 April 2020. Completion of the acquisition of the Target Group took place on the Completion Date upon which the initial sum of the Consideration of HK$802.7 million was satisfied by the Company through (i) the payment of HK$630.0 million financed by club loan which coordinated with four leading banks in Hong Kong and (ii) the remaining HK$172.7 million in cash financed by internal resources. An adjustment cash payment for this acquisition of HK$21.7 million was refunded on 11 September 2020 with reference to the finalisation of the Completion NAV from the Post Completion Accounts of the Target Group. The final consideration for this acquisition is thus HK$781.0 million.

In addition, Time Interconnect Investment Limited ("**Time Investment**"), a direct wholly-owned subsidiary of the Company, entered into a S&P Agreement with GP Industries Limited ("**GP Industries**"), being the controlling shareholder of the Company, on 31 May 2021, for the acquisition of the business of manufacturing and sales of automotive wire harness business engaged by the relevant subsidiaries of GP Industries at an initial consideration of HK$69.0 million (the "**Proposed Acquisition**"). As the highest of the applicable percentage ratios is greater than 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, as at the date of this announcement, Linkz Industries, which in turn holds 63.85% equity interests of the Company through Time Holdings, is owned as to 38.13% by GP Industries (which is owned as to 85.47% by Gold Peak Industries (Holdings) Limited ("**Gold Peak**")). As such, GP Industries is a connected person of the Company under Chapter 14A of the Listing Rules.

Save as disclosed above, the Group did not have any significant investments held, material acquisition or disposal of subsidiaries and associations for FY2021. There was no other plan for material investments or capital assets as at 31 March 2021.

MATERIAL EVENT SINCE THE END OF THE FINANCIAL PERIOD

Apart from the acquisitions as set out in above section, there has been no other important event affecting the Group since 31 March 2021 and up to the date of this announcement.

EMPLOYEE

As of 31 March 2021, the total headcount for the Company was approximately 2,519, compared to 2,748 (restated) in the previous financial year. Fair and competitive remuneration package and benefits are offered to employees as well as discretionary bonus and share option. Various types of trainings were provided to the employees. Total employee benefit expenses including Directors' remuneration for the year ended 31 March 2021 were approximately HK$388.9 million, as compared to approximately HK$340.4 million (restated) in the previous financial year. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2021.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all Shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 of the Listing Rules. During the year ended 31 March 2021, to the best knowledge of the Board, the Company had complied with all the applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code and there was no event of non-compliance throughout the period.

CLOSURE OF REGISTER OF MEMBER

The forthcoming annual general meeting is scheduled to be held on Monday, 23 August 2021 (the "**2021 AGM**"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 18 August 2021 to Monday, 23 August 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 17 August 2021.

In order to qualify for the entitlement to the proposed final dividend, the register of members of the Company will also be closed from Friday, 27 August 2021 to Wednesday, 1 September 2021, both days inclusive, during which period no transfer of shares in the Company will be registered. All transfer of shares, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 26 August 2021. If the resolution of the proposed final dividend is passed at the 2021 AGM, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Wednesday, 1 September 2021. The proposed final dividend is expected to be paid on or before Tuesday, 21 September 2021.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 24 January 2018. The chairman of the Audit Committee is Mr. Chan Chung Shun Eric, the independent non-executive Director, and other members included Mr. Ho Hin Shun and Mr. Luk Wai Shing, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company's website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, had reviewed the audited consolidated financial statements for the year in conjunction with the Group's auditors, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at the annual results for the year ended 31 March 2021.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

By order of the Board
Time Interconnect Technology Limited
Cua Tin Yin Simon
Executive Director and Chief Executive Officer

Hong Kong, 28 June 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cua Tin Yin Simon and Mr. Wong Chi Kuen, one non-executive Director, namely Mr. Lo Chung Wai Paul and three independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric.