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

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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

The board of directors (the "**Board**") of Computime Group Limited (the "**Company**" or "**Computime**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 September 2017 ("**1H FY2018**" or the "**Period**") together with the comparative figures for the six months ended 30 September 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 September	
	Notes	**2017**	2016
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
REVENUE	*3, 4*	**1,911,786**	1,707,600
Cost of sales		**(1,631,758)**	(1,473,874)
Gross profit		**280,028**	233,726
Other income		**2,894**	14,136
Selling and distribution expenses		**(64,091)**	(47,599)
Administrative expenses		**(144,081)**	(130,163)
Other operating income/(expenses), net		**386**	(10,368)
Finance costs	*5*	**(8,274)**	(4,835)
Share of profit of an associate		**329**	830
PROFIT BEFORE TAX	*6*	**67,191**	55,727
Income tax expense	*7*	**(13,570)**	(13,657)
PROFIT FOR THE PERIOD		**53,621**	42,070

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

	Note	For the six months ended 30 September	
		2017	2016
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
ATTRIBUTABLE TO:			
Owners of the Company		**53,622**	42,073
Non-controlling interests		**(1)**	(3)
		53,621	42,070
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic		**6.41 HK cents**	5.04 HK cents
Diluted		**6.34 HK cents**	5.00 HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**53,621**	42,070
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**(10,778)**	7,414
Reclassification adjustments for losses/(gains) included in the condensed consolidated statement of profit or loss	**18,333**	(2,370)
	7,555	5,044
Exchange differences on translation of foreign operations	**14,129**	(20,890)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF TAX	**21,684**	(15,846)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**75,305**	26,224
Attributable to:		
Owners of the Company	**75,306**	26,227
Non-controlling interests	**(1)**	(3)
	75,305	26,224

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 September 2017 (Unaudited)** *HK$'000*	31 March 2017 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**206,305**	170,966
Goodwill		**36,420**	36,420
Club debenture		**705**	705
Intangible assets		**113,796**	106,801
Interest in an associate		**6,343**	6,277
Available-for-sale investment		**–**	–
Prepayments and deposits		**3,272**	3,338
Total non-current assets		**366,841**	324,507
CURRENT ASSETS			
Inventories		**859,139**	627,068
Trade receivables	*10*	**551,467**	602,636
Prepayments, deposits and other receivables		**46,872**	51,294
Tax recoverable		**5,041**	5,041
Derivative financial instruments		**12,018**	19,154
Cash and cash equivalents		**754,402**	771,920
Total current assets		**2,228,939**	2,077,113
CURRENT LIABILITIES			
Trade and bills payables	*11*	**773,098**	729,580
Other payables and accrued liabilities		**98,687**	115,004
Interest-bearing bank borrowings		**333,559**	264,877
Amounts due to non-controlling shareholders		**160**	160
Dividend payable		**62,981**	–
Derivative financial instruments		**18,025**	–
Tax payable		**27,564**	26,854
Total current liabilities		**1,314,074**	1,136,475
NET CURRENT ASSETS		**914,865**	940,638
TOTAL ASSETS LESS CURRENT LIABILITIES *(to be continued)*		**1,281,706**	1,265,145

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	30 September 2017 (Unaudited) *HK$'000*	31 March 2017 (Audited) *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES *(continued)*	**1,281,706**	1,265,145
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**14,389**	13,189
Net assets	**1,267,317**	1,251,956
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**83,974**	83,642
Reserves	**1,182,569**	1,167,539
	1,266,543	1,251,181
Non-controlling interests	**774**	775
Total equity	**1,267,317**	1,251,956

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE 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 9th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

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

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2017 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

Save for the adoption of the revised Hong Kong Financial Reporting Standards ("**HKFRSs**"), which include HKASs, during the Period as set out in note 2.2 below, the accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2017.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current period, the Group has applied, for the first time, the following revised HKFRSs issued by HKICPA which are effective for the Group's financial year beginning on 1 April 2017.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Annual Improvements 2014-2016 Cycle	*Amendments to a number of HKFRSs*

The adoption of the revised HKFRSs had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented.

3. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax.

	Building and home controls For the six months ended 30 September		**Appliance controls For the six months ended 30 September**		**Commercial and industrial controls For the six months ended 30 September**		**Total For the six months ended 30 September**	
	2017 (Unaudited) *HK$'000*	2016 (Unaudited) *HK$'000*	**2017 (Unaudited) *HK$'000***	2016 (Unaudited) *HK$'000*	**2017 (Unaudited) *HK$'000***	2016 (Unaudited) *HK$'000*	**2017 (Unaudited) *HK$'000***	2016 (Unaudited) *HK$'000*
Segment revenue:								
Sales to external customers	**779,137**	621,507	**749,332**	822,312	**383,317**	263,781	**1,911,786**	1,707,600
Segment results	**90,492**	82,587	**15,689**	16,055	**19,920**	11,557	**126,101**	110,199
Bank interest income							**1,228**	1,718
Other income (excluding bank interest income)							**1,666**	12,418
Corporate and other unallocated expenses							**(53,859)**	(64,603)
Finance costs							**(8,274)**	(4,835)
Share of profit of an associate	**329**	830	**–**	–	**–**	–	**329**	830
Profit before tax							**67,191**	55,727
Income tax expense							**(13,570)**	(13,657)
Profit for the period							**53,621**	42,070

	Building and home controls		**Appliance controls**		**Commercial and industrial controls**		**Total**	
	30 September 2017 (Unaudited) *HK$'000*	31 March 2017 (Audited) *HK$'000*	**30 September 2017 (Unaudited) *HK$'000***	31 March 2017 (Audited) *HK$'000*	**30 September 2017 (Unaudited) *HK$'000***	31 March 2017 (Audited) *HK$'000*	**30 September 2017 (Unaudited) *HK$'000***	31 March 2017 (Audited) *HK$'000*
Segment assets	**662,823**	625,741	**592,741**	513,032	**268,508**	200,481	**1,524,072**	1,339,254
Interest in an associate	**6,343**	6,277	**–**	–	**–**	–	**6,343**	6,277
Corporate and other unallocated assets							**1,065,365**	1,056,089
Total assets							**2,595,780**	2,401,620

5. FINANCE COSTS

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans	**8,274**	4,835

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**1,626,341**	1,457,480
Depreciation	**21,819**	18,505
Amortisation of intangible assets#	**24,852**	25,942
Write-down of inventories to net realisable value##	**5,417**	16,394
Bank interest income	**(1,228)**	(1,718)
Foreign exchange differences, net###	**(2,878)**	4,652
Impairment of trade receivables###	**1,850**	5,483

The amortisation of intangible assets for the Period is included in "Administrative expenses" on the face of the condensed consolidated statement of profit or loss.

Write-down of inventories to net realisable value is included in "Cost of sales" on the face of the condensed consolidated statement of profit or loss.

Foreign exchange differences, net and impairment of trade receivables are included in "Other operating income/(expenses), net" on the face of the condensed consolidated statement of profit or loss.

Included in other operating expenses, net for the Period is the impairment of trade receivables of HK$1,000,000 (2016: HK$3,300,000) relating to the trade receivables from Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A. Details are disclosed in the Company's annual report for the year ended 31 March 2017 (note 19 to the financial statements).

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group entities operate.

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong	**3,826**	7,880
Current – Mainland China and other countries	**8,544**	5,662
Deferred	**1,200**	115
Total tax charge for the Period	**13,570**	13,657

No share of tax attributable to associate (2016: Nil) is included in "Share of profit of an associate" in the condensed consolidated statement of profit or loss.

8. DIVIDENDS

No payment of interim dividend for the six months ended 30 September 2017 is recommended (2016: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the Period attributable to owners of the Company of HK$53,622,000 (six months ended 30 September 2016: HK$42,073,000) and the weighted average number of ordinary shares of 836,620,000 (six months ended 30 September 2016: 834,515,000) in issue during the Period.

The calculation of diluted earnings per share is based on the profit for the Period attributable to owners of the Company of HK$53,622,000 (six months ended 30 September 2016: HK$42,073,000). The weighted average number of ordinary shares used in the calculation of 845,171,000 (six months ended 30 September 2016: 840,830,000) is the number of ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at nil 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:

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares used in calculating the basic earnings per share	**836,620,000**	834,515,000
Weighted average number of ordinary shares assumed to have been issued at nil consideration on deemed exercise of all dilutive options in issue during the period	**8,551,000**	6,315,000
Weighted average number of ordinary shares used in calculating the diluted earnings per share	**845,171,000**	840,830,000

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one to three 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, 15.5% (31 March 2017: 12.8%) and 48.0% (31 March 2017: 51.2%) 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 payment due date and net of provisions, is as follows:

	30 September 2017 (Unaudited) ***HK$'000***	31 March 2017 (Audited) *HK$'000*
Current and due within 1 month	**511,971**	551,522
1 to 2 months	**9,928**	14,746
2 to 3 months	**7,511**	11,119
Over 3 months	**22,057**	25,249
	551,467	602,636

Included in trade receivables is an amount due from the Group's associate of HK$23,154,000 (31 March 2017: HK$17,370,000) 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 payment due date, is as follows:

	30 September 2017 (Unaudited) ***HK$'000***	31 March 2017 (Audited) *HK$'000*
Current and due within 1 month	**640,521**	604,173
1 to 2 months	**88,197**	110,709
2 to 3 months	**16,460**	4,132
Over 3 months	**27,920**	10,566
	773,098	729,580

The trade payables are non-interest-bearing and generally have payment terms ranging from one to three months.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

For the first six months of our fiscal year from 1 April 2017 to 30 September 2017, Computime continued to record strong growth momentum, as revenue rose 12.0% from HK$1,707.6 million in the six months ended 30 September 2016 ("**1H FY2017**") to HK$1,911.8 million in 1H FY2018, while net profit increased 27.5% from HK$42.1 million in 1H FY2017 to HK$53.6 million in 1H FY2018. The Company continues to maintain a healthy cash and cash equivalents balance at the amount of HK$754.4 million as at the end of 1H FY2018.

During the Period, Computime continued to successfully record growth in its higher margin businesses, with both the Commercial and Industrial Controls ("**CIC**") and Building and Home Controls ("**BHC**") segments recording year-on-year revenue growth of 45.3% and 25.4% respectively, rising to HK$383.3 million and HK$779.1 million respectively. Revenue recorded by the lower margin Appliance Controls ("**APC**") segment dropped 8.9% when compared to 1H FY2017, to HK$749.3 million in the Period.

Gross profit margin improved to 14.6% in 1H FY2018 compared to 13.7% in 1H FY2017. Gross profit for the Period was HK$280.0 million, representing an increase of 19.8% compared to HK$233.7 million in 1H FY2017. This improvement in gross profit margin is primarily driven by a better mix of higher margin businesses, alongside continuing strict cost control measures and operational efficiency improvements, including further adoption of factory automation.

Total operating expenses (aggregate of selling and distribution expenses and administrative expenses) increased by 17.1% from HK$177.8 million in 1H FY2017 to HK$208.2 million in the Period. This was primarily driven by costs increase related to the Company's continued buildup of sales and marketing capabilities in the European Union and North American markets, including advertising and promotional costs and staff personnel costs, as well as increased spending in research and development, and transportation and customs duties.

Inventory increased by 37.0% to HK$859.1 million in 1H FY2018, primarily driven by the severely constrained supply of certain critical electronics components during the Period. To combat this situation, the Company has accumulated a higher than usual amount of raw materials to create flexibility to promptly finish production of certain products and fulfill customer orders when some of these critical components do become available. The Company's own branded SALUS products also contributed to the inventory increase, which follows the seasonal pattern of stocking for heating products as the peak selling season begins in earnest in the winter months.

Cash flow remained strong despite the significant investment in inventory during the Period, which was partially offset by the continued improvements in accelerating accounts receivable collections via successful factoring with some of our largest customers. Net working capital cycle improved from 69 days in 1H FY2017 to 60 days in the Period.

Business Review

The Company continued to record strong growth in the higher margin CIC and BHC segments during the Period. These two segments accounted for more than 60% of the total company revenue in the Period, compared to approximately 52% in 1H FY2017. This better mix of higher margin products is one of the key drivers in the continuing improvement in our profitability.

The CIC segment revenue grew by 45.3% to HK$383.3 million in the Period when compared to 1H FY2017, while segment margin increased from 4.4% to 5.2%. During the Period, we successfully completed delivery of a brand new electronics product to a new Electronics Manufacturing Services ("**EMS**") customer in the tech-entertainment industry. Additionally, as a result of our focus on strategic partnerships with large key customers, we also recorded significantly higher shipments to an existing key customer compared to 1H FY2017. The Company believes that the CIC segment will be a key growth driver in the future as more customers launch more innovative products that require sophisticated electronics and advanced wireless technologies, greatly complementing Computime's strong capabilities in both areas.

When compared to 1H FY2017, the BHC segment grew another 25.4% to HK$779.1 million in the Period, continuing the trend of robust growth recorded in this segment in the last few years. Revenue recorded in 1H FY2018 from several key EMS customers in the Heating, Ventilation, and Air Conditioning (HVAC) sector was significantly higher than that of 1H FY2017 as products such as smart thermostats continue to gain momentum in the market. Shipments to one customer in particular more than doubled in the Period when compared to 1H FY2017 as the customer aggressively stocked up in anticipation of its own product launches and territorial expansions. Segment margin in the BHC business also remained steady when normalised for the impact of the HK$9.7 million one-time fee income recorded last year from a vendor who executed an early termination of the distribution right in our brand distribution business, which was reflected in the BHC segment.

The SALUS business, which includes our own branded heating control products and our new Internet of Things ("**IoT**") suite of smart devices, also recorded healthy growth during the Period when compared to 1H FY2017 in all European territories with the exception of the United Kingdom ("**UK**"). Mired by the uncertainty of Brexit, the UK's construction sector output shrunk by 1.1% in the third calendar quarter of 2017, representing the worst quarter in four years according to UK government official statistics. This affected our sales as wholesalers and distributors in the UK became more cautious in their buying decisions. Despite this setback, the SALUS business as a whole still managed to match last year's sales in local currency terms, and we expect that sales in this fiscal year will increase on a year-on-year basis with new product launches, new market initiatives in the UK, and sales ramp up in North America in the second half of the fiscal year.

The lower margin APC business recorded a sales decrease of 8.9% to HK$749.3 million in the Period when compared to 1H FY2017 as the Company continued to be selective in taking on low margin opportunities in order to focus on driving better profits and margins in this segment. Despite the sales decrease, the Company still managed to slightly improve the segment margin from 2.0% to 2.1%, driven by the strong focus on cost and labour efficiency.

Industry Analysis

The Company believes that there continues to be prime growth opportunities in the markets of EMS and connected devices. According to New Venture Research, the EMS industry was worth US$430 billion in 2015, and expected to grow to approximately US$560 billion in 2020, recording a compound annual growth rate (CAGR) of 5.4%. In addition, there is rising demand for Original Design Manufacturing ("**ODM**") services, as companies look for manufacturers that are able to not just fulfill orders, but also offer technological value-added feedback and suggestions on improvements and optimisations. The Company is confident that it will be able to capture more opportunities in the growing ODM business moving forward.

The market for connected devices is also expected to grow very rapidly in the coming years, as the current market trend is shifting towards IoT, whereby electronic controls are embedded into everyday devices, generating a wide network of interconnectivity. The concept of a 'smart home' is now widely acknowledged as the next generation of home controls, as more and more platforms are being introduced to link up and interface smart devices across the entire spectrum of home appliances, including thermostats, sensors, and alarms. With its proprietary line of smart home devices, Computime will look to seize a larger share of this rapidly growing market through its SALUS products, as it continues to expand product sales channels throughout Europe and North America.

Outlook

Computime expects the demand for its products and services to remain strong, driven by orders from both existing and new customers. In the second half of our fiscal year 2018 ("**2H FY2018**"), we expect to commence shipments to a new EMS customer in the consumer products space, as well as progressively increasing orders from an existing customer in the mobile point-of-sale (mPOS) sector. We also anticipate SALUS to accelerate its growth compared to last year, driven by new products and the ramp up of sales in North America. Our industry-leading Auto Balancing Actuator ("**ABA**") was recently launched and will begin volume shipment during 2H FY2018. The ABA provides an innovative solution to long standing difficulties faced by under-floor heating manufacturers and installers, and it is expected to be well-received by these key stakeholders.

This strong demand for our products could be somewhat tempered by the shortages of certain critical electronic components the Company is currently experiencing in the market. Some of these critical components are on allocation from suppliers, and their availability has become quite unpredictable. The Company is working hard and executing multiple strategies to combat this market-wide problem, but the issue may have an impact on our full fiscal year revenue performance. Additionally, the Company also anticipates the stocking patterns of a few key EMS customers to balance out the full year growth rates of those businesses as 2H FY2018 growth moderates after very strong shipments in 1H FY2018.

Computime will continue to implement its strategy of driving higher margin businesses by focusing on the growth of the CIC and BHC segments, while looking to improve the profitability of the APC segment. As part of this strategic directive, the Company will look to grow its ODM business across all three segments, as Computime continues on its transition from a traditional EMS manufacturer into a technology-driven solutions provider. Concurrently, Computime will further push growth in the SALUS business in 2H FY2018, in which the Company believes SALUS will enjoy the benefits brought by the peak season for heating products during the winter months as well as the investments made in North America to expand distribution channels for SALUS.

Computime's strong manufacturing foundation, coupled with robust engineering capabilities and a customer service focus, make it a unique, market-leading EMS provider. At the same time, the SALUS division is expected to remain on track for strong growth due to the fast growing connected device market and our experience and technology leadership in the heating control market over the years. By leveraging the Group's core capabilities in electronic controls and wireless technologies, alongside its proven track record, long heritage of successful products and a trusted brand name, Computime is confident that it can seize various opportunities arising from all our markets to continue introducing high value products and services to our partners and customers worldwide.

Liquidity, Financial Resources and Capital Structure

The Group continued to maintain a sound financial and liquidity position in the Period. As at 30 September 2017, the Group maintained a balance of cash and cash equivalents of HK$754,402,000, which included cash and bank balance of HK$131,820,000 denominated in RMB. The remaining balance was mainly denominated in United States dollars ("**US dollars**") or Hong Kong dollars. Overall, the Group maintained a robust current ratio of 1.70 times.

As at 30 September 2017, total interest-bearing bank borrowings were HK$333,559,000, comprising primarily bank import loans repayable within one year. The majority of these borrowings were denominated either in US dollars, Hong Kong dollars or Euro zone currencies and the interest rates applied were primarily subject to floating rate terms.

As at 30 September 2017, total equity attributable to owners of the Company amounted to HK$1,266,543,000. The Group had a net cash balance of HK$420,843,000, representing total cash and cash equivalents less total interest-bearing bank borrowings.

Treasury Policies

The Group is exposed to foreign exchange risk through sales and purchase that are dominated in currencies other than the functional currency of the operations to which they relate. The currencies involved are primarily Euro, GBP and RMB. As at 30 September 2017, the Group had outstanding foreign currency forward contracts to sell Euro 28.8 million buy US dollars, sell GBP 4.5 million buy US dollars, and sell US dollars 38.4 million buy RMB. These forward contracts were entered into for hedging purposes. 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 Expenditures and Commitments

During the Period, the Group incurred total capital expenditures of approximately HK$86,422,000 for additions to property, plant and equipment as well as for deferred expenditures associated with the development of new products.

As at 30 September 2017, the Group had capital commitments contracted but not provided for the amount of HK$4,782,000, mainly for the acquisition of property, plant and equipment.

Contingent Liabilities

As at 30 September 2017, the Group did not have any significant contingent liabilities.

Charges on Assets

As at 30 September 2017, no bank deposits and other assets have been pledged to secure the Group's banking facilities.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group had no material acquisition or disposal of subsidiaries, associated companies or joint ventures during the Period.

Employee Information

As at 30 September 2017, the Group had a total of approximately 6,000 full-time employees. Total staff costs for the Period amounted to HK$318,493,000. 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, 34,950,000 share options remained outstanding under the share option schemes.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2017 (2016: Nil).

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 Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management efficiency of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the Period.

CODE OF CONDUCT FOR DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the directors, senior personnel and certain employees of the Group (who are likely to be in possession of unpublished inside information relating to the Company or its securities) (the "**Own Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of the Company's directors, all the directors confirmed that they have complied with the required standards set out in the Model Code and the Own Code throughout the Period.

In addition, no incident of non-compliance of the Own Code by the employees of the Group was noted by the Company throughout the Period.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, namely, Mr. Luk Koon Hoo (Chairman of the Audit Committee), Mr. Patrick Thomas Siewert and Mr. Cheung Ching Leung, David, and two non-executive directors of the Company, namely, Mr. Kam Chi Chiu, Anthony and Mr. Arvind Amratlal Patel, has reviewed with the senior management of the Group the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of these interim results.

Messrs. Ernst & Young, the Company's external auditor, has been engaged by the Company to conduct certain procedures on the Group's interim condensed consolidated financial statements for the Period in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the HKICPA. The Audit Committee of the Company discussed with Messrs. Ernst & Young the findings of these procedures including consistency of accounting policies adopted by the Group in preparing this interim financial information and the relevant disclosures made in accordance with the requirements of HKAS 34 and Appendix 16 to the Listing Rules.

PUBLICATION OF FURTHER INFORMATION

The interim report of the Company for the Period, containing the information required by the Listing Rules, will be despatched to the shareholders of the Company as well as published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (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 Period.

By Order of the Board
Computime Group Limited
Auyang Ho
Chairman

Hong Kong, 23 November 2017

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

Executive directors
Mr. Auyang Ho *(Chairman)*
Dr. Owyang King *(Chief Executive Officer)*
Mr. Au Hing Lun, Dennis *(Deputy Chief Executive Officer)*

Non-executive directors
Mr. Kam Chi Chiu, Anthony
Mr. Arvind Amratlal Patel
Mr. Wong Chun Kong

Independent non-executive directors
Mr. Luk Koon Hoo
Mr. Patrick Thomas Siewert
Mr. Cheung Ching Leung, David

* *For identification purposes only*