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Computime Group Limited

金寶通集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 320)

CONNECTED TRANSACTION

On 30 April 2007, Salus Controls-BVI, a wholly-owned subsidiary of the Company, entered into the Settlement Deed for the acquisition of 45% of the issued shares of Salus Controls-UK from the Vendors at a cash consideration of GBP157,500 (equivalent to approximately HK\$2,472,750). Completion of the Acquisition took place immediately following execution and exchange of the Settlement Deed.

Immediately prior to the completion of the Acquisition, Salus Controls-UK was owned as to 55% by Salus Controls-BVI and 45% by the Vendors. Upon completion of the Acquisition, Salus Controls-UK would become a wholly-owned subsidiary of the Company.

As three of the Vendors were directors and substantial shareholders of Salus Controls-UK, they were considered as connected persons for the purposes of the Listing Rules and accordingly the Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.32 of the Listing Rules, as each of the applicable percentage ratios of the Acquisition as calculated in accordance with Rule 14.07 of the Listing Rules is above 0.1% but below 2.5%, the Acquisition is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

BACKGROUND

The Board is pleased to announce that on 30 April 2007, Salus Controls-BVI, a wholly-owned subsidiary of the Company, entered into the Settlement Deed for the acquisition of 45% of the issued shares of Salus Controls-UK from the Vendors. Upon completion of the Acquisition, Salus Controls-UK would become a wholly-owned subsidiary of the Company. The results and assets and liabilities of Salus Controls-UK were consolidated in the Company's consolidated financial statements before the Acquisition and will continue to be consolidated after the Acquisition.

SETTLEMENT DEED

Details of the Settlement Deed are set out as follows:-

Date: 30 April 2007

Vendors:

Name	Shareholding in Salus Controls-UK prior to the completion of the Acquisition
Mr. Paul Edwin Lines	13.5%
Mr. Peter Ball	13.5%
Mr. Iain Forest McLaren Ellvers	13.5%
Mr. Peter Hall	2.25%
Ms. Carol Ann Driver	2.25%

Except that Mr. Paul Edwin Lines, Mr. Peter Ball and Mr. Iain Forest McLaren Ellvers were the directors and substantial shareholders of Salus Controls-UK, the Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiry, the Vendors are third parties independent of the Company and its connected persons (as defined in the Listing Rules)

Purchaser: Salus Controls-BVI

Interest acquired: 45% of the issued share capital of Salus Controls-UK

Consideration: GBP157,500 (equivalent to approximately HK\$2,472,750) payable in cash in full on the completion of the Acquisition. Such consideration was arrived at after arm's length negotiations between the parties and based on normal commercial terms and was determined with reference to the latest financial performance of Salus Controls-UK. Salus Controls-UK incurred losses for the financial period from 26 February 2004 (the date of its incorporation) to 31 March 2005 and for the year ended 31 March 2006 since it was still in its initial stage of development during such periods. There has been an improvement and a turnaround in the financial results of Salus Controls-UK and a net profit was recorded in its unaudited management accounts for the period from 1 April 2006 to 28 February 2007. The consideration would be payable from the Group's internal resources.

Completion: Completion of the Acquisition took place immediately following execution and exchange of the Settlement Deed

FINANCIAL INFORMATION OF SALUS CONTROLS-UK

The following tables set out certain financial information of Salus Controls-UK prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice:-

	As at 31 March 2006 (audited)			
	Total	Attributable to the 45% shares being acquired		
		<i>Approximate GBP amount in HK\$</i>	<i>Approximate GBP</i>	<i>Approximate amount in HK\$</i>
Assets	790,752	12,414,806	355,838	5,586,657
Liabilities	892,795	14,016,882	401,758	6,307,601
Net liabilities	102,043	1,602,075	45,919	720,928

The losses before and after tax and extraordinary items incurred by Salus Controls-UK as recorded in its audited accounts for the period from 26 February 2004 (the date of its incorporation) to 31 March 2005 and for the year ended 31 March 2006 were GBP121,795 (equivalent to approximately HK\$1,912,182) and GBP30,248 (equivalent to approximately HK\$474,894) respectively.

INFORMATION OF THE GROUP AND SALUS CONTROLS-UK

The Group is a leading Asia-based provider of electronic control and automation devices and solutions, with worldwide distribution and sales, principally in America and Europe. The Group researches, develops, designs and manufactures standard and customized control devices, many of which incorporate advanced technologies such as wireless networking and alternative renewable energy capabilities. These devices, which include sub-assemblies or sub-systems, and end-products for consumers, are sold to brand name vendors and manufacturers of household appliances, consumer electronic products and health care devices, as well as to companies operating in the industrial control and automotive control industries.

Salus Controls-UK owns the “Salus” brand, under which it designs, develops, manufactures and sells control programmers, programmable thermostats, digital electronic thermostats, under floor heating controls, frost thermostats, wiring centers, cylinder thermostats, automatic by-pass valves, port motorized valves and thermostatic radiator valves. The “Salus” brand products are targeted at professional builders.

REASONS FOR THE ACQUISITION

The Group intends to expand its distribution business of “Salus” brand products in European countries. Upon completion of the Acquisition, Salus Controls-UK would become a wholly-owned subsidiary of the Company and its daily operations will be fully managed and controlled by the Group. The Board expects that the future operational efficiency and business performance of Salus Controls-UK will continue to improve as a result of the acquisition of the remaining 45% equity interest in Salus Controls-UK by the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole.

CONNECTED TRANSACTION

Immediately prior to the completion of the Acquisition, Salus Controls-UK was owned as to 55% by Salus Controls-BVI and 45% by the Vendors. As three of the Vendors were directors and substantial shareholders of Salus Controls-UK, they were considered as connected persons for the purposes of the Listing Rules and accordingly the Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.32 of the Listing Rules, as each of the applicable percentage ratios of the Acquisition as calculated in accordance with Rule 14.07 of the Listing Rules is above 0.1% but below 2.5%, the Acquisition is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless otherwise indicated in the context:

“Acquisition”	the acquisition of 45% of the issued shares in Salus Controls-UK by Salus Controls-BVI
“Board”	the board of Directors
“Company”	Computime Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Salus Controls-BVI”	Salus Controls Limited, a company incorporated and registered in the British Virgin Islands (company number 584663) and is wholly-owned by the Company

“Salus Controls-UK”	Salus Controls Plc, a company incorporated and registered in England and Wales (company number 5057362), which was, immediately prior to the completion of the Acquisition, a non wholly-owned subsidiary of the Company
“Settlement Deed”	the deed dated 30 April 2007, entered into between Salus Controls-BVI and, among other parties, the Vendors in respect of the sale and purchase of the 45% of issued shares in Salus Controls-UK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Mr. Paul Edwin Lines, Mr. Peter Ball, Mr. Iain Forest McLaren Ellvers, Mr. Peter Hall and Ms. Carol Ann Driver who, immediately prior to the completion of the Acquisition, owned 13.5%, 13.5%, 13.5%, 2.25% and 2.25% of the issued shares in Salus Controls-UK respectively
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“GBP”	United Kingdom Pounds, the lawful currency of the United Kingdom
“%”	per cent

By order of the Board
Computime Group Limited
Auyang Ho
Chairman

Hong Kong, 30 April 2007

As at the date of this announcement, the Board comprises three executive directors namely Mr. Auyang Ho (Chairman), Mr. Auyang Pak Hong, Bernard (Chief Executive Officer) and Ms. Choi Po Yee, Alice, three non-executive directors namely Mr. Wong Ying Ho, Kennedy, Mr. Kam Chi Chiu, Anthony and Mr. Patel, Arvind Amratlal; and three independent non-executive directors namely Mr. Luk Koon Hoo, Mr. Siewert, Patrick Thomas and Mr. Feniger, Steven Julien.

For the purpose of this announcement, amounts denominated in GBP have been converted to HK\$ at the exchange rate of GBP1=HK\$15.7.

** For identification purposes only*

Please also refer to the published version of this announcement in The Standard.