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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

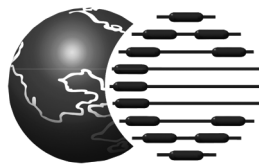
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Computime Group Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**computime**  
SINCE 1974

**COMPUTIME GROUP LIMITED**

**金寶通集團有限公司\***

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

**(Stock Code: 320)**

**DISCLOSEABLE TRANSACTION**

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\* For identification purposes only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement dated 23 July 2007 issued by the Company
“Agreement”	means the agreement dated 19 July 2007 entered into between the Vendor, the Purchaser and CIL in relation to, inter alia, the sale and purchase of the Sale Shares
“Board”	the board of Directors
“Business Day”	means a day on which banks are open for business in Hong Kong
“CIL”	Computime International Limited, a company incorporated in the British Virgin Islands which is wholly-owned by the Company
“Company”	means Computime Group Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Completion”	means completion of the sale and purchase of the Sale Shares as described under the section headed “Completion”
“Director(s)”	means the director(s) of the Company
“ECP”	means Electra Consumer Products Ltd., a company incorporated in Tel Aviv, Israel and is the holding company of both the Vendor and EHK
“EDG”	means 以萊特電子(東莞)有限公司 Electra HK Technologies (Dongguan) Co., Ltd., a company incorporated in the PRC and wholly-owned by EHK
“EHK”	means Asia Electronics HK Technologies Limited (formerly known as “Electra HK Technologies Limited”), a company incorporated in Hong Kong
“EHK Group”	means EHK and EDG
“Group”	means the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

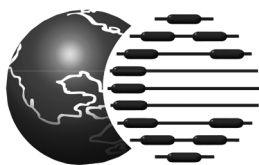
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“Latest Practicable Date”	1 August 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	means Elite International Investment Limited, a company incorporated in Samoa and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Price”	means US\$5,500,000
“Sale Shares”	means 23,250,100 Shares, representing the entire issued share capital of EHK
“Shares”	means share(s) of HK\$1.00 each in the capital of EHK
“Shareholders”	holders of the Share(s)
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Vendor”	means Airwell Air Conditioning B.V., a company incorporated in Netherlands
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

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## LETTER FROM THE BOARD

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**computime**  
SINCE 1974

### COMPUTIME GROUP LIMITED

金寶通集團有限公司\*

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

**(Stock Code: 320)**

*Executive Directors:*

Mr. Auyang Ho (*Chairman*)  
Mr. Auyang Pak Hong, Bernard (*Chief Executive Officer*)  
Ms. Choi Po Yee, Alice

*Non-executive Directors:*

Mr. Wong Ying Ho, Kennedy  
Mr. Kam Chi Chiu, Anthony  
Mr. Patel, Arvind Amratlal

*Independent Non-executive Directors:*

Mr. Luk Koon Hoo  
Mr. Siewert, Patrick Thomas  
Mr. Feniger, Steven Julien

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

17th Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai, Hong Kong

7 August 2007

*To the Shareholders,*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

#### INTRODUCTION

On 19 July 2007, the Purchaser entered into the Agreement with the Vendor pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares in EHK, representing the entire issued share capital of EHK at the Sale Price of US\$5,500,000.

\* For identification purposes only

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## LETTER FROM THE BOARD

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The Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. The purpose of this circular is to provide you with the information of the Agreement.

### THE AGREEMENT

**Date:** 19 July 2007

**Parties to the Agreement:**

- (1) Airwell Air Conditioning B.V. as Vendor
- (2) Elite International Investment Limited — an indirect wholly-owned subsidiary of the Company as Purchaser
- (3) Computime International Limited — a wholly-owned subsidiary of the Company as guarantor of the obligations of the Purchaser under the Agreement

The Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares in EHK, representing the entire issued share capital of EHK for a consideration of US\$5,500,000. The Sale Price is to be paid in cash on Completion by the Purchaser.

The Sale Price was arrived at after arm's length negotiations between the Vendor and the Purchaser based on normal commercial terms and was determined with reference to the latest financial performance of the EHK Group. Whilst the EHK Group incurred losses for the two financial years ended 31 December 2005 and 2006, there has been an improvement and a turnaround in the financial results of EHK Group and a net profit was recorded in the unaudited financial statements for the first three months ended 31 March 2007.

As part of the obligations on Completion, the Purchaser shall:

- (i) fund the repayment of a loan in the amount of US\$7,500,000 together with all interest accumulated thereon due from EHK to ECP; and
- (ii) replace the existing guarantee (the "Bank Guarantee") entered into by ECP in favour of the same bank for borrowings made by EHK up to the amount of US\$7,200,000 or repay fully at Completion all amounts due to the same bank under and secured by the Bank Guarantee.

### Completion:

Upon completion of the transfer of certain assets, employees and investments of EHK to certain related companies of the Vendor, which should be on or prior to 20 September 2007, the Vendor shall deliver a written notice to the Purchaser (the "Closing Notice"). Completion of the sale and purchase of the Sale Shares shall take place at 9:00 local time on the fifth Business Day after the date of the Closing Notice, but in any event not later than 2 October 2007 (the "Completion Date") or such other date, time and place as Vendor and Purchaser shall mutually agree.

The obligation of the Vendor to effect the sale of the Sale Shares is conditional upon the Vendor having received, prior to or at Completion, evidence to its reasonable satisfaction that the Bank Guarantee has been terminated. The Vendor may waive the foregoing condition at any time by notice in writing to the Purchaser. In the event that the foregoing condition shall not have been fulfilled (or

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## LETTER FROM THE BOARD

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waived) prior to the Completion Date, then the Vendor shall not be bound to proceed with the sale of the Sale Shares, provided that the Vendor may defer Completion to a date not more than 30 days after the Completion Date. If the Vendor elects not to proceed with the sale and purchase of the Sale Shares after the Completion Date or 30 days after the Completion Date (as the case may be), the Agreement shall terminate and the parties shall have no claims against each other hereunder, save for antecedent breaches.

On Completion, the Vendor will deliver to the Purchaser a licence agreement executed by Asia Air-Conditioning Limited, a wholly-owned subsidiary of the Vendor on Completion, in favour of EHK to grant to EHK a fully-paid up, royalty free, non-exclusive and non-transferable licence to use certain intellectual property rights of Asia Air-Conditioning Limited in Hong Kong and the PRC (excluding Macau and Taiwan). The term of the licence agreement will continue indefinitely, subject to termination by either party by twelve months' written notice or in event of material breaches or insolvency events of either party or a change in control (as defined under the licence agreement) of EHK.

A sourcing agreement will also be delivered by the Vendor to the Purchaser on Completion pursuant to which the Vendor's affiliates (as defined under the sourcing agreement) will agree to purchase products from EHK Group during the period from 1 January 2007 to 31 December 2009, at a total purchase price of not less than an aggregate of US\$30,000,000, on terms that are no less favourable than market terms in the industry or the Vendor shall procure Vendor's affiliates to pay EHK Group an amount equal to a profit margin of 7.5% of the difference between US\$30,000,000 and the actual aggregate purchase price paid to EHK Group if there is any shortfall.

### **EHK and EDG:**

As at the date hereof EHK is wholly-owned by the Vendor and EDG is wholly-owned by EHK. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company. The Vendor is principally engaged in the manufacture and sale of residential and commercial air conditioning products.

EHK Group principally designs, manufactures and markets electronic controls for air conditioners, major appliances and industrial and spa and pool products. EDG has operated an engineering facility and a production plant in Dongguan, the PRC and has established an extensive customer network spanning Europe, Asia, Israel and Australia.

After Completion, EHK will be wholly-owned by the Purchaser. The results of EHK Group will be consolidated in the Company's financial statements subsequent to the Completion.

The Sale Price will be entirely satisfied by the net proceeds from the Company's issue of new shares for listing on the Main Board of the Stock Exchange in October 2006, and based on the unaudited financial statements of EHK and EDG for the first three months ended 31 March 2007, the Directors consider that the entering into the Agreement by the Purchaser will not have any immediate material impact on the earnings and assets and liabilities of the Group.

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## LETTER FROM THE BOARD

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### SUMMARY OF FINANCIAL INFORMATION OF EHK AND EDG

Based on the audited financial statements of EHK prepared in accordance with Hong Kong Financial Reporting Standards for the year ended 31 December 2005, the net loss before and after taxation and extraordinary items amounted to HK\$3,314,939 and HK\$3,123,154 respectively. Based on the audited financial statements of EDG prepared in accordance with generally accepted accounting principles applicable in the PRC for the year ended 31 December 2005, its net loss before and after taxation and extraordinary items amounted to the same amount of RMB9,311,198.

Based on the audited financial statements of EHK prepared in accordance with Hong Kong Financial Reporting Standards for the year ended 31 December 2006, the net asset value of EHK was HK\$30,981,942 and the net loss before and after taxation and extraordinary items amounted to HK\$1,305,794 and HK\$1,670,621 respectively. Based on the audited financial statements of EDG prepared in accordance with generally accepted accounting principles applicable in the PRC for the year ended 31 December 2006, the net asset value of EDG was RMB1,303,546 and its net loss before and after taxation and extraordinary items amounted to the same amount of RMB7,579,574.

Based on the unaudited financial statements of EHK for the first three months ended 31 March 2007, the net asset value of EHK was HK\$34,476,758 and the net profit before and after taxation and extraordinary items amounted to approximately HK\$4,850,267 and HK\$3,494,816 respectively. Based on the unaudited financial statements of EDG for the first three months ended 31 March 2007, the net asset value of EDG was approximately RMB7,242,174 and its net profit before and after taxation and extraordinary items amounted to the same amount of approximately RMB5,938,628.

### REASONS FOR THE TRANSACTION

The Group is a provider of electronic control and automation devices and solutions with worldwide distribution network and principal markets in the America and Europe. EHK Group principally designs, manufactures and markets electronic controls for air conditioners, major appliances and industrial and spa and pool products. The acquisition of EHK accelerates the Group's strategic growth into the markets of Europe, Asia, Israel and Australia. This is consistent with the Group's balanced growth plan in expanding markets outside of North America. The acquisition of EHK will also expand the Group's technology and products offering from the interface and thermostatic controls into power controls, remote access controls and indoor air quality controls in the air-conditioning market. Moreover, EHK's presence in the spa and pool industry will further strengthen the Group's growth in this strategic market, covering the new segment of pool cleaning. With the Group's effective control in material cost and labour productivity, the enlarged group will be able to achieve better economies of scale and productivity improvement. The synergy with EHK will enable the Group to continue its rapid growth in Europe and Asia, strengthening its global position as one of the leading electronic control companies. The Directors, including the independent non-executive Directors, consider the terms of the transactions as fair and reasonable and is in the interest of the Company and Shareholders as a whole.



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## LETTER FROM THE BOARD

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### GENERAL

Your attention is drawn to the general information regarding the Group which is required to be included in this circular under the Listing Rules as set out in the appendix of this circular.

Yours faithfully,  
By Order of the Board  
**Auyang Ho**  
*Chairman*

**RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**DISCLOSURE OF INTERESTS****(i) Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which: (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

*Long position in the shares of the Company*

<b>Name of director</b>	<b>Capacity</b>	<b>Number of ordinary shares interested</b>	<b>Approximate percentage of the Company's issued share capital</b>
Mr. Auyang Ho	Interest of controlled corporation	352,500,000 ( <i>Note</i> )	42.46%

*Note:* These shares are beneficially owned by Solar Power Group Limited ("SPGL"). SPGL is a company incorporated in the British Virgin Islands with limited liability and owned as to 67.66% by Mr. Auyang Ho and 32.34% by Mr. Auyang Pak Hong, Bernard.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had: (a) under Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO); (b) any interests or short positions which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO; or (c) any interests or short positions which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) **Interests and short positions of Shareholders discloseable**

So far as is known to the Directors and chief executives of the Company, as at the Latest Practicable Date, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

*Long position in the shares of the Company*

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary shares interested</b>	<b>Approximate percentage of the Company's issued share capital</b>
SPGL	Beneficial owner	352,500,000 ( <i>Note 1</i> )	42.46%
Ms. Tse Shuk Ming	Interest of spouse	352,500,000 ( <i>Note 2</i> )	42.46%
Crystalplaza Limited	Beneficial owner	133,500,000 ( <i>Note 3</i> )	16.08%
Little Venice Limited	Beneficial owner	52,500,000 ( <i>Note 3</i> )	6.32%
Ms. Leung Yee Li, Lana	Interest of controlled corporation	186,000,000 ( <i>Note 3</i> )	22.40%
Mr. Heung Lap Chi, Eugene	Interest of spouse	186,000,000 ( <i>Note 4</i> )	22.40%
Value Partners Limited	Investment Manager	41,608,000 ( <i>Note 5</i> )	5.01%
Mr. Cheah Cheng Hye	Interest of controlled corporation	41,608,000 ( <i>Note 5</i> )	5.01%

*Notes:*

1. The interest of SPGL was also disclosed as the interest of Mr. Auyang Ho in the above section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations".
2. Ms. Tse Shuk Ming was deemed to be interested in 352,500,000 shares of the Company through the interest of her spouse, Mr. Auyang Ho.
3. These shares were owned by Crystalplaza Limited (as to 133,500,000 shares) and Little Venice Limited (as to 52,500,000 shares), both companies were wholly-owned by Ms. Leung Yee Li, Lana.

4. Mr. Heung Lap Chi, Eugene was deemed to be interested in 186,000,000 shares of the Company through the interest of his spouse, Ms. Leung Yee Li, Lana.
5. Mr. Cheah Cheng Hye was deemed to be interested in 41,608,000 shares of the Company since he controlled 35.65% interests of Value Partners Limited.

Save as disclosed above and in paragraph (i) above, the Directors and the chief executives of the Company are not aware that there is any party who, as at the Latest Practicable Date, had an interest or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such shares.

#### **LITIGATION**

As at the Latest Practicable Date, none of the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

#### **SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has a service agreement with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

#### **DIRECTORS' INTEREST IN COMPETING BUSINESS**

None of the Directors or their respective associates are interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the Group's businesses as at the Latest Practicable Date.

#### **MISCELLANEOUS**

- a. In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.
- b. The qualified accountant of the Company is Ms. Choi Po Yee, Alice, who is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- c. The company secretary of the Company is Ms. Soon Yuk Tai. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

- d. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and the principal place of business of the Company in Hong Kong is at 17/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
  
- e. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.