



COMPUTIME GROUP LIMITED

金寶通集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 320)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The board of directors (the “Board”) of Computime Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2007 (the “Period”) together with the comparative figures for the corresponding period in 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 September	
		2007	2006
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	3	1,102,761	1,041,718
Cost of sales		<u>(919,881)</u>	<u>(860,803)</u>
GROSS PROFIT		182,880	180,915
Other income and gains		19,009	6,229
Selling and distribution costs		(44,256)	(42,373)
Administrative expenses		(61,935)	(58,050)
Other operating expenses		(237)	(3,125)
Finance costs	4	(8,070)	(10,927)
Share of profits and losses of associates		2,549	1,260
Change in fair value of derivative financial instruments		(7,239)	—
Gain on disposal of associates		<u>—</u>	<u>10,065</u>
PROFIT BEFORE TAX	5	82,701	83,994
Tax	6	<u>(8,187)</u>	<u>(6,540)</u>
PROFIT FOR THE PERIOD		<u><u>74,514</u></u>	<u><u>77,454</u></u>

		For the six months ended	
		30 September	
		2007	2006
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
ATTRIBUTABLE TO:			
Equity holders of the Company		74,516	73,962
Minority interests		(2)	3,492
		<u>74,514</u>	<u>77,454</u>
DIVIDENDS			
Proposed interim	7	<u>18,260</u>	<u>14,940</u>
EARNINGS PER SHARE			
— Basic (HK cents)	8	<u>8.98</u>	<u>12.33</u>
— Diluted (HK cents)		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED BALANCE SHEET

		30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		190,421	175,167
Goodwill		38,093	1,744
Club debenture		705	705
Intangible assets		20,131	17,277
Interests in associates		7,117	5,607
		<u>256,467</u>	<u>200,500</u>
Total non-current assets			
CURRENT ASSETS			
Inventories		379,849	386,567
Trade receivables	9	516,104	406,752
Prepayments, deposits and other receivables		22,983	34,231
Amounts due from associates		30,544	18,060
Derivative financial instrument		1,377	—
Tax recoverable		—	30
Cash and cash equivalents		471,663	539,206
		<u>1,422,520</u>	<u>1,384,846</u>
Total current assets			
CURRENT LIABILITIES			
Trade and bills payables	10	334,278	337,579
Other payables and accrued liabilities		95,060	92,359
Interest-bearing bank and other borrowings		271,746	252,837
Derivative financial instrument		7,066	—
Dividend payable		31,540	—
Amounts due to minority shareholders		—	160
Tax payable		9,407	8,365
		<u>749,097</u>	<u>691,300</u>
Total current liabilities			
NET CURRENT ASSETS		<u>673,423</u>	<u>693,546</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>929,890</u>	<u>894,046</u>

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	10,988	20,577
Deferred tax liabilities	5,131	5,006
Provision for long service payments	6,100	5,978
	<u>22,219</u>	<u>31,561</u>
 Total non-current liabilities	 <u>22,219</u>	 <u>31,561</u>
 Net assets	 <u>907,671</u>	 <u>862,485</u>
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	83,000	83,000
Reserves	805,476	746,627
Proposed dividends	18,260	31,540
	<u>906,736</u>	<u>861,167</u>
Minority interests	935	1,318
	<u>935</u>	<u>1,318</u>
 Total equity	 <u>907,671</u>	 <u>862,485</u>

NOTES TO 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 Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 9 October 2006 (the "Listing").

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 17th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

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

2. Basis of Presentation

These condensed consolidated financial statements 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"). The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated financial statements are consistent with those used in the Company's annual report for the year ended 31 March 2007, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which also include HKASs and Interpretations, that are relevant to the Group and have been adopted for the first time for the current period's condensed consolidated financial statements:

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions

The adoption of these new and revised HKFRSs has had no material impact on the accounting policies of the Group and the method of computation of these condensed consolidated financial statements.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these condensed consolidated financial statements:

HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

HKAS 23 (Revised) and HKFRS 8 shall be applied for annual period beginning on or after 1 January 2009. HK(IFRIC)-Int 12, HK(IFRIC)-Int 13 and HK(IFRIC)-Int 14 shall be applied for annual periods beginning on or after 1 January 2008, 1 July 2008, 1 January 2008, respectively.

The Board expects that the adoption of these new and revised HKFRSs would not have a significant impact on the Group's results and financial position.

3. Segment Information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. The following table presents revenue and results for the Group's primary segments.

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	For the six months ended 30 September 2007		For the six months ended 30 September 2006		For the six months ended 30 September 2007		For the six months ended 30 September 2006	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment revenue:								
Sales to external customers	<u>584,498</u>	478,093	<u>368,112</u>	440,277	<u>150,151</u>	123,348	<u>1,102,761</u>	1,041,718
Segment results	<u>58,689</u>	53,171	<u>16,780</u>	19,684	<u>13,066</u>	13,144	88,535	85,999
Bank interest income							7,685	1,297
Other income and gains (excluding bank interest income)							11,324	4,932
Corporate and other unallocated expenses							(12,083)	(8,632)
Finance costs							(8,070)	(10,927)
Share of profits and losses of associates	2,549	1,260	—	—	—	—	2,549	1,260
Change in fair value of derivative financial instruments							(7,239)	—
Gain on disposal of associates							—	10,065
Profit before tax							82,701	83,994
Tax							(8,187)	(6,540)
Profit for the period							<u>74,514</u>	<u>77,454</u>

4. Finance Costs

	For the six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on:		
Bank loans and overdrafts wholly repayable within five years	7,803	10,572
Finance leases	<u>267</u>	<u>355</u>
	<u>8,070</u>	<u>10,927</u>

5. Profit Before Tax

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

	For the six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	917,862	860,803
Depreciation	16,862	14,259
Amortisation of intangible assets	6,406	7,255
Provision against inventories	2,019	—
Recognition of prepaid land lease payments	—	53
Bank interest income	<u>(7,685)</u>	<u>(1,297)</u>

6. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the period.

Pursuant to the income tax laws of the People's Republic of China (the "PRC"), Computime Electronics (Shenzhen) Co. Ltd. ("CSCL") and Electra HK Technologies (Dongguan) Company Limited ("EDG"), the Group's wholly-owned foreign enterprises established in the PRC, are entitled to a preferential tax treatment with full tax exemption from corporate income tax ("CIT") for the two years starting from the first profitable year, after deducting the tax losses carried forward, and are granted a 50% reduction in tax for the three years thereafter. CSCL was entitled to 50% tax relief for the current period whereas it was fully exempt from CIT for the six months ended 30 September 2006 as that was its second profitable year of operations. EDG is fully exempt from CIT as it has not generated any assessable profit after deducting the tax losses carried forward.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislations, interpretations and practices in respect thereof.

	For the six months ended	
	30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Group:		
Current — Hong Kong	6,325	6,540
Current — Other jurisdictions	1,862	—
	<u>8,187</u>	<u>6,540</u>
Total tax charge for the period	<u>8,187</u>	<u>6,540</u>

No share of tax attributable to associates (2006: Nil) is included in “Share of profits and losses of associates” in the condensed consolidated income statement.

7. Dividends

	For the six months ended	
	30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Proposed interim — HK\$0.022 (2006: HK\$0.018) per ordinary share	<u>18,260</u>	<u>14,940</u>

The Board has not declared any special dividend for the six months ended 30 September 2007. The Company paid a special dividend of HK\$35,000,000 to the then shareholders of the Company immediately before the Listing for the six months ended 30 September 2006.

The proposed interim dividend for the six months ended 30 September 2007 shall be payable to the shareholders whose names appear on the Company’s Register of Members on Thursday, 10 January 2008.

8. Earnings Per Share

The calculation of the basic earnings per share is based on the profit for the period attributable to equity holders of the Company of HK\$74,516,000 (six months ended 30 September 2006: HK\$73,962,000) and the weighted average of 830,000,000 (six months ended 30 September 2006: 600,000,000) ordinary shares in issue during the period.

The weighted average number of shares used to calculate the basic earnings per share for the six months ended 30 September 2006 represented the pro forma issued share capital of the Company of 600,000,000 shares deemed to have been in issue throughout that period, comprising:

- (a) the 1 share and 399 shares of the Company allotted and issued at nil paid on 23 June 2006 and 16 September 2006, respectively; and
- (b) the capitalisation issue of 599,999,600 shares pursuant to the group reorganisation in relation to the preparation of the Listing.

No diluted earnings per share was presented for the current period as the share options granted and outstanding during the Period did not have dilutive effect.

No diluted earnings per share was presented for the six months ended 30 September 2006 as there was no dilutive potential share in existence throughout that period.

9. Trade Receivables

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one month to three months.

An aged analysis of the trade receivables is as follows:

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
Within 1 month	447,341	300,754
1 to 2 months	4,763	15,626
2 to 3 months	6,094	23,512
Over 3 months	<u>57,906</u>	<u>66,860</u>
	<u>516,104</u>	<u>406,752</u>

Included in the Group's trade receivables as at 30 September 2007 were amounts due from the Group's associates and a related company in which certain beneficial shareholders of the Company have beneficial interests of HK\$27,929,000 (31 March 2007: HK\$33,994,000) and HK\$16,362,000 (31 March 2007: HK\$4,771,000), respectively, which are repayable on similar credit terms to those offered to the major customers of the Group.

The carrying amounts of the trade receivables approximate to their fair values.

10. Trade and Bills Payables

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

An aged analysis of the trade and bills payables is as follows:

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
Within 1 month	329,693	325,838
1 to 2 months	807	2,579
2 to 3 months	2,257	745
Over 3 months	<u>1,521</u>	<u>8,417</u>
	<u>334,278</u>	<u>337,579</u>

The carrying amounts of the trade and bills payables approximate to their fair values.

OVERVIEW

The Group provides technology and product solutions that are environmentally friendly, energy efficient and easy to use. They benefit our customers, helping them manage and take better control of their future. As a global electronic controls specialist, the Group is engaged in the design, manufacturing, and distribution of electronic controls and automation devices and solutions focusing on three main business segments: building and home controls, appliance controls and commercial and industrial controls. As technological advances drive lifestyle reform to include control systems in every aspect of daily life, the demand for and applications of electronic control systems are unlimited. Together with the cost reduction of electronic components, the world trend to replace analog controls and devices with electronic variants brings significant opportunities for the Group's business development.

FINANCIAL HIGHLIGHTS

During the Period, the Group's turnover and profit attributable to equity holders of the Company increased by approximately 5.9% to HK\$1,102,761,000 and approximately 0.7% to HK\$74,516,000 respectively, as compared with the corresponding period last year. Without taking into account the non-recurring gain on disposal of associates amounting to HK\$10,065,000 (of which approximately HK\$6,039,000 was attributable to the equity holders of the Company) for the six months ended 30 September 2006, the profit attributable to equity holders of the Company for the Period increased by approximately 9.7%.

During the Period, turnover from the segments of building and home controls, appliance controls and commercial and industrial controls amounted to HK\$584,498,000, HK\$368,112,000 and HK\$150,151,000 respectively, accounting for approximately 53.0%, 33.4% and 13.6% of the Group's turnover respectively. Compared with the corresponding period last year, turnover of building and home controls and commercial and industrial controls segments increased by approximately 22.3% and 21.7% respectively, while turnover from the appliance controls segment decreased by approximately 16.4%.

Through effective cost control programs carried out during the Period under review, the Group was able to maintain a relatively stable gross profit margin of approximately 16.6% amid the general inflation environment in the PRC in which the Group's production facilities are located. During the Period, the Group recorded a deficit of HK\$7,239,000 arising from the change in fair value on revaluation of certain derivative financial instruments, which was mainly attributable to a structured foreign exchange forward contract entered into by the Group.

Acquisition of minority interests in Salus Controls Plc

In April 2007, the Group completed the acquisition of 45% equity interest in Salus Controls Plc from its minority shareholders at a cash consideration of GBP157,500 (equivalent to approximately HK\$2,473,000) and thus increasing its equity interest in Salus Controls Plc to 100%. Salus Controls Plc principally distributes the Salus brand products of building and home controls segment in the European market.

Acquisition of Asia Electronics HK Technologies Limited

In August 2007, the Group completed the acquisition of 100% equity interest in Asia Electronics HK Technologies Limited (“AEHK”, formerly known as Electra HK Technologies Limited) which in turn owns 100% equity interest in EDG (collectively “AEHK Group”), at a cash consideration of US\$5,500,000 (equivalent to approximately HK\$42,625,000) and repaid to the then shareholder an outstanding loan of US\$7,500,000 (equivalent to approximately HK\$58,125,000), together with all interests thereon, provided to AEHK. AEHK Group principally designs, manufactures and markets electronic controls for air-conditioners, major appliances and industrial and spa and pool products, and has established an extensive customer network spanning Europe, Asia, Middle East and Australia.

BUSINESS REVIEW

Despite the overall soft sentiment in the United States (the “US”) market, the Group was able to achieve satisfactory growth in both turnover and profit attributable to equity holders of the Company due to its resilient business model with balanced growth and profitability of each business segment. During the Period, the Group’s strong pipelines generated more than 40 new customers and completed 213 projects, with an additional 329 projects under development.

Building and home controls business

Revenue from the segment increased by approximately 22.3% to HK\$584,498,000 as compared with HK\$478,093,000 in the corresponding period last year. The increase in turnover was mainly attributable to the launch of a new generation of air quality control products in the US, the robust growth of Salus brand products in Europe, as well as the development of numerous new customers.

The acquisition of minority interests of Salus Controls Plc allows the Group to gain greater brand recognition as well as paving the way for Salus to develop as a leading energy management brand in European market. During the Period, the Group launched 4 new product platforms and developed new markets in Italy, Austria and Switzerland. As a result, Salus brand products achieved a remarkable sales growth of over 100% during the Period.

Appliance controls business

Revenue from the segment decreased by approximately 16.4% to HK\$368,112,000 as compared with HK\$440,277,000 in the corresponding period last year. The decrease in turnover was owing to the Group’s strategy to exit low profit margin business to focus on growing profitable business sectors.

With the enhancement of its product mix and growth initiatives in new sectors such as water treatment controls and appliance energy controls, the Group is actively pursuing improved profitability within this segment.

Commercial and industrial controls business

Revenue from the segment increased by approximately 21.7% to HK\$150,151,000 as compared with HK\$123,348,000 in the corresponding period last year. The increase in turnover was mainly due to the steady growth in the demand for commercial control products, the launch of new products such as automatic meter controls, and the development of new customers with the high-mix-low-volume business.

OUTLOOK

Looking ahead, the Group will build upon its profitable and expanding core businesses, and continue to diversify risks through multiple revenue streams. Strong sales pipelines will allow the Group to penetrate new geographical markets, develop new customers in existing markets and strengthen current customer relationships.

Leveraging on its solid business presence in the electronic control industry, the Group is well positioned to capture the high growth potential of the energy management and renewable energy markets brought on by favourable macro global trends and demands. Extensive research and development efforts as well as strategic alliances with renowned universities will be put forward to develop total solutions which enhance energy savings, reduce costs and increase efficiency. Meanwhile, latest wireless technologies will be incorporated into existing products and certain products will be commercialised with the wireless ZigBee technology platform for energy management applications. The Group will also form a new division to focus on developing renewable energy solutions for residential and commercial applications.

The Group will continue to foster the growth of the Salus brand to become a leading global brand in energy management and renewable energy technologies and products. In addition to the new markets developed during the Period, the Group will further expand its European distribution coverage to Spain, Portugal, France, Benelux, Scandinavia and Baltic markets. The Group will continue to enhance its product portfolio through new product launches and increase its distribution channels of heating controls to target wholesalers and independent installers throughout Europe. The Salus brand is a high profit margin growth driver for the Group, representing a positive and diversified revenue stream which will contribute to a greater proportion of the Group's profitability in the future.

The Group will leverage on the synergistic benefits brought on by the acquisition of AEHK Group to strategically expand geographical coverage to Europe, Asia, Middle East and Australia and expand the product lines from interface and thermostatic controls into power controls, remote access controls and indoor air quality controls in the air-conditioning market. Meanwhile, the Group will also continue to seek and evaluate opportunities for acquiring companies and businesses that can increase its technological and brand distribution capabilities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2007, the Group had bank and cash balances of HK\$471,663,000, majority of which were denominated either in US dollars or Hong Kong dollars. Average trade receivable turnover period and average inventory turnover period were 76.6 days and 63.6 days respectively. Overall, the Group maintained a robust current ratio of 1.9 as at 30 September 2007.

As at 30 September 2007, total interest-bearing bank and other borrowings were HK\$282,734,000, comprising bank loans of HK\$277,030,000 and finance lease payables of HK\$5,704,000, of which HK\$271,746,000 will be repayable within one year and HK\$10,988,000 will be repayable after one year. The majority of these borrowings were denominated in Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate. Total equity attributable to equity holders of the Company as at 30 September 2007 amounted to HK\$906,736,000.

The Group's net gearing ratio is calculated by dividing total interest-bearing bank and other borrowings less cash and cash equivalents over equity attributable to equity holders of the Company. Since the Group had net cash of HK\$188,929,000 as at 30 September 2007, the net gearing ratio is not presented.

TREASURY POLICIES

The majority of the Group's sales and purchases are denominated in US dollars and Hong Kong dollars. Due to the fact that Hong Kong dollars are pegged to the US dollars, there will not be material foreign exchange exposure in this regard. Since certain production and operating overheads of the Group's production facilities in the PRC are denominated in Renminbi ("RMB"), the Group has entered into a structured foreign exchange forward contract with a licensed bank in Hong Kong in order to hedge the exposure of RMB appreciation. The management will closely monitor the effectiveness of the existing structured foreign exchange forward contract and the exposure to any potential foreign exchange and interest rate risks and will adopt proactive but prudent approach to minimise the relevant exposure when necessary.

CAPITAL EXPENDITURE AND COMMITMENTS

During the Period, the Group incurred total capital expenditure of approximately HK\$10,027,000, of which approximately HK\$4,635,000 was spent for the purchase of tools and machinery.

As at 30 September 2007, the Group had capital commitments of US\$1,650,000 (equivalent to approximately HK\$12,788,000) and US\$650,000 (equivalent to approximately HK\$5,038,000), authorised but not contracted for, in respect of the establishment of a joint venture operation and investment in a subsidiary respectively.

CONTINGENT LIABILITIES

As at 30 September 2007, the Group did not have significant contingent liabilities.

EMPLOYEE INFORMATION

As at 30 September 2007, the Group had a total of approximately 4,800 full-time employees. 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 has also adopted a share option scheme 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. During the six months ended 30 September 2007, the Company granted a total of 3,648,000 share options to certain employees of the Group under the share option scheme.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares (including shares issued on the exercise of over-allotment option) for listing on the Stock Exchange in October 2006, after deduction of related expenses, amounted to approximately HK\$469,419,000. The Group intends to apply the net proceeds for the purposes as set out in the section headed "Future Plans And Use of Proceeds" in the Company's prospectus dated 25 September 2006. As at 30 September 2007, approximately HK\$106,250,000 was utilised for strategic business combination and acquisitions, approximately HK\$2,431,000 for the expansion of distribution network, approximately HK\$44,176,000 was utilised for the repayment of bank borrowings, approximately HK\$44,176,000 was utilised for general corporate purposes and the remaining balance of the net proceeds was placed in certain financial institutions and licensed banks in Hong Kong as short-term deposits.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2.2 cents per share for the six months ended 30 September 2007 payable on or about Tuesday, 22 January 2008 to the shareholders whose names appear on the Register of Members of the Company on Thursday, 10 January 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 7 January 2008 to Thursday, 10 January 2008 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for entitlement to the interim dividend for the six months ended 30 September 2007, unregistered holders of shares of the Company should ensure that all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms of the Company must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 4 January 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2007.

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 met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the six months ended 30 September 2007.

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 price-sensitive 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 six months ended 30 September 2007.

In addition, no incident of non-compliance of the Own Code by the employees of the Group was noted by the Company throughout the six months ended 30 September 2007.

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. Steven Julien Feniger and two non-executive directors of the Company, namely Mr. Kam Chi Chiu, Anthony and Mr. Arvind Amratlal Patel, has reviewed with 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 auditors, have been engaged by the Company to conduct certain procedures on the Group's condensed interim financial statements for the six months ended 30 September 2007 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 discussed with Messrs. Ernst & Young the findings of these procedures including consistency of accounting policies and procedures adopted by the Group in preparing these financial statements and the relevant disclosures made in accordance with the requirements of HKAS 34 and Appendix 16 to the Listing Rules.

BOARD MEMBERS

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

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, 10 December 2007

* *For identification purposes only*