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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The board of directors (the “Board”) of Computime Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2010 (the “Year”) together with the comparative figures for the year ended 31 March 2009, as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2010

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
REVENUE	3, 4	2,191,984	2,395,805
Cost of sales		<u>(1,919,231)</u>	<u>(2,137,156)</u>
Gross profit		272,753	258,649
Other income and gain	4	12,327	25,969
Selling and distribution costs		(70,575)	(73,637)
Administrative expenses		(164,062)	(156,459)
Other operating expenses, net		(3,697)	(22,687)
Finance costs	5	(3,284)	(8,240)
Share of profits/(losses) of associates		(1,256)	1,575
Share of loss of a jointly-controlled entity		(240)	(732)
PROFIT BEFORE TAX	6	41,966	24,438
Tax	7	(7,124)	(3,915)
PROFIT FOR THE YEAR		<u>34,842</u>	<u>20,523</u>

CONSOLIDATED INCOME STATEMENT (*Continued*)
Year ended 31 March 2010

	<i>Notes</i>	2010 HK\$'000	2009 <i>HK\$'000</i>
ATTRIBUTABLE TO:			
Equity holders of the Company		34,854	20,548
Minority interests		<u>(12)</u>	<u>(25)</u>
		<u>34,842</u>	<u>20,523</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
	9		
Basic		<u>4.2 HK cents</u>	<u>2.5 HK cents</u>
Diluted		<u>N/A</u>	<u>N/A</u>

Details of the dividends for the year are disclosed in note 8 in this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2010

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>34,842</u>	<u>20,523</u>
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	<u>2,590</u>	<u>6,088</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>37,432</u>	<u>26,611</u>
Attributable to:		
Equity holders of the Company	37,444	26,636
Minority interests	<u>(12)</u>	<u>(25)</u>
	<u>37,432</u>	<u>26,611</u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2010

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		144,105	167,757
Goodwill		36,420	38,164
Club debenture		705	705
Intangible assets		46,614	45,302
Interests in associates		6,154	9,610
Interest in a jointly-controlled entity		–	3,143
Deferred tax asset		500	700
		<hr/>	<hr/>
Total non-current assets		234,498	265,381
CURRENT ASSETS			
Inventories		468,528	412,608
Trade receivables	<i>10</i>	382,566	355,978
Prepayments, deposits and other receivables		41,212	40,259
Tax recoverable		904	1,307
Cash and cash equivalents		614,407	569,292
		<hr/>	<hr/>
Total current assets		1,507,617	1,379,444
CURRENT LIABILITIES			
Trade and bills payables	<i>11</i>	448,190	328,157
Other payables and accrued liabilities		135,081	99,775
Interest-bearing bank and other borrowings		159,111	232,563
Amounts due to associates		1,555	2,073
Amount due to a jointly-controlled entity		–	1,639
Amounts due to minority shareholders		160	160
Tax payable		8,657	9,429
		<hr/>	<hr/>
Total current liabilities		752,754	673,796
NET CURRENT ASSETS			
		754,863	705,648
TOTAL ASSETS LESS CURRENT LIABILITIES			
		989,361	971,029

CONSOLIDATED BALANCE SHEET *(Continued)*
As at 31 March 2010

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	18,672	28,082
Deferred tax liabilities	7,629	9,129
	<hr/>	<hr/>
Total non-current liabilities	26,301	37,211
	<hr/>	<hr/>
Net assets	963,060	933,818
	<hr/>	<hr/>
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	83,000	83,000
Reserves	879,206	849,952
	<hr/>	<hr/>
	962,206	932,952
	<hr/>	<hr/>
Minority interests	854	866
	<hr/>	<hr/>
Total equity	963,060	933,818
	<hr/>	<hr/>

NOTES TO 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 office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 17/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

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

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2010. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

Changes in accounting policy and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised HKFRSs has had no significant effect on these financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 <i>Revenue – Determining whether an entity is acting as a principal or as an agent</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers</i>
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which are effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised) and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

(b) *HKFRS 8 Operating Segments*

HKFRS 8, which replaces HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in note 3 to the financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the building and home controls segment engages in the research and development, design, manufacture, trading and distribution of building and home control products;
- (b) the appliance controls segment engages in the research and development, design, manufacture, trading and distribution of appliance control products; and
- (c) the commercial and industrial controls segment engages in the research and development, design, manufacture, trading and distribution of commercial and industrial control products.

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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and gain, finance costs, share of profits/(losses) of associates, share of loss of a jointly-controlled entity as well as corporate and unallocated expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, club debenture, cash and cash equivalents and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>977,590</u>	<u>1,101,175</u>	<u>935,064</u>	<u>917,891</u>	<u>279,330</u>	<u>376,739</u>	<u>2,191,984</u>	<u>2,395,805</u>
Segment results	<u>20,953</u>	<u>13,380</u>	<u>31,170</u>	<u>18,677</u>	<u>32,813</u>	<u>31,159</u>	<u>84,936</u>	<u>63,216</u>
Bank interest income							1,186	4,597
Other income and gain (excluding bank interest income)							11,141	21,372
Corporate and other unallocated expenses							(50,517)	(57,350)
Finance costs							(3,284)	(8,240)
Share of profits/(losses) of associates	(1,256)	1,575	-	-	-	-	(1,256)	1,575
Share of loss of a jointly-controlled entity	(240)	(732)	-	-	-	-	(240)	(732)
Profit before tax							41,966	24,438
Tax							(7,124)	(3,915)
Profit for the year							<u>34,842</u>	<u>20,523</u>
Assets and liabilities								
Segment assets	350,930	337,412	413,103	300,000	58,493	74,423	822,526	711,835
Interests in associates	6,154	9,610	-	-	-	-	6,154	9,610
Interest in a jointly-controlled entity	-	3,143	-	-	-	-	-	3,143
Corporate and other unallocated assets							913,435	920,237
Total assets							<u>1,742,115</u>	<u>1,644,825</u>
Segment liabilities	20,349	21,579	22,209	15,133	689	662	43,247	37,374
Corporate and other unallocated liabilities							735,808	673,633
Total liabilities							<u>779,055</u>	<u>711,007</u>
Other segment information:								
Capital expenditure							52,405	60,850
Depreciation							39,905	43,620
Amortisation of deferred expenditure	25,253	14,116	6,094	4,686	3,138	3,072	34,485	21,874
Impairment of trade receivables	1,132	748	-	3,175	-	1,042	1,132	4,965
Impairment of interests in an associate	2,070	1,513	-	-	-	-	2,070	1,513
Impairment of goodwill	1,744	-	-	-	-	-	1,744	-
Provision against inventories	6,447	6,067	2,964	4,681	907	1,731	10,318	12,479

Geographical information

(a) Revenue from external customers

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
The America	1,030,651	1,082,001
Europe	889,327	896,225
Asia	257,905	402,625
Other regions	14,101	14,954
	<u>2,191,984</u>	<u>2,395,805</u>

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
The America	7,429	2,965
Europe	2,295	1,596
Asia	223,569	259,415
	<u>233,293</u>	<u>263,976</u>

The non-current assets information above is based on the location of assets and excludes club debenture and deferred tax assets.

4. REVENUE AND OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of other income and gain of the Group is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Bank interest income	1,186	4,597
Engineering fee income	6,907	17,309
Handling and testing fee income	1,182	1,019
Sale of materials	848	481
Sundry income	2,204	2,563
	<u>12,327</u>	<u>25,969</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Interest on:		
Bank loans and overdrafts wholly repayable within five years	3,221	8,069
Finance leases	63	171
	<u>3,284</u>	<u>8,240</u>

6. PROFIT BEFORE TAX

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

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Depreciation	39,905	43,620
Research and development costs:		
Amortisation of deferred expenditure [^]	34,485	21,874
Current year expenditure	16,032	15,156
	<u>50,517</u>	<u>37,030</u>
Loss on disposal of items of property, plant and equipment	838	233
Foreign exchange differences, net [#]	(2,034)	14,854
Impairment of interests in an associate [#]	2,070	1,513
Impairment of goodwill [#]	1,744	–

[^] The amortisation of deferred expenditure for the year is included in "Administrative expenses" on the face of the consolidated income statement.

[#] Included in "Other operating expenses, net" on the face of the consolidated income statement.

At 31 March 2010, the Group had no forfeited contribution available to reduce its contributions to the pension schemes in future years (2009: Nil).

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Under the Corporate Income Tax Law (the "New CIT Tax Law") of the People's Republic of China, which became effective from 1 January 2008, enterprises are subject to corporate income tax at a rate of 25%. Under the New CIT Tax Law, for those enterprises benefiting from lower preferential tax rates, such preferential rates will be gradually phased out by increasing them over five years.

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	5,717	4,371
Under/(over) provision in prior years	(592)	126
Current – Mainland China and other regions	3,299	620
Deferred	(1,300)	(1,202)
	<hr/>	<hr/>
Total tax charge for the year	7,124	3,915
	<hr/>	<hr/>

8. DIVIDENDS

Dividends paid during the year

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Final in respect of the financial year ended 31 March 2009 – HK\$0.01 per ordinary share (2009: final dividend of HK\$0.028 per ordinary share, in respect of the financial year ended 31 March 2008)	8,300	23,240
	<hr/>	<hr/>

Proposed final dividends

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Final – HK\$0.018 (2009: HK\$0.01) per ordinary share	14,940	8,300
	<hr/>	<hr/>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK\$34,854,000 (2009: HK\$20,548,000) and the weighted average of 830,000,000 ordinary shares in issue (2009: 830,000,000 ordinary shares) during the year.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 March 2010 and 2009 in respect of a dilution as the exercise price of the share options of the Company outstanding during the two years is higher than the average market price of the Company's ordinary shares and, accordingly, they have no dilutive effect on the basic earnings per ordinary share.

10. TRADE RECEIVABLES

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Trade receivables	389,804	362,084
Impairment	(7,238)	(6,106)
	<u>382,566</u>	<u>355,978</u>

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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at end of the reporting period, based on the payment due date and net of provisions, is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Within 1 month	353,712	328,670
1 to 2 months	23,302	12,662
2 to 3 months	2,283	5,487
Over 3 months	3,269	9,159
	<u>382,566</u>	<u>355,978</u>

11. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Within 1 month	431,131	310,164
1 to 2 months	6,823	10,998
2 to 3 months	1,964	1,220
Over 3 months	8,272	5,775
	<u>448,190</u>	<u>328,157</u>

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

FINAL DIVIDEND

The Board has resolved to recommend to the shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting of the Company to be held on Monday, 6 September 2010 (the “2010 AGM”) a final dividend of 1.80 HK cents per share for the Year to be paid on or about Thursday, 14 October 2010 to those Shareholders whose names appear on the register of members of the Company on Monday, 6 September 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 2 September 2010 to Monday, 6 September 2010, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend for the Year and for attending and voting at the 2010 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates 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 Wednesday, 1 September 2010.

ANNUAL GENERAL MEETING

It is proposed that the 2010 AGM will be held on Monday, 6 September 2010. Notice of the 2010 AGM will be sent to the Shareholders in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Results

The Group’s turnover for the Year amounted to HK\$2,191,984,000, a decrease of approximately 8.5% over the previous year. The consolidated net profit attributable to equity holders of the Company was HK\$34,854,000 for the Year compared to HK\$20,548,000 for the year ended 31 March 2009. Basic earnings per share for the Year amounted to 4.2 HK cents, compared to 2.5 HK cents in last year.

Financial Highlights

Turnover

Turnover of the Group amounted to HK\$2,191,984,000 for the Year, representing a decrease of approximately of 8.5% from last year. The decrease was mainly due to the weak macro-economic environment with lower demands leading to decreases in customer orders, project delays and cancellations. Sales to America and Asian markets decreased by approximately 4.7% and 35.9% during the Year respectively whereas sales to the European market decreased slightly by 0.8% due to the effect of the weakening European market partially offset by the increase in sales of controllers to certain European appliance customers who began to restock in the second half of the Year following severe draw down of inventory previously.

Profitability and Margin

Although turnover decreased by 8.5% during the Year, consolidated net profit attributable to equity holders of the Company increased from HK\$20,548,000 for the year ended 31 March 2009 to HK\$34,854,000 for the Year, representing an increase of 69.6%. The improvement was mainly due to the opportunity to negotiate better commodity and material price, less pressure on labour cost and manufacturing overhead during economic downturn and the Group's continuous efforts in enlarging its customer base. Total operating expenses decreased by 7.4% to HK\$241,618,000 for the Year as compared with that in previous year. The operating expense decrease was generally in line with the decrease in turnover and was brought on by the Group's effective cost control measures together with a favourable foreign currency movement during the Year.

Business Review

Building and Home Controls Business

Sales of building and home controls business amounted to HK\$977,590,000 during the Year which accounted for approximately 44.6% of the Group's turnover. The decrease in sales of this business segment approximating 11.2% during the Year was mainly due to the weak global housing market resulting in decreased demand of customer products. Segment results for the Year, however, increased with operating profit margin improving from approximately 1.2% last year to approximately 2.1%. The improvement was a result of the Group's continuous efforts toward raw material cost reduction, labour and overhead control.

Appliance Controls Business

Despite the generally weak economy, appliance control business sales grew by approximately 1.9% to HK\$935,064,000 during the Year, representing approximately 42.7% of the Group's turnover. This increase was mainly due to the increase in sales of controllers to certain of appliance customers in both the Americas and European markets as these customers began to restock in the second half of the Year following severe draw downs of inventory previously. In addition, the Group achieved improvement in this business segment's margin from 2.0% last year to 3.3% resulting from continuous efforts in negotiating raw material price reductions, phasing out low profit margin products and enhancing factory productivity and overhead control.

Commercial and Industrial Controls Business

Commercial and industrial controls business segment sales was HK\$279,330,000, representing a decline of approximately 25.9% compared to last year and approximately 12.7% of the Group's turnover for the Year. The decrease was mainly attributable to overstock by certain customers in previous years and reduction in outsourcing by certain customers during economic downturn. Nevertheless, the Group also achieved improvement in the overall profitability of this business segment as segment margin increased from approximately 8.3% last year to approximately 11.7% for the Year. The improvement was mainly attributable to the Group's continuous efforts in negotiating raw material price reduction as well as enhancing factory productivity and operating efficiency.

Outlook

Although leading indicators in the U.S. are providing positive news and showing signs of improvement, there are still many factors which may slow the recovery process in the U.S. market. The recent Euro-zone debt crisis may lead to further volatility in currencies, unstable consumer confidence levels and high unemployment rates. Consequently, it is expected the global economy will remain volatile and uncertain in the coming financial year and the operating environment for manufacturing sectors remain challenging. In particular, global material shortages due to capacity cutting by major suppliers in previous years induce material price rising pressure and the extension of delivery lead time. Additionally, general inflation in Mainland China with increasing costs of labour, appreciation of Renminbi (“RMB”), and keen competition in electronic manufacturing service industry business will also be major challenges in the coming year.

In the coming year, the Group will enhance its product offerings leveraging the commercialization of its sophisticated technology platforms developed. We will also improve operating efficiency and productivity, focus on high margin orders and execute effective cost control measures. The Group strives to expand into the growing domestic market in Mainland China and considers this to be one of the major opportunities to drive business growth in the coming years.

Liquidity, Financial Resources and Capital Structure

The Group had maintained a sound financial and liquidity position in the Year. As at 31 March 2010, the Group maintained a balance of cash and cash equivalents of HK\$614,407,000, the majority of which were denominated either in US dollars or Hong Kong dollars and HK\$60,784,000 were denominated in RMB. The Group’s current ratio remained strong at 2.0 times.

As at 31 March 2010, total interest-bearing bank and other borrowings were HK\$177,783,000, comprising bank loans and overdrafts of HK\$177,709,000 and finance lease payable of HK\$74,000, of which HK\$159,111,000 will be repayable within one year and HK\$18,672,000 will be repayable after one year. The majority of these borrowings were denominated either in US dollars or Hong Kong dollars and the interest rates applied were primarily subject to floating rate terms.

As at 31 March 2010, total equity attributable to equity holders of the Company amounted to HK\$962,206,000. The Group had a net cash balance of HK\$436,624,000, representing total cash and cash equivalents less total interest-bearing bank and other borrowings, such that no gearing ratio was presented.

Treasury Policies

The majority of the Group's sales and purchases are denominated in US dollars and Hong Kong dollars with Euro zone currencies comprising a lesser extent. Due to the fact that Hong Kong dollar is pegged to US dollar, the Group's exposure to this foreign exchange risk is low. Certain production and operating overhead of the Group's production facilities in Mainland China are denominated in RMB. As at 31 March 2010, the Group does not have any outstanding financial instrument nor enter into any financial instrument for hedging purposes. Nevertheless, the Group will closely monitor its overall foreign exchange exposure and interest rate exposure and will adopt a proactive but prudent approach to minimize the relevant exposures when necessary.

Capital Expenditure and Commitments

During the Year, the Group incurred total capital expenditures of approximately HK\$52,405,000 for the additions to property, plant and equipment as well as to deferred expenditure on projects to develop new products.

As at 31 March 2010, the Group had contracted but not provided for capital commitments, mainly for the acquisition of property, plant and equipment, of HK\$2,184,000.

Contingent Liabilities

A subsidiary of the Company is involved in a dispute with a third party, who is alleging that the subsidiary has infringed patent and is seeking for value in dispute of EURO750,000 (equivalent to approximately HK\$7,875,000). The decision of the relevant district court dated 22 December 2009 was favorable to the subsidiary and the third party has appealed the decision to the relevant higher regional court. Taking into consideration of the advice from the Group's lawyer, the Directors consider the subsidiary has valid defences against the claim and therefore no provision was made as at 31 March 2010. In addition, the subsidiary has initiated legal action against the validity of the patent held by that third party ("Nullity Action") in October 2009 and the Directors consider that it is premature to estimate the outcome of the Nullity Action.

Event After the Reporting Period

Subsequent to the end of the reporting period, the Group received a product liability claim from a third party without stating the amount of claim, which the Group has already reported the case to its insurance company to ensure the claim is being protected by the insurance plan. Up to the date of this announcement, the Group is still gathering relevant information of the claim as well as seeking legal opinion in respect of the possible outcome of the claim, and the Directors are in the opinion that it is impracticable to estimate the amount involved and premature to conclude the possible outcome of the claim up to the date of this announcement.

Charges on Assets

As at 31 March 2010, no bank deposit or other assets had been pledged to secure the Group's banking facilities.

Employee Information

As at 31 March 2010, the Group had a total of approximately 4,200 full-time employees. Total staff costs for the year ended 31 March 2010 amounted to HK\$208,362,000. 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 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. Up to the date of this announcement, 10,406,000 share options remained outstanding under such share option scheme.

Use of Net 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 of Hong Kong Limited (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 prospectus of the Company dated 25 September 2006. As at 31 March 2010, approximately HK\$106,250,000 were utilised for strategic business combination and acquisitions, approximately HK\$20,950,000 for the expansion of distribution network, approximately HK\$44,176,000 for the repayment of bank borrowings and approximately HK\$44,176,000 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.

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 Year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices with a view to enhancing the management efficiency of the Company as well as preserving the interests of the Shareholders as a whole. In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the period from 1 April 2009 to the date of this announcement, except for the deviation from the code provision A.2.1 of the CG Code during the period from 1 November 2009 to 29 April 2010 as explained below.

The code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Due to the resignation of Mr. Auyang Pak Hong, Bernard as an executive director and the Chief Executive Officer of the Company on 1 November 2009, Mr. Auyang Ho, the Chairman of the Board, was appointed as Acting Chief Executive Officer of the Company for a transitional period with a view to identifying a suitable candidate to take up the role of Chief Executive Officer. Subsequently on 30 April 2010, the Company appointed Dr. Owyang King as an executive director and the Chief Executive Officer of the Company and by then, the Company has duly complied with the said code provision A.2.1.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the Year, which will be sent to the Shareholders in due course.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises the 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 the financial statements of the Company for the Year and discussed with management and the auditors of the Company the accounting principles and practices adopted by the Group and internal control and financial reporting matters.

PUBLICATION OF FURTHER INFORMATION

The annual report of the Company for the Year, containing the information required by the Listing Rules, will be despatched to the Shareholders 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 Year.

By Order of the Board
Auyang Ho
Chairman

Hong Kong, 12 July 2010

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*)

Ms. Choi Po Yee, Alice

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. Steven Julien Feniger

* *For identification purposes only*