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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 2014

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 2014 (the “**Year**”) together with the comparative figures for the year ended 31 March 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2014

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
REVENUE	3, 4	2,814,290	2,526,587
Cost of sales		<u>(2,477,411)</u>	<u>(2,268,617)</u>
Gross profit		336,879	257,970
Other income	4	15,640	14,339
Selling and distribution expenses		(68,842)	(62,825)
Administrative expenses		(179,088)	(170,797)
Other operating income/(expenses), net	5	(55,659)	1,905
Finance costs	6	(7,606)	(6,419)
Share of profits and losses of associates		<u>1,574</u>	<u>(338)</u>
PROFIT BEFORE TAX	7	42,898	33,835
Income tax expense	8	<u>(9,036)</u>	<u>(2,736)</u>
PROFIT FOR THE YEAR		<u>33,862</u>	<u>31,099</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
Year ended 31 March 2014

	<i>Note</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
ATTRIBUTABLE TO:			
Owners of the Company		33,874	31,111
Non-controlling interests		<u>(12)</u>	<u>(12)</u>
		<u>33,862</u>	<u>31,099</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	<i>10</i>		
Basic		<u>4.1 HK cents</u>	<u>3.7 HK cents</u>
Diluted		<u>4.1 HK cents</u>	<u>3.7 HK cents</u>

Details of the dividends are disclosed in note 9 in this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>33,862</u>	<u>31,099</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations:		
Subsidiaries	(677)	2,123
Associates	<u>–</u>	<u>(73)</u>
	<u>(677)</u>	<u>2,050</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>33,185</u>	<u>33,149</u>
Attributable to:		
Owners of the Company	33,197	33,161
Non-controlling interests	<u>(12)</u>	<u>(12)</u>
	<u>33,185</u>	<u>33,149</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		109,719	111,962
Goodwill		36,420	36,420
Club debenture		705	705
Intangible assets		47,681	48,918
Interests in associates		2,717	1,811
Available-for-sale investment		7,750	7,750
Prepayments and deposits		7,213	2,577
		<hr/>	<hr/>
Total non-current assets		212,205	210,143
CURRENT ASSETS			
Inventories		614,687	614,368
Trade receivables	11	560,681	556,677
Prepayments, deposits and other receivables		48,094	31,712
Tax recoverable		2,281	3,043
Cash and cash equivalents		590,907	516,063
		<hr/>	<hr/>
Total current assets		1,816,650	1,721,863
CURRENT LIABILITIES			
Trade and bills payables	12	525,291	426,248
Other payables and accrued liabilities		92,001	134,188
Interest-bearing bank borrowings		320,618	304,864
Amount due to an associate		4	4
Amounts due to non-controlling shareholders		160	160
Tax payable		5,570	1,221
		<hr/>	<hr/>
Total current liabilities		943,644	866,685
NET CURRENT ASSETS			
		<hr/>	<hr/>
		873,006	855,178
TOTAL ASSETS LESS CURRENT LIABILITIES			
(to be continued)		<hr/>	<hr/>
		1,085,211	1,065,321

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
As at 31 March 2014

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES <i>(continued)</i>	<u>1,085,211</u>	<u>1,065,321</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>7,565</u>	<u>6,700</u>
Net assets	<u>1,077,646</u>	<u>1,058,621</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	83,000	83,000
Reserves	<u>993,837</u>	<u>974,800</u>
	1,076,837	1,057,800
Non-controlling interests	<u>809</u>	<u>821</u>
Total equity	<u>1,077,646</u>	<u>1,058,621</u>

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 address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 9th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

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

2.1 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 Group for the year ended 31 March 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to the statement of profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

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

The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations) are presented separately from items which will never be reclassified. The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title “statement of profit or loss” as introduced by the amendments.

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, which is engaged in the research and development, design, manufacture, trading and distribution of building and home control products;
- (b) the appliance controls segment, which is engaged in the research and development, design, manufacture, trading and distribution of appliance control products; and
- (c) the commercial and industrial controls segment, which is engaged 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, finance costs, share of profits and losses of associates 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, available-for-sale investment and corporate and other unallocated assets as these assets are managed on a group basis.

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

Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (Continued)

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>777,371</u>	<u>736,789</u>	<u>1,529,603</u>	<u>1,379,621</u>	<u>507,316</u>	<u>410,177</u>	<u>2,814,290</u>	<u>2,526,587</u>
Segment results	<u>75,257</u>	<u>34,876</u>	<u>(29,888)</u>	<u>24,154</u>	<u>25,601</u>	<u>14,585</u>	<u>70,970</u>	<u>73,615</u>
Bank interest income							5,961	6,934
Other income (excluding bank interest income)							9,679	7,405
Corporate and other unallocated expenses							(37,680)	(47,362)
Finance costs							(7,606)	(6,419)
Share of profits and losses of associates	1,574	(338)	-	-	-	-	1,574	(338)
Profit before tax							42,898	33,835
Income tax expense							(9,036)	(2,736)
Profit for the year							<u>33,862</u>	<u>31,099</u>
Assets and liabilities								
Segment assets	453,827	382,379	570,580	587,292	148,671	77,867	1,173,078	1,047,538
Interests in associates	2,717	1,811	-	-	-	-	2,717	1,811
Corporate and other unallocated assets							853,060	882,657
Total assets							<u>2,028,855</u>	<u>1,932,006</u>
Segment liabilities	25,666	18,911	40,994	22,640	2,373	4,114	69,033	45,665
Corporate and other unallocated liabilities							882,176	827,720
Total liabilities							<u>951,209</u>	<u>873,385</u>
Other segment information:								
Capital expenditure*							77,575	77,400
Depreciation							34,645	32,976
Gain on disposal of items of property, plant and equipment, net							(1,282)	(179)
Amortisation of deferred expenditure	32,132	31,930	11,764	9,173	2,149	3,860	46,045	44,963
Impairment of trade receivables	134	1,620	65,904	-	-	-	66,038	1,620
Write-down of inventories to net realisable value	4,696	3,278	3,062	8,738	4,352	1,996	12,110	14,012
Write-back of trade and other payables	-	(5,466)	(6,368)	(867)	-	(2,184)	(6,368)	(8,517)

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
The America	655,142	765,259
Europe	1,427,125	1,246,964
Asia	715,808	503,453
Other regions	16,215	10,911
	<u>2,814,290</u>	<u>2,526,587</u>

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

(b) Non-current assets

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
The America	5,578	4,853
Europe	1,987	1,690
Asia	196,185	195,145
	<u>203,750</u>	<u>201,688</u>

The non-current asset information above is based on the locations of assets and excludes club debenture and available-for-sale investment.

Information about major customers

Approximately 26.4% and 10.2% of the Group's revenue was derived from sales to two major customers, primarily in the appliance controls and building and home controls segments, respectively, for the year ended 31 March 2014.

Approximately 25.3% of the Group's revenue was derived from sales to one major customer, primarily in the appliance controls segment, for the year ended 31 March 2013.

4. REVENUE AND OTHER INCOME

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 of the Group is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Bank interest income	5,961	6,934
Other interest income	214	213
Engineering fee income	1,468	2,182
Handling and testing fee income	1,714	1,103
Sale of materials	4,719	1,404
Sundry income	1,564	2,503
	<u>15,640</u>	<u>14,339</u>

5. OTHER OPERATING INCOME/(EXPENSES), NET

Included in other operating income/(expenses), net, is the impairment of trade receivables of HK\$66,038,000, of which HK\$65,904,000 relates to the trade receivables from Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A. (collectively, the "Fagor Group").

On 13 November 2013, Fagor Electrodomesticos Sociedad Cooperativa, a company incorporated under the laws of Spain, submitted a petition to open formal insolvency proceedings (concurso) before the Commercial Court No. 1 of San Sebastian (Spain). The Court opened the insolvency proceedings on 19 November 2013.

FagorBrandt SAS, a company incorporated under the laws of France, was subject to reorganisation proceedings (redressement judiciaire) before the Commercial Court of Nanterre (France) since 7 November 2013. Subsequent to the end of the reporting period, on 11 April 2014, the Commercial Court of Nanterre (France) converted the reorganisation proceedings into liquidation proceedings. On 15 April 2014, the Commercial Court of Nanterre (France) approved various bids for the assets of Fagorbrandt SAS, including the bid of Cevital. Cevital will acquire most of the assets of Fagorbrandt SAS. Fagorbrandt SAS will enter into the asset purchase agreements with the bidders in the coming months.

On 31 October 2013, Fagor Mastercook S.A., a company incorporated under the laws of Poland, submitted a petition to open formal insolvency proceedings (concurso) before the Commercial Court No. 1 of San Sebastian (Spain). The Court opened the insolvency proceedings on 19 November 2013. On 18 February 2014, the Polish Court in Wroclaw opened the secondary proceedings of Fagor Mastercook S.A. These proceedings under the EC Regulation 1346/2000 are liquidation proceedings.

Since the Fagor Group has undertaken insolvency and reorganisation proceedings and only a portion of these receivables is expected to be recovered, impairment provision of HK\$65,904,000 was made against the Group's trade receivables of HK\$80,528,000 due from the Fagor Group at the end of the reporting period. In the opinion of the Company's directors, the impairment provision of HK\$65,904,000 is considered adequate as at 31 March 2014.

6. FINANCE COSTS

An analysis of finance costs of the Group is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interest on:		
Bank loans wholly repayable within five years	<u>7,606</u>	<u>6,419</u>

7. PROFIT BEFORE TAX

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Cost of inventories sold*	2,465,301	2,254,605
Depreciation	34,645	32,976
Research and development costs:		
Amortisation of deferred expenditure [^]	46,045	44,963
Current year expenditure	6,890	19,628
	<u>52,935</u>	<u>64,591</u>
Foreign exchange differences, net [#]	(9,509)	(1,148)
Gain on disposal of items of property, plant and equipment, net [#]	(1,282)	(179)
Impairment of trade receivables [#]	66,038	1,620
Write-down of inventories to net realisable value**	12,110	14,012
Write-back of trade and other payables***	(6,368)	(8,517)
Overprovision for share of liquidation costs on an associate [#]	–	(2,172)
	<u> </u>	<u> </u>

* Employee benefit expense of HK\$205,813,000 (2013: HK\$188,480,000) is included in “Cost of inventories sold” above.

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

*** Write-back of trade and other payables is included in “Selling and distribution expenses” on the face of the consolidated statement of profit or loss.

[^] The amortisation of deferred expenditure for the year is included in “Administrative expenses” on the face of the consolidated statement of profit or loss.

[#] These items are included in “Other operating income/(expenses), net” on the face of the consolidated statement of profit or loss.

At 31 March 2014, the Group had no forfeited contribution available to reduce its contributions to the pension schemes in future years (2013: Nil).

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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 entities operate.

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	1,433	4,562
Underprovision/(overprovision) in prior years	59	(3,443)
Current – Mainland China and other countries		
Charge for the year	6,273	2,227
Underprovision in prior years	406	–
Deferred	865	(610)
	<u>9,036</u>	<u>2,736</u>
Total tax charge for the year	<u>9,036</u>	<u>2,736</u>

9. DIVIDENDS

Dividend paid during the year

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Final dividend in respect of the financial year ended 31 March 2013 – HK\$0.018 per ordinary share (2013: final dividend of HK\$0.018 per ordinary share, in respect of the financial year ended 31 March 2012)	<u>14,940</u>	<u>14,940</u>

Proposed final dividend

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Final – HK\$0.020 (2013: HK\$0.018) per ordinary share	<u>16,600</u>	<u>14,940</u>

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$33,874,000 (2013: HK\$31,111,000) and 830,000,000 ordinary shares in issue (2013: 830,000,000 ordinary shares) during the year.

For the year ended 31 March 2014, the calculation of diluted earnings per share is based on the profit for the year attributable to equity holders of the Company of HK\$33,874,000 and 831,126,184 ordinary shares, being the weighted average number of ordinary shares in issue during the year, adjusted for the effects of the potentially dilutive ordinary shares outstanding during the year.

A reconciliation of the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

	2014
Weighted average number of ordinary shares used in calculating the basic earnings per share	830,000,000
Weighted average number of ordinary shares assumed to have been issued at nil consideration on deemed exercise of all dilutive options in issue during the year	<u>1,126,184</u>
Weighted average number of ordinary shares used in calculating the diluted earnings per share	<u>831,126,184</u>

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2013 in respect of a dilution as the exercise price of the share options of the Company outstanding as at 31 March 2013 was higher than the average market price of the Company's ordinary shares for the year and, accordingly, the share options in issue during the year ended 31 March 2013 have no dilutive effect on the basic earnings per ordinary share.

11. TRADE RECEIVABLES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Trade receivables	641,354	571,312
Impairment	<u>(80,673)</u>	<u>(14,635)</u>
	<u>560,681</u>	<u>556,677</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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Within 1 month	491,127	511,396
1 to 2 months	23,210	21,750
2 to 3 months	14,025	8,106
Over 3 months	<u>32,319</u>	<u>15,425</u>
	<u>560,681</u>	<u>556,677</u>

12. 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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Within 1 month	484,359	391,784
1 to 2 months	17,101	12,325
2 to 3 months	1,660	1,983
Over 3 months	<u>22,171</u>	<u>20,156</u>
	<u>525,291</u>	<u>426,248</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 Thursday, 18 September 2014 (the “2014 AGM”) a final dividend of 2 HK cents per share for the Year (the “Proposed Final Dividend”) to be paid on Thursday, 9 October 2014 to those Shareholders whose names appear on the register of members of the Company on Tuesday, 30 September 2014.

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the 2014 AGM

The 2014 AGM is scheduled to be held on Thursday, 18 September 2014. For determining the entitlement to attend and vote at the 2014 AGM, the register of members of the Company will be closed from Tuesday, 16 September 2014 to Thursday, 18 September 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2014 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 Monday, 15 September 2014.

(b) Entitlement to the Proposed Final Dividend

The Proposed Final Dividend is subject to the approval of the Shareholders at the 2014 AGM. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Friday, 26 September 2014 to Tuesday, 30 September 2014, 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, 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 Thursday, 25 September 2014.

ANNUAL GENERAL MEETING

It is proposed that the 2014 AGM will be held on Thursday, 18 September 2014. Notice of the 2014 AGM will be sent to the Shareholders in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Results

The Group reached a new turnover record during the Year. For the twelve months ended 31 March 2014, net sales were HK\$2,814,290,000, an increase of 11.4%, compared to HK\$2,526,587,000 in the same period of 2013. The consolidated net profit attributable to owners of the Company was HK\$33,874,000 for the Year, increasing by 8.9% compared to HK\$31,111,000 for the year ended 31 March 2013. Basic earnings per share for the Year amounted to 4.1 HK cents, compared to 3.7 HK cents last year.

Business Review and Financial Highlights

Turnover

For the twelve months ended 31 March 2014, net sales were HK\$2,814,290,000, an increase of 11.4% compared to HK\$2,526,587,000 in the same period of 2013. The increase in turnover achieved a historical sales record for the Group and was primarily due to the Commercial and Industrial Controls business (“CIC”) momentum in the Asian market. Furthermore, the Group kept generic growth in its Appliance Controls business (“APC”) due to continued improvement in European market.

Profitability and Margin

Gross profit for the twelve months ended 31 March 2014 was HK\$336,879,000, an increase of 30.6%, compared to HK\$257,970,000 in the same period of last year. Gross profit margin for the twelve months ended 31 March 2014 was 12.0%, an increase of 1.8 percentage points, compared to 10.2% for the same period of last year. The Company improved its turnover and net income mainly through increased Control Systems business sales as well as the Branded business “SALUS” revenue which grew 43% on new products with higher profit margins. The Company also tightened cost control through streamlining the organisational structure, reducing headcount, and success in material cost reduction and labour efficiency.

As a result of the increase in turnover and gross profit margin, consolidated net profit attributable to owners of the Company increased by 8.9% to HK\$33,874,000 as compared with HK\$31,111,000 in last year, despite the impairment of trade receivables of HK\$65,904,000 from the Fagor Group during the Year. The Group recorded other income of HK\$15,640,000 for the Year, compared with HK\$14,339,000 in last year mainly due to the increased income from the sale of unused materials.

Included in other operating income/(expenses), net, is the impairment of trade receivables of HK\$66,038,000, of which HK\$65,904,000 relates to the trade receivables from the Fagor Group, comprising Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A.

On 13 November 2013, Fagor Electrodomesticos Sociedad Cooperativa, a company incorporated under the laws of Spain, submitted a petition to open formal insolvency proceedings (concurso) before the Commercial Court No. 1 of San Sebastian (Spain). The Court opened the insolvency proceedings on 19 November 2013.

FagorBrandt SAS, a company incorporated under the laws of France, was subject to reorganisation proceedings (redressement judiciaire) before the Commercial Court of Nanterre (France) since 7 November 2013. Subsequent to the end of the reporting period, on 11 April 2014, the Commercial Court of Nanterre (France) converted the reorganisation proceedings into liquidation proceedings. On 15 April 2014, the Commercial Court of Nanterre (France) approved various bids for the assets of Fagorbrandt SAS, including the bid of Cevital. Cevital will acquire most of the assets of Fagorbrandt SAS. Fagorbrandt SAS will enter into the asset purchase agreements with the bidders in the coming months.

On 31 October 2013, Fagor Mastercook S.A., a company incorporated under the laws of Poland, submitted a petition to open formal insolvency proceedings (concurso) before the Commercial Court No. 1 of San Sebastian (Spain). The Court opened the insolvency proceedings on 19 November 2013. On 18 February 2014, the Polish Court in Wroclaw opened the secondary proceedings of Fagor Mastercook S.A. These proceedings under the EC Regulation 1346/2000 are liquidation proceedings.

After the impairment of HK\$65,904,000, the Group's net trade receivables from the Fagor Group amounted to a net carrying amount of HK\$14,624,000.

Segment margin decreased to 2.5% for the Year, compared to 2.9% in last year, which was mainly due to the impairment of trade receivables of HK\$65,904,000 in Appliance Controls business. Excluding the impairment of trade receivable, the segment margin of the Group was 4.9% and the segment margin for Appliance Controls business was 2.4% for the Year compared to 1.8% in the prior year. The significant increase in segment margin of Building and Home Controls business was due to the increase in branded SALUS business with growth of 43% on new products sales. The Group also recorded improvement in segment margin for Commercial and Industrial Controls business, which was due to the increase of new customers with higher margin orders and a phase out of relatively low margin orders.

Outlook

Fiscal 2014 was a challenging year with lingering headwinds against a gradual return to strong growth in energy-saving control solutions. The Group will continue its strategy to enlarge its worldwide customer base, targeting higher profit margin markets, further expanding into European and Asian markets in order to sustain growth momentum in the controls and smart home business.

The Group will continue to place significant emphasis on strengthening its research and development capabilities, specifically on wireless technologies and branded business that are both consistently gaining market acceptance in the overall control business.

Although the operating environment for manufacturing in Mainland China remains challenging with increases in wages, inflation and appreciation of Renminbi (“**RMB**”), the Group anticipates continued improvement in demand from key customers. Gradual improvement in the rate of growth in new business worldwide and particularly signs of a strengthening US market are also promising.

The Group will continue its tight cost controls and improvements in operating efficiency and productivity to bring more to the bottom line as the worldwide recovery move to full throttle. The Group will also continue its efforts to achieve product mix optimisation, as it proceeds with the rollout of higher margin smart energy and wireless innovations to solidify its expansion into attractive new customers markets to drive its business growth.

Due to the high level of competition in the market for control and smart home business, the Company’s management expects its customer orders will continue to fluctuate and its gross profit will also be under sustain pressure in the coming year. The Company may also continue to face certain risks including the appreciation of RMB, inflation in China, labour shortage, materials shortage, customers and suppliers’ difficulty in meeting contractual obligations. These risks and others could affect the Group’s sales, profit margin and investments.

Liquidity, Financial Resources and Capital Structure

The Group continued to maintain a sound financial and liquidity position in the Year. As at 31 March 2014, the Group maintained a balance of cash and cash equivalents of HK\$590,907,000, which were mainly denominated either in United States dollars (“**US dollars**”) or Hong Kong dollars, and HK\$238,476,000 were denominated in RMB. Overall, the Group maintained a robust current ratio of 1.93 times.

As at 31 March 2014, total interest-bearing bank borrowings were HK\$320,618,000, comprised primarily of bank loans repayable within one year. The majority of these borrowings were denominated either in US dollars, Hong Kong dollars or Euro zone currencies and the interest rates applied were primarily subject to floating rate terms.

As at 31 March 2014, total equity attributable to owners of the Company amounted to HK\$1,076,837,000. The Group had a net cash balance of HK\$270,289,000, representing total cash and cash equivalents less total interest-bearing bank borrowings such that no gearing ratio applies.

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 the Hong Kong dollar is pegged to the US dollar, the Group’s exposure to this foreign exchange risk is relatively low. Certain production and operating overheads of the Group’s production facilities in Mainland China are denominated in RMB. As at 31 March 2014, the Group did not have any outstanding financial instruments entered into 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 minimise the relevant exposures when necessary.

Capital Expenditure and Commitments

During the Year, the Group incurred total capital expenditure of approximately HK\$77,575,000 for additions to property, plant and equipment as well as for deferred expenditures associated with the development of new products.

As at 31 March 2014, the Group had capital commitments contracted but not provided for the amount of HK\$3,894,000, mainly for the acquisition of property, plant and equipment.

Charges on Assets

As at 31 March 2014, no bank deposits and other assets have been pledged to secure the Group's banking facilities.

Contingent Liabilities

As at 31 March 2014, the Group did not have any significant contingent liabilities.

Employee Information

As at 31 March 2014, the Group had a total of approximately 4,000 full-time employees. Total staff costs for the Year amounted to HK\$289,174,000. 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, 21,026,000 share options remained outstanding under the share option scheme.

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 Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Year, except for the deviation from code provision A.6.7 of the CG Code as an independent non-executive director of the Company was unable to attend the annual general meeting of the Company held on 18 September 2013 due to other commitment.

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. Cheung Ching Leung, David, and two non-executive directors of the Company, namely, Mr. Kam Chi Chiu, Anthony and Mr. Arvind Amratlal Patel, has reviewed the consolidated financial statements of the Group for the Year and discussed with the management and the auditors of the Company on 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 of Hong Kong Limited (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, 26 June 2014

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

Executive directors

Mr. Auyang Ho (*Chairman*)

Dr. Owyang King (*Chief Executive Officer*)

Mr. Au Hing Lun, Dennis (*Deputy Chief Executive Officer*)

Non-executive directors

Mr. Kam Chi Chiu, Anthony

Mr. Arvind Amratlal Patel

Mr. Wong Chun Kong

Independent non-executive directors

Mr. Luk Koon Hoo

Mr. Patrick Thomas Siewert

Mr. Cheung Ching Leung, David

* *For identification purposes only*