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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 2015

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 2015 (the “**Year**”) together with the comparative figures for the year ended 31 March 2014, as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 March 2015*

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>REVENUE</b>	3, 4	<b>3,164,321</b>	2,814,290
Cost of sales		<u>(2,799,678)</u>	<u>(2,477,411)</u>
Gross profit		<b>364,643</b>	336,879
Other income	4	<b>15,018</b>	15,640
Selling and distribution expenses		<b>(76,471)</b>	(68,842)
Administrative expenses		<b>(180,930)</b>	(179,088)
Other operating expenses, net		<b>(13,771)</b>	(55,659)
Finance costs	5	<b>(7,200)</b>	(7,606)
Share of profits of associates		<b>1,893</b>	1,574
<b>PROFIT BEFORE TAX</b>	6	<b>103,182</b>	42,898
Income tax expense	7	<b>(26,878)</b>	(9,036)
<b>PROFIT FOR THE YEAR</b>		<b><u>76,304</u></b>	<u>33,862</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)*  
*Year ended 31 March 2015*

	<i>Note</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>76,307</b>	33,874
Non-controlling interests		<b>(3)</b>	(12)
		<u><b>76,304</b></u>	<u>33,862</u>
 <b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
	9		
Basic		<u><b>9.2 HK cents</b></u>	<u>4.1 HK cents</u>
Diluted		<u><b>9.1 HK cents</b></u>	<u>4.1 HK cents</u>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b><u>76,304</u></b>	<b><u>33,862</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	8,502	–
Reclassification adjustments for gains included in the consolidated statement of profit or loss	<u>(5,411)</u>	<u>–</u>
	3,091	–
Exchange differences on translation of foreign operations	<u>(15,623)</u>	<u>(677)</u>
<b>OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX</b>	<b><u>(12,532)</u></b>	<b><u>(677)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>63,772</u></b>	<b><u>33,185</u></b>
Attributable to:		
Owners of the Company	63,775	33,197
Non-controlling interests	<u>(3)</u>	<u>(12)</u>
	<b><u>63,772</u></b>	<b><u>33,185</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>124,338</b>	109,719
Goodwill		<b>36,420</b>	36,420
Club debenture		<b>705</b>	705
Intangible assets		<b>70,639</b>	47,681
Interests in associates		<b>4,198</b>	2,717
Available-for-sale investment		<b>7,750</b>	7,750
Prepayments and deposits		<b>2,515</b>	7,213
		<hr/>	<hr/>
Total non-current assets		<b>246,565</b>	212,205
<b>CURRENT ASSETS</b>			
Inventories		<b>635,318</b>	614,687
Trade receivables	<i>10</i>	<b>594,093</b>	560,681
Prepayments, deposits and other receivables		<b>39,412</b>	48,094
Tax recoverable		<b>1,052</b>	2,281
Derivative financial instruments		<b>3,253</b>	–
Cash and cash equivalents		<b>639,654</b>	590,907
		<hr/>	<hr/>
Total current assets		<b>1,912,782</b>	1,816,650
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>11</i>	<b>640,117</b>	525,291
Other payables and accrued liabilities		<b>90,620</b>	92,001
Interest-bearing bank borrowings		<b>275,964</b>	320,618
Amount due to an associate		–	4
Amounts due to non-controlling shareholders		<b>160</b>	160
Tax payable		<b>16,143</b>	5,570
		<hr/>	<hr/>
Total current liabilities		<b>1,023,004</b>	943,644
<b>NET CURRENT ASSETS</b>		<hr/> <b>889,778</b>	<hr/> 873,006
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<i>(to be continued)</i>		<hr/> <b>1,136,343</b>	<hr/> 1,085,211

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**(*Continued*)  
*As at 31 March 2015*

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> <i>(continued)</i>	<u><b>1,136,343</b></u>	<u>1,085,211</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<u><b>10,178</b></u>	<u>7,565</u>
Net assets	<u><b>1,126,165</b></u>	<u>1,077,646</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	<b>83,000</b>	83,000
Reserves	<u><b>1,042,359</b></u>	<u>993,837</u>
	<b>1,125,359</b>	1,076,837
<b>Non-controlling interests</b>	<u><b>806</b></u>	<u>809</u>
Total equity	<u><b>1,126,165</b></u>	<u>1,077,646</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, P.O. 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, which because the Company has not early adopted the revised Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, are those of the predecessor Hong Kong Companies Ordinance (Cap. 32). They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“**HK\$**”) 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 2015. 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 Company 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 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 revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	<i>Investment Entities</i>
Amendments to HKAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to HKAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>
Amendment to HKFRS 2 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Definition of Vesting Condition<sup>1</sup></i>
Amendment to HKFRS 3 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Accounting for Contingent Consideration in a Business Combination<sup>1</sup></i>
Amendment to HKFRS 13 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendment to HKFRS 1 included in <i>Annual Improvements 2011-2013 Cycle</i>	<i>Meaning of Effective HKFRSs</i>

<sup>1</sup> Effective from 1 July 2014

The adoption of the above revised standards and interpretation has had no significant financial effect on these 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, 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 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	
	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>								
Sales to external customers	<u>942,243</u>	<u>777,371</u>	<u>1,608,912</u>	<u>1,529,603</u>	<u>613,166</u>	<u>507,316</u>	<u>3,164,321</u>	<u>2,814,290</u>
<b>Segment results</b>	<u>81,836</u>	<u>75,257</u>	<u>39,325</u>	<u>(29,888)</u>	<u>36,577</u>	<u>25,601</u>	<u>157,738</u>	<u>70,970</u>
Bank interest income							6,528	5,961
Other income (excluding bank interest income)							8,490	9,679
Corporate and other unallocated expenses							(64,267)	(37,680)
Finance costs							(7,200)	(7,606)
Share of profits of associates	1,893	1,574	-	-	-	-	1,893	1,574
Profit before tax							103,182	42,898
Income tax expense							(26,878)	(9,036)
Profit for the year							<u>76,304</u>	<u>33,862</u>
<b>Assets and liabilities</b>								
Segment assets	577,970	453,827	533,855	570,580	153,258	148,671	1,265,083	1,173,078
Interests in associates	4,198	2,717	-	-	-	-	4,198	2,717
Corporate and other unallocated assets							890,066	853,060
Total assets							<u>2,159,347</u>	<u>2,028,855</u>
Segment liabilities	14,958	25,666	18,287	40,994	791	2,373	34,036	69,033
Corporate and other unallocated liabilities							999,146	882,176
Total liabilities							<u>1,033,182</u>	<u>951,209</u>
<b>Other segment information:</b>								
Capital expenditure*							108,529	77,575
Depreciation							37,551	34,645
Gain on disposal of items of property, plant and equipment, net							(776)	(1,282)
Amortisation of deferred expenditure	22,696	32,132	6,461	11,764	3,042	2,149	32,199	46,045
Impairment of trade receivables	11,271	134	118	65,904	-	-	11,389	66,038
Write-down of inventories to net realisable value	4,837	4,696	9,792	3,062	3,576	4,352	18,205	12,110
Write-back of trade and other payables	(4,654)	-	(9,421)	(6,368)	(3,442)	-	(17,517)	(6,368)

\* 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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The America	869,699	655,142
Europe	1,509,874	1,427,125
Asia	784,748	715,808
Other regions	–	16,215
	<u>3,164,321</u>	<u>2,814,290</u>

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

(b) Non-current assets

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The America	6,037	5,578
Europe	2,153	1,987
Asia	229,920	196,185
	<u>238,110</u>	<u>203,750</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 27.2% (2014: 26.8%) and 10.1% (2014: 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 2015.

### 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank interest income	6,528	5,961
Other interest income	213	214
Engineering fee income	2,310	1,468
Handling and testing fee income	296	1,714
Sale of materials	5,240	4,719
Sundry income	431	1,564
	<u>15,018</u>	<u>15,640</u>

## 5. FINANCE COSTS

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on:		
Bank loans wholly repayable within five years	<u>7,200</u>	<u>7,606</u>

## 6. PROFIT BEFORE TAX

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of inventories sold*	2,781,473	2,465,301
Depreciation	37,551	34,645
Research and development costs:		
Amortisation of deferred expenditure <sup>^</sup>	32,199	46,045
Current year expenditure	<u>9,435</u>	<u>6,890</u>
	<u>41,634</u>	<u>52,935</u>
Foreign exchange differences, net <sup>#</sup>	3,177	(9,509)
Gain on disposal of items of property, plant and equipment, net <sup>#</sup>	(776)	(1,282)
Impairment of trade receivables <sup>#</sup>	11,389	66,038
Write-down of inventories to net realisable value <sup>**</sup>	18,205	12,110
Write-back of trade and other payables <sup>***</sup>	<u>(17,517)</u>	<u>(6,368)</u>

\* Employee benefit expense of HK\$248,794,000 (2014: HK\$205,813,000) 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 of HK\$11,725,000 (2014: Nil) and HK\$3,237,000 (2014: HK\$6,368,000) are included in "Cost of sales" and "Selling and distribution expenses", respectively, on the face of the consolidated statement of profit or loss.

<sup>^</sup> The amortisation of deferred expenditure for the year is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

<sup>#</sup> These items are included in "Other operating expenses, net" on the face of the consolidated statement of profit or loss.

At 31 March 2015, the Group had no forfeited contribution available to reduce its contributions to the pension schemes in future years (2014: Nil).

Included in other operating expenses, net for the year ended 31 March 2014 was the impairment of trade receivables of HK\$65,904,000 relating to the trade receivables from Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A. (collectively, the "Fagor Group"), details of which are disclosed in note 10 in this announcement.

## 7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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.

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current – Hong Kong:		
Charge for the year	<b>14,433</b>	1,433
Underprovision in prior years	<b>23</b>	59
Current – Mainland China and other countries:		
Charge for the year	<b>9,059</b>	6,273
Underprovision in prior years	<b>750</b>	406
Deferred	<b>2,613</b>	865
	<hr/>	<hr/>
Total tax charge for the year	<b>26,878</b>	9,036
	<hr/>	<hr/>

## 8. DIVIDENDS

### Dividend paid during the year

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Final dividend in respect of the financial year ended 31 March 2014 – HK\$0.020 per ordinary share (2014: final dividend of HK\$0.018 per ordinary share, in respect of the financial year ended 31 March 2013)	<b>16,600</b>	14,940
	<hr/>	<hr/>

### Proposed final dividend

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Final – HK\$0.045 (2014: HK\$0.020) per ordinary share	<b>37,415</b>	16,600
	<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 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\$76,307,000 (2014: HK\$33,874,000) and 830,000,000 ordinary shares in issue (2014: 830,000,000 ordinary shares) during the year.

For the year ended 31 March 2015, the calculation of the diluted earnings per share is based on the profit for the year attributable to equity holders of the Company of HK\$76,307,000 (2014: HK\$33,874,000) and 835,287,000 ordinary shares (2014: 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.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

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

	2015	2014
Weighted average number of ordinary shares used in calculating the basic earnings per share	<b>830,000,000</b>	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	<b>5,287,000</b>	1,126,184
	<b><u>835,287,000</u></b>	<b><u>831,126,184</u></b>

## 10. TRADE RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<b>671,877</b>	641,354
Impairment	<b>(77,784)</b>	(80,673)
	<b><u>594,093</u></b>	<b><u>560,681</u></b>

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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current and due within 1 month	<b>505,258</b>	491,127
1 to 2 months	<b>39,987</b>	23,210
2 to 3 months	<b>13,416</b>	14,025
Over 3 months	<b>35,432</b>	32,319
	<b><u>594,093</u></b>	<b><u>560,681</u></b>

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK\$77,784,000 (2014: HK\$80,673,000) with a carrying amount before provision of HK\$91,448,000 (2014: HK\$97,649,000). The individually impaired trade receivables relate to balances that were in dispute, or in the status of insolvency and reorganisation proceedings as detailed below.

## 10. TRADE RECEIVABLES (Continued)

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. 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. During the year ended 31 March 2015, FagorBrandt SAS has completed the realisation of most of the assets to Cevital in order to raise funds for settlement to its creditors.

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 above entities, collectively, the Fagor Group, have undertaken insolvency and reorganisation proceedings and only a portion of these receivables was expected to be recovered, impairment provision of EUR6,648,000 (2014: EUR6,648,000) (approximately HK\$55,305,000 (2014: approximately HK\$65,904,000)) was made against the Group's trade receivables of EUR8,123,000 (2014: EUR8,123,000) (approximately HK\$67,577,000 (2014: approximately HK\$80,528,000)) due from the Fagor Group as at 31 March 2015.

During the current year and up to the date of these financial statements, the insolvency and the reorganisation proceedings were still in progress. In the opinion of the Company's directors, no further impairment provision was required at the current status of insolvency and reorganisation proceedings. Since the relevant procedures would normally take a few years and there was no deterioration of the credit quality of the remaining exposure, the impairment provision of EUR6,648,000 (approximately HK\$55,305,000) is considered adequate for the trade receivables from the Fagor Group in aggregate of EUR8,123,000 (approximately HK\$67,577,000) as at 31 March 2015.

## 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:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current and due within 1 month	<b>600,451</b>	484,359
1 to 2 months	<b>30,392</b>	17,101
2 to 3 months	<b>3,358</b>	1,660
Over 3 months	<b>5,916</b>	22,171
	<b>640,117</b>	525,291

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 Wednesday, 16 September 2015 (the “**2015 AGM**”) a final dividend of 4.5 HK cents per share for the Year (the “**Proposed Final Dividend**”) to be paid on Thursday, 8 October 2015 to those Shareholders whose names appear on the register of members of the Company on Wednesday, 30 September 2015.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(a) Entitlement to attend and vote at the 2015 AGM**

The 2015 AGM is scheduled to be held on Wednesday, 16 September 2015. For determining the entitlement to attend and vote at the 2015 AGM, the register of members of the Company will be closed from Monday, 14 September 2015 to Wednesday, 16 September 2015, 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 2015 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 Friday, 11 September 2015.

### **(b) Entitlement to the Proposed Final Dividend**

The Proposed Final Dividend is subject to the approval of the Shareholders at the 2015 AGM. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Friday, 25 September 2015 to Wednesday, 30 September 2015, 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, 24 September 2015.

## **ANNUAL GENERAL MEETING**

It is proposed that the 2015 AGM will be held on Wednesday, 16 September 2015. Notice of the 2015 AGM will be sent to the Shareholders in due course.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Summary of Results

The Group attained a new high turnover record during the Year which resulted in revenue growth of 12.4% for 2015 when compared with 2014. The consolidated net profit attributable to owners of the Company was HK\$76,307,000 for the Year, increasing by 125.3% compared to HK\$33,874,000 for the year ended 31 March 2014. Basic earnings per share for the Year amounted to 9.2 HK cents, compared to 4.1 HK cents last year.

### Business Review and Financial Highlights

#### *Turnover*

For the twelve months ended 31 March 2015, net sales were HK\$3,164,321,000, an increase of 12.4% compared to HK\$2,814,290,000 in the same period of 2014. The increase in turnover achieved a historical sales record for the Group and was primarily due to the economic recovery in The Americas in favour of the Building & Home Controls and Commercial and Industrial Controls businesses. Furthermore, the Group maintained revenue growth due to continuous expansion into the Asian market.

#### *Profitability and Margin*

Gross profit for the twelve months ended 31 March 2015 was HK\$364,643,000, an increase of 8.2%, compared to HK\$336,879,000 in the same period of last year. Gross profit margin for the twelve months ended 31 March 2015 was 11.5%, a decrease of 0.5%, compared to 12.0% for the same period of last year. The slight decrease in margin was mainly due to the impact from the product mix increase of lower-margin orders, scheduled price declines and general salary increment in the PRC being not fully offset by the material savings and control of fixed costs. The Group improved its turnover mainly through the continuous growth in the Building & Home Controls and Commercial and Industrial Controls businesses. Meanwhile, the Group managed further cost control through material savings and control of fixed costs. As a result, consolidated net profit attributable to owners of the Company increased by 125.3% to HK\$76,307,000 as compared with HK\$33,874,000 last year.

The Group recorded other income of HK\$15,018,000 for the Year, compared with HK\$15,640,000 in last year. Other income mainly comprised interest income generated from bank deposits.

Segment margin improved to 5.0% for the Year, compared to 2.5% in last year. The significant increase in segment margin was mainly attributable to the impairment of trade receivables of HK\$65,904,000 in Appliance Controls business recorded in last year but nil in current year. The Group also recorded improvement in segment margin of Commercial and Industrial Control business, which was due to the increase in sales by 21% partnered with cost efficiency improvement.

## Outlook

CompuTime demonstrated strong year-over-year sales growth in 2014/15, the Company is on track with solid results in its energy-saving control business and Branded business “SALUS” through profit maximizing strategy. The Company continues to make strategic investment in R&D and Business Development in the Branded business “SALUS”. Through its effort in “Connected Devices” area, the “SALUS” Brand now established an important foothold in commercial, retail and utility markets; all were newly identified business opportunities critical to the next stage of growth of the Branded business. In 2014/15, the Group invested to establish a new Brands Distribution division. In addition to establishing an operating platform, the division has successfully procured the sole distribution rights of three international brands for the China market focusing on air purification, water filtration and baby safety products. In coming year, we will concentrate on launching these brands and thereby developing our sales network in China and further strengthening our operation structure.

The Group will continue to face more challenges in the coming year. The volatile global economy and the European sovereign debt issues will continue to affect the Group’s exporting business and the operating cost increases in our Mainland China factories and appreciation of Renminbi (“RMB”) are expected to continue in the coming year. To cope with the macro-economic trends, the Group will continue to enhance our competitive position by driving product mix optimization, productivity and quality improvements and accelerating research and development. Furthermore, the Group will continue to realize its plan to expand sales into European, Mainland China and other Asian markets in order to spur business growth in the coming year. 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 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 more pressure in the coming year. The Company may also continue to face certain risks including the foreign currency risk giving rise in Euro, GBP and RMB, inflation in China, labour shortage, materials shortage, customers and suppliers’ difficulty in meeting contractual obligations, financial difficulties resulting in customers and suppliers’ illiquidity and global events and actions, including war and terrorism. These risks and others could affect the Group’s sales, profit margin and loss of 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 2015, the Group maintained a balance of cash and cash equivalents of HK\$639,654,000, in which HK\$268,616,000 were denominated in RMB. Others were mainly denominated either in United States dollars (“**US dollars**”) or Hong Kong dollars. Overall, the Group maintained a robust current ratio of 1.87 times.

As at 31 March 2015, total interest-bearing bank borrowings were HK\$275,964,000, 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 2015, total equity attributable to owners of the Company amounted to HK\$1,125,359,000. The Group had a net cash balance of HK\$363,690,000, representing total cash and cash equivalents less total interest-bearing bank borrowings such that no gearing ratio applies.

## **Treasury Policies**

The Group is exposed to foreign exchange risk through sales and purchase that are dominated in currencies other than the functional currency of the operations to which they relate. The currencies risk gives rise are primarily Euro, Sterling Pound and Renminbi. As at 31 March 2015, the Group had outstanding foreign currency forward contracts to Sell Euro 7,500,000 buy US dollar, Sell Sterling Pound 8,500,000 buy US dollar, and Sell US dollar 30,500,000 buy RMB. These forward contracts were entered into for hedging purposes. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimise the relevant exposures.

## **Capital Expenditure and Commitments**

During the Year, the Group incurred total capital expenditure of approximately HK\$108,529,000 for additions to property, plant and equipment as well as for deferred expenditures associated with the development of new products.

As at 31 March 2015, the Group had capital commitments contracted but not provided for the amount of HK\$2,326,000, mainly for the acquisition of property, plant and equipment.

## **Charges on Assets**

As at 31 March 2015, no bank deposits and other assets have been pledged to secure the Group’s banking facilities.

## **Contingent Liabilities**

As at 31 March 2015, the Group did not have any significant contingent liabilities.

## **Employee Information**

As at 31 March 2015, the Group had a total of approximately 4,300 full-time employees. Total staff costs for the Year amounted to HK\$342,125,000. 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, 27,886,000 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.

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](http://www.hkexnews.hk)) and the Company ([www.computime.com](http://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  
**Computime Group Limited**  
**Auyang Ho**  
*Chairman*

Hong Kong, 26 June 2015

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*