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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)**

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The board of directors (the “Board”) of Computime Group Limited (the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2011 (the “Period”) together with the comparative figures for the six months ended 30 September 2010, as follows:

#### CONDENSED CONSOLIDATED INCOME STATEMENT

		<b>For the six months ended 30 September</b>	
	<i>Notes</i>	<b>2011</b>	2010
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	3, 4	<b>1,258,603</b>	1,232,319
Cost of sales		<b>(1,131,746)</b>	(1,099,324)
<b>GROSS PROFIT</b>		<b>126,857</b>	132,995
Other income and gains		<b>4,648</b>	6,242
Selling and distribution costs		<b>(34,261)</b>	(37,429)
Administrative expenses		<b>(83,089)</b>	(81,323)
Other operating income/(expenses), net		<b>3,626</b>	(1,138)
Finance costs	5	<b>(2,164)</b>	(1,684)
Share of profits and losses of associates		<b>541</b>	(2,569)
<b>PROFIT BEFORE TAX</b>	6	<b>16,158</b>	15,094
Income tax expense	7	<b>(3,113)</b>	8,283
<b>PROFIT FOR THE PERIOD</b>		<b>13,045</b>	23,377

\* For identification purposes only

		<b>For the six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2011</b>	2010
		<b>(Unaudited)</b>	(Unaudited)
		<b>HK\$'000</b>	HK\$'000
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>13,047</b>	23,387
Non-controlling interests		<b>(2)</b>	(10)
		<u><b>13,045</b></u>	<u>23,377</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic	9	<u><b>1.57 HK cents</b></u>	<u>2.82 HK cents</u>
Diluted		<u><b>1.57 HK cents</b></u>	<u>2.82 HK cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2011</b>	2010
	<b>(Unaudited)</b>	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>PROFIT FOR THE PERIOD</b>	<b>13,045</b>	23,377
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		
Exchange differences on translation of foreign operations	<u>9,045</u>	<u>5,212</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><b>22,090</b></u>	<u>28,589</u>
<b>ATTRIBUTABLE TO:</b>		
Owners of the Company	<b>22,092</b>	28,599
Non-controlling interests	<u>(2)</u>	<u>(10)</u>
	<u><b>22,090</b></u>	<u>28,589</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>30 September 2011 (Unaudited) HK\$'000</b>	31 March 2011 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>119,489</b>	129,058
Goodwill		<b>36,420</b>	36,420
Club debenture		<b>705</b>	705
Intangible assets		<b>45,628</b>	44,102
Interests in associates		<b>2,853</b>	2,311
		<b>205,095</b>	212,596
<b>CURRENT ASSETS</b>			
Inventories		<b>551,646</b>	517,263
Trade receivables	<i>10</i>	<b>483,800</b>	519,748
Prepayments, deposits and other receivables		<b>34,569</b>	33,652
Tax recoverable		<b>879</b>	1,282
Cash and cash equivalents		<b>630,612</b>	623,341
		<b>1,701,506</b>	1,695,286
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>11</i>	<b>477,549</b>	464,450
Other payables and accrued liabilities		<b>156,699</b>	160,016
Interest-bearing bank and other borrowings		<b>222,307</b>	255,760
Amounts due to associates		<b>4</b>	62
Amounts due to non-controlling shareholders		<b>160</b>	160
Dividend payable		<b>25,730</b>	–
Tax payable		<b>3,647</b>	4,003
		<b>886,096</b>	884,451
<b>NET CURRENT ASSETS</b>		<b>815,410</b>	810,835
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,020,505</b>	1,023,431

	<b>30 September 2011 (Unaudited) HK\$'000</b>	31 March 2011 (Audited) HK\$'000
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<u>6,620</u>	<u>7,000</u>
Net assets	<u><b>1,013,885</b></u>	<u>1,016,431</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	<b>83,000</b>	83,000
Reserves	<u><b>930,043</b></u>	<u>932,587</u>
Non-controlling interests	<u><b>1,013,043</b></u> <u>842</u>	<u>1,015,587</u> <u>844</u>
Total equity	<u><b>1,013,885</b></u>	<u>1,016,431</u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 June 2006 under the Companies Law, Chapter 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

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

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

### 2.1 Basis of Presentation

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2011 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

Save for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), which include HKASs and Interpretations, during the Period as set out in note 2.2 below, the accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2011.

### 2.2 Changes in Accounting Policy and Disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current period’s consolidated interim financial statements:

HKFRS 1 Amendment	<i>Amendment to HKFRS 1 First-time adoption of Hong Kong financial reporting standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adoption</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HK(IFRIC)-Int 14 Amendments	<i>Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement</i>
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3, HKAS 27 are effective for annual periods beginning on or after 1 July 2010 whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

The adoption of these new and revised HKFRSs has had no significant financial effect on these consolidated interim financial statements.

### 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

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

HKFRS 7 (Amendments)	<i>Amendments to HKFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets<sup>1</sup></i>
HKFRS 9	<i>Financial Instruments<sup>2</sup></i>
HKFRS 10	<i>Consolidated Financial Statements<sup>2</sup></i>
HKFRS 11	<i>Joint Arrangements<sup>2</sup></i>
HKFRS 12	<i>Disclosure of Interests in Other Entities<sup>2</sup></i>
HKFRS 13	<i>Fair Value Measurement<sup>2</sup></i>
HKAS 1 (Revised) Amendments	<i>Amendments to HKAS 1 (Revised) Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income<sup>4</sup></i>
HKAS 12 (Amendments)	<i>Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets<sup>3</sup></i>
HKAS 19 (Revised 2011)	<i>Employee Benefits<sup>2</sup></i>
HKAS 27 (Revised 2011)	<i>Separate Financial Statements<sup>2</sup></i>
HKAS 28 (Revised 2011)	<i>Investments in Associates and Joint Ventures<sup>2</sup></i>
HK (IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2012

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. However, it is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

### 3. Revenue

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

#### 4. Segment Information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's reportable segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other reportable segments. The following table presents revenue and profit for the Group's reportable segments for the six months ended 30 September 2011 and 2010:

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2011	2010	2011	2010	2011	2010	2011	2010
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Segment revenue:</b>								
Sales to external customers	<u>381,996</u>	<u>471,871</u>	<u>650,405</u>	<u>587,021</u>	<u>226,202</u>	<u>173,427</u>	<u>1,258,603</u>	<u>1,232,319</u>
<b>Segment results</b>	<u>5,255</u>	<u>4,759</u>	<u>8,446</u>	<u>10,085</u>	<u>19,383</u>	<u>20,010</u>	<u>33,084</u>	<u>34,854</u>
Bank interest income							2,041	1,069
Other income and gains (excluding bank interest income)							2,607	5,173
Corporate and other unallocated expenses							(19,951)	(21,749)
Finance costs							(2,164)	(1,684)
Share of profits and losses of associates	541	(2,569)	—	—	—	—	541	(2,569)
Profit before tax							16,158	15,094
Income tax expense							(3,113)	8,283
Profit for the period							<u>13,045</u>	<u>23,377</u>

#### 5. Finance Costs

	For the six months ended 30 September	
	2011	2010
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest on:		
Bank loans and overdrafts wholly repayable within five years	2,164	1,681
Finance leases	—	3
	<u>2,164</u>	<u>1,684</u>



## 6. Profit Before Tax

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

	For the six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	1,123,323	1,090,169
Depreciation	17,896	18,003
Amortisation of intangible assets <sup>#</sup>	20,349	19,974
Write down of inventories to net realisable value	8,423	9,155
Bank interest income	(2,041)	(1,069)

<sup>#</sup> Included in "Administrative expenses" on the face of the condensed consolidated income statement.

## 7. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. 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.

	For the six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current — Hong Kong		
Charge for the year	2,210	2,000
Over-provision in prior years	—	(13,241)
Current — Mainland China and other regions	1,283	2,558
Deferred	(380)	400
Total tax charge/(credit) for the Period	3,113	(8,283)

No share of tax attributable to associates (2010: Nil) is included in "Share of profits and losses of associates" in the condensed consolidated income statement.

## 8. Dividends

No payment of interim dividend for the six months ended 30 September 2011 is recommended (2010: Nil).

## 9. Earnings Per Share Attributable to Owners of the Company

The calculation of basic earnings per share is based on the profit for the Period attributable to owners of the Company of HK\$13,047,000 (six months ended 30 September 2010: HK\$23,387,000) and the weighted average of 830,000,000 (six months ended 30 September 2010: 830,000,000) ordinary shares in issue during the Period.

No adjustment has been made to the basic earnings per share amount presented for the period ended 30 September 2011 and 2010 in respect of dilution as the exercise price of the share options of the Company outstanding during the two periods 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

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.

An aged analysis of the trade receivables as at the reporting date is as follows:

	<b>30 September 2011 (Unaudited) HK\$'000</b>	31 March 2011 (Audited) HK\$'000
Within 1 month	<b>443,222</b>	489,806
1 to 2 months	<b>17,341</b>	20,418
2 to 3 months	<b>14,224</b>	4,775
Over 3 months	<b>9,013</b>	4,749
	<b><u>483,800</u></b>	<u>519,748</u>

Included in the Group's trade receivables as at 30 September 2011 were amount due from the Group's associate of HK\$16,135,000 (31 March 2011: HK\$10,209,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

## 11. Trade and Bills Payables

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

	<b>30 September 2011 (Unaudited) HK\$'000</b>	31 March 2011 (Audited) HK\$'000
Within 1 month	<b>401,251</b>	432,430
1 to 2 months	<b>60,483</b>	14,823
2 to 3 months	<b>1,545</b>	2,433
Over 3 months	<b>14,270</b>	14,764
	<b>477,549</b>	464,450

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Summary of Results

The Group's turnover for the Period amounted to HK\$1,258,603,000, increasing by approximately 2.1% from the same period last year. The consolidated net profit attributable to owners of the Company was HK\$13,047,000 for the Period compared to HK\$23,387,000 for the six months ended 30 September 2010. Basic earnings per share for the Period amounted to 1.57 HK cents, compared to 2.82 HK cents for the same period last year.

### Business Review and Financial Highlights

#### *Turnover*

Turnover of the Group amounted to HK\$1,258,603,000 for the Period, representing an increase of 2.1% over the same period last year. During the first half of the current financial year, the Group recorded growth in turnover in the Appliance Controls and Commercial and Industrial Controls businesses due to a slight increase in general demand and the successful launch of new products by certain existing and new customers. This growth was partially offset as sales in the Building and Home Controls business decreased by approximately HK\$89,875,000, or 19.0%, due primarily to weakness in the United States ("US") housing market resulting in soft demand for these customer products.

#### *Profitability and Margin*

Consolidated net profit attributable to owners of the Company decreased from HK\$23,387,000 to HK\$13,047,000 for the Period, representing a decrease of 44.2%. Excluding the effect of a tax credit of HK\$13,241,000 recorded in same period last year, the Group's consolidated net profit attributable to owners of the Company was HK\$10,146,000 for the six months ended 30 September 2010. Gross profit margin decreased to 10.1% for the Period, compared to 10.8% for same period last year. With production and overhead costs continuing to increase due to inflation, increases in labour costs in Mainland China and appreciation of

the Renminbi (“RMB”), the Group managed to reduce operating expenses by HK\$5,686,000 to HK\$115,888,000 during the Period. The decrease in segment margin for both Appliance Controls and Commercial and Industrial Controls businesses largely resulted from the increased production and overhead costs during the Period. Segment margin for Building and Home Controls business improved to 1.4%, compared to 1.0% in same period last year, primarily due to a decrease in sales of relatively low margin products.

## **Outlook**

The ongoing impact of the European debt crisis and sustained weakness in the US economy will continue to constrain overall customer demand in the second half of current financial year. Challenges also remain in the operating environment for manufacturing in Mainland China with increases in wages, inflation and appreciation of the RMB. To withstand these unfavorable factors, the Group will continue tight cost controls and seek further improvement in operating efficiency and productivity to minimise adverse impact on margins. The Group continues its efforts started in 2010 to reposition products and markets through a stronger product mix derived from the rollout of smart energy and wireless innovations. In addition, as part of that repositioning plan, the Group is pursuing two strategic product partnering arrangements to help solidify its expansion into the growing market in Mainland China and drive business growth in the coming year.

## **Liquidity, Financial Resources and Capital Structure**

The Group continued to maintain a sound financial and liquidity position in the Period. As at 30 September 2011, the Group maintained a balance of cash and cash equivalents of HK\$630,612,000, the majority of which were denominated either in US dollars or Hong Kong dollars and HK\$259,089,000 were denominated in RMB. The Group’s current ratio remained strong at 1.92 times.

As at 30 September 2011, total interest-bearing bank and other borrowings were HK\$222,307,000, comprised primarily of bank loans and overdrafts repayable within one year. The majority of these borrowings were denominated either in US dollar, Hong Kong dollar or European currencies and the interest rates applied were primarily subject to floating rate terms.

As at 30 September 2011, total equity attributable to owners of the Company amounted to HK\$1,013,043,000. The Group had a net cash balance of HK\$408,305,000, representing total cash and cash equivalents less total interest-bearing bank and other borrowings such that no gearing ratio applied.

## **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 30 September 2011, 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 minimize the relevant exposures when necessary.

## **Capital Expenditures and Commitments**

During the Period, the Group incurred total capital expenditures of approximately HK\$28,657,000 for additions to property, plant and equipment as well as for deferred expenditure for the development of new products.

As at 30 September 2011, the Group had contracted but not provided for capital commitments, mainly for the acquisition of property, plant and equipment of HK\$2,032,000.

## **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 EUR937,000 (equivalent to approximately HK\$9,876,000). 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 defence against the claim and therefore no provision was made as at 30 September 2011.

## **Charges on Assets**

As at 30 September 2011, no bank deposits nor other assets had been pledged to secure the Group's banking facilities.

## **Employee Information**

As at 30 September 2011, the Group had a total of approximately 3,600 full-time employees. Total staff costs for the Period amounted to HK\$125,840,000. 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, 17,476,000 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 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 30 September 2011, approximately HK\$110,140,000 were utilized for strategic business combination and acquisitions, approximately HK\$20,950,000 for the expansion of the 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.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

## **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 Period.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management efficiency of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the Period.

## **CODE OF CONDUCT FOR DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS**

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the directors, senior personnel and certain employees of the Group (who are likely to be in possession of unpublished price-sensitive information relating to the Company or its securities) (the "Own Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of the Company's directors, all the directors confirmed that they have complied with the required standards set out in the Model Code and the Own Code throughout the Period.

In addition, no incident of non-compliance of the Own Code by the employees of the Group was noted by the Company throughout the Period.

## **AUDIT COMMITTEE**

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, namely, Mr. Luk Koon Hoo (Chairman of the Audit Committee), Mr. Patrick Thomas Siewert and Mr. 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 with the senior management of the Group the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of these interim results.

Messrs. Ernst & Young, the Company's external auditors, have been engaged by the Company to conduct certain procedures on the Group's interim condensed consolidated financial statements for the Period in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the HKICPA. The Audit Committee of the Company discussed with Messrs. Ernst & Young the findings of these procedures including consistency of accounting policies and procedures adopted by the Group in preparing these financial statements and the relevant disclosures made in accordance with the requirements of HKAS 34 and Appendix 16 to the Listing Rules.

## **PUBLICATION OF FURTHER INFORMATION**

The interim report of the Company for the Period, containing the information required by the Listing Rules, will be despatched to the shareholders of the Company as well as published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.computime.com](http://www.computime.com)) in due course.

## **BOARD MEMBERS**

As at the date of this announcement, the Board comprises (i) three executive directors, namely, Mr. Auyang Ho (Chairman), Dr. Owyang King (Chief Executive Officer) and Ms. Choi Po Yee, Alice; (ii) three non-executive directors, namely, Mr. Kam Chi Chiu, Anthony, Mr. Arvind Amratlal Patel and Mr. Wong Chun Kong; and (iii) three independent non-executive directors, namely, Mr. Luk Koon Hoo, Mr. Patrick Thomas Siewert and Mr. Cheung Ching Leung, David.

## **APPRECIATION**

On behalf of the Board, I would like to express my gratitude to our management and staff for their dedication and contribution to the Group throughout the Period.

By Order of the Board  
**Computime Group Limited**  
**Auyang Ho**  
*Chairman*

Hong Kong, 28 November 2011