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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)

CONNECTED TRANSACTION SUBSCRIPTION OF SHARES IN CT NOVA LIMITED

THE SUBSCRIPTION

The Board announces that on 21 November 2019, Global Zone, a wholly-owned subsidiary of the Company, entered into a subscription agreement with Mr. Bernard AUYANG and CT Nova, pursuant to which, Global Zone agrees to subscribe and CT Nova agrees to allot and issue 1,000 ordinary shares of CT Nova at a consideration of US\$700,000. Upon Closing, each of Global Zone and Mr. Bernard AUYANG will hold 50% shares in CT Nova, and CT Nova will not become a subsidiary of the Company.

CT Nova is a private company limited by shares incorporated in Hong Kong and is principally engaged in trading and distribution of smart home appliances and baby products.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Bernard AUYANG is a son of Mr. AUYANG Ho, an executive Director and chairman of the Board, and is therefore a connected person of the Company. Prior to Closing, Mr. Bernard AUYANG is the sole shareholder of CT Nova, therefore, CT Nova is an associate of Mr. Bernard AUYANG and a connected person of the Company. Accordingly, the transaction contemplated under the Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the highest of all the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Subscription Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Subscription Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The Board announces that on 21 November 2019, Global Zone, a wholly-owned subsidiary of the Company, entered into a subscription agreement with Mr. Bernard AUYANG and CT Nova, pursuant to which, Global Zone agrees to subscribe and CT Nova agrees to allot and issue 1,000 ordinary shares of CT Nova at a consideration of US\$700,000. Upon Closing, each of Global Zone and Mr. Bernard AUYANG will hold 50% shares in CT Nova, and CT Nova will not become a subsidiary of the Company.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarized as follows:

Date:	21 November 2019
Parties:	(1) Global Zone, as the subscriber; (2) Mr. Bernard AUYANG, the sole shareholder of CT Nova prior to Closing; and (3) CT Nova.
Subscribed Shares:	1,000 ordinary shares in CT Nova, representing 50% of the enlarged issued share capital of CT Nova upon Closing
Closing date:	Closing shall take place on the signing date of the Subscription Agreement, being 21 November 2019
Board composition of CT Nova upon Closing	Global Zone will nominate Mr. AUYANG Ho to be a director of CT Nova. The board of directors of CT Nova will comprise of two directors, being Mr. Bernard AUYANG and Mr. AUYANG Ho, with Mr. Bernard AUYANG being the chairman to the board of directors of CT Nova
Equal Representation	Upon Closing and thereafter, each of Mr. Bernard AUYANG and Global Zone shall have equal representation to the board of directors of CT Nova, provided that Mr. Bernard AUYANG or a director designated by Mr. Bernard AUYANG shall be chairman of the board of directors of CT Nova, who shall have the decisive or casting vote in the case of a deadlock
Termination	the Subscription Agreement may be terminated by all parties' unanimous written consent

Each of Mr. Bernard AUYANG and Global Zone will be entitled to right of first offer and tag-along right.

The Consideration will be payable as follows:

Time of payment	Amount Payable
Upon Closing	US\$100,000
By 31 March 2020	US\$300,000
By 30 June 2020	US\$300,000
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Total:	US\$700,000
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The Consideration was determined between the parties after arm's length negotiations with reference to the current market situation and future development prospect of the industries in which CT Nova operates, general economic and market trends, the US\$700,000 payable by Mr. Bernard AUYANG into CT Nova pursuant to the Subscription Agreement, CT Nova's demand of working capital, and strategic benefits of the transaction to the Group.

The Consideration will be satisfied in cash by the Company from its internal resources.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT

The Board is of the view that by leveraging the core competencies of the Group in product innovation, manufacturing and supply chain management coupled with the strong capabilities of Mr. Bernard AUYANG and his team in brand management and their proven track record selling to reputable North American offline and online retailers, CT Nova can tap into the huge growth potential of the smart home appliances and baby products through the business-to-consumer distribution network. This represents an opening of huge areas of new business opportunities of the Group.

The terms and conditions of the Subscription Agreement are determined after arm's length negotiations between the parties. The Directors (including independent non-executive Directors) are of the view that the Subscription Agreement has been entered into on normal commercial terms, is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

Mr. AUYANG Ho, an executive Director and chairman of the Board, is the father of Mr. Bernard AUYANG and he has abstained from voting on the Board resolutions for considering and approving the Subscription Agreement. Save as disclosed above, there are no other Directors who have any material interest in the Subscription Agreement and no other Directors need to abstain from voting on the Board resolutions of the Company for considering and approving the Subscription Agreement.

INFORMATION ON THE COMPANY, THE GROUP AND MR. BERNARD AUYANG

The Company is a company incorporated under the laws of the Cayman Islands with limited liability and is principally engaged in investment holding. The Group is principally engaged in research and development, design, manufacture and trading of electronic control products.

Mr. Bernard AUYANG is a son of Mr. AUYANG Ho, an executive Director and chairman of the Board. Mr. Bernard AUYANG is a director of CT Nova. Mr. Bernard AUYANG currently holds 1,000 ordinary shares in CT Nova, representing 50% of the enlarged issued share capital of CT Nova upon Closing.

INFORMATION ON CT NOVA

CT Nova is a private company limited by shares incorporated in Hong Kong and is principally engaged in trading and distribution of smart home appliances and baby products.

Net Loss Before/After Tax

The table below sets forth the financial information of CT Nova for the period between its incorporation and 31 March 2019 and for the six months ended 30 September 2019.

	Since incorporation to 31 March 2019	For the six months ended 30 September 2019
	<i>(HK\$ in thousands)</i>	<i>(HK\$ in thousands)</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net loss before tax	16	144
Net loss after tax	16	144
Net liabilities value	15	159

Note: CT Nova was incorporated on 29 May 2018 and it has not commenced business operation. The net loss reflects CT Nova's start-up cost historically incurred.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Bernard AUYANG is a son of Mr. AUYANG Ho, an executive Director and chairman of the Board, and is therefore a connected person of the Company. Prior to Closing, Mr. Bernard AUYANG is the sole shareholder of CT Nova, therefore, CT Nova is an associate of Mr. Bernard AUYANG and a connected person of the Company. Accordingly, the transaction contemplated under the Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the highest of all the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Subscription Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Subscription Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Closing”	closing of the transaction contemplated under the Subscription Agreement
“Company”	Computime Group Limited (stock code: 320), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration for Global Zone’s the subscription of the Subscribed Shares
“CT Nova”	CT Nova Limited, a private company incorporated on 29 May 2018 in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Global Zone”	Global Zone Holdings Limited, a private company incorporated on 22 July 2011 in the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Bernard AUYANG”	Mr. AUYANG Pak Hong, Bernard, who is the sole shareholder of CT Nova prior to Closing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribed Shares”	1,000 ordinary shares in CT Nova, representing 50% of the enlarged issued share capital of CT Nova upon Closing

“Subscription Agreement”	the subscription agreement in relation to the Subscribed Shares entered into between Global Zone, Mr. Bernard AUYANG and CT Nova on 21 November 2019
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

By Order of the Board
Computime Group Limited
AUYANG Ho
Chairman

Hong Kong, 21 November 2019

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*)

Non-executive Directors:

Mr. KAM Chi Chiu, Anthony
 Mr. Arvind Amratlal PATEL
 Mr. WONG Chun Kong
 Mr. AU Hing Lun, Dennis

Independent Non-executive Directors:

Mr. LUK Koon Hoo
 Mr. Patrick Thomas SIEWERT
 Mr. CHEUNG Ching Leung, David

* *For identification purposes only*