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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)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF MANUFACTURING FACILITIES IN PENANG, MALAYSIA

THE SALE AND PURCHASE AGREEMENT

On 19 December 2019 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Manufacturing Facilities on an “as is where is” basis, at the Purchase Price of RM20,750,000.00 (equivalent to approximately HK\$39,010,000.00) payable by the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirement.

As the Acquisition is subject to the fulfillment of certain conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE SALE AND PURCHASE AGREEMENT

Date

19 December 2019 (after trading hours)

Parties

- (i) Rubicon Sapphire Technology (Malaysia) Sdn. Bhd., the Vendor; and
- (ii) Computime (Malaysia) Sdn. Bhd., the Purchaser.

Assets to be acquired

The Manufacturing Facilities to be acquired by the Purchaser include (1) a parcel of sixty (60)-year leasehold land of 12,383 square metres with an unexpired term of about 51 years expiring on 15 March 2071 held under PN11295, Lot 10010, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang, Malaysia (the “**Land**”), together with (2) all the buildings erected thereon, which include, inter alia, factory premises with a total gross area of approximately 6,967.67 square metres, bearing the assessment address of No. 3065, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, 13600 Perai, Pinang, Malaysia. The Manufacturing Facilities are subject to the express condition of industrial use.

The Vendor entered into a sale and purchase agreement for the acquisition of the Land in 2009 and subsequently erected the building (including the factory premises) thereon. The net book value of the Manufacturing Facilities shown in the unaudited management accounts of the Vendor as at 30 November 2019 was approximately RM11,568,000.00 (equivalent to approximately HK\$21,747,840.00). Based on the valuation conducted by an independent professional valuer engaged by the Group, the valuation of the Manufacturing Facilities as at 10 December 2019 was RM20,000,000.00 (equivalent to approximately HK\$37,600,000.00) (the “**Property Valuation**”).

Purchase Price

The Purchase Price, in the amount of RM20,750,000.00 (equivalent to approximately HK\$39,010,000.00), shall be paid by the Purchaser in the following manners:

Deposit:	RM4,150,000.00 (equivalent to approximately HK\$7,802,000.00)	upon execution of the Sale and Purchase Agreement
Balance Purchase Price:	RM16,600,000.00 (equivalent to approximately HK\$31,208,000.00)	on or before the Payment Deadline

If the Purchaser is unable to pay the Balance Purchase Price in accordance with the Sale and Purchase Agreement, the Payment Deadline shall be automatically extended to the Extended Payment Deadline, provided that the Purchaser pays to the Vendor interest on the Balance Purchase Price then outstanding at the rate of eight per centum (8%) per annum calculated on a daily basis from the first day of the extended period until the Completion Date. The interest due, if any, shall be paid at the same time as the payment of the Balance Purchase Price.

The Purchase Price was determined after arm's length negotiation between the Vendor and the Purchaser taking into account (1) the Property Valuation and (2) the reasons and benefits detailed in the paragraph headed the "Reasons and Benefits of the Acquisition".

The Directors consider the terms and conditions of the Acquisition to be fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

The Purchase Price will be financed by external bank borrowings.

Basis of Sale

Subject to the Vendor's warranties given in the Sale and Purchase Agreement, the Manufacturing Facilities are sold on an "as is where is" basis and the Purchaser is deemed to have inspected the Manufacturing Facilities and agrees to purchase and accept the same in the state and condition in which it is on the actual delivery date of its vacant possession to the Purchaser.

Conditions Precedent

The Completion is conditional upon the following Conditions Precedent:

- (1) the Vendor having obtained the approval of Penang Development Corporation to sell or transfer the Manufacturing Facilities to the Purchaser (the "**PDC Approval**");
- (2) the Vendor having obtained the approval of any Appropriate Authority to sell or transfer the Manufacturing Facilities to the Purchaser (the "**Transfer Approval**");
- (3) the Purchaser having at its own costs and expenses obtained the approval of the Appropriate Authority to purchase the Manufacturing Facilities pursuant to Section 433B of the National Land Code 1965 from the Vendor, where applicable (the "**State Authority Approval**");
- (4) the Vendor having at its own costs and expenses obtained the consent of Tenaga Nasional Berhad to sell or transfer the Manufacturing Facilities to the Purchaser (the "**TNB Consent**"); and
- (5) the Purchaser having at its own costs and expenses obtained a written confirmation or support letter from the Economic Planning Unit of the Prime Minister's Department that its approval is not required for the acquisition of the Manufacturing Facilities by the Purchaser, where applicable (the "**EPU Confirmation**").

If the Conditions Precedent are not fulfilled on or before the expiry of two (2) months from the date of the Sale and Purchase Agreement provided always that if any Condition Precedent is not fulfilled or complied with by the expiry of the said two (2) months, an extension of one (1) month shall automatically be granted. If so required, the Parties may mutually on a further extension of the said one (1) month period for fulfilling the Conditions Precedent.

Completion

Subject to the satisfaction of the Conditions Precedent, Completion shall take place on the Completion Date.

Within seven (7) Business Days of the Unconditional Date, the Vendor shall deliver the following documents to the Purchaser's solicitors:

- (1) copies of the duly paid quit rent and the latest assessment receipts for the current year/prevailing period in respect of the Manufacturing Facilities;
- (2) the original PDC Approval;
- (3) the original Transfer Approval;
- (4) the original TNB Consent; and
- (5) any other document or documents which are necessary to enable the valid and registrable Memorandum of Transfer in Form 14A of the National Land Code 1965 duly executed by the Vendor in favour of the Purchaser in respect of the Manufacturing Facilities to be registered in accordance with the Sale and Purchase Agreement.

On the Completion Date, the Vendor shall deliver vacant possession of the Manufacturing Facilities to the Purchaser. In the event the Vendor fails to deliver vacant possession of the Manufacturing Facilities to the Purchaser pursuant to the terms of the Sale and Purchase Agreement on the Completion Date, the Vendor shall pay to the Purchaser interest at the rate of eight per centum (8%) per annum on the Purchase Price calculated on a daily basis from the day after the Completion Date until the actual delivery date of vacant possession to the Purchaser.

If the Purchaser takes vacant possession of the Manufacturing Facilities before the time specified in on the Completion Date, the Purchaser shall occupy the Manufacturing Facilities as a bare licensee of the Vendor. In such event the Purchaser shall immediately surrender possession of the Manufacturing Facilities in a clean and tenantable condition (fair wear and tear excepted) to the Vendor if the sale and purchase of the Manufacturing Facilities is not completed in accordance with the terms of the Sale and Purchase Agreement.

Upon Completion, the Company will indirectly hold the Manufacturing Facilities.

INFORMATION ON THE VENDOR

The Vendor is a private limited company incorporated in Malaysia. The principal business of the Vendor is designing, assembling and maintaining its own proprietary crystal growth furnaces to grow highpurity, lowstress, ultralowdefectdensity sapphire crystals. It is the registered proprietor and beneficial owner of the Manufacturing Facilities as at the date of this announcement.

The Vendor is owned by Rubicon Technology Inc., a Delaware corporation and its shares are listed on the NASDAQ Capital Market (NASDAQ: RBCN). Rubicon Technology Inc. is an advanced materials provider specializing in monocrystalline sapphire for applications in optical and industrial systems.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the Vendor and the ultimate beneficial owner of the Vendor are the third parties independent of the Company and its connected persons.

REASONS AND BENEFITS OF THE ACQUISITION

The principal activities of the Group is research and development, design, manufacture and trading of electronic control products. Upon Completion, the Company will indirectly hold the Manufacturing Facilities.

The Group intends to utilise the Manufacturing Facilities for the purpose of developing its manufacturing and supply chain capabilities in Malaysia. The Board considers that the Acquisition is an important milestone in realising the Group's strategic direction in geographic expansion of its manufacturing solutions. The Board believes that the resultant enhancement in overall manufacturing and supply chain capability of the Group will in turn open up additional opportunities of new business uptake in the future.

The Board is of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, THE PURCHASER AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in the research and development, design, manufacture and trading of electronic control products.

The Purchaser, a wholly-owned subsidiary of the Company, is a limited liability company incorporated in Malaysia and is principally engaged in investment holding as at the date of this announcement.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the Acquisition is subject to the fulfillment of certain conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition of the Manufacturing Facilities by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Appropriate Authority”	any governmental, semi or quasi government and/or statutory departments, agencies or bodies
“Board”	the board of Directors
“Business Day”	any day on which commercial banks in Kuala Lumpur, Malaysia, Illinois, United States of America and Hong Kong are open for business excluding Saturdays, Sundays and public holidays in Kuala Lumpur, Malaysia, Illinois, United States of America or Hong Kong
“Company”	Computime Group Limited (stock code: 320), a company incorporated under the laws of Cayman Islands with limited liability the shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Manufacturing Facilities in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which the full amount of the Purchase Price and interests due, if any, have been paid by the Company to the Vendor or the Vendor’s solicitors as stakeholders pursuant to the Sale and Purchase Agreement
“Conditions Precedent”	the conditions precedent of the Sale and Purchase Agreement, details of which are set out in the subsection headed “Conditions Precedent” in this announcement

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extended Payment Deadline”	the last day of the period of one (1) week after the last day of the Payment Deadline
“Group”	the Company and its subsidiaries
“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
“Manufacturing Facilities”	a parcel of sixty (60)-year leasehold land of 12,383 square metres with an unexpired term of about 51 years expiring on 15 March 2071 held under PN11295, Lot 10010, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang, Malaysia, together with all buildings erected thereon, which include, inter alia, factory premises with a total gross area of approximately 6,967.67 square metres, bearing the assessment address of No. 3065, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, 13600 Perai, Pinang, Malaysia
“Payment Deadline”	the deadline for the payment of the Balance Purchase Price, being the day which falls within two (2) weeks after the Unconditional Date
“Purchase Price”	the purchase price of RM20,750,000.00 (equivalent to approximately HK\$39,010,000.00) payable by the Purchaser to the Vendor for the Manufacturing Facilities pursuant to the terms of the Sale and Purchase Agreement
“Purchaser”	Computime (Malaysia) Sdn. Bhd. (Company No. 201901028967/1338296-M), a company incorporated under the laws of Malaysia with limited liability, a wholly owned subsidiary of the Company
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	shares in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 December 2019 and entered into between the Vendor and the Purchaser in respect of, among other things, the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unconditional Date”	means the date on which the Purchaser’s solicitors or the Vendor’s solicitors, as the case may be, is in receipt from the relevant authorities of documentary evidence(s) or written proof(s) that all Conditions Precedent have been fulfilled or complied with
“Vendor”	Rubicon Sapphire Technology (Malaysia) Sdn. Bhd. (Company No. 200901017303/860400-A), a company incorporated under the laws of Malaysia with limited liability
“%”	per cent.

For the purpose of this announcement and for illustrative purpose only, RM is converted into HK\$ at the rate of RM1 = HK\$1.88. No representation is made that any amounts in RM has been or could be converted at the above rates or at any other rates.

By order of the Board
Computime Group Limited
AUYANG Ho
Chairman

Hong Kong, 19 December 2019

As at the date of this announcement, the directors of the Company are:

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

This announcement has been printed in English and Chinese. In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text.

* *For identification purposes only*