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 2009

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 2009 (the "Year") together with the comparative figures for the year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000*
REVENUE	*3, 4*	**2,395,805**	2,274,075
Cost of sales		**(2,137,156)**	(1,909,321)
Gross profit		**258,649**	364,754
Other income	*4*	**25,969**	25,988
Selling and distribution costs		**(73,637)**	(80,656)
Administrative expenses		**(156,459)**	(143,012)
Other operating expenses		**(22,687)**	(41,413)
Finance costs	*5*	**(8,240)**	(13,426)
Share of profits and losses of associates		**1,575**	4,765
Share of loss of a jointly-controlled entity		**(732)**	—
PROFIT BEFORE TAX	*6*	**24,438**	117,000
Tax	*7*	**(3,915)**	(11,695)
PROFIT FOR THE YEAR		**20,523**	105,305

	Notes	**2009** *HK$'000*	2008 *HK$'000*
ATTRIBUTABLE TO:			
Equity holders of the Company		**20,548**	105,351
Minority interests		**(25)**	(46)
		20,523	105,305
DIVIDENDS	*8*	**8,300**	41,500
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*9*		
Basic		**2.5 HK cents**	12.7 HK cents
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET
As at 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**167,757**	187,462
Goodwill		**38,164**	38,164
Club debenture		**705**	705
Intangible assets		**45,302**	31,412
Interests in associates		**9,610**	9,376
Interest in a jointly-controlled entity		**3,143**	—
Deferred tax asset		**700**	—
Total non-current assets		**265,381**	267,119
CURRENT ASSETS			
Inventories		**412,608**	455,306
Trade receivables	*10*	**355,978**	471,724
Prepayments, deposits and other receivables		**40,259**	32,538
Amounts due from associates		**—**	6,827
Tax recoverable		**1,307**	160
Cash and cash equivalents		**569,292**	568,819
Total current assets		**1,379,444**	1,535,374
CURRENT LIABILITIES			
Trade and bills payables	*11*	**328,157**	434,978
Other payables and accrued liabilities		**99,775**	116,206
Interest-bearing bank and other borrowings		**232,563**	228,098
Derivative financial instrument		**—**	34,358
Amounts due to associates		**2,073**	—
Amount due to a jointly-controlled entity		**1,639**	—
Amounts due to minority shareholders		**160**	160
Tax payable		**9,429**	8,417
Total current liabilities		**673,796**	822,217
NET CURRENT ASSETS		**705,648**	713,157
TOTAL ASSETS LESS CURRENT LIABILITIES		**971,029**	980,276

	Notes	**2009**	2008
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**28,082**	40,856
Deferred tax liabilities		**9,129**	9,631
Total non-current liabilities		**37,211**	50,487
Net assets		**933,818**	929,789
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**83,000**	83,000
Reserves		**841,652**	822,658
Proposed final dividend	*8*	**8,300**	23,240
		932,952	928,898
Minority interests		**866**	891
Total equity		**933,818**	929,789

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 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 17/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

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

2. 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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

Impact of new and revised HKFRSs

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

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures — Reclassification of Financial Assets*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these new interpretations and amendments has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

Impact of issued but not yet effective HKFRSs

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

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*[1]
HKFRS 1 (Revised)	*First-time Adoption of HKFRSs*[2]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*[1]
HKFRS 3 (Revised)	*Business Combinations*[2]
HKFRS 7 Amendments	Amendment to HKFRS 7 *Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments*[1]
HKFRS 8	*Operating Segments*[1]
HKAS 1 (Revised)	*Presentation of Financial Statements*[1]
HKAS 23 (Revised)	*Borrowing Costs*[1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation*[1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*[2]
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives and* HKAS 39 *Financial Instruments: Recognition and Measurement*[5]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*[3]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*[1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*[4]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*[2]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers*[2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs** and *Improvements to HKFRSs 2009*** which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, the amendments are effective for annual periods beginning on or after 1 January 2009 and for annual periods beginning on or after 1 January 2010, respectively, although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Effective for annual periods ending on or after 30 June 2009

* Improvements to HKFRSs contain amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

** Improvements to HKFRSs 2009 contain amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 7 Amendments, HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKAS 27 Amendments, HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

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 business 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 business segments. Summary details of the business segments are as follows:

(a) the building and home controls segment engages in the research and development, design, manufacture, trading and distribution of building and home control products;

(b) the appliance controls segment engages in the research and development, design, manufacture and trading of appliance control products; and

(c) the commercial and industrial controls segment engages in the research and development, design, manufacture, trading and distribution of commercial and industrial control products.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further analysis of assets and capital expenditure of the Group by geographical segment is presented as over 90% of the Group's assets are located in Hong Kong and Mainland China.

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

(a) Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008:

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**1,101,175**	1,096,133	**917,891**	860,754	**376,739**	317,188	**2,395,805**	2,274,075
Segment results	**13,380**	97,735	**18,677**	44,931	**31,159**	27,737	**63,216**	170,403
Bank interest income							**4,597**	12,587
Other income (excluding bank interest income)							**21,372**	13,401
Corporate and other unallocated expenses							**(57,350)**	(70,730)
Finance costs							**(8,240)**	(13,426)
Share of profits and losses of associates	**1,575**	4,765	**—**	—	**—**	—	**1,575**	4,765
Share of loss of a jointly-controlled entity	**(732)**	—	**—**	—	**—**	—	**(732)**	—
Profit before tax							**24,438**	117,000
Tax							**(3,915)**	(11,695)
Profit for the year							**20,523**	105,305
Assets and liabilities								
Segment assets	**337,412**	338,927	**300,000**	371,047	**74,423**	115,228	**711,835**	825,202
Interests in associates	**9,610**	16,203	**—**	—	**—**	—	**9,610**	16,203
Interest in a jointly-controlled entity	**3,143**	—	**—**	—	**—**	—	**3,143**	—
Corporate and other unallocated assets							**920,237**	961,088
Total assets							**1,644,825**	1,802,493
Segment liabilities	**21,579**	20,515	**15,133**	23,498	**662**	1,072	**37,374**	45,085
Corporate and other unallocated liabilities							**673,633**	827,619
Total liabilities							**711,007**	872,704

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:								
Capital expenditure	**41,089**	33,614	**12,769**	12,188	**6,992**	7,327	**60,850**	53,129
Corporate and other unallocated amounts							**—**	102,752
							60,850	155,881
Amortisation of deferred expenditure	**14,116**	7,216	**4,686**	3,496	**3,072**	2,842	**21,874**	13,554
Depreciation	**20,898**	20,142	**15,830**	10,452	**6,892**	5,501	**43,620**	36,095
Impairment of trade receivables	**748**	135	**3,175**	—	**1,042**	—	**4,965**	135
Impairment of interests in an associate	**1,513**	—	**—**	—	**—**	—	**1,513**	—
Provision against inventories	**6,067**	696	**4,681**	(240)	**1,731**	233	**12,479**	689

(b) Geographical segments

The following table presents revenue information for the Group's geographical segments for the years ended 31 March 2009 and 2008:

	2009	2008
	HK$'000	*HK$'000*
Segment revenue:		
Sales to external customers:		
The Americas	**1,082,001**	1,172,021
Europe	**896,225**	766,122
Asia	**402,625**	312,247
Other regions	**14,954**	23,685
Total	**2,395,805**	2,274,075

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:

	2009	2008
	HK$'000	*HK$'000*
Bank interest income	**4,597**	12,587
Engineering fee income	**17,309**	4,406
Handling and testing fee income	**1,019**	5,246
Sale of materials	**481**	952
Sundry income	**2,563**	2,797
	25,969	25,988

5. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on:		
Bank loans and overdrafts wholly repayable within five years	**8,069**	12,952
Finance leases	**171**	474
	8,240	13,426

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2009	2008
	HK$'000	*HK$'000*
Cost of inventories sold#	**2,124,677**	1,908,632
Depreciation	**43,620**	36,095
Research and development costs:		
Amortisation of deferred expenditure##	**21,874**	13,554
Current year expenditure	**15,156**	17,415
	37,030	30,969
Provision against inventories	**12,479**	689
Minimum lease payments under operating leases of land and buildings	**39,821**	33,739
Loss on disposal of items of property, plant and equipment	**233**	618
Auditors' remuneration	**1,267**	1,516
Employee benefits expense# (including directors' remuneration):		
Wages, salaries and other benefits	**210,684**	188,999
Pension scheme contributions	**1,430**	1,831
Provision for untaken paid leave	**870**	309
Equity-settled share option expense	**658**	650
	213,642	191,789
Foreign exchange differences, net**	**14,854**	5,467
Impairment of trade receivables**	**4,965**	135
Impairment of interests in an associate**	**1,513**	—
Fair value loss on derivative financial instrument**	**—**	34,358

Employee benefits expense of HK$138,544,000 (2008: HK$110,181,000) is also included in "Cost of inventories sold" above.

The amortisation of deferred expenditure for the year is included in "Administrative expenses" on the face of the consolidated income statement.

** Included in "Other operating expenses" on the face of the consolidated income statement.

At 31 March 2009, the Group had no forfeited contribution available to reduce its contributions to the pension schemes in future years (2008: Nil).

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) 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 operates, based on existing legislation, interpretations and practices in respect thereof.

On 25 April 2008, the Hong Kong Special Administrative Region approved the Hong Kong profits tax rate to be reduced from 17.5% to 16.5% from the year of assessment 2008/2009 onwards. The change in the Hong Kong profits tax rate will directly affect the Group's effective tax rate prospectively from 2008. According to HKAS 12 *Income Taxes*, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and the Group's deferred tax has been adjusted accordingly.

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 ("CIT") at a rate of 25% (2008: 33%). 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 the next five years.

Computime Electronics (Shenzhen) Co. Ltd. and Asia Electronics Technologies (Dongguan) Company Limited, wholly-owned subsidiaries of the Company, are entitled to a preferential tax treatment with full tax exemption from CIT for the two years starting from the first profitable year, after deducting the tax losses carried forward, and are granted a 50% reduction in tax for the three years thereafter. Accordingly, Computime Electronics (Shenzhen) Co. Ltd was entitled to a 50% reduction in tax as its fifth profitable year of operation, while Asia Electronics Technologies (Dongguan) Company Limited was fully exempted from CIT for the current year as it was its second profitable year of operation.

	2009	2008
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**4,371**	5,532
Underprovision in prior years	**126**	—
Current — Mainland China and other regions	**620**	1,663
Deferred	**(1,202)**	4,500
Total tax charge for the year	**3,915**	11,695

8. DIVIDENDS

Dividends attributable to the year	**2009**	2008
	HK$'000	*HK$'000*
Interim — Nil (2008: HK$0.022) per ordinary share	**—**	18,260
Proposed final — HK$0.01 (2008: HK$0.028) per ordinary share	**8,300**	23,240
	8,300	41,500

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

Dividends attributable to the previous financial year, approved and paid during the year	**2009**	2008
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year — HK$0.028 (2008: HK$0.038) per ordinary share	**23,240**	31,540

9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK$20,548,000 (2008: HK$105,351,000) and the weighted average of 830,000,000 (2008: 830,000,000) ordinary shares in issue during the year.

Diluted earnings per share amount for the years ended 31 March 2009 and 31 March 2008 have not been disclosed as the share options granted and outstanding during the years had an anti-dilutive effect on the basic earnings per share for the years.

10. TRADE RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**362,084**	472,865
Impairment	**(6,106)**	(1,141)
	355,978	471,724

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. Trade receivables are non-interest-bearing.

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

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**328,670**	412,870
1 to 2 months	**12,662**	22,791
2 to 3 months	**5,487**	11,366
Over 3 months	**9,159**	24,697
	355,978	471,724

11. TRADE AND BILLS PAYABLES

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

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**310,164**	406,541
1 to 2 months	**10,998**	20,734
2 to 3 months	**1,220**	3,697
Over 3 months	**5,775**	4,006
	328,157	434,978

The trade payables are interest-free 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 Monday, 7 September 2009 (the "2009 AGM") a final dividend of 1.0 HK cent per share for the Year to be paid on or about Thursday, 8 October 2009 to those Shareholders whose names appear on the register of members of the Company on Monday, 7 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 3 September 2009 to Monday, 7 September 2009, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend for the Year and for attending and voting at the 2009 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 Wednesday, 2 September 2009.

ANNUAL GENERAL MEETING

It is proposed that the 2009 AGM will be held on Monday, 7 September 2009. Notice of the 2009 AGM will be sent to the Shareholders in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During the Year, the Group faced severe cost pressure from soaring raw material prices, rising labour costs and manufacturing overhead in Mainland China as well as unprecedented foreign exchange fluctuations in the first half of the Year. Though such costs stabilized in the second half of the Year and part of the cost increases was passed to customers, the global economic downturn reduced market demand and customer spending significantly and adversely affected the full year results of the Group. Nevertheless, with continuous efforts in diversifying its business coverage and expanding the distribution network, the Group managed to consolidating its existing client base, gaining new customers and expanding its market share.

Financial Highlights

Turnover

Despite the challenging global economic environment, the Group achieved an increase in turnover by approximately 5.4% to HK$2,395,805,000 during the Year. The growth was mainly contributed by the boost in sales of the Group's appliance controls and commercial and industrial controls business segments in the European and Asian markets. Sales of appliance controls increased by approximately 6.6% to HK$917,891,000 while sales of commercial and industrial controls surged by approximately 18.8% to HK$376,739,000. Sales of building and home controls increased slightly by approximately 0.5% to HK$1,101,175,000, as affected by the soft United States ("US") market.

The Group achieved a more balanced business profile in terms of geographical coverage. A remarkable sales growth in the European and Asian markets by approximately 17.0% and 28.9% respectively was attained, representing increasing contribution to the Group's total turnover to approximately 37.4% and 16.8% respectively. The Group's sales to the US market were softened by the slowdown in the traditional demand for building and home controls due to the weak housing market. Sales to the Americas decreased by approximately 7.7% during the Year, contributing approximately 45.2% to the Group's total turnover.

Profitability and Margin

Facing the global economic downturn, the Group put in much effort to boost factory productivity by consolidating the production facilities, increasing factory automation and outsourcing low value-added manufacturing processes to streamline the operations. However, the impact of drastic cost increases and strong appreciation of the Renminbi ("RMB") in the first half of the Year greatly exceeded the cost savings from factory productivity improvement and adversely affected the Group's full year profitability. The Group's gross profit decreased to HK$258,649,000, representing a year-on-year decline of approximately 29.1%. The gross profit margin was approximately 10.8%, down from approximately 16.0% reported last year.

With more stringent cost control measures in place, major operating expenses as a percentage of turnover continued to decrease during the Year. Selling and distribution costs, finance costs and other operating expenses were improved to 3.1%, 0.3% and 0.9% of the Group's total turnover as compared to approximately 3.5%, 0.6% and 1.8% respectively for the last year. Due to the decrease in gross profit, profit attributable to equity holders of the Company for the Year slumped to HK$20,548,000, as compared to HK$105,351,000 reported last year.

Business Review

Building and Home Controls Business

Building and home controls business remained the Group's largest business segment with sales representing approximately 46.0% of the Group's total turnover during the Year. Sales from this business segment increased slightly by approximately 0.5% or HK$5,042,000 to HK$1,101,175,000 as compared to last year. Segment results for the Year, however, shrunk considerably with an operating profit margin decreased to approximately 1.2% from approximately 8.9% reported last year. The performance was mainly affected by the rapid decline in the US housing market which slowed down the demand for high margin home controls products, since the US was a major revenue source of this business. The surge in materials prices and unfavorable foreign exchange fluctuations in European currencies also posed an impact on the profitability of this segment.

Nevertheless, the drop in the US demand was partially compensated for new customers acquired in other markets. An overall stable segmental sale was attained for the Year, mainly attributed to increase in sales of electronic controls for air conditioning products in Asia as well as growing demand for energy saving products in Europe. The Group's branded businesses continued to grow during the Year. Riding on the increasing market demand for renewable energy products as well as broadening of the Group's product and service offerings to include solar thermal solutions for residential applications, "Salus" branded business was able to achieve a substantial growth in sales by approximately 55.3% over last year, though the difficult European housing market impacted the pace of the brand development. Apart from introducing renewable energy products under "Salus Solar" to widen the Group's client base, the branded businesses are also expanding to include the "Nortus" brand which focuses on the design and development of home automation systems for blinds, shutters and awning.

Appliance Controls Business

Appliance controls business segment contributed approximately 38.3% to the Group's total turnover during the Year and its sales were mostly generated from the European market. This business recorded a segmental sale of HK$917,891,000, representing a year-on-year growth of approximately 6.6% or HK$57,137,000. Being a strong market player with a renowned customer base, the Group benefited from industry consolidation and was able to gain market share from its existing customers as well as new customers in European and Asian markets. These factors explained the sales growth of the business segment during the Year. Yet the segment results were affected by the swelling materials costs while the increase in selling prices to customers was not fully reflected during the Year. The depreciation of the Euro during the Year also lowered the profitability of this segment, resulting in an operating profit margin down to approximately 2.0% as compared with approximately 5.2% in the last year.

Commercial and Industrial Controls Business

Sales of commercial and industrial controls increased remarkably by approximately 18.8% or HK$59,551,000 to HK$376,739,000, contributing approximately 15.7% to the Group's total turnover during the Year. The turnover of this business segment was mainly derived from the Asian and US markets. The considerable turnover growth was driven by growing sales of industrial equipment products in Asia as well as sales generated from new customers. Riding on the Group's competitive edges and the high barrier of entry, the profitability of this business segment was relatively stable with an operating profit margin decreased very slightly from approximately 8.7% in the last year to approximately 8.3% reported for the Year despite the difficult operating environment. The Group was able to pass the cost increase to customers such that the full year segment margin improved as compared with 7.3% reported for the interim period ended 30 September 2008.

Outlook

The coming year is expected to pose greater challenges to the Group in view of the depressed global economy, in particular for its main markets in US and Europe. The negative impact of the global financial crisis will continue for some time, dampening consumer purchasing power and consumption sentiment. Most customers have been affected by shrinking market demand and decline in sales, and have become more cautious in placing orders to cut back on inventory level. Market competition will be intensified, increasing difficulties for enterprises' operations. Although governments worldwide have kicked start an array of economic stimulus programmes and some markets are showing signs of stabilization and improvement in certain economic data, it will take a considerable period of time for a sustained recovery.

Facing the challenging operating environment and turbulent market conditions, the Group has been pursuing and will continue to pursue a prudent yet proactive approach towards business expansion and seek for growth to combat depression. The Group will keep focusing on strengthening its position in core businesses and enlarging its customer base. Management will devote more resources to research and develop emerging technologies and innovative solutions covering the areas of human machine interface, wireless networking, control technologies, sensor technologies as well as power and energy technologies.

Many countries and regions such as the European Union, US and China are supporting the development of renewable energy. This is advantageous to the Group's already adopted strategy of developing and applying green technologies to products to make these environmentally friendly, energy efficient and easy to use. To generate new sources of revenue and pave the way for future development, the Group is on track to expand its offering of new energy management products such as smart grid thermostats, in-home display, solar controls, home automation system, etc. to capture the emerging market of smart energy. Delivering high value-added products with advanced technologies will help the Group to capture new customers in a competitive market as well as fortify the Group's leading position in the control industry.

To gain further market penetration, the Group will step up its efforts to enhance "Salus" brand awareness and diversify product variety of temperature controls and solar thermal solutions. With established business operations in the United Kingdom and Germany, the Group will continuously extend the distribution network of "Salus" branded products in other key European countries as well as to explore opportunities for further expansion into Asian markets.

In light of economic adversities, enhancing corporate and risk management is a top priority for the Group. Having integrated the operations of the Meilin processing factory into the Group's production facilities in Buji and Dongguan in Mainland China during the Year, the Group will strive for further enhancement of factory productivity and operational efficiency through increasing the extent of automation and outsourcing non-key manufacturing processes so as to reduce production overhead. The Group will continue to seek for room and measures to lower costs at all levels, maintain prudent financial policies and reinforce cash flow management to ensure it can promptly respond to changes in an uncertain market and seize potential opportunities amid the financial crisis.

Liquidity, Financial Resources and Capital Structure

The Group had a sound financial and liquidity position. As at 31 March 2009, the Group maintained a balance of cash and cash equivalents of HK$569,292,000, majority of which were denominated either in US dollars or Hong Kong dollars and HK$26,925,000 were denominated in RMB. The Group's current ratio improved to 2.05 as at 31 March 2009 from 1.87 as at 31 March 2008.

As at 31 March 2009, total interest-bearing bank and other borrowings were HK$260,645,000, comprising bank loans and overdrafts of HK$260,472,000 and finance lease payables of HK$173,000, of which HK$232,563,000 will be repayable within one year and HK$28,082,000 will be repayable after one year. The majority of these borrowings were denominated either in US dollars or Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate.

As at 31 March 2009, total equity attributable to equity holders of the Company amounted to HK$932,952,000. The Group had a net cash balance of HK$308,647,000, representing total cash and cash equivalents less total interest-bearing bank and other borrowings such that no gearing ratio was presented.

Treasury Policies

The majority of the Group's sales and purchases are denominated in US dollars and Hong Kong dollars and also denominated in European currencies to a certain 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 low. Certain production and operating overhead of the Group's production facilities in Mainland China are denominated in RMB. As at 31 March 2009, the Group did not have any outstanding financial instrument nor entered into any financial instrument for hedging purpose. 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 Expenditure and Commitments

During the Year, the Group incurred total capital expenditure of approximately HK$60,850,000, of which HK$56,975,000 was spent for the addition of property, plant and equipment as well as for the deferred expenditure on projects to develop new products whereas HK$3,875,000 was spent on the investment in a jointly-controlled entity.

As at 31 March 2009, the Group had capital commitments contracted but not provided for mainly in respect of the acquisition of property, plant and equipment of HK$3,436,000.

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 EUR750,000 (equivalent to approximately HK$7,583,000). The Group is now gathering relevant information to defend the claim against the subsidiary. Taking into consideration the advice from the Group's lawyer, the Directors consider that the subsidiary has valid defence against the claim and it is premature to estimate the outcome of the claim and accordingly, no provision was made as at 31 March 2009.

Charges on Assets

As at 31 March 2009, no bank deposit or other assets had been pledged to secure the Group's banking facilities.

Employee Information

As at 31 March 2009, the Group had a total of approximately 4,500 full-time employees. Total staff costs for the Year amounted to HK$213,642,000. 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, 2,658,000 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 of Hong Kong Limited (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 31 March 2009, approximately HK$106,250,000 were utilised for strategic business combinations and acquisitions, approximately HK$15,906,000 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.

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 Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the period from 1 April 2008 to the date of this announcement.

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 shall 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. Steven Julien Feniger and two non-executive directors of the Company, namely Mr. Kam Chi Chiu, Anthony and Mr. Arvind Amratlal Patel, has reviewed the audited financial statements of the Company 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.

REVIEW OF THE PRELIMINARY RESULTS ANNOUNCEMENT BY AUDITORS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the Year in this preliminary announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

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 (*www.hkexnews.hk*) and the Company (*www.computime.com*) in due course.

APPRECIATION

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

By Order of the Board
Auyang Ho
Chairman

Hong Kong, 13 July 2009

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

Executive directors
Mr. Auyang Ho *(Chairman)*
Mr. Auyang Pak Hong, Bernard *(Chief Executive Officer)*
Ms. Choi Po Yee, Alice

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. Steven Julien Feniger

* *For identification purposes only*