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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 ACQUISITION OF SHARES IN CT NOVA LIMITED AND TERMINATION OF SUBSCRIPTION AGREEMENT

THE ACQUISITION AND THE SHARE PURCHASE AGREEMENT

Reference is made to the 2019 Announcement relating to the Subscription Agreement, as a result of which Global Zone, a wholly-owned subsidiary of the Company, and Mr. Bernard AUYANG each held 50% shares in CT Nova.

The Board is pleased to announce that on 8 May 2020, Global Zone, Mr. Bernard AUYANG and CT Nova entered into and completed the Closing of the Share Purchase Agreement, pursuant to which Mr. Bernard AUYANG agreed to sell, and Global Zone agreed to purchase, 50% shares in CT Nova at US\$100,000. As, upon Closing, CT Nova will become a wholly-owned subsidiary of Global Zone, the Subscription Agreement has been terminated with immediate effect upon Closing as agreed between the Parties under the Share Purchase Agreement.

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.

The Directors (including Independent Non-Executive Directors) are of the view that the Share Purchase Agreement has been entered into in the ordinary and usual course of business of the Company, is on normal commercial terms, is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Bernard AUYANG is an Executive Director and the Chief Executive Officer of the Company and is therefore a connected person of the Company. As Mr. Bernard AUYANG owned 50% shares of CT Nova prior to Closing, CT Nova is an associate of Mr. Bernard AUYANG and is therefore a connected person of the Company. Accordingly, the Share Purchase 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 Share Purchase Agreement, when aggregated with the Subscription Agreement, is more than 0.1% but less than 5%, the Share Purchase 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

Reference is made to the 2019 Announcement relating to the Subscription Agreement, as a result of which each of Global Zone and Mr. Bernard AUYANG held 50% partly paid-up shares in CT Nova (with US\$100,000 being paid up and US\$600,000 outstanding for such 50% shares). In light of the imminent signing of the Share Purchase Agreement, the payment of US\$300,000 by each of Mr. Bernard AUYANG and Global Zone originally due on 31 March 2020 had been extended to 30 June 2020.

The Board is pleased to announce that on 8 May 2020, Global Zone, a wholly-owned subsidiary of the Company, and with Mr. Bernard AUYANG entered into and completed the Closing of the Share Purchase Agreement.

THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are summarized as follows:

Date: 8 May 2020

Parties:

- (1) Global Zone, as the Purchaser
- (2) Mr. Bernard AUYANG, as the Seller
- (3) CT Nova

Assets to be acquired: Mr. Bernard AUYANG agrees to sell, and Global Zone agrees to purchase, the Shares, being 50% of the issued shares of CT Nova

Consideration: US\$100,000 in the aggregate, payable by wire transfer of immediately available funds in US\$ to a designated account of the Seller at Closing

Closing date: Closing took place on the signing date of the Share Purchase Agreement, being 8 May 2020

Termination of Subscription Agreement: As, upon Closing, CT Nova became a wholly-owned subsidiary of Global Zone, the Subscription Agreement was terminated in its entirety with immediate effect upon Closing having taken place.

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\$100,000 paid by Mr. Bernard AUYANG into CT Nova at closing and strategic benefits of the transaction to the Group.

The Group intends to fund the Consideration by internal financial resources.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENT

The Board is of the view that the principal business carried out by CT Nova, i.e. the trading and distribution of smart home appliances and baby products (which may be manufactured by the Group or other manufacturers) through popular online platforms and offline outlets to a global consumer base, has a strong growth potential and that the industry in which CT Nova operates presents attractive future development prospects in light of general economic and market trends. While CT Nova is in the early stage of the development of its business, it has already started developing relationships with major global brands in consumer electronics and has entered into a licensing agreement with one brand which is engaging in prototyping and developing certain products to be sold by CT Nova.

The business to consumer model of CT Nova would complement the Group's existing business to business model. The full ownership by the Group of CT Nova would allow the Company to maximise the benefit it may derive out of developing CT Nova's business, creating synergies between the Group's expertise in product innovation, manufacturing and supply chain management, including previous experience in smart home appliances and CT Nova's resources, network and business prospects; and continue to benefit from the contribution by Mr. Bernard AUYANG in his new role as Executive Director and the Chief Executive Officer of the Company, in the development of CT Nova's business. In addition, the Share Purchase Agreement will reduce potential connected transactions relating to CT Nova.

The terms and conditions of the Share Purchase Agreement are determined after arm's length negotiations between the parties. The Directors (including Independent Non-Executive Directors) are of the view that the Share Purchase Agreement has been entered into in the ordinary and usual course of business of the Company, is on normal commercial terms, is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

Mr Bernard AUYANG, an Executive Director and the Chief Executive Officer of the Company, is the Seller under the Share Purchase Agreement. Mr. AUYANG Ho, an Executive Director, chairman of the Board and a controlling shareholder of the Company is the father of Mr. Bernard AUYANG and is an associate of Mr. Bernard AUYANG and a connected person of the Company. They have abstained from voting on the Board resolutions for considering and approving the Share Purchase Agreement. Save as disclosed above, there are no other Directors who have any material interest in the Share Purchase Agreement and no other Directors need to abstain from voting on the Board resolutions of the Company for considering and approving the Share Purchase 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 an Executive Director and the Chief Executive Officer, and a son of Mr. AUYANG Ho, an Executive Director, chairman of the Board and a controlling shareholder of the Company. Mr. Bernard AUYANG currently holds 1,000 ordinary shares in CT Nova, representing 50% of the issued shares of CT Nova.

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.

Financial information of CT Nova

The table below sets forth the financial information of CT Nova for the period between its incorporation and 31 March 2019 and for the twelve months ended 31 March 2020.

	Since incorporation to 31 March 2019 (HK\$ in thousands) (Audited)	For the year ended 31 March 2020 (HK\$ in thousands) (Unaudited)
Net (loss) before tax	(25)	(414)
Net (loss) after tax	(25)	(414)
Net assets (liabilities) value	(24)	1,118

Note: CT Nova was incorporated on 29 May 2018 and did not record any revenue since its incorporation. The net loss reflect CT Nova's start-up cost and operational expenses historically incurred.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Bernard AUYANG is an Executive Director and the Chief Executive Officer and is therefore a connected person of the Company. As Mr. Bernard AUYANG owned 50% of CT Nova prior to Closing, CT Nova is an associate of Mr. Bernard AUYANG and is therefore a connected person of the Company. Accordingly, the Share Purchase 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 Share Purchase Agreement, when aggregated with the Subscription Agreement, is more than 0.1% but less than 5%, the Share Purchase 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:

“2019 Announcement”	The announcement of the Company dated 21 November 2019 in relation to the Subscription Agreement
“Board”	the board of Directors
“Chief Executive Officer”	the chief executive officer of the Company
“Closing”	closing of the acquisition of Shares by the Purchaser in accordance with the terms and conditions of the Share Purchase 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 the sale and purchase of the 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
“Executive Director(s)”	the executive 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
“Independent Non-Executive Director(s)”	the independent non-executive director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Mr. Bernard AUYANG”	Mr. AUYANG Pak Hong, Bernard, an Executive Director and the Chief Executive Officer of the Company, and the Seller under the Share Purchase Agreement
“Parties”	Global Zone, Mr. Bernard AUYANG and CT Nova
“Shares”	1,000 ordinary shares in CT Nova, representing 50% of the issued shares of CT Nova upon Closing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Purchase Agreement”	The share purchase agreement relating to Shares entered into between Global Zone, Mr. Bernard AUYANG and CT Nova on 8 May 2020
“Subscription Agreement”	the subscription agreement entered into between Global Zone, Mr. Bernard AUYANG and CT Nova on 21 November 2019 relating to the subscription of 1,000 shares by Global Zone in CT Nova (as the same may have been amended or supplemented between the Parties)
“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, 8 May 2020

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*)

Dr. OWYANG King

Non-executive Directors:

Mr. KAM Chi Chiu, Anthony

Mr. Arvind Amratlal PATEL

Mr. WONG Chun Kong

Independent Non-executive Directors:

Mr. LUK Koon Hoo

Mr. Patrick Thomas SIEWERT

Mr. CHEUNG Ching Leung, David

* *For identification purposes only*