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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

The board of directors (the "**Board**") of Computime Group Limited (the "**Company**" or "**Computime**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2022 (the "**Year**", or "**FY2022**") together with the comparative figures for the year ended 31 March 2021 ("**FY2021**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2022

	Notes	**2022** *HK$'000*	2021 *HK$'000*
REVENUE	*3, 4*	**4,184,831**	3,596,660
Cost of sales		**(3,647,542)**	(3,130,871)
Gross profit		**537,289**	465,789
Other income	*4*	**17,367**	22,524
Selling and distribution expenses		**(110,475)**	(91,434)
Administrative expenses		**(334,041)**	(292,916)
Other operating income, net		**6,116**	9,012
Finance costs	*5*	**(13,837)**	(13,329)
Share of profits less losses of associates		**442**	2,848
PROFIT BEFORE TAX	*6*	**102,861**	102,494
Income tax expense	*7*	**(19,141)**	(21,103)
PROFIT FOR THE YEAR		**83,720**	81,391

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
Year ended 31 March 2022

	Note	2022 HK$'000	2021 HK$'000
ATTRIBUTABLE TO:			
Owners of the Company		**84,227**	81,391
Non-controlling interests		**(507)**	–
		83,720	81,391
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic		**10.01 HK cents**	9.69 HK cents
Diluted		**10.00 HK cents**	9.69 HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2022

	2022	2021
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**83,720**	81,391
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(47,037)**	68,633
Release of exchange reserve upon disposal of a subsidiary	**–**	636
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	**(47,037)**	69,269
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**36,683**	150,660
Attributable to:		
Owners of the Company	**37,167**	150,660
Non-controlling interests	**(484)**	–
	36,683	150,660

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**362,013**	318,755
Right-of-use assets		**106,144**	89,642
Goodwill		**111,560**	36,420
Club debenture		**705**	705
Intangible assets		**231,123**	177,859
Interests in associates		**2,079**	9,265
Financial asset at fair value through other comprehensive income		**–**	–
Financial assets at fair value through profit or loss		**9,359**	8,386
Prepayments and deposits		**46,845**	20,095
Deferred tax assets		**14,208**	14,087
Total non-current assets		**884,036**	675,214
CURRENT ASSETS			
Inventories		**935,884**	739,223
Trade receivables	*10*	**499,151**	404,382
Prepayments, deposits and other receivables		**133,166**	77,598
Cash and bank balances		**347,727**	591,203
Total current assets		**1,915,928**	1,812,406
CURRENT LIABILITIES			
Trade and bills payables	*11*	**807,020**	771,143
Other payables and accrued liabilities		**165,959**	116,444
Contract liabilities		**14,148**	7,254
Derivative financial instruments		**216**	562
Interest-bearing bank borrowings		**285,923**	83,454
Lease liabilities		**46,450**	36,756
Tax payable		**2,135**	5,144
Total current liabilities		**1,321,851**	1,020,757
NET CURRENT ASSETS		**594,077**	791,649
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,478,113**	1,466,863

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
As at 31 March 2022

	2022	2021
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**48,392**	39,801
Deferred tax liabilities	**39,833**	28,643
Total non-current liabilities	**88,225**	68,444
Net assets	**1,389,888**	1,398,419
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**84,254**	83,974
Reserves	**1,302,147**	1,314,436
	1,386,401	1,398,410
Non-controlling interests	**3,487**	9
Total equity	**1,389,888**	1,398,419

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP 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 address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 6/F, Building 20E, Phase 3, Hong Kong Science Park, 20 Science Park East Avenue, Shatin, New Territories, Hong Kong.

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

2.1 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, except for a financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK dollars**" or "**HK$**") 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 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

As at 31 March 2022, the Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate ("**HIBOR**") and United States dollars based on the London Interbank Offered Rate ("**LIBOR**"). The Group expects that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group's HIBOR-based borrowings. For other LIBOR-based borrowings, since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these instruments provided that the "economically equivalent" criterion is met.

(b) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. In April 2021, the HKICPA issued another amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* to extend the availability of the practical expedient for any reduction in lease payments that affects only payments originally due on or before 30 June 2022 (the "**2021 Amendment**"). The 2021 Amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. The amendments did not have any significant impact on the financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the smart solutions segment, which is engaged in the research and development, design, manufacture, trading and distribution of building and home control and appliance control products; and

(b) the contract manufacturing services segment, which is engaged in the research and development, design, manufacture, trading and distribution of commercial and industrial control products.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income, finance costs, share of profits less losses of associates, loss on disposal of a subsidiary, gain/loss on remeasurement of an existing interest in an associate upon a business combination, as well as corporate and unallocated expenses are excluded from such measurement.

Segment assets mainly exclude property, plant and equipment, goodwill, a club debenture, interests in associates, a financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss, right-of-use assets, deferred tax assets, cash and bank balances, and certain prepayments, deposits and other receivables, and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities mainly exclude interest-bearing bank borrowings, derivative financial instruments, lease liabilities, deferred tax liabilities, certain balances of trade and bills payables, other payables and accruals, and tax payable, and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

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

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Smart solutions		Contract manufacturing services		Total	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**1,281,361**	1,092,285	**2,903,470**	2,504,375	**4,184,831**	3,596,660
Segment results	**78,485**	32,632	**143,179**	168,514	**221,664**	201,146
Bank interest income					**1,985**	525
Government grants					**9,687**	19,393
Other income (excluding bank interest income and government grants)					**5,695**	2,606
Corporate and other unallocated expenses					**(142,160)**	(109,683)
Finance costs					**(13,837)**	(13,329)
Share of profits less losses of associates	**442**	2,848	**–**	–	**442**	2,848
Loss on disposal of a subsidiary					**–**	(668)
Gain/(loss) on remeasurement of an existing interest in an associate upon a business combination					**19,385**	(344)
Profit before tax					**102,861**	102,494
Income tax expense					**(19,141)**	(21,103)
Profit for the year					**83,720**	81,391
Assets and liabilities						
Segment assets	**818,811**	625,936	**858,485**	702,532	**1,677,296**	1,328,468
Interests in associates	**2,079**	9,265	**–**	–	**2,079**	9,265
Corporate and other unallocated assets					**1,120,589**	1,149,887
Total assets					**2,799,964**	2,487,620
Segment liabilities	**64,495**	26,583	**17,207**	5,347	**81,702**	31,930
Corporate and other unallocated liabilities					**1,328,374**	1,057,271
Total liabilities					**1,410,076**	1,089,201
Other segment information:						
Capital expenditure*					**166,867**	186,160
Depreciation of property, plant and equipment					**64,336**	57,167
Depreciation of right-of-use assets					**44,849**	38,178
Amortisation of intangible assets	**26,698**	34,859	**12,196**	10,790	**38,894**	45,649
Write-off of deferred expenditure	**240**	5,734	**125**	947	**365**	6,681
Impairment/(reversal of impairment) of trade receivables, net	**1,109**	(264)	**(38)**	(434)	**1,071**	(698)
Write-down of inventories to net realisable value	**15,084**	5,863	**12,088**	1,753	**27,172**	7,616

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and leasehold land classified as right-of-use assets.

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2022	2021
	HK$'000	*HK$'000*
The America	**1,734,085**	1,516,607
Europe	**1,925,964**	1,611,872
Asia	**524,517**	468,181
Oceania	**265**	–
	4,184,831	3,596,660

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2022	2021
	HK$'000	*HK$'000*
The America	**26,048**	2,946
Europe	**8,239**	6,120
Asia	**482,794**	428,691
	517,081	437,757

The non-current assets information above is based on the locations of the assets and excludes goodwill, a club debenture, intangible assets, a financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss and deferred tax assets.

Information about major customers

For the year ended 31 March 2022, revenue of approximately HK$1,159,613,000 (2021: HK$854,217,000) and HK$741,526,000 (2021: HK$760,745,000), which represented 27.7% (2021: 23.8%) and 17.7% (2021: 21.2%) of the Group's total revenue, respectively, was derived from sales by the contract manufacturing services segment to two separate single customers. They included sales to a group of entities which are known to be under common control with these customers.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2022	2021
	HK$'000	*HK$'000*
Revenue from contracts with customers	**4,184,831**	3,596,660

Revenue from contracts with customers

(i) Disaggregated revenue information

	2022	2021
	HK$'000	*HK$'000*
Geographical markets		
The America	**1,734,085**	1,516,607
Europe	**1,925,964**	1,611,872
Asia	**524,517**	468,181
Oceania	**265**	–
	4,184,831	3,596,660

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2022	2021
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of electronic control products	**2,071**	3,819

4. **REVENUE AND OTHER INCOME** *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) Performance obligations

Sale of electronic control products

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 150 days (2021: 30 to 150 days) from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with early settlement rebates which give rise to variable consideration subject to constraint.

An analysis of other income is as follows:

	2022	2021
	HK$'000	*HK$'000*
Bank interest income	**1,985**	525
Government grants*	**9,687**	19,393
Sundry income	**5,695**	2,606
	17,367	22,524

* Government grants were granted by respective governmental authorities in Hong Kong, Mainland China and Malaysia. During the year ended 31 March 2022, HK$194,000 (2021: HK$10,341,000), RMB217,000 (2021: RMB4,355,000) (equivalent to approximately HK$264,000 (2021: HK$5,127,000)) and MYR321,000 (2021: Nil) (equivalent to approximately HK$602,000 (2021: Nil)) were granted by respective governmental authorities to subsidise stable employment of enterprises in Hong Kong, Mainland China and Malaysia, and HK$196,000 (2021: HK$244,000) and RMB6,947,000 (2021: RMB3,244,000) (equivalent to approximately HK$8,431,000 (2021: HK$3,681,000)) were granted by respective governmental authorities in Hong Kong and Mainland China to subsidise the development of the industry which the Group operates. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2022	2021
	HK$'000	*HK$'000*
Interest on bank loans	**10,922**	10,143
Interest on lease liabilities	**2,915**	3,186
	13,837	13,329

6. PROFIT BEFORE TAX

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

	2022	2021
	HK$'000	*HK$'000*
Cost of inventories sold*	**3,620,370**	3,123,255
Depreciation of property, plant and equipment	**64,336**	57,167
Depreciation of right-of-use assets	**44,849**	38,178
Amortisation of patent and customer relationships^^	**162**	–
Research and development ("**R&D**") costs:		
Amortisation of deferred expenditure^	**38,732**	45,649
Write-off of deferred expenditure^	**365**	6,681
Current year expenditure	**15,976**	8,013
	55,073	60,343
Foreign exchange differences, net#	**14,644**	(17,775)
Loss on disposal of items of property, plant and equipment, net#	**2,901**	2,202
Impairment/(reversal of impairment) of trade receivables, net#	**1,071**	(698)
Write-down of inventories to net realisable value**	**27,172**	7,616
Derivative instruments – transactions not qualifying as hedges#		
– Realised losses/(gains), net	**(6,422)**	6,932
– Unrealised losses/(gains), net	**(346)**	562
Financial assets at fair value through profit or loss – designated as such upon initial recognition#	**277**	(635)
Loss on disposal of a subsidiary#	**–**	668
(Gain)/loss on remeasurement of an existing interest in an associate upon a business combination#	**(19,385)**	344

* Employee benefit expense of HK$440,378,000 (2021: HK$432,409,000) is included in "Cost of inventories sold" above.

** Write-down of inventories to net realisable value is included in "Cost of sales" on the face of the consolidated statement of profit or loss.

^ The amortisation of deferred expenditure and write-off of deferred expenditure for the year are included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

^^ The amortisation of patent and customer relationships for the year are included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

\# These items are included in "Other operating income, net" on the face of the consolidated statement of profit or loss.

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2021: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group entities operate.

	2022	2021
	HK$'000	*HK$'000*
Current – Hong Kong:		
Charge for the year	**1,633**	155
Overprovision in prior years	**(328)**	(14)
Current – Mainland China and other countries:		
Charge for the year	**12,136**	9,676
Underprovision/(overprovision) in prior years	**1,764**	(2,909)
Deferred	**3,936**	14,195
Total tax charge for the year	**19,141**	21,103

8. DIVIDENDS

Dividend paid during the year

	2022	2021
	HK$'000	*HK$'000*
Final dividend in respect of the financial year ended 31 March 2021 – HK$0.0595 per ordinary share (2021: final dividend of HK$0.0131 per ordinary share, in respect of the financial year ended 31 March 2020)	**49,965**	11,001

Proposed final dividend

	2022	2021
	HK$'000	*HK$'000*
Final – HK$0.0475 (2021: HK$0.0595) per ordinary share	**40,021**	49,965

The proposed final dividend for the year ended 31 March 2022 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. This announcement does not reflect the final dividend payable.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$84,227,000 (2021: HK$81,391,000) and the weighted average number of ordinary shares of 841,581,000 (2021: 839,740,000) in issue during the year.

For the year ended 31 March 2022, the calculation of the diluted earnings per share amount is based on the profit for the year attributable to owners of the Company of HK$84,227,000. The weighted average number of ordinary shares used in the calculation of 842,006,000 is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The computation of diluted earnings per share for the year ended 31 March 2021 does not assume the exercise of certain share options granted by the Company because the relevant exercise prices of those options were higher than the relevant average market prices of the shares of the Company for the year ended 31 March 2021.

A reconciliation between the weighted average number of ordinary shares used in calculating the basic earnings per share and that used in calculating the diluted earnings per share for the year ended 31 March 2022 is as follows:

	2022
Weighted average number of ordinary shares used in calculating the basic earnings per share	841,581,000
Weighted average number of ordinary shares assumed to have been issued at nil consideration on the deemed exercise of all dilutive options in issue during the year	425,000
Weighted average number of ordinary shares used in calculating the diluted earnings per share	842,006,000

10. TRADE RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Trade receivables	**502,081**	489,779
Impairment	**(2,930)**	(85,397)
	499,151	404,382

10. **TRADE RECEIVABLES** *(Continued)*

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one to five months (2021: one to five 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022	2021
	HK$'000	*HK$'000*
Within 1 month	**308,518**	214,264
1 to 2 months	**87,010**	96,673
2 to 3 months	**70,301**	56,514
Over 3 months	**33,322**	36,931
	499,151	404,382

An ageing analysis of the trade receivables as at the end of the reporting period, based on the payment due date and net of loss allowance, is as follows:

	2022	2021
	HK$'000	*HK$'000*
Current and due within 1 month	**486,385**	393,053
1 to 2 months	**2,355**	3,396
2 to 3 months	**2,358**	2,985
Over 3 months	**8,053**	4,948
	499,151	404,382

Included in the Group's provision for impairment of trade receivables as at 31 March 2021 was a provision for individually impaired trade receivables of HK$83,693,000 with a carrying amount before provision of HK$83,693,000. The individually impaired trade receivables mainly relate to balances that were in dispute, or in the status of insolvency and reorganisation proceedings for Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A. During the year ended 31 March 2022, the balance of EUR8,123,000 (approximately HK$79,843,000) was written off in view of the recoverability of the balance was remote.

As at 31 March 2021, included in trade receivables is an amount due from an associate of HK$13,565,000, which is repayable on credit terms similar to those offered to the major customers of the Group.

11. TRADE AND BILLS PAYABLES

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022	2021
	HK$'000	*HK$'000*
Within 1 month	**138,958**	126,542
1 to 2 months	**172,593**	135,943
2 to 3 months	**193,458**	227,547
Over 3 months	**302,011**	281,111
	807,020	771,143

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2022	2021
	HK$'000	*HK$'000*
Current and due within 1 month	**603,024**	626,372
1 to 2 months	**81,896**	55,167
2 to 3 months	**25,758**	26,799
Over 3 months	**96,342**	62,805
	807,020	771,143

The trade payables are non-interest-bearing and generally have payment terms ranging from one to six months (2021: one to five 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 Thursday, 8 September 2022 (the "**2022 AGM**") a final dividend of HK$0.0475 per share for the Year (the "**Proposed Final Dividend**") to be paid on Tuesday, 11 October 2022 to those Shareholders whose names appear on the register of members of the Company on Thursday, 22 September 2022.

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the 2022 AGM

The 2022 AGM is scheduled to be held on Thursday, 8 September 2022. For determining the entitlement to attend and vote at the 2022 AGM, the register of members of the Company will be closed from Monday, 5 September 2022 to Thursday, 8 September 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2022 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 Friday, 2 September 2022.

(b) Entitlement to the Proposed Final Dividend

The Proposed Final Dividend is subject to the approval of the Shareholders at the 2022 AGM. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Tuesday, 20 September 2022 to Thursday, 22 September 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend, 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 Monday, 19 September 2022.

ANNUAL GENERAL MEETING

It is proposed that the 2022 AGM will be held on Thursday, 8 September 2022. Notice of the 2022 AGM will be sent to the Shareholders in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The business environment during the Year remained challenging due to several unforeseen factors. The COVID-19 pandemic continued to disrupt the global chain, as another wave of infections has again impacted the supply of raw material, manufacturing, logistics, and consumption activities to a temporary halt. That was particularly severe in the Southeast Asian market. In the case of China, major cities such as Shenzhen and Shanghai have implemented lockdowns to contain the latest wave, putting a pause on most economic activities.

Even though the West largely relaxed its pandemic measures, they faced similar problems. The resumption of consumption drove product demand, yet the surge has further complicated the global and regional supply chain. The escalation of the Ukraine-Russia conflict added fire to the problem, causing significant changes to European trade routes. The supplies of key commodities such as oil and copper were severely disrupted due to geopolitical hostilities. The subsequent price hike has, in turn, put considerable cost pressure on many industries.

With challenges come opportunities. Given that people are forced to spend more time at home, there is a growing emphasis on quality of living, which comes with a rising adoption and spending on household products and services. The stay-at-home economy became the current and the next big trend. Most notably, the smart-living market, where interconnected, environmental-friendly, smart household products are used to form convenient and customized solutions, was increasingly valued. According to the International Data Corporation ("**IDC**"), the global smart home device market enjoyed a year-on-year ("**YoY**") growth of 11.7% in 2021. It is expected to maintain a double-digit CAGR from 2021 to 2026, presenting significant market opportunities.

Overall, there is a growing sense that uncertainties will become increasingly certain, and market disruptions will likely exert impacts in the short-to-medium term. From a company perspective, it is necessary to adapt to market shocks, upgrade its product and service offering to strengthen its core capability, expand its business and geographical footprint to diversify risks, maintain financial flexibility to prepare for the unexpected, and eventually, transform its business to become more sustainable. In the face of such a dynamic environment, Computime has made great strides during the Year, realigning its positioning to become an advanced, technology-driven, smart-living solutions provider to offer higher value to its customers and shareholders.

Business and Financial Review

The Group performed admirably despite the abovementioned challenges, achieving satisfactory sales performance and notable milestones during the Year. Benefiting from the resilient business performance and sales growth across both of the Group's operating segments, revenue for the Year increased by 16.4% YoY to approximately HK$4,184.8 million (FY2021: HK$3,596.7 million). The Group also took active measures to manage the acquisition and rising raw material price and production cost. Hence, the gross profit margin was primarily maintained at 12.8% (FY2021: 13.0%), and gross profit increased to approximately HK$537.3 million (FY2021: HK$465.8 million), in line with the increase in revenue. On expenses, while the Group continued to tap into new markets and invest in product and technology R&D, selling and distribution expenses were able to maintain at a stable level of approximately 2.6% of total revenue (FY2021: 2.5%). Administrative expenses were also well-managed at approximately 8.0% of total revenue (FY2021: 8.1%). Due to the combined effort, profit for the year attributable to owners of the Company recorded a steady increase of approximately 3.5% YoY, from HK$81.4 million last year to HK$84.2 million this year.

The Group was capable of delivering an improvement in earnings per share attributable to owners of the Company (basic) by 0.32 HK cents to 10.01 HK cents (FY2021: 9.69 HK cents). While COVID-19 disruption persists, the Group strongly believes the boost in sales performance is a strong evidence to seize additional market share, expanding our customer bases and order book. Overall, the Group responded swiftly to market changes and managed to alleviate the worst impacts. The satisfactory financial performance during the Year has reflected its operational resilience, increasing market share, and expanding client portfolio and order book in a highly complicated market.

During the Year, the Group continued its commitment to enabling and advancing smart and sustainable living for all through its two key operating segments, namely the Smart Solutions ("**SS**") segment and Contract Manufacturing Services ("**CMS**") segment, providing premium products and value-added solutions to its worldwide customers. Revenue for the SS segment was approximately HK$1,281.4 million (FY2021: HK$1,092.3 million), representing an increase of 17.3% YoY, mainly due to increase in order attributable to the growing awareness of household energy-saving among consumers. As for the CMS segment, the Group recorded a segment revenue of approximately HK$2,903.5 million (FY2021: HK$2,504.4 million), a YoY increase of 15.9%, attributable to the strong order demand from our customers across the entire Year. Our branded business, Salus, delivered a strong performance in the Year despite intensifying market competition, attributable to the increasing adoption of efficient, energy-saving household products within the European market.

In response to the severe global material shortage, the Group has strategically increased inventory holding of critical components to ensure on-time order fulfillment and delivery. During the Year, the Group recorded an increase in inventories, from HK$739.2 million as at 31 March 2021 to approximately HK$935.9 million as at 31 March 2022. Along with our strong sales growth versus the same period last year, the Group's trade receivables experienced an increase of HK$94.8 million, from HK$404.4 million as at 31 March 2021 to HK$499.2 million as at 31 March 2022.

The Group also made a conscious effort to maintain a healthy financial position despite acute global supply chain disruption and market volatility. As at 31 March 2022, the Group had cash and bank balances and time deposit with an original maturity of three months or less when acquired of HK$301.8 million (2021: HK$582.1 million). The Group also maintained a relatively healthy gearing ratio of 40.8% (2021: 21.8%), calculated based on the net debt divided by the equity attributable to owners of the Company plus net debt. Net debt is the sum of interest-bearing bank borrowings, trade and bills payables, and other payables and accrued liabilities, minus cash and bank balances and time deposits with an original maturity of three months or less when acquired. The ample financial reserve would enable the Group to remain flexible in the face of operating challenges.

Operationally, FY2022 marked a landmark Year for Computime's transformation journey in becoming a leading technology, brand, and manufacturing company and an enabler of smart and sustainable living. The Group took proactive measures surrounding improvement and diversification, focusing on product and technology R&D to enhance the capability, Software-as-a-service ("**SaaS**") and Platform-as-a-service ("**PaaS**") development, and regional market penetration to diversify business risk, manufacturing footprint expansion to support product and service development, as well as financial stability to maintain business agility.

In terms of product upgrade and diversification, the Group continued to invest in R&D during the Year, particularly in core technologies, including Internet of Things ("**IoT**"), sensors and connectivity, Cloud SaaS and PaaS solutions, Artificial Intelligence ("**AI**") and Machine Learning ("**ML**"), as well as human-machine interfacing. By incorporating the latest technological development into new and existing product categories, Computime could expand its product portfolio, improve its product functionality, boost client stickiness, and drive customer revenue contributions. During the Year, the Group has explored new product categories, such as EV charging devices and smart heating, ventilation, and air conditioning ("**HVAC**") products with energy-saving functions.

The Group has taken a significant step towards sustainability through the purchase of an additional interest in Braeburn Systems LLC ("**Braeburn**"), an American branded technology and product company focusing on energy-saving technologies and smart HVAC controls by acquiring an additional 62.9998% of the membership interests at a consideration of US$10.3 million in December 2021. As at 31 March 2022, the Group had an accumulated total of 90% of the membership interests in Braeburn. Given its unique positioning and capability, the acquisition is expected to broaden our client reach and product portfolio, increase our regional market penetration, expand our branded business-to-business ("**B2B**") business, drive our economies of scale, and most importantly, strengthen our servicing capability so that we can provide customers with better solutions and user experience. These, in turn, would support our new business initiatives, boosting our financial performance and providing business visibility and sustainability in the long run.

The Group expects Braeburn to further strengthen our market position in the North American region and diversify our geographical and customers concentration risks. Founded in 2001, Braeburn has more than 20 years of experience and accumulated extensive network resources, including a solid sales and marketing team, extensive locations of local distributor, and supporting warehouses in North America. Pairing with our home branded business, Salus North America, the two together would share a similar business model as well as technological platform, able to create synergies better to serve our customers with an expanded product catalogue, create sales and marketing synergies through integration, and achieve bundling or upselling in the field of smart HVAC. These eventually would drive our customer acquisition, retention, and profitability as we further penetrate the market.

Braeburn's existing application platform, BlueLink Connect, has acted as the technological infrastructure for users to control household appliances and collect user behaviour. Supported by our intelligent platforms in robotics, smart irrigation, smart home, and building and energy management, this would also allow us to provide intelligent, customized, and value-added services, essentially diversifying our revenue streams and boosting our margins in the longer term.

Expanding and improving the product portfolio also laid the foundation for the Group's SaaS or PaaS development. By consolidating Braeburn's installer and customer APP and technology platform with the Group's extensive product portfolio and capability in artificial intelligence of things ("**AIoT**"), the Group is currently working on offering platform solutions on applications such as smart irrigation, robotics, and smart home construction, providing customized controls and value-added management solutions to its branded partners and end customers. The move will also expand the Group's business scope, diversify its revenue streams, and achieve economies of scale amid limited visibility in the near future.

To support its servicing and geographical development and satisfy its customers' growing order demand, the Group has also put significant effort into diversifying and expanding our global manufacturing footprint. In addition to its China presence, the Group has steadily grown to the Asia Pacific with sites in Malaysia and Vietnam. During the Year, the Group also established its first manufacturing plant in Mexico and laid the foundation for the development of a Center of Excellence (an engineering center) in Romania to streamline its R&D further and improve its quality control in the European market, as well as to be more agile and closer to end markets.

To better manage the rapidly expanding manufacturing capability, reduce human capital dependence, and achieve more significant economies of scale, the Group also continuously devoted considerable effort to system upgrades during the Year, with the migration to the SAP system on the pipeline. The system is on track for an official launch very shortly, empowering the Group to pursue a new age of smart manufacturing and management excellence.

Outlook

Factors such as the COVID-19 pandemic, inflation, Ukraine-Russia conflict, and supply chain disruption are unlikely to be resolved soon. Under such an environment, it is expected that the operating environment will continue to be challenging and uncertain. Transforming its business model and adjusting its approach would be crucial for Computime to maintain competitiveness and go one step further.

Computime will continue to be devoted to enabling and advancing smart and sustainable living for users as our top priority. In the future, the Group will continue to invest in new technologies and platforms, including AI, ML, AIoT, robotics, cloud computing, and more, to integrate such technologies into its products to better realise the potential of Computime's total smart solutions and explore the SaaS income streams, ultimately improving its margins through offerings in security service, AI-powered HVAC services, and surveillance camera recording.

On Braeburn, the Group will continue to leverage its extensive distribution network and APP resources to increase market coverage and enhance its SaaS and PaaS capabilities. The Group is also committed to expanding its manufacturing excellence by exploring other locations in addition to Mexico and ramping up its existing production bases in China, Vietnam, and Malaysia. In support of the above measures, the Group will keep a stringent control on cash flow to better fuel its future development and transformation.

Despite all the uncertainties, Computime will continue to leverage its core competencies and technical know-how, forging towards the vision of becoming a premium smart living enabler to create higher values for its stakeholders.

Liquidity, Financial Resources and Capital Structure

The Group continued to maintain a sound financial and liquidity position in the Year. As at 31 March 2022, the Group maintained cash and bank balances of HK$347,727,000 (2021: HK$591,203,000), which included cash and bank balances of HK$301,758,000 (2021: HK$570,196,000), and nil time deposits with original maturity of three months or less when acquired (2021: HK$11,868,000) and restricted deposits of HK$45,969,000 (2021: HK$9,139,000) for issuance of bank acceptance notes. The Group held cash and bank balance of HK$132,682,000 (2021: HK$153,927,000) denominated in Renminbi ("**RMB**"). The remaining balance was mainly denominated in United States dollars ("**US dollars**"), HK dollars or Euro ("**EUR**"). Overall, the Group maintained a robust current ratio of 1.4 times (as at 31 March 2021: 1.8 times).

As at 31 March 2022, total interest-bearing bank borrowings were HK$285,923,000 (2021: HK$83,454,000), comprising mainly bank loans repayable within one year. The majority of these borrowings were denominated either in US dollars, HK dollars or EUR (2021: US dollars or EUR) and the interest rates applied were primarily subject to floating rate terms.

As at 31 March 2022, total equity attributable to owners of the Company amounted to HK$1,386,401,000 (2021: HK$1,398,410,000). The Group had a net balance of total cash and bank balances less total interest-bearing bank borrowings of HK$61,804,000 (2021: HK$507,749,000).

Treasury Policies

The Group is exposed to foreign exchange risk through sales and purchases that are denominated in currencies other than the functional currency of the operations to which they relate. The currencies involved are primarily US dollars, RMB, EUR and Great British Pound ("**GBP**"). As at 31 March 2022, the Group had outstanding foreign currency forward contracts to sell EUR6.0 million buy US dollars (2021: sell EUR5.8 million buy US dollars), and sell GBP4.0 million buy US dollars (2021: sell GBP9.5 million buy US dollars). These forward contracts were entered into for managing the foreign exchange risk. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimise the relevant exposures.

Capital Expenditure and Commitments

During the Year, the Group incurred total capital expenditures of approximately HK$166,867,000 (2021: HK$186,160,000) for additions to leasehold land, property, plant and equipment as well as for deferred expenditure associated with the development of new products.

As at 31 March 2022, the Group had capital commitments contracted but not provided for of HK$33,295,000 (2021: HK$16,686,000), mainly for the acquisition of property, plant and equipment.

Contingent Liabilities

As at 31 March 2022, the Group did not have any significant contingent liabilities (2021: Nil).

Charges on Assets

The Group undertakes to the bank that short term bank deposits of HK$46.0 million have to be maintained with the respective bank during the life of certain bills payables.

Employee Information

As at 31 March 2022, the Group had a total of 4,900 full-time employees (2021: 5,100 full-time employees). Total staff costs for the Year amounted to HK$687,189,000 (2021: HK$665,819,000). 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 currently has a share option scheme (which was adopted on 14 September 2016 ("**2016 Share Option Scheme**") following the expiry of the old share option scheme on 15 September 2016 ("**2006 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, 8,000,000 share options remained outstanding under the 2006 Share Option Scheme and 2,000,000 share options remained outstanding under the 2016 Share Option Scheme.

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 Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the Year.

After the end of the Year, effective from 13 April 2022, Mr. AUYANG Pak Hong Bernard, the chief executive officer of the Company (the "**Chief Executive Officer**"), has assumed the role of the chairman of the Board (the "**Chairman**") which is not in strict compliance with Code Provision C.2.1 of the CG Code.

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. AUYANG Pak Hong Bernard, the Chief Executive Officer, has also assumed the role of the Chairman. The Board believes that this can provide the Group with consistent leadership and allow more effective implementation of the overall strategy of the Group. The Board is of the view that this structure does not compromise the balance of power and authority, as major decisions are made in consultation with the Board, which currently comprises a high percentage of independent non-executive directors who can scrutinise important decisions and monitor the power of the chairman and chief executive. The current senior management team of the Group also possesses rich knowledge and experience in different professional fields to assist Mr. AUYANG Pak Hong Bernard to make decisions about the businesses and operations of the Group. The Board believes that the interests of the Group and the Company's shareholders as a whole have been safeguarded. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Group's circumstances.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises the four independent non-executive directors of the Company, namely, Mr. LUK Koon Hoo (chairman of the Audit Committee), Mr. Patrick Thomas SIEWERT, Mr. HO Pak Chuen Patrick and Mr. Roy KUAN and a non-executive director of the Company, namely, Mr. KAM Chi Chiu, Anthony have reviewed the consolidated financial statements of the Group for the Year and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal control and financial reporting matters.

SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2022 as set out in this announcement have been agreed by the Company's auditor, 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 this 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 of Hong Kong Limited (*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
Computime Group Limited
AUYANG Pak Hong Bernard
Chairman and Chief Executive Officer

Hong Kong, 30 June 2022

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

Executive directors
Mr. AUYANG Pak Hong Bernard *(Chairman and Chief Executive Officer)*
Mr. WONG Wah Shun

Non-executive directors
Mr. KAM Chi Chiu, Anthony
Mr. WONG Chun Kong

Independent non-executive directors
Mr. LUK Koon Hoo
Mr. Patrick Thomas SIEWERT
Mr. HO Pak Chuen Patrick
Mr. Roy KUAN

* *For identification purposes only*