匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1729)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2023

FINANCIAL HIGHLIGHTS

For the year ended 31 March	**2023**	2022	Change
Operating results *(HK$'million)*			
Revenue	**5,764.8**	3,590.1	60.6%
Gross profit	**624.7**	588.1	6.2%
Profit for the year	**215.9**	168.3	28.3%
Adjusted profit for the year *(Note)*	**215.9**	195.2	10.6%
Basic earnings per share *(Hong Kong cents)*	**11.1**	9.1	22.0%
Adjusted basic earnings per share *(Hong Kong cents) (Note)*	**11.1**	10.6	4.7%
Financial position *(HK$'million)*			
Cash (used in) generated from operations	**(1,393.4)**	262.5	-630.8%
Bank balances and cash	**288.0**	220.9	30.4%
Shareholders' funds	**1,132.4**	1,051.2	7.7%
Capital expenditure	**227.3**	59.4	282.7%
Key ratios *(%)*			
Gross profit margin	**10.8**	16.4	-5.6pts
Net profit margin	**3.7**	4.7	-1.0pts
Adjusted net profit margin *(Note)*	**3.7**	5.4	-1.7pts
EBITDA/Revenue	**7.0**	9.6	-2.6pts
Adjusted EBITDA/Revenue *(Note)*	**7.0**	9.8	-2.8pts
Return on shareholders' funds	**19.1**	16.0	3.1pts

Note: For reconciliations of the reported results to an adjusted basis, including lists of adjustment items, see page 26.

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Time Interconnect Technology 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 2023 (the "**Review Year**" or "**FY2023**"), together with the comparative figures for the year ended 31 March 2022 (the "**Previous Year**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	NOTES	**2023** *HK$'000*	2022 *HK$'000*
Revenue	*4*	**5,764,839**	3,590,117
Cost of goods sold		**(5,140,174)**	(3,002,020)
Gross profit		**624,665**	588,097
Other income	*5*	**21,729**	5,873
Other gains and losses	*6*	**(16,253)**	1,716
(Loss) gain on revaluation of property, plant and equipment, and right-of-use asset, net		**(3,161)**	361
Gain on bargain purchase		**–**	3,201
Impairment losses under expected credit loss ("**ECL**") on trade receivables		**(3,425)**	–
Distribution and selling expenses		**(61,402)**	(66,043)
Administrative expenses		**(140,153)**	(134,459)
Professional fees and costs relating to acquisition of business and business restructuring		**–**	(6,496)
Research and development expenses		**(109,939)**	(121,352)
Finance costs	*7*	**(55,821)**	(38,043)
Profit before taxation	*8*	**256,240**	232,855
Taxation	*9*	**(40,354)**	(64,582)
Profit for the year		**215,886**	168,273
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss:			
Gain (loss) on revaluation of right-of-use assets and property, plant and equipment		**2,434**	(36,170)
Deferred tax arising from revaluation of right-of-use assets and property, plant and equipment		**(660)**	8,497
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on hedging instruments designated as cash flow hedge		**–**	417
Reclassification on hedging instruments to profit or loss		**–**	(417)
Exchange differences arising on translating foreign operations		**(109,911)**	63,832
Other comprehensive (expense) income for the year		**(108,137)**	36,159
Total comprehensive income for the year		**107,749**	204,432

	NOTES	2023 HK$'000	2022 HK$'000
Profit for the year attributable to:			
Owners of the Company		**215,140**	168,223
Non-controlling interests		**746**	50
		215,886	168,273
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**108,254**	204,127
Non-controlling interests		**(505)**	305
		107,749	204,432
Earnings per share	*10*		
– Basic (HK cents)		**11.06**	9.10
– Diluted (HK cents)		**11.05**	9.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	NOTES	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**880,187**	786,902
Right-of-use assets		**343,650**	383,731
Deposits paid for acquisition of property, plant and equipment		**7,744**	3,499
Financial assets at fair value through profit or loss ("**FVTPL**")		**6,542**	6,284
Rental deposits		**2,102**	1,690
		1,240,225	1,182,106
Current assets			
Inventories		**2,050,559**	653,649
Trade and other receivables	*12*	**1,541,265**	1,090,174
Contract assets		**4,583**	29,708
Taxation recoverable		**7,680**	450
Pledged bank deposits		**974,649**	5,769
Bank balances and cash		**288,003**	220,906
		4,866,739	2,000,656
Current liabilities			
Trade and other payables	*13*	**969,786**	885,572
Contract liabilities		**2,227**	4,413
Amounts due to related companies		**508,328**	–
Lease liabilities		**19,159**	10,584
Taxation payable		**10,691**	14,843
Bank borrowings		**1,295,258**	788,147
Loans from related companies		**1,465,186**	–
		4,270,635	1,703,559
Net current assets		**596,104**	297,097
Total assets less current liabilities		**1,836,329**	1,479,203
Non-current liabilities			
Lease liabilities		**49,721**	48,251
Bank borrowings		**52,812**	274,016
Loans from related companies		**498,998**	–
Deferred tax liabilities		**90,728**	93,491
		692,259	415,758
Net assets		**1,144,070**	1,063,445
Capital and reserves			
Share capital		**19,460**	19,460
Reserves		**1,112,892**	1,031,714
Equity attributable to owners of the Company		**1,132,352**	1,051,174
Non-controlling interests		**11,718**	12,271
Total equity		**1,144,070**	1,063,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**"). The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the Company's principal place of business is Units 213-221, 2/F, Building 5E, 5 Science Park East Avenue, Hong Kong Science Park, Shatin, Hong Kong.

Prior to 16 March 2022, the immediate holding company of the Company was Time Interconnect Holdings Limited which was incorporated in the British Virgin Islands ("**BVI**"). The ultimate holding company was Linkz Industries Limited ("**Linkz Industries**"), which was incorporated in Hong Kong. Its ultimate controlling shareholder was Mr. Lo Chung Wai Paul ("**Mr. Paul Lo**"), who was also a former non-executive director of the Company. On 16 March 2022, Luxshare Precision Limited ("**Luxshare Precision**") completed the acquisition of 1,380,000,000 issued share capital of the Company, representing approximately 72% of total issued share capital of the Company. Details of the transaction are set out in the Company's announcement dated 16 March 2022. The immediate holding company of the Company is then changed to Luxshare Precision. The Company's intermediate holding company is then changed to Luxshare Precision Industry Co., Ltd. ("**Luxshare**"), a company incorporated in the People's Republic of China (the "**PRC**") with its shares listed on the Shenzhen Stock Exchange.

In the opinion of directors of the Company, the ultimate controlling shareholder of Luxshare and the Company is Luxshare Limited, a company incorporated in Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are manufacturing and trading of cable assembly, digital cable and server products.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") while the functional currency of the Company is United States dollars ("**USD**"). The reason for selecting HK$ as the Company's presentation currency is that the Directors consider that it is more relevant to the users of the consolidated financial statements as the Company listed its shares on the HK Stock Exchange.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after a date to be determined
3 Effective for annual periods beginning on or after 1 January 2024

3. SEGMENT INFORMATION

HKFRS 8 "Operating Segments" ("**HKFRS 8**") requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by Chief Operating Decision Maker ("**CODM**") in order to allocate resources to segments and to assess their performance.

During the year ended 31 March 2023, the Group commenced the business engaging in server business and it is considered as a new operating and reportable segment by CODM.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. Cable assembly

2. Digital cable

3. Server

The accounting policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRSs consolidated financial statements. Information reported to the Group's chief executive officer, being the CODM, for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered.

Principal activities of the Group's reportable segments are as follows:

Cable assembly	– manufacturing and trading of cable assembly products
Digital cable	– manufacturing and trading of networking cable and specialty cable products
Server	– manufacturing and trading of server products

These divisions are the basis on which the Group reports its operating segment information.

Segment results represent the profit earned by each segment without allocation of results attributable to professional fees and costs relating to acquisition of business and business restructuring, finance costs, unallocated income and unallocated expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

(a) Segment revenue and results

For the year ended 31 March 2023

	Cable assembly *HK$'000*	**Digital cable** *HK$'000*	**Server** *HK$'000*	**Total reportable segments** *HK$'000*	**Eliminations** *HK$'000*	**Total** *HK$'000*
Segment revenue						
External sales	**1,889,886**	**1,347,171**	**2,527,782**	**5,764,839**	**–**	**5,764,839**
Inter-segment sales	**–**	**23,537**	**–**	**23,537**	**(23,537)**	**–**
	1,889,886	**1,370,708**	**2,527,782**	**5,788,376**	**(23,537)**	**5,764,839**
Segment results	**171,777**	**70,903**	**73,914**	**316,594**	**–**	**316,594**
Finance costs						**(55,821)**
Unallocated income						**11,907**
Unallocated expenses						**(16,440)**
Profit before taxation						**256,240**

For the year ended 31 March 2022

	Cable assembly *HK$'000*	Digital cable *HK$'000*	Total reportable segments *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	1,876,204	1,713,913	3,590,117	–	3,590,117
Inter-segment sales	77	41,519	41,596	(41,596)	–
	1,876,281	1,755,432	3,631,713	(41,596)	3,590,117
Segment results	199,605	97,615	297,220	–	297,220
Professional fees and costs relating to acquisition of business and business restructuring					(6,496)
Finance costs					(38,043)
Unallocated income					776
Unallocated expenses					(20,602)
Profit before taxation					232,855

(b) Segment assets and liabilities

An analysis of the Group's segment assets and segment liabilities by reportable and operating segments is as follows:

At 31 March 2023	**Cable assembly** *HK\$'000*	**Digital cable** *HK\$'000*	**Server** *HK\$'000*	**Consolidated** *HK\$'000*
Assets				
Reportable segment assets	**1,299,441**	**1,439,428**	**3,349,041**	**6,087,910**
Unallocated assets				**19,054**
Consolidated total assets				**6,106,964**
Liabilities				
Reportable segment liabilities	**567,367**	**266,079**	**299,226**	**1,132,672**
Unallocated liabilities				**3,830,222**
Consolidated total liabilities				**4,962,894**

At 31 March 2022	Cable assembly *HK\$'000*	Digital cable *HK\$'000*	Consolidated *HK\$'000*
Assets			
Reportable segment assets	1,446,020	1,717,387	3,163,407
Unallocated assets			19,355
Consolidated total assets			3,182,762
Liabilities			
Reportable segment liabilities	690,651	364,107	1,054,758
Unallocated liabilities			1,064,559
Consolidated total liabilities			2,119,317

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain other receivables, bank balances and cash and other unallocated assets; and

- all liabilities are allocated to operating segments other than certain bank borrowings, loans from related companies, amounts due to related companies, other payables and other unallocated liabilities.

(c) Other information

For the year ended 31 March 2023

Amounts included in the measure of segment profit or loss or segment assets.

	Cable assembly *HK$'000*	Digital cable *HK$'000*	Server *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital additions	**28,688**	**66,641**	**144,434**	**16,499**	**256,262**
Depreciation of property, plant and equipment	**28,329**	**31,732**	**8,333**	**301**	**68,695**
Depreciation of right-of-use assets	**11,186**	**5,533**	**5,280**	**1,301**	**23,300**
Loss on disposal and written off of property, plant and equipment	**2,028**	**5,709**	**–**	**–**	**7,737**
Impairment losses under ECL on trade receivables	**78**	**64**	**3,283**	**–**	**3,425**
Write-down of inventories	**13,511**	**2,968**	**10,499**	**–**	**26,978**
Income tax	**19,790**	**3,035**	**17,529**	**–**	**40,354**

For the year ended 31 March 2022

Amounts included in the measure of segment profit or loss or segment assets.

	Cable assembly *HK$'000*	Digital cable *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital additions	83,104	10,619	–	93,723
Depreciation of property, plant and equipment	21,687	34,210	–	55,897
Depreciation of right-of-use assets	10,492	7,400	–	17,892
Loss (gain) on disposal and written off of property, plant and equipment	118	(1,051)	–	(933)
Write-down of inventories	4,929	–	–	4,929
Income tax	46,014	18,568	–	64,582

Information about the Group's revenue from external customers presented based on the geographical location of the customers is as follows:

	2023 *HK$'000*	2022 *HK$'000*
PRC	**4,033,900**	1,664,349
The United States of America	**876,165**	887,552
Singapore	**213,370**	226,258
Netherlands	**135,773**	220,668
Hong Kong	**126,400**	201,269
Mexico	**124,473**	99,583
United Kingdom	**38,672**	47,771
Others	**216,086**	242,667
	5,764,839	3,590,117

Information about the Group's non-current assets (excluding financial assets at FVTPL and rental deposits) is presented based on the geographical location of the assets:

	2023	2022
	HK$'000	*HK$'000*
PRC	**1,208,622**	1,162,776
Hong Kong	**22,959**	11,356
	1,231,581	1,174,132

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2023	2022
	HK$'000	*HK$'000*
Customer A (from cable assembly and server segment)	**1,220,539**	N/A*
Customer B (from server segment)	**946,753**	–
Customer C (from cable assembly segment)	**780,791**	873,060
Customer D (from digital cable segment)	**N/A***	550,169
Customer E (from cable assembly segment)	**N/A***	434,203
Customer F (from digital cable segment)	**N/A***	406,006

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the manufacturing and sales of (i) cable assembly products, (ii) digital cable and (iii) server, during the year ended 31 March 2023 (2022: (i) cable assembly products and (ii) digital cable).

The revenue of the Group derives from manufacturing and sales of cable assembly products, digital cable and server. The Group's revenue is fixed price and short-term contracts. The normal credit term is 30 to 120 days upon delivery.

The revenue of the Group is recognised at a point in time except for revenue from certain sales, which are recognised over time. Under the transfer-of-control approach in HKFRS 15, revenue from certain sales of goods to the Group's customers in connection with the production of cable assembly products, digital cable and server are recognised when the goods are physically passed to the customers, which is the point in time when the goods have been delivered or shipped to the customers' specific location (delivery) and the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods upon customer acceptance. For the resales of server-related components that the Group acting as an agent, commission income is recognised at a point in time when the Group completes its performance obligation when the goods are physically passed to the customers. For certain sales of cable assembly, revenue is recognised over time when the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Revenue from its major products

The following is an analysis of the Group's revenue from its major products:

	2023	2022
	HK$'000	*HK$'000*
Cable assembly		
– Optical fibres	**1,124,133**	1,054,950
– Copper	**765,753**	821,254
Digital cable		
– Cat 6/6A cables	**1,114,836**	1,386,716
– Cat 5/5e cables	**85,896**	165,116
– Cat 7/7A cables	**53,967**	61,724
– Specialty cable	**92,472**	100,357
Server		
– Sales of server	**2,499,162**	–
– Commission income from resales of server-related components	**28,620**	–
	5,764,839	3,590,117

	2023	2022
	HK$'000	*HK$'000*
Over time	**780,791**	873,060
Point in time	**4,984,048**	2,717,057
	5,764,839	3,590,117

5. OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
Government grants *(note)*	**4,619**	1,790
Interest income	**11,907**	776
Others	**5,203**	3,307
	21,729	5,873

Note: During the year ended 31 March 2023, the Group recognised government grants of HK$1,116,000 (2022: Nil) relating to Employment Support Scheme provided by the Hong Kong Government. The remaining government grants in both years were related to export and other incentive payments received by the Group from PRC authorities. There were no unfulfilled conditions attached to these grants.

6. OTHER GAINS AND LOSSES

	2023	2022
	HK$'000	*HK$'000*
Net foreign exchange (loss) gain	**(8,032)**	565
(Loss) gain on disposal of property, plant and equipment	**(7,737)**	933
Gain on change in fair value of financial assets at FVTPL	**229**	218
Others	**(713)**	–
	(16,253)	1,716

7. FINANCE COSTS

	2023 *HK$'000*	2022 *HK$'000*
Interest on bank borrowings	**36,204**	35,555
Interest on loans from related companies	**16,305**	–
Interest on lease liabilities	**3,312**	2,905
Fair value gain reclassified from equity to profit or loss on interest rate swaps designated as cash flow hedges	**–**	(417)
	55,821	38,043

8. PROFIT BEFORE TAXATION

	2023 *HK$'000*	2022 *HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**68,695**	55,897
Depreciation of right-of-use assets	**23,300**	17,892
Less: capitalised in inventories	**(75,750)**	(58,822)
	16,245	14,967
Directors' emoluments	**12,377**	13,330
Other staff costs	**425,100**	389,516
Retirement benefits schemes contributions for other staff	**64,958**	52,684
Equity-settled share-based payment for other staff	**2,156**	3,942
Total staff costs	**504,591**	459,472
Less: capitalised in inventories	**(351,274)**	(301,803)
	153,317	157,669
Auditor's remuneration		
– Deloitte Touche Tohmatsu	**2,500**	2,170
– other auditors	**2,876**	766
	5,376	2,936
Cost of inventories recognised as expense (including the write-down of inventories amounting to HK$26,978,000 (2022: HK$4,929,000))	**5,140,174**	3,002,020
Impairment loss under ECL on trade receivables	**3,425**	–

9. TAXATION

	2023	2022
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current tax	**10,770**	22,113
Under-provision in respect of prior years	**70**	1
	10,840	22,114
PRC Enterprise Income Tax ("**EIT**")		
Current tax	**27,914**	14,574
(Over) under-provision in respect of prior years	**(915)**	385
Withholding tax in the PRC	**–**	20,382
	26,999	35,341
Deferred tax	**2,515**	7,127
	40,354	64,582

(i) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

(ii) PRC EIT

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Pursuant to the relevant laws and regulations in the PRC, certain entities of the Group operating in the PRC were awarded the Advanced-Technology Enterprise Certificate for a period of 3 years till 2025 (2022: for a period of 3 years till 2022) and are eligible for tax concessionary rate of 15% for the years ended 31 March 2023 and 2022.

Certain entities operating in the PRC that have taxable income of not more than RMB3 million, the quarterly average of total assets does not exceed RMB50 million as well as the quarterly average number of employees does not exceed 300 are qualified as small and micro enterprises for the years ended 31 March 2023 and 2022. For the first RMB1 million taxable income, 25% of its first RMB1 million taxable income would be taxed at a reduced rate of 20%. With effect from 1 January to 31 December 2022, these entities were entitled to a further reduced EIT rate of 10% on 25% of its first RMB1 million taxable income. For the portion over first RMB1 million and up to RMB3 million, only 25% of the taxable income would be taxed at a reduced EIT rate of 20% from 1 January 2022 to 31 December 2024.

No withholding tax is recognised during the year ended 31 March 2023. The withholding tax of HK$10,833,000 during the year ended 31 March 2022 mainly represented taxation recognised in respect of dividend income from PRC subsidiaries and was recognised at tax rates of 5% in accordance with the Implementation Regulation of the EIT Law of the PRC and HK$9,549,000 represented taxation recognised in respect of shares transfer of subsidiaries in the PRC in relation to group restructuring with tax rate of 10% under EIT Law during the year ended 31 March 2022.

According to relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2021 onwards, enterprises engaging in research and development activities are entitled to claim an additional 100% of their research and development expense ("**Super Deduction**") so incurred as tax deductible expenses when determining their assessable profits for both years. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits for the year ended 31 March 2023 and 2022.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**215,140**	168,223

	Number of shares	
	2023	2022
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,945,952**	1,849,527
Effect of dilutive potential ordinary shares:		
– Share options	**1,636**	17,243
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,947,588**	1,866,770

11. DIVIDENDS

	2023	2022
	HK$'000	HK$'000
Dividends recognised as distribution during the year:		
2022 final dividend – HK1 cent (2022: 2021 final dividend – HK1.5 cents) per ordinary share	**19,460**	27,606
2023 interim dividend – HK0.5 cents (2022: 2022 interim dividend – HK1 cent) per ordinary share	**9,730**	18,440
	29,190	46,046

On 28 June 2023, a final dividend of HK0.5 cents per ordinary share in respect of the year ended 31 March 2023, totalling HK$9,730,000 has been proposed by the board of Directors. The final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

12. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**1,240,414**	981,316
Trade receivables from the then fellow subsidiaries	**–**	128
Trade receivables from related companies	**10,355**	–
Bills receivables	**19,200**	17,366
	1,269,969	998,810
Less: Allowance for credit losses	**(3,425)**	–
	1,266,544	998,810
Value added tax receivables	**230,934**	56,582
Other receivables	**13,563**	8,480
Deposits and prepayments	**30,224**	26,302
Deposits, prepayments and other receivables	**274,721**	91,364
Trade and other receivables	**1,541,265**	1,090,174

As at 1 April 2021, trade and bills receivables amounted to HK$752,619,000.

The Group allows credit period ranging from 30 days to 120 days to its trade customers. Before accepting any new customers, the Group will internally assess the credit quality of the potential customers and determine appropriate credit limits. The ageing analysis of trade and bills receivables net of allowance for credit losses as presented, based on the right to consideration become unconditional/invoice date at the end of the reporting period at the end of the reporting period is as follows:

	2023	2022
	HK$'000	*HK$'000*
0 – 30 days	**736,447**	488,962
31 – 60 days	**268,288**	179,704
61 – 90 days	**150,357**	206,860
91 – 180 days	**100,138**	122,539
Over 180 days	**11,314**	745
	1,266,544	998,810

13. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**664,008**	748,461
Trade payables to related companies	**139,435**	–
Bills payables	**63,893**	46,659
Trade and bills payables	**867,336**	795,120
Other payables	**23,839**	7,225
Salaries and staff-related costs payables	**42,127**	45,808
Accrued charges	**23,789**	27,566
Other tax payables	**12,695**	9,853
Accruals and other payables	**102,450**	90,452
Trade and other payables	**969,786**	885,572

The average credit period of trade payables ranges from 30 days to 120 days.

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

	2023	2022
	HK$'000	*HK$'000*
0 – 30 days	**385,129**	448,782
31 – 60 days	**168,325**	123,150
61 – 90 days	**57,242**	93,947
91 – 180 days	**225,089**	129,032
Over 180 days	**31,551**	209
	867,336	795,120

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the Review Year, COVID-19 outbreaks and mobility restrictions have disrupted economic activities widely and severely. Shanghai entered several strict lockdowns in April, May and December 2022, forcing citywide economic activities to halt. Since then, more contagious variants have driven a worrisome surge in COVID-19 cases. The worsening crisis in China's property sector is also dragging down real estate sales and investment. The economic slowdown in China has global consequences: lockdowns added to global supply chain disruptions and the decline in domestic spending were reducing demand for goods and services from China's trade partners. On the other hand, affected by the war in Ukraine, global food and energy prices have risen, causing food crises in low-income countries. In the context of increasingly tight supply chains and labour markets, global inflation has once again exceeded expectations, especially in developed economies, prompting central banks around the world to further tighten monetary policy and raise interest rates faster than expected, increasing long-term borrowing costs for companies, further dragging down overall economic growth. Until early 2023, inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labour markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including non-bank financial institutions. Fortunately, policymakers have taken forceful actions to stabilize the banking system.

During the Review Year, the average copper price was USD8,536 per ton, representing a decrease of 11.9% as compared with USD9,689 for the Previous Year. Based on the existing quotation mechanism that the Group has used with customers, the selling price will be automatically adjusted with the price of copper, which means the impact of the copper price fluctuation has been directly passed through to customers. Even the amount of gross profit of the orders has not been affected by such copper price, the gross profit margin has been changed accordingly. As the materials costs, which include PVC cost, packing materials cost and labour cost remain on the high side, the Group has adjusted the selling price (excluding copper component) again to its customers in a range of 5% to 10% in May 2022.

Meanwhile, central banks have tightened monetary policy further and raised interest rates, leading to the appreciation of USD. During the Review Year, the average foreign currency exchange rate from converting Renminbi into Hong Kong dollars was 5.7% lower than the Previous Year. The Renminbi revenue converted into Hong Kong dollars decreased by HK$242.2 million, representing 4.2% of the Group's revenue. Furthermore, the closing rate of Renminbi converting into Hong Kong dollars as at 31 March 2023 was 7.9% lower than the rate as at 31 March 2022, which created a significant exchange loss raised from RMB receivable and USD payable.

In spite of the challenges and the difficulties posed by the macroeconomic environment, the Group strives to improve its business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group's existing business portfolio, broaden its source of income and enhance value to the shareholders. In April 2022, the Group has expanded its business to server business (the "**New Business**") by setting up a wholly-owned subsidiary, Time X-Ware Technology Limited, in Hong Kong. Our go-to-market strategy and business model is JDM/ODM model. The server business is deeply customised according to brand customers' requirements and the products offered by the Group under the New Business are mainly applied in data centres, which includes rack-mounted computing servers, edge servers, AI smart servers, storage servers, smart network cards, GPU cards, complete cabinet products, etc. The New Business and the existing wire and cable business have an upstream and downstream relationship, so the New Business represents an opportunity for the Group to expand its existing converged wire and cable products to a larger customer portfolio.

Following the acquisition by Luxshare Precision, Luxshare, together with its subsidiaries (the "**Luxshare Group**") and the Group have carried out multi-dimensional operating integrations, which include enjoying in line purchase price and payment terms of the common suppliers; allowing the Group to share a part of Luxshare Group's banking facilities; leasing Luxshare Group's factory facilities to develop the Group's server business; purchasing automation equipment from Luxshare Group to improve the Group's production technology and efficiency; transferring some materials sourcing from Luxshare Group to secure a stable supply of raw materials; and supplying cable and wire to Luxshare Group from the Group to gain more stable source of income. Furthermore, an aggregate amount of HK$1,962.3 million loans have been provided from Luxshare Group for financing the Group's operating working capital (including new server business), so as to avoid the interest rate continually increase and to lower the Group's interest costs. The loans were in 1- and 3-year terms and at a fixed interest rate of 3%. The Company has then fully repaid the club loan for the exclusive purpose of acquisition of the digital cable business and other bank loans. The Company believes that, these operating integrations would enable the Company to further benefit from the development and synergy in the fields of consumer electronics, communications, healthcare, automobile industry in terms of products, customers, and marketing, through integration of customer and market resources as well as technologies and R&D capabilities of Luxshare Group.

Due to the acquisition by Luxshare Precision, the Company was not entitled to share the use of office of Linkz Industries Limited (previous ultimate holding company). On 17 December 2022, the Company was relocated to a new office at Hong Kong Science Park.

Since the HK Stock Exchange published the amendments to Chapter 17 of the Listing Rules relating to share schemes and took effect on 1 January 2023, the Company has terminated the Existing Share Option Scheme and adopted the 2023 Share Option Scheme to replace the Existing Share Option Scheme. The purpose of the 2023 Share Option Scheme is to recognise the contribution or potential contribution of the Eligible Participants to the Group by granting Options as incentive or reward and to enable the Group to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The adoption of the 2023 Share Option Scheme was approved on 21 March 2023.

For the Review Year, the Group recorded revenue amounting to HK$5,764.8 million, representing an increase of HK$2,174.7 million or 60.6% as compared with HK$3,590.1 million for the Previous Year. Operating profit for the Review Year was HK$315.3 million, representing an increase of HK$38.3 million or 13.8%, as compared with HK$277.0 million for the Previous Year, with the operating profit margin dropping 2.2% from 7.7% to 5.5% for the Review Year. The increase in operating profit was mainly attributable to the new server business. Net profit of the Review Year was HK$215.9 million, representing an increase of HK$47.6 million or 28.3%, as compared with HK$168.3 million for the Previous Year, with the net profit margin dropping 1.0% from 4.7% to 3.7% for the Review Year.

RESULTS OF OPERATIONS

Financial Overview

For the year ended 31 March	**2023**	2022	Change
	HK$'million	*HK$'million*	*HK$'million*
Revenue	**5,764.8**	3,590.1	2,174.7
Gross profit	**624.7**	588.1	36.6
Gross profit margin	**10.8%**	16.4%	
Other income and other gains and losses	**5.5**	10.8	(5.3)
Total operating expenses	**(314.9)**	(321.9)	7.0
Total operating expenses as a percentage of revenue	**5.5%**	9.0%	
Operating profit	**315.3**	277.0	38.3
Operating profit margin	**5.5%**	7.7%	
(Loss) gain on revaluation of land and buildings	**(3.2)**	0.4	(3.6)
Professional fee for acquisition	**–**	(6.5)	6.5
Finance costs	**(55.8)**	(38.0)	(17.8)
Profit before taxation	**256.3**	232.9	23.4
Taxation	**(40.4)**	(64.6)	24.2
Effective tax rate	**15.8%**	27.7%	
Profit for the year	**215.9**	168.3	47.6
Net profit margin	**3.7%**	4.7%	
Adjusted profit for the year	**215.9**	195.2	20.7
Adjusted net profit margin	**3.7%**	5.4%	

Revenue

During the Review Year, copper price has decreased from the average copper price USD9,689 per ton to USD8,536 per ton, which represented a decrease of 11.9% compared with the Previous Year. Based on the existing quotation mechanism that the Group has been using with customers, the selling price will be automatically adjusted to account for the price of copper, resulting in the impact of the copper price fluctuation being directly pass through to customers. As such, the copper price impact was approximately HK$92.6 million, which represented 1.6% of the Group's revenue. On the other hand, RMB depreciation also lead to a reduction in revenue. During the Review Year, the average foreign currency exchange rate from converting Renminbi into Hong Kong dollars was 5.7% lower than the Previous Year. The Renminbi revenue converted into Hong Kong dollars decreased by HK$242.2 million, representing 4.2% of the Group's revenue. The Group's revenue in FY2023 increased by HK$2,174.7 million to HK$5,764.8 million from HK$3,590.1 million in the Previous Year, which represented an increase of 60.6% as compared to Previous Year. By excluding the copper price and Renminbi exchange rate impact, the Group's revenue increased by HK$2,509.5 million or 69.9% as compared with the Previous Year. The increase in revenue was mainly attributable to the new server business.

For the year ended 31 March	**2023**		2022		Change	
Market Sector	***HK$'million***	%	*HK$'million*	%	*HK$'million*	%
Cable assembly						
Data centre	**790.9**	**13.7%**	874.6	24.4%	(83.7)	-9.6%
Telecommunication	**644.0**	**11.2%**	559.6	15.6%	84.4	15.1%
Medical equipment	**245.6**	**4.3%**	257.8	7.2%	(12.2)	-4.7%
Industrial equipment	**47.4**	**0.8%**	95.9	2.7%	(48.5)	-50.6%
Automotive	**162.0**	**2.8%**	88.3	2.4%	73.7	83.5%
	1,889.9	**32.8%**	1,876.2	52.3%	13.7	0.7%
Digital cable						
Networking cable	**1,254.7**	**21.8%**	1,613.5	44.9%	(358.8)	-22.2%
Specialty cable	**92.4**	**1.6%**	100.4	2.8%	(8.0)	-8.0%
	1,347.1	**23.4%**	1,713.9	47.7%	(366.8)	-21.4%
Server	**2,527.8**	**43.8%**	–	–	2,527.8	100%
Total	**5,764.8**	**100.0%**	3,590.1	100.0%	2,174.7	60.6%

Data centre sector: The revenue of data centre sector has decreased by HK$83.7 million or 9.6% to HK$790.9 million for FY2023 as compared to HK$874.6 million for the Previous Year. Even the orders of data centre sector indicated a decrease, but it still maintained at a high shipment level during the year, and remained the highest revenue sector in the cable assembly business.

Telecommunication sector: It recorded a strong increase of revenue from HK$559.6 million in the Previous Year to HK$644.0 million for FY2023, representing an increase of HK$84.4 million or 15.1%. The orders of 5G products have increased steadily and the profit margin has improved as these new products carry a higher margin.

Medical equipment sector: As local transmission of the virus was brought to low levels everywhere by the end of 2022 through a combination of better-targeted precautions and improved access to vaccines and therapies, the demand of medical equipment cables orders appeared to be trending back down. The revenue of medical equipment sector for FY2023 was HK$245.6 million, representing a slight decrease of HK$12.2 million or 4.7% as compared with HK$257.8 million for the Previous Year.

Industrial equipment sector: Global inflation has exceeded expectations, prompting central banks around the world to further tighten monetary policy and raise interest rates faster than expected, increasing long-term borrowing costs for companies, further dragging down overall economic growth. The revenue of industrial equipment sector decreased by HK$48.5 million or 50.6% from HK$95.9 million for the Previous Year to HK$47.4 million for FY2023.

Automotive sector: On 31 August 2021, the Group completed the acquisition of the business of manufacturing and sales of automotive wire harness. The revenue of automotive sector of HK$88.3 million represented seven months revenue for the Previous Year. While for FY2023, the revenue of this sector was HK$162.0 million, representing a significant increase of HK$73.7 million or 83.5% as compared with the seven months revenue for the Previous Year. The Group believes that the automotive wiring products can help the Group to provide its customers with a broader product portfolio, and to step in new business sector by enriching the Group's business portfolio and broadening its unique customer base, so as to capture opportunities brought by the booming electric vehicle market.

Networking cable sector: COVID-19 outbreaks and mobility restrictions have disrupted economic activities widely and severely. Shanghai entered a strict lockdown in April, May and December 2022, forcing citywide economic activities to halt. The Group's factories in Shanghai and Suzhou had temporarily halted operations because of the lockdown. In addition, the war in Ukraine and the appreciation of USD have affected the demand of overseas orders. The revenue of networking cable for FY2023 was HK$1,254.7 million, represented a decrease of HK$358.8 million or 22.2% as compared with HK$1,613.5 million for the Previous Year. As the copper price has decreased by 11.9% during the Review Year, if the impact of copper price is excluded, the networking cable's revenue actually decreased by HK$274.1 million or 17.0% as compared with the Previous Year.

Specialty cable sector: Specialty cable sector includes industrial communication cables, rail transit cables, HDBT Hi-Res data communication cables, etc. These products are widely used for networking communication system, smart buildings, security engineering, hi-fidelity digital audio and video system, industrial automation control system and rail transit communication system. For FY2023, the revenue of specialty cable was HK$92.4 million, represented a decrease of HK$8.0 million or 8.0% as compared with HK$100.4 million for the Previous Year. By excluding the copper price impact, the specialty cable's revenue just slightly decreased by HK$1.6 million or 1.6% as compared with the Previous Year.

Server sector: The Group has expanded its business to server business which is deeply customised according to brand customers' requirements. The products offered by the Group are mainly applied in data centres, which includes rack-mounted computing servers, edge servers, AI smart servers, storage servers, smart network cards, GPU cards, complete cabinet products, etc. The new server business started from May 2022, the revenue of server sector of HK$2,527.8 million represented eleven months revenue for FY2023.

Gross Profit/Margin

Gross profit for FY2023 was HK$624.7 million, representing an increase of HK$36.6 million or 6.2% as compared with HK$588.1 million for the Previous Year. It is because the average selling price of the server is much higher than that of the wire and cable business, and the profit margin was also lower than that of the wire and cable business, so the overall profit margin of the Group was inevitably pulled down. In the meantime, as the materials costs were still on the high side, such as PVC cost, packing materials cost and labour cost, the Group's profitability in certain sectors have been affected differently. Although the Group has adjusted the selling price again to its customers in a range of 5% to 10% in May 2022, the Group's gross profit margin decreased from 16.4% to 10.8% as compared with the Previous Year. Manufacturing overhead increased by HK$113.0 million or 24.6% for FY2023, in which HK$88.5 million was attributable to the new server business and the rest of HK$24.5 million was attributable to the cable business, which represented an increase of 5.3% as compared with the Previous Year.

Operating Profit/Margin

Operating profit (before the loss on revaluation of building, professional fee for acquisition and finance costs) for FY2023 was HK$315.3 million, representing an increase of HK$38.3 million or 13.8% as compared with HK$277.0 million recorded in the Previous Year. Operating profit margin was 5.5% for FY2023 compared to 7.7% in the Previous Year. EBITDA of FY2023 was HK$404.1 million which represented an increase of HK$59.4 million or 17.2% as compared with HK$344.7 million for the Previous Year. The ratio of EBITDA to revenue for FY2023 decreased to 7.0% from 9.6% for the Previous Year.

Other income, which comprises primarily of bank interest income, government grants and handling income was in aggregate HK$21.7 million for FY2023, representing an increase of HK$15.8 million or 267.8% as compared with HK$5.9 million for the Previous Year. Such increase was mainly attributable to the increase of bank interest income of HK$11.1 million and the increase of government grants of HK$2.8 million.

Other gains and losses recorded a loss of HK$16.2 million for FY2023 compared to a gain of HK$1.7 million for the Previous Year. Such loss was mainly due to the loss on disposal and written-off of property, plant and equipment of HK$7.7 million and the net exchange loss from RMB depreciation of HK$8.0 million, which was attributable to the Group's operations in the ordinary course of business, as compared to an exchange gain of HK$0.6 million in the Previous Year.

The total operating expenses for FY2023 were HK$314.9 million, representing a decrease of HK$7.0 million or 2.2% compared to HK$321.9 million recorded in the Previous Year. Total operating expenses as a percentage of Group's revenue decreased from 9.0% to 5.5%.

Distribution and selling expenses decreased from HK$66.0 million to HK$61.4 million during FY2023, representing a decrease of HK$4.6 million or 7.0% as compared with the Previous Year. It was mainly attributable to the decrease in freight and transportation expenses of HK$4.4 million related to the overseas sales volume decrease of digital cable. As a percentage of the Group's revenue, distribution and selling expenses decreased from 1.8% to 1.1% as compared to the Previous Year.

Administrative expenses increased from HK$134.5 million to HK$140.2 million, which represented an increase of HK$5.7 million or 4.2% as compared with the Previous Year. The increase was mainly due to the increase of audit fee of HK$2.4 million for interim and annual reporting purpose for the Luxshare Group's consolidated financial statement as being subsidiaries of Luxshare Group, and the increase of bank charges of HK$2.2 million due to the repayment of club loan and other bank loans. Administrative expenses as a percentage of Group's revenue decreased from 3.7% to 2.4%.

During FY2023, the research and development expenses were HK$109.9 million, which represented a decrease of HK$11.5 million or 9.4% as compared with HK$121.4 million in the Previous Year. It was mainly attributable to the decrease of materials cost and testing fee of HK$9.8 million and the decrease of staff cost of HK$1.5 million. Research and development expenses as a percentage of Group's revenue decreased from 3.4% to 1.9%. The Company continued to put great efforts into enhancing its research and development capabilities by expanding the research and development team, so as to launch more new products and technologies.

Professional fee for acquisition

As at 31 August 2021, the Company completed the acquisition of the business of manufacturing and sales of automotive wire harness business engaged by GPIM Group (the relevant subsidiaries of GP Industries, being a previous controlling shareholder of the Company), at a final consideration of HK$69.0 million. The expenses incurred in connection with this acquisition was approximately HK$1.4 million for the Previous Year. In addition, approximately HK$3.8 million professional fee incurred in connection with the possible spin-off and separate listing of Time Interconnect Technology (Huizhou) Limited ("**Huizhou TIME**"). Besides, approximately HK$1.3 million professional fee was incurred in connection with the acquisition of sale shares in the Company by Luxshare Precision and mandatory unconditional cash offers to acquire all the issued shares and to cancel all the outstanding options of the Company for the Previous Year.

Finance Costs

For FY2023, the finance costs were recorded at HK$55.8 million against HK$38.0 million for the Previous Year. The finance costs included (i) bank loan interest of HK$22.9 million for short-term bank borrowings for the Group's operating working capital; (ii) bank loan interest of HK$13.3 million for the bank loan financing its acquisition of the digital cable business and automotive wire harness business; (iii) interest expenses of HK$16.3 million for several new loans from Luxshare Group for the operating working capital of the Group; and (iv) interest expenses of HK$3.3 million on the lease liabilities under adoption of HKFRS 16 "Leases" effective from 1 April 2019.

Profit for the year and Earnings per Share

Profit before taxation for FY2023 was HK$256.3 million, representing an increase of HK$23.4 million or 10.0% as compared with HK$232.9 million in the Previous Year.

Taxation represents the tax expenses arising from the assessable profit generated by the Group in Hong Kong and the PRC. Taxation was provided at the respective tax rate of 16.5% and 25% based on the profit from operating activities. The major manufacturing subsidiary, Huizhou TIME and Linkz Industries (Suzhou) Limited, were awarded the Advanced-Technology Enterprise Certificate and are eligible for tax concessionary rate of 15%. Taxation charges decreased from HK$64.6 million in the Previous Year to HK$40.4 million in FY2023. The effective tax rate decreased from 27.7% to 15.8%. Such decrease was mainly attributable to the preparation of spin-off and separate listing in the PRC last year which included the withholding tax of HK$10.9 million charged at 5% of a dividend declared by Huizhou TIME and the withholding tax of HK$9.5 million charged at 10% of capital gain related to internal reorganisation during last year.

Profit for the year of the Group for FY2023 was HK$215.9 million, representing an increase of HK$47.6 million or 28.3% as compared with HK$168.3 million for the Previous Year. The net profit margin was recorded at 3.7% as compared to 4.7% for the Previous Year.

Basic earnings per share for FY2023 was HK11.1 cents as compared to the basic earnings per share of HK9.1 cents in the Previous Year.

Dividends

The Directors recommend to the shareholders the payment of a final dividend in respect of FY2023 of HK0.5 cents (2022: HK1.0 cent) per share, amounting to a total of approximately HK$9.7 million.

Dividend per share	**2023**	2022
	HK cents	*HK cents*
Interim	**0.5**	1.0
Final*	**0.5**	1.0
Total	**1.0**	2.0

* Final dividend proposed after the end of the reporting period

Adjusted Performance

The reported results are prepared in accordance with HKFRSs. The Company also presents alternative performance measures (the "**non-GAAP financial measures**"). These include adjusted performance, which the Company use to align internal and external reporting, identify and quantify items management believes to be significant, and provide insight into how management assesses period-on-period performance. The non-GAAP financial measures are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with HKFRSs. The non-GAAP financial measures facilitate investors' assessment of the Group's operating performance, enhance the understanding of the Group's past performance as well as the future prospects and allow for greater visibility with respect to key metrics used by the management in their financial and operational decision-making. The non-GAAP financial measures are generally defined as profit for the year adjusted by excluding non-recurring and one-off items from continuing operations, which includes the professional fee for acquisition and the one-off withholding tax arising from the internal reorganisation relating to the preparation of spin-off and separate listing in the PRC.

The following information details the adjustments made to the reported results and the calculation of other alternative performance measures. All alternative performance measures are reconciled to the closest reported performance measure.

Reconciliations on non-GAAP financial measures

For the year ended 31 March	**2023** ***HK$'million***	2022 *HK$'million*	Change
Profit for the year	**215.9**	168.3	28.3%
Adjustment for Professional fee for acquisition	**–**	6.5	
Adjustment for One-off withholding tax	**–**	20.4	
Adjusted profit for the year	**215.9**	195.2	10.6%
Revenue	**5,764.8**	3,590.1	
Adjusted net profit margin *(%)*	**3.7**	5.4	-1.7pts
Weighted average number of ordinary shares *('000)*	**1,945,952**	1,849,527	
Adjusted basic earnings per share (Hong Kong cents)	**11.1**	10.6	4.7%
Total profit for the year	**215.9**	168.3	28.3%
Interest expense	**55.8**	38.0	
Taxation	**40.4**	64.6	
Depreciation and amortisation	**92.0**	73.8	
EBITDA	**404.1**	344.7	17.2%
Adjustment for Professional fee for acquisition	**–**	6.5	
Adjusted EBITDA	**404.1**	351.2	15.1%
EBITDA/Revenue *(%)*	**7.0**	9.6	-2.6pts
Adjusted EBITDA/Revenue *(%)*	**7.0**	9.8	-2.8pts

Adjusted profit for the year: By excluding the professional fee for acquisition and the one-off withholding tax arising from the internal reorganisation relating to the preparation of spin-off and separate listing in the PRC, the adjusted profit of FY2023 was HK$215.9 million, representing an increase of HK$20.7 million or 10.6% as compared with HK$195.2 million for the Previous Year. The adjusted net profit margin was recorded at 3.7% as compared with 5.4% for the Previous Year.

Adjusted basic earnings per share: Adjusted basic earnings per share for FY2023 was HK11.1 cents as compared to the adjusted basic earnings per share of HK10.6 cents in the Previous Year.

Adjusted EBITDA: By excluding the professional fee for acquisition, the adjusted EBITDA of FY2023 was HK$404.1 million, representing an increase of HK$52.9 million or 15.1% as compared with HK$351.2 million for the Previous Year. The ratio of adjusted EBITDA to revenue decreased to 7.0% from 9.8% for the Previous Year.

OUTLOOK

According to the latest forecast of the "World Economic Outlook" issued by the "International Monetary Fund" in April 2023, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets. In their latest forecast, global growth will bottom out at 2.8% this year before rising modestly to 3.0% in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% this year and 4.9% in 2024.

However, turbulence is building, and the situation is quite fragile, as the recent bout of banking instability reminded us. Inflation is much stickier than anticipated even a few months ago. While global inflation has declined, that reflects mostly the sharp reversal in energy and food prices, but core inflation has not yet peaked in many countries. It is expected to decline to 5.1% this year, a sizable upward revision of 0.6 percentage point from their previous update, well above target. Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply. Financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. Pockets of sovereign debt distress could, in the context of higher borrowing costs and lower growth, spread and become more systemic. The war in Ukraine could intensify and lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out more persistent than anticipated, requiring even more monetary tightening to tame. Fragmentation into geopolitical blocs has the scope to generate large output losses, including through its effects on foreign direct investment.

However, the PRC has continuously made great efforts to accelerate the research and development of 5G technology. With the rapid development of the 5G cellular network technology and the 5G network deployment announced by various mobile operators in recent years, more and more 5G devices and equipment will be gradually and massively replaced in the coming years. It is expected to drive the demand of cable assembly products and telecommunication sector and benefit the Group's business growth. In the meantime, the COVID-19 pandemic has changed many economic activities, such as work from home and online meetings have become a trend even not during the lockdown period and persistent social distancing, which will also directly increase the application and demand of network communication. So even when we are facing such challenges and difficulties in the macro-economic environment, the management remains confident in 5G-related business. The Group has already planned to set up a new plant in Mexico to increase its market share in markets outside China and Asia, the enlarged production capacity and well-established business fundamentals would enable the Group to capture market opportunities upon the arrival of this generation 5G network.

Moreover, the utilisation rate of cloud technology in companies around the world is continuously increasing. In cloud computing, the computing storage network must be placed in the data centre, therefore, the growing cloud technology is expected to drive the development of data centre. Meanwhile, the development of 5G will boost the application of big data, IoT, internet gaming and video streaming through cloud platform. The Group remains very positive on the continuous growth of the business of data centre sector.

By the end of 2022, local transmission of the virus was brought to low levels everywhere through a combination of better-targeted precautions and improved access to vaccines and therapies. Various regions and countries continue to relax epidemic prevention measures and travel restrictions. The market seems to be restarting, and people are returning to normal activities and life. Having said that, there is still a risk of the virus mutating, and there may be a rebound phenomenon. In addition, people have paid more attention to health, the demand for medical equipment will continue to increase. As for the medical equipment sector, the Group expects the demand for medical equipment cables will continue to bring positive impact to the Group's medical equipment cables orders this year. Moving ahead, the Group believes that this sector will maintain its dynamic pace of growth, considering the arising demand from the medical equipment market. To catch up with the trend, the Group will continue to enhance its medical equipment customers base, as well as to strengthen its research and development capabilities.

Considering the vigorous development of the automotive and electric vehicle markets, China has remained the world's largest auto market and auto producer in the past few years. As the PRC government has launched certain industry plans that focus on technological improvements and fossil fuels are expected to be exhausted soon in the future, large PRC companies have announced their initiatives to develop electric vehicles and/or autonomous driving technologies. In October 2020, the State Council set a goal and stated that by 2025, the sales of new energy vehicles in China will reach 20% of the total sales of new vehicles. The Group believes that the automotive wiring products can help the Group to provide our customers with a broader product portfolio, and to step in new business sector by enriching the Group's business portfolio and broadening its unique customer base, helping the Group to capture opportunities brought by the booming electric vehicle market.

In view of the great market potential of cloud service, communications, transportation and electricity in the PRC, the Group has set up a wholly-owned subsidiary, Time X-Ware Technology Limited, in April 2022 to commence a new server business, which is deeply customized according to brand customers' requirements. Our go-to-market strategy and business model will be JDM/ODM model. The products offered by the Group under the server business are mainly applied in data centres, which includes rack-mounted computing servers, edge servers, AI smart servers, storage servers, smart network cards, GPU cards, complete cabinet products, etc. The server business and the existing wire and cable business have an upstream and downstream relationship. It is expected the server business will represent an opportunity for the Group to expand its existing converged wire and cable products to a larger customer portfolio. In addition, the Company considers there will be a degree of vertical integration with the existing production of the Group, allowing an optimized cost structure. Given that Luxshare Group has (i) a solid technical team with efficient operation management/automation capabilities; and (ii) good relationship with core customers in the PRC, it is expected that Luxshare Group will bring synergies to the Group to further expand the PRC market by increasing the share of orders from data centre customers in the market. Moreover, having considered that (i) China is actively conducting investment activities to build digital infrastructure; (ii) the PRC manufacturers continue to increase the share of local supply chain due to geopolitics relationship; and (iii) Luxshare Group has extensive technological knowhow and good customers' relationships, the Board is optimistic on the future potential growth of the server business. The Board believes the development of the server business is a good opportunity for the Group to further develop its business and will help to diversify the Group's business as well as the Group's income stream.

Riding on the PRC government's policy of "channelling computing resources from the eastern areas to the western regions" (東數西算), Luxshare Precision will deploy the platform advantages and market position of the Luxshare Group and introduce strategic resources to the Company with intention to further strengthen the Company's potential for continuous growth and core competitiveness in its market and to enable the Company to develop strategically to become an all-rounded network solutions and infrastructure provider, so as to create greater value for the shareholders. In this regard, Luxshare Precision is conducting a strategic review of the operations and financial position of the Company, and actively exploring business opportunities for the growth and development, in both organic and inorganic manners, for the Company. The Company believes that the strategic alliance between Luxshare Precision and the Company would enable the Company to further benefit from the development and synergy in the fields of consumer electronics, communications, healthcare, automobile industry, in terms of products, customers, and marketing, through integration of customer and market resources as well as technologies and research and development capabilities of the Luxshare Group.

LIQUIDITY AND FINANCIAL RESOURCES

Shareholders' funds as at 31 March 2023 were approximately HK$1,132.4 million, which represented an increase of HK$81.2 million or 7.7% from HK$1,051.2 million as at 31 March 2022. The increase was mainly due to the profit attributable to shareholders equity for the year HK$167.6 million, although there was a decrease of HK$108.8 million in the translation reserve from converting Renminbi into Hong Kong dollars as recorded in the financial statements of the PRC subsidiaries due to the depreciation of RMB at the reporting date. As a result, shareholders' funds per share increased by 1.8% from HK$0.57 to HK$0.58.

As at 31 March 2023, the Group had bank balances and cash of HK$288.0 million, representing an increase of 30.4% as compared to HK$220.9 million as of 31 March 2022. Such increase was mainly due to the loans provided from Luxshare Group for financing the Group's operating working capital. As at 31 March 2023, the Group's bank loan was HK$1,348.1 million, representing an increase of HK$285.9 million or 26.9% from HK$1,062.2 million as at 31 March 2022. The Group believes it has sufficient committed and unutilised banking facilities as at 31 March 2023 to meet its current business operation and capital expenditure requirements.

Charge on Group Assets

Save for the bank deposits that were pledged to secure the bills payables issued by the bank under the general banking facilities granted to the Group, as at 31 March 2023 and 2022, banking facilities extended to the Group were not secured with the Group's assets. Pledged bank deposits amounted to HK$974.6 million and HK$5.8 million as at 31 March 2023 and 2022 respectively.

Gearing Ratio

Gearing ratio is calculated as net debt (defined as bank loans, loans from parent company and lease liabilities less bank balances and cash and pledged deposits) divided by the sum of net debt and total equity, and multiplied by 100%. As at 31 March 2023, the Group's gearing ratio was 64.9% as compared to the Previous Year 45.7%, the increase was mainly attributable to the loans provided from Luxshare Group for financing the Group's operating working capital.

CAPITAL STRUCTURE

The shares of the Company were listed on the Main Board of the HK Stock Exchange. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2023, the Company's issued share capital was HK$19.5 million and the number of its issued ordinary shares were 1,945,952,000 of HK$0.01 each.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's receipts and payments are denominated in United States dollars, Hong Kong dollars, Renminbi and Euro. The Group's management monitors the risk of related foreign exchange exposure by entering into forward foreign exchange contracts. Foreign currency exchange rates are volatile and may have an impact on the Group's results. The Group's management evaluates the Group's foreign currency exposure on a continuing basis and takes actions to minimise the Group's exposure whenever necessary.

TREASURY POLICIES

As an internal treasury policy, the Group continues to implement a prudent policy on financial management policy and does not participate in any high-risk speculative activities. However, the Group's management monitors exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The Group will also monitor and maintain a Hong Kong dollar cash balance to minimise the need for unnecessary foreign exchange conversion which may result in exchange loss.

The reporting currency of the Group is presented in Hong Kong dollars, as the Directors consider that it is more relevant to the users of the consolidated financial statements as the Company listed its shares on the HK Stock Exchange.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As of 31 March 2023, the Group had not provided any form of guarantee for any company outside the Group and had not been involved in any material legal proceedings for which provision for contingent liabilities was required.

As at 31 March 2023, the capital commitment of the Group is as follows:

	2023	2022
	HK$'million	*HK$'million*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements	**20.7**	5.7

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries and associations for FY2023. There is no other plan for material investments or capital assets as at 31 March 2023.

MATERIAL EVENT SINCE THE END OF THE FINANCIAL PERIOD

Save as disclosed in this announcement, there has been no other important event affecting the Group since 31 March 2023 and up to the date of this announcement.

EMPLOYEE

As of 31 March 2023, the total headcount for the Company was approximately 3,949, compared to 3,232 in the Previous Year. The increase was mainly driven by the increase of new server business and the increase of new hiring staff from Huizhou TIME. Fair and competitive remuneration package and benefits are offered to employees as well as discretionary bonus and share options. Various types of trainings were provided to the employees. Total employee benefit expenses including Directors' remuneration for FY2023 were approximately HK$504.6 million, as compared to approximately HK$459.4 million in the Previous Year. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

On 30 June 2020, the Company entered into a four years term loan facility agreement for an aggregate amount of HK$630.0 million (the "**Loan**") with four leading banks in Hong Kong (the "**Club Loan Lenders**") for the exclusive purpose of acquisition of the networking cables business. Pursuant to the terms of the facility agreement, it shall be an event of default if (i) Mr. Paul Lo ceases to be the single largest beneficial shareholder of the Company or beneficially own more than 51% of the issued share capital of Linkz Industries; (ii) Mr. Paul Lo ceases to be the chairman of the board of Directors or have control over the management and business of the Group; or (iii) Linkz Industries ceases to beneficially own more than 50% of the issued share capital of the Company (the "**Restriction**"). Upon the occurrence of an event of default, the entire outstanding amount of the facility shall be prepaid together with accrued interest.

On 11 February 2022, Datatech Investment Inc. and Time Interconnect Holdings Limited (collectively, the "**Sellers**") and Luxshare Precision entered into the Sale and Purchase Agreement, pursuant to which the Sellers agreed to sell and Luxshare Precision agreed to purchase a total of 1,380,000,000 shares, representing approximately 74.67% of the entire issued share capital of the Company at that time, for a total consideration of HK$1,104,000,000 (equivalent to HK$0.80 per sale share). Immediately after the close of the offers and taking into account the valid acceptances in respect of 594,000 offer shares, Luxshare Precision is interested in 1,380,594,000 Shares, representing approximately 70.95% of the entire issued Shares as at 19 April 2022.

The Company has obtained the consent from the Club Loan Lenders for the waiver on the Restriction. The Company has fully repaid the Loan in December 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2023.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all Shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 of the Listing Rules. During the year ended 31 March 2023, to the best knowledge of the Board, the Company had complied with all the applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code and there was no event of non-compliance throughout the period.

CLOSURE OF REGISTER OF MEMBER

The forthcoming annual general meeting is scheduled to be held on Monday, 28 August 2023 (the "**AGM**"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 23 August 2023 to Monday, 28 August 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 August 2023.

In order to qualify for the entitlement to the proposed final dividend, the register of members of the Company will also be closed from Friday, 1 September 2023 to Wednesday, 6 September 2023, both days inclusive, during which period no transfer of shares in the Company will be registered. All transfer of shares, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 31 August 2023. If the resolution of the proposed final dividend is passed at the AGM, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Wednesday, 6 September 2023. The proposed final dividend is expected to be paid on or before Tuesday, 26 September 2023.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 24 January 2018. The chairman of the Audit Committee is Mr. Chan Chung Shun Eric, the independent non-executive Director, and other members included Mr. Ho Hin Shun and Mr. Luk Wai Shing, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the HK Stock Exchange and on the Company's website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting-related financial management expertise.

The primary duties of the Audit Committee are to review the financial information and oversee the financial reporting system, internal control systems and risk management system and relationship with external auditors and review arrangements to enable employees of the Company can use in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee, which comprises three independent non-executive Directors, had reviewed the audited consolidated financial statements for the year in conjunction with the Group's auditors, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at the annual results for the year ended 31 March 2023.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

By order of the Board
Time Interconnect Technology Limited
Cua Tin Yin Simon
Executive Director and Chief Executive Officer

Hong Kong, 28 June 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cua Tin Yin Simon and Mr. Wong Chi Kuen, one non-executive Director, namely Ms. Wang Laichun and three independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric.