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匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1729)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

FINANCIAL HIGHLIGHTS

	Unaudited		
For the six months ended	**30.09.2023**	30.09.2022	Change
Operating results *(HK$'million)*			
Revenue	**2,626.7**	3,280.0	-19.9%
Gross profit	**405.0**	312.0	29.8%
Profit for the period	**151.3**	91.3	65.7%
Basic earnings per share *(Hong Kong cents)*	**7.8**	4.7	66.0%
Key ratios (%)			
Gross profit margin	**15.4**	9.5	5.9pts
Net profit margin	**5.8**	2.8	3.0pts
EBITDA/Revenue	**10.8**	5.3	5.5pts

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Time Interconnect Technology Limited (the "**Company**") hereby announces the condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 September 2023 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 September 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		Unaudited Six months ended	
		30.9.2023	30.9.2022
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**2,626,697**	3,279,977
Cost of goods sold		**(2,221,711)**	(2,968,026)
Gross profit		**404,986**	311,951
Other income		**16,775**	6,670
Other gains and losses	5	**(28,071)**	(20,232)
Gain on revaluation of property, plant and equipment		**1,061**	644
Distribution and selling expenses		**(30,364)**	(33,270)
Administrative expenses		**(68,442)**	(68,717)
Research and development expenses		**(59,801)**	(67,829)
Finance costs		**(49,050)**	(25,182)
Profit before income tax	6	**187,094**	104,035
Taxation	7	**(35,751)**	(12,714)
Profit for the period		**151,343**	91,321
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		**9,236**	(14,305)
Deferred tax arising from revaluation of right-of-use assets and property, plant and equipment		**(2,245)**	3,609
		6,991	(10,696)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**(74,923)**	(154,458)
		(74,923)	(154,458)
Other comprehensive expense for the period		**(67,932)**	(165,154)
Total comprehensive income (expense) for the period		**83,411**	(73,833)

		Unaudited	
		Six months ended	
		30.9.2023	30.9.2022
	Notes	***HK$'000***	*HK$'000*
Profit for the period attributable to:			
Owners of the Company		**151,113**	90,584
Non-controlling interests		**230**	737
		151,343	91,321
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**83,713**	(72,951)
Non-controlling interests		**(302)**	(882)
		83,411	(73,833)
Earnings per share	9		
– Basic (HK cents)		**7.77**	4.65
– Diluted (HK cents)		**7.77**	4.65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	Unaudited 30.9.2023 HK$'000	Audited 31.3.2023 HK$'000
Non-current assets			
Property, plant and equipment	10	**864,898**	880,187
Right-of-use assets	10	**324,672**	343,650
Deposits paid for acquisition of property, plant and equipment		**7,328**	7,744
Financial assets at fair value through profit or loss		**–**	6,542
Rental deposits		**2,062**	2,102
		1,198,960	1,240,225
Current assets			
Inventories		**2,205,046**	2,050,559
Trade and other receivables	11	**1,604,194**	1,541,265
Contract assets		**2,374**	4,583
Taxation recoverable		**7,088**	7,680
Pledged bank deposits		**412,270**	974,649
Bank balances and cash		**387,257**	288,003
		4,618,229	4,866,739
Current liabilities			
Trade and other payables	12	**958,295**	969,786
Contract liabilities		**6,098**	2,227
Amounts due to related companies		**57,194**	508,328
Lease liabilities		**18,945**	19,159
Taxation payable		**25,101**	10,691
Bank borrowings		**678,919**	1,295,258
Loans from related companies		**2,132,807**	1,465,186
Derivative financial instrument		**837**	–
		3,878,196	4,270,635
Net current assets		**740,033**	596,104
Total assets less current liabilities		**1,938,993**	1,836,329
Non-current liabilities			
Lease liabilities		**41,741**	49,721
Bank borrowings		**80,000**	52,812
Loans from related companies		**499,002**	498,998
Deferred tax liabilities		**93,877**	90,728
		714,620	692,259
Net assets		**1,224,373**	1,144,070
Capital and reserves			
Share capital		**19,460**	19,460
Reserves		**1,193,497**	1,112,892
Equity attributable to owners of the Company		**1,212,957**	1,132,352
Non-controlling interests		**11,416**	11,718
Total equity		**1,224,373**	1,144,070

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and leasehold land and buildings, which are measured at fair values and revalued amounts at the end of the reporting period respectively.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and application of certain accounting policies which become relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 March 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	Insurance contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction

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

3. SEGMENT INFORMATION

Information reported to the Group's chief executive officer, being the chief operating decision maker (the "**CODM**"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered.

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are (i) cable assembly, (ii) digital cable and (iii) server.

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 or loss incurred by each segment without allocation of results attributable to other income, professional fees and costs relating to acquisition of business and business restructuring, finance costs and unallocated expenses. There were asymmetrical allocations to operating segments because the Group allocates the pledged bank deposits and bank balances without allocating the related interest income to those segments. 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 period under review:

Segment revenue and results

For the six months ended 30 September 2023 (unaudited)

	Cable assembly	Digital cable	Server	Total reportable segments	Eliminations	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue						
External sales	**1,060,151**	**548,789**	**1,017,757**	**2,626,697**	**–**	**2,626,697**
Inter-segment sales	**14**	**11,870**	**980**	**12,864**	**(12,864)**	**–**
	1,060,165	**560,659**	**1,018,737**	**2,639,561**	**(12,864)**	**2,626,697**
Segment results	**134,765**	**18,146**	**76,079**	**228,990**	**–**	**228,990**
Other income						**14,508**
Finance costs						**(47,669)**
Unallocated expenses						**(8,735)**
Profit before taxation						**187,094**

For the six months ended 30 September 2022 (unaudited)

	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	958,456	790,596	1,530,925	3,279,977	–	3,279,977
Inter-segment sales	–	13,639	–	13,639	(13,639)	–
	958,456	804,235	1,530,925	3,293,616	(13,639)	3,279,977
Segment results	77,628	66,342	(10,132)	133,838	–	133,838
Other income						2,737
Finance costs						(25,182)
Unallocated expenses						(7,358)
Profit before taxation						104,035

Segment assets and liabilities

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

As 30 September 2023 (unaudited)	**Cable assembly** ***HK$'000***	**Digital cable** ***HK$'000***	**Server** ***HK$'000***	**Consolidated** ***HK$'000***
Assets				
Reportable segment assets	**1,288,702**	**1,347,676**	**3,165,193**	**5,801,571**
Unallocated assets				**15,618**
Consolidated total assets				**5,817,189**
Liabilities				
Reportable segment liabilities	**433,550**	**274,515**	**511,341**	**1,219,406**
Unallocated liabilities				**3,373,410**
Consolidated total liabilities				**4,592,816**

As 31 March 2023 (audited)	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

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 derivative financial liabilities, bank borrowings, other payables and other unallocated liabilities.

4. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the manufacturing and trading of cable assembly products, digital cable products and server products.

Revenue from its major products

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

	Unaudited	
For the six months ended	**30.9.2023**	30.9.2022
	HK$'000	*HK$'000*
Cable assembly		
– Optical fibres	**512,781**	465,821
– Copper	**547,370**	492,635
	1,060,151	958,456
Digital cable		
– Cat 6/6A cables	**433,695**	644,669
– Cat 5/5e cables	**44,102**	50,975
– Cat 7/7A cables	**13,408**	38,651
– Specialty cable	**57,584**	56,301
	548,789	790,596
Server		
– Sales of server products	**1,009,294**	1,530,925
– Commission income from resales of server related components	**8,463**	–
	1,017,757	1,530,925
	2,626,697	3,279,977
Disaggregated by timing of revenue recognition		
– Over time	**481,252**	356,310
– Point in time	**2,145,445**	2,923,667
	2,626,697	3,279,977

Geographical information

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

	Unaudited	
For the six months ended	**30.9.2023**	30.9.2022
	HK$'000	*HK$'000*
PRC	**1,711,693**	2,373,145
The United States of America	**485,527**	400,935
Singapore	**140,149**	103,057
Netherlands	**75,494**	94,113
Hong Kong	**58,471**	77,389
Others	**155,363**	231,338
	2,626,697	3,279,977

5. OTHER GAINS AND LOSSES

	Unaudited	
For the six months ended	**30.9.2023**	30.9.2022
	HK$'000	*HK$'000*
Net foreign exchange loss	**(26,790)**	(19,685)
Loss on disposal of property, plant and equipment	**(1,167)**	(219)
(Loss) gain on change in fair value of financial assets at fair value through profit or loss	**(114)**	115
Impairment loss on other receivables	**–**	(443)
	(28,071)	(20,232)

6. PROFIT BEFORE TAXATION

For the six months ended	Unaudited **30.9.2023** ***HK$'000***	 30.9.2022 *HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Interests on:		
– lease liabilities	**1,552**	1,503
– bank borrowings	**11,756**	18,666
– other borrowings	**35,742**	5,013
	49,050	25,182
Depreciation of property, plant and equipment	**34,679**	33,568
Depreciation of right-of-use assets	**12,843**	10,369
Written (back) off of inventories	**(6,630)**	168
Allowance for expected credit loss (reversed) made on trade receivables	**(98)**	410
Government grants *(note)*	**(766)**	(3,492)
Bank interest income	**(14,601)**	(2,737)

Note: During the period ended 30 September 2023, the Group does not recognised government grants (six months ended 30 September 2022 (unaudited): HK$1,008,000) relating to Employment Support Scheme provided by the Hong Kong Government. The remaining government grants for both periods were related to export and other incentive payments received by the Group from relevant government departments. There were no unfulfilled conditions attached to these grants. Such government grants were included under "other income".

7. TAXATION

For the six months ended	Unaudited **30.9.2023** ***HK$'000***	 30.9.2022 *HK$'000*
Current tax		
– Hong Kong profits tax	**5,060**	6,329
– PRC Enterprise Income Tax ("**EIT**")	**26,256**	14,542
	31,316	20,871
Deferred taxation charge (credit)	**4,435**	(8,157)
	35,751	12,714

(i) Hong Kong Profits Tax

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

(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 and are eligible for tax concessionary rate of 15% for the periods ended 30 September 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 periods ended 30 September 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.

According to relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 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 with effect from 1 January 2021. 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 periods ended 30 September 2023 and 2022.

8. DIVIDENDS

During the current interim period ended 30 September 2023, a final dividend of HK0.5 cents per ordinary share in respect of the year ended 31 March 2023 (six months ended 30 September 2022 (unaudited): HK1 cent per ordinary share in respect of the year ended 31 March 2022) was declared to the shareholders of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to HK$9,730,000 (2022: HK$19,460,000).

On 27 November 2023, the board of directors of the Company has resolved to declare an interim dividend of HK0.75 cents per ordinary share totalling HK$14,595,000 for the six months ended 30 September 2023.

9. EARNINGS PER SHARE

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

	Unaudited	
For the six months ended	**30.9.2023**	30.9.2022
	HK$'000	*HK$'000*
Earnings for the purpose of calculating basic earnings per share (six months ended 30 September 2022 (unaudited): basic earnings per share and diluted earnings per share) (profit for the period attributable to owners of the Company)	**151,113**	90,584

	Unaudited	
For the six months ended	**30.9.2023**	30.9.2022
	'000	*'000*
Weighted average number of shares for the purpose of calculating basic earnings per share	**1,945,952**	1,945,952
Effect of dilutive potential ordinary shares:		
– share options	**–**	3,273
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,945,952**	1,949,225

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

Revaluation model

The Group's Land and Buildings were revalued on 30 September 2023 by RHL Appraisal Limited, an independent qualified valuer not related to the Group. The resulting revaluation gain of approximately HK$9,236,000 (six months ended 30 September 2022 (unaudited): loss of HK$14,305,000), represented by gain of HK$4,313,000 (six months ended 30 September 2022 (unaudited): loss of HK$24,922,000) arising from right-of-use assets and gain of HK$4,923,000 (six months ended 30 September 2022 (unaudited): gain of HK$10,617,000) arising from property, plant and equipment, respectively, and the corresponding deferred tax liabilities of approximately HK$2,245,000 (six months ended 30 September 2022 (unaudited): deferred tax asset of HK$3,609,000) have been recognised in the property revaluation reserve for the period ended 30 September 2023. The valuations by the independent qualified valuer are arrived by direct comparison approach assuming sale of the properties in their existing states with their highest and best use and by making reference to the market observable transactions of similar properties and adjusted to reflect conditions and locations of subject properties. The direct comparison approach is based on market observable recent transactions of similar properties in similar locations. There has been no change to the valuation technique during the period.

If the Land and Buildings of the Group had not been revalued, they would have been included in condensed consolidated financial statements at historical cost less accumulated depreciation and their carrying amounts would have been approximately HK$80,008,000 (as at 31 March 2023 (audited): HK$85,039,000) as right-of-use assets and approximately HK$184,324,000 (as at 31 March 2023 (audited): HK$195,788,000) as property, plant and equipment as at 30 September 2023.

Additions of property, plant and equipment/right-of-use assets

During the six months ended 30 September 2023, the Group incurred approximately HK$58,179,000 (six months ended 30 September 2022 (unaudited): HK$151,211,000) and HK$4,021,000 (six months ended 30 September 2022 (unaudited): HK$29,341,000) to acquire property, plant and equipment and right-of-use assets for its operations, respectively. In addition, during the six months ended 30 September 2023, the Group paid HK$758,000 (six months ended 30 September 2022 (unaudited): HK$18,167,000 for construction costs of factory premises) for construction costs of machinery.

During the six months ended 30 September 2023, the Group entered into a new lease agreement for factory premises with lease terms of 3 years. Upon lease commencement, the Group recognised HK$4,021,000 (six months ended 30 September 2022 (unaudited): HK$29,341,000) of right-of-use assets and HK$4,021,000 (six months ended 30 September 2022 (unaudited): HK$29,341,000) of lease liabilities.

11. TRADE AND OTHER RECEIVABLES

	Unaudited	Audited
	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
Trade receivables	**1,269,142**	1,240,414
Trade receivables from related companies	**30,695**	10,355
Bills receivables	**19,716**	19,200
Trade and bills receivables	**1,319,553**	1,269,969
Less: Allowance for credit losses	**(3,261)**	(3,425)
	1,316,292	1,266,544
Other receivables	**18,687**	13,563
Value-added tax receivables	**244,998**	230,934
Deposits and prepayments	**24,217**	30,224
Deposits, prepayments and other receivables	**287,902**	274,721
Trade and other receivables	**1,604,194**	1,541,265

The following is an aging analysis of trade and bills receivables presented based on the invoice date, which approximated the revenue recognition date:

	Unaudited	Audited
	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
0 to 30 days	**690,298**	736,447
31 to 60 days	**347,179**	268,288
61 to 90 days	**160,983**	150,357
91 to 180 days	**96,384**	100,138
Over 180 days	**21,448**	11,314
	1,316,292	1,266,544

The Group allows a credit period ranging from 30 to 120 days to its trade customers. Expected credit loss of HK$3,261,000 (six months ended 30 September 2022 (unaudited): HK$410,000) was recognised for the period ended 30 September 2023.

12. TRADE AND OTHER PAYABLES

	Unaudited	Audited
	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
Trade payables	**653,030**	664,008
Trade payables to related companies	**122,474**	139,435
Bills payables	**78,233**	63,893
Trade and bills payables	**853,737**	867,336
Other payables	**21,954**	23,839
Salaries and staff-related costs payables	**59,724**	42,127
Accrued charges	**17,732**	23,789
Other tax payables	**5,148**	12,695
Accruals and other payables	**104,558**	102,450
Trade and other payables	**958,295**	969,786

The following is an aging analysis of trade and bill payables presented based on the invoice date:

	Unaudited	Audited
	30.9.2023	31.3.2023
	HK$'000	*HK$'000*
0 to 30 days	**413,696**	385,129
31 to 60 days	**136,418**	168,325
61 to 90 days	**168,183**	57,242
91 to 180 days	**114,860**	225,089
Over 180 days	**20,580**	31,551
	853,737	867,336

The credit period granted by suppliers ranges from 30 to 120 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the Reporting Period, the global economy has recovered from the COVID-19 epidemic and the Russia-Ukraine war, but the pace has been slower than expected. The divergences between countries have continued to increase. Inflation has remained high and continuing to erode household purchasing power. Policy tightening by central banks of various countries in response to inflation has directly raised the cost of borrowing and constraining economic activities. The recent resolution of the U.S. debt ceiling standoff and various countries have taken strong measures to curb the turmoil in the U.S. and Swiss banking industries, which has successfully reduced the risk that directly triggered broader crisis. China's economic recovery was also slower than expected, partly due to high borrowing problems in the real estate industry.

In spite of these challenges and 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 of the Company. Last year, the Group expanded its business to server business with go-to-market strategy and JDM/ODM business model. The server business is deeply customised according to brand customers' requirements and the products offered by the Group under the server business are mainly applied in data centres. The server business and the existing wire and cable business have an upstream and downstream relationship, so it represents an opportunity for the Group to expand its existing converged wire and cable products to a larger customer portfolio. In addition to contributing a substantial increase in revenue, the server business also contributed a significant increase in profits this year by adjusting its customer/product portfolio and selling price structure to improve profitability.

Following the acquisition by Luxshare Precision Limited ("**Luxshare Precision**"), Luxshare Group and the Group have carried out multi-dimensional operating integrations, one of them was change of auditor and change of financial year end date. In order to align the audit arrangements between the Company and Luxshare Group with a view of enhancing the efficiency of the audit services which would be in the best interest of the Company and the shareholders of the Company as a whole, the Group engaged BDO Limited as its new auditor to align its appointment of auditor with that of Luxshare. In addition, the change of the financial year end date of the Company was to align the financial year end date of the Company with that of Luxshare and the principal operating subsidiaries of the Company in the People's Republic of China, which are statutorily required to fix their financial year end date at 31 December. The Group considered that the change of the financial year end date will better facilitate the preparation of the consolidated financial statements of the Group without any material adverse impact on the Group resulting from the change of financial year end date of the Company.

During the six months ended 30 September 2023, the average copper price was USD8,408 per ton, represented a decrease of 2.2% as compared with USD8,594 for the six months ended 30 September 2022 (the "**same period last year**"). Based on the existing quotation mechanism that the Group has used with its 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 its 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.

Meanwhile, central banks tighten monetary policy further and raise interest rates, leading to the appreciation of US dollars. During the Reporting Period, the average foreign currency exchange rate from converting Renminbi into Hong Kong dollars was 4.3% lower than the same period last year. The Renminbi revenue converted into Hong Kong dollars decreased by HK$76.9 million, represented 2.9% of the Group's revenue. Furthermore, the closing rate of Renminbi converting into Hong Kong dollars as at 30 September 2023 was 4.6% lower than the one as at 31 March 2023, which created a significant exchange loss raised from RMB receivable and USD payable.

For the Reporting Period, the Group recorded revenue amounting to HK$2,626.7 million, represented a decrease of HK$653.3 million or 19.9% as compared with HK$3,280.0 million for the same period last year. The decrease was mainly attributable to the decrease of revenue from server business and digital cable business. Operating profit for the Reporting Period was HK$235.1 million, represented a significant increase of HK$106.5 million or 82.8%, as compared with HK$128.6 million for the same period last year, with the operating profit margin raised from 3.9% to 9.0% for the Reporting Period. The increase of operating profit was mainly attributable to the profitability improvement of server business.

RESULTS OF OPERATIONS

Financial Overview

For the six months ended	**30.9.2023**	30.9.2022	Change
	HK$'million	*HK$'million*	*HK$'million*
Revenue	**2,626.7**	3,280.0	(653.3)
Gross profit	**405.0**	312.0	93.0
Gross profit margin	**15.4%**	9.5%	
Other income and other gains and losses	**(11.3)**	(13.6)	2.3
Total operating expenses	**(158.6)**	(169.8)	11.2
Total operating expenses as a percentage of revenue	**6.0%**	5.2%	
Operating profit	**235.1**	128.6	106.5
Operating profit margin	**9.0%**	3.9%	
Gain on revaluation of building	**1.1**	0.6	0.5
Finance costs	**(49.1)**	(25.2)	(23.9)
Profit before taxation	**187.1**	104.0	83.1
Taxation	**(35.8)**	(12.7)	(23.1)
Effective tax rate	**19.1%**	12.2%	
Profit for the period	**151.3**	91.3	60.0
Net profit margin	**5.8%**	2.8%	

Revenue

During the Reporting Period, copper price has decreased 2.2% from the average copper price USD8,594 per ton to USD8,408 per ton compared with the same period last year. Based on the existing quotation mechanism that the Group has been using with its 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 passed through to customers. As such, the copper price impact was approximately HK$6.2 million, which represented 0.2% of the Group's revenue. On the other hand, RMB depreciation also lead to a reduction in revenue. During the Reporting Period, the average foreign currency exchange rate for conversion of Renminbi into Hong Kong dollars was 4.3% lower than the same period last year. The Renminbi revenue converted into Hong Kong dollars decreased by HK$76.9 million, represented 2.9% of the Group's revenue. The Group's revenue for the Reporting Period decreased by HK$653.3 million or 19.9% to HK$2,626.7 million from HK$3,280.0 million for the same period last year. The decrease was mainly attributable to the decrease of revenue from server business and digital cable business.

For the six months ended	**30.9.2023**		30.9.2022		Change	
Market Sector	***HK$'million***	**%**	*HK$'million*	%	*HK$'million*	%
Cable assembly						
Data centre	**484.1**	**18.4%**	358.0	10.9%	126.1	35.2%
Telecommunication	**348.6**	**13.3%**	352.7	10.7%	(4.1)	-1.2%
Medical equipment	**145.1**	**5.5%**	128.5	3.9%	16.6	12.9%
Industrial equipment	**12.8**	**0.5%**	28.6	0.9%	(15.8)	-55.2%
Automotive	**69.5**	**2.7%**	90.7	2.8%	(21.2)	-23.4%
	1,060.1	**40.4%**	958.5	29.2%	101.6	10.6%
Digital cable						
Networking cable	**491.2**	**18.7%**	734.3	22.4%	(243.1)	-33.1%
Specialty cable	**57.6**	**2.2%**	56.3	1.7%	1.3	2.3%
	548.8	**20.9%**	790.6	24.1%	(241.8)	-30.6%
Server	**1,017.8**	**38.7%**	1,530.9	46.7%	(513.1)	-33.5%
Total	**2,626.7**	**100.0%**	3,280.0	100.0%	(653.3)	-19.9%

Data centre sector: The revenue of data centre sector increased significantly by HK$126.1 million or 35.2% to HK$484.1 million for the Reporting Period as compared to HK$358.0 million for the same period last year. Orders from this sector maintained at a high shipment level during the Reporting Period, and remained the highest revenue sector in the cable assembly business.

Telecommunication sector: It recorded a slight decrease of revenue from HK$352.7 million for the same period last year to HK$348.6 million for the Reporting Period, represented a decrease of HK$4.1 million or 1.2%. The order volume was stable, new models are constantly being introduced and the profit margin was improved as these new products carry a better margin.

Medical equipment sector: The World Health Organisation (WHO) announced in May that it no longer considers COVID-19 to be a "global health emergency". But there is still a risk of the virus mutating, and there may be a rebound phenomenon. People have paid more attention to health, the demand for medical equipment will continue to increase. A high demand in medical equipment cables orders has been maintained. The revenue of medical equipment sector for the Reporting Period was HK$145.1 million, represented an increase of HK$16.6 million or 12.9% as compared with HK$128.5 million for the same period last year.

Industrial equipment sector: The global economy recovered but the pace was slower than expected. The divergences between countries have continued to increase. Inflation remained high and continuing to erode household purchasing power. High interest rates directly raised the cost of borrowing and constraining economic activity. China's economic recovery was also slower than expected, partly due to high borrowing problems in the real estate industry. The revenue of industrial equipment sector decreased by HK$15.8 million or 55.2% from HK$28.6 million for the same period last year to HK$12.8 million for the Reporting Period.

Automotive sector: The revenue of automotive sector was HK$69.5 million for the Reporting Period, which compared with the revenue for the same period last year of HK$90.7 million, represented a decrease of HK$21.2 million or 23.4%. Affected by geopolitics and trading war, the sales orders of automotive wire harness products decreased during the Reporting Period. But the Group still believes that the automotive wiring products can help the Group to provide its customers with a broader product portfolio, and to step into a new business sector by enriching the Group's business portfolio and broadening its unique customer base, which can capture opportunities brought by the booming electric vehicle market.

Networking cable sector: Even the global economy has recovered from the COVID-19 epidemic but the pace was slower than expected. The divergences between countries have continued to increase. Affected by the war, high interest rates, strong US dollar and high inflation, many economic activities had been suppressed, causing severe damage to overseas orders for networking cable business. The revenue of networking cable for the Reporting Period was HK$491.2 million, represented a decrease of HK$243.1 million or 33.1% as compared with HK$734.3 million for the same period last year.

Specialty cable sector: Specialty cable sector includes Industrial Communication Cables, Rail Transit Cables, HDBT Hi-Res Data Communication Cables and etc. Those 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 the Reporting Period, the revenue of specialty cable was HK$57.6 million, represented an increase of HK$1.3 million or 2.3% as compared with HK$56.3 million for the same period last year.

Server sector: For the Reporting Period, the revenue of server was HK$1,017.8 million, represented a decrease of HK$513.1 million or 33.5% as compared with HK$1,530.9 million for the same period last year. After the development of server business last year, a large number of orders were accepted in the initial stage, and as the factory's production capacity climbed, it created a sales peak. With the emergence of ChatGPT in 2023, the server industry also set off a craze for artificial intelligence servers. During the reporting period, the focus was on the development and delivery of new products with AIGC (Artificial Intelligence Generated Content), and the profitability was relatively improved.

Segment Information

Segmental information is presented for the Group as disclosed on Note 3 to the condensed consolidated financial statements.

Gross Profit/Margin

Gross profit for the Reporting Period was HK$405.0 million, an increase of HK$93.0 million or 29.8% compared with HK$312.0 million for the same period last year. With the emergence of ChatGPT in 2023, the server industry also set off a craze for artificial intelligence servers. During the reporting period, the focus was on the development and delivery of new products with AIGC (Artificial Intelligence Generated Content), and the profitability was relatively improved. On the other hand, as various materials cost has continued to fall after the market recovery, the overall profitability of cables and wires has also improved. The Group's gross profit margin increased from 9.5% to 15.4% as compared with the same period last year.

Operating Profit/Margin

Operating profit for the Reporting Period was HK$235.1 million, which represented a significant increase of HK$106.5 million or 82.8% as compared with HK$128.6 million for the same period last year. Operating profit margin was 9.0% for the Reporting Period compared to 3.9% for the same period last year. EBITDA of the Reporting Period was HK$283.5 million which represented an increase of HK$110.3 million or 63.7% as compared with HK$173.2 million for the same period last year. The ratio of EBITDA to revenue for the Reporting Period increased to 10.8% from 5.3% for the same period last year.

Other income, which comprises primarily of bank interest income, government grants and handling income was in aggregate HK$16.8 million for the Reporting Period, represented an increase of HK$10.1 million as compared with HK$6.7 million for the same period last year. Such increase was mainly attributable to the increase of interest income of HK$11.8 million.

Other gains and losses were recorded a loss of HK$28.1 million for the Reporting Period compared to a loss of HK$20.2 million for the same period last year. Such loss was mainly due to the net exchange loss from RMB depreciation of HK$26.8 million which was attributable to the Group's operations in the ordinary course of business in the Reporting Period.

The total operating expenses were HK$158.6 million, a decrease of HK$11.2 million or 6.6% compared with HK$169.8 million for the same period last year. It was mainly attributable to the average foreign currency exchange rate from converting Renminbi into Hong Kong dollars was 4.3% lower than the same period last year, the Renminbi expenses converted into Hong Kong dollars decreased. However, as the Group's revenue decreased by 19.9%, total operating expenses as a percentage of the Group's revenue increased from 5.2% to 6.0%.

Distribution and selling expenses decreased from HK$33.3 million to HK$30.4 million during the Reporting Period, represented a decrease of HK$2.9 million or 8.7% compared with the same period last year. It was mainly attributable to the decrease of freight and transportation charges due to the overseas sales volume decrease in digital cable business. The percentage of distribution and selling expenses to the Group's revenue increased from 1.0% to 1.1% as compared with the same period last year.

Administrative expenses decreased to HK$68.4 million in the Reporting Period, represented a decrease of HK$0.3 million or 0.4% as compared with HK$68.7 million for the same period last year. The decrease was mainly due to the decrease of new office cost as compared with the previous use of office of Linkz Industries Limited (previous ultimate holding company). Administrative expenses as a percentage of revenue increased from 2.1% to 2.6% for the Reporting Period.

During the Reporting Period, the research and development expenses were HK$59.8 million, which represented a decrease of HK$8.0 million or 11.8% compared with HK$67.8 million for the same period last year. It was mainly attributable to the decrease of materials cost and staff cost. Research and development expenses as a percentage of the Group's revenue increase from 2.1% to 2.3% for the Reporting Period. The Company continuously puts great efforts to enhance its R&D capabilities by expanding the R&D team, so as to launch more new products and technologies.

Finance Costs

For the Reporting Period, the finance costs were recorded at HK$49.1 million against HK$25.2 million for the same period last year. The finance costs included (i) bank loan interest of HK$10.5 million for short-term bank borrowings for the Group's operating working capital; (ii) bank loan interest of HK$1.3 million for the bank loan financing the acquisition of the automotive wire harness business; (iii) interest expenses of HK$35.7 million for several loans from Luxshare Group for the operating working capital of the Group; and (iv) interest expenses of HK$1.6 million on the lease liabilities under adoption of HKFRS 16 "Leases".

Profit for the six months ended 30 September 2023 and Earnings per Share

Profit before taxation for the Reporting Period was HK$187.1 million, represented an increase of HK$83.1 million or 79.9% as compared with HK$104.0 million for the same period last 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 subsidiaries, Time Interconnect Technology (Huizhou) Limited and Linkz Industries (Suzhou) Limited, were awarded the Advanced-Technology Enterprise Certificate and are eligible for tax concessionary rate of 15%. Taxation charges increased from HK$12.7 million in the same period last year to HK$35.8 million for the Reporting Period. The effective tax rate increased from 12.2% to 19.1%, such increase was mainly attributable to the profit increase from server business which taxation was provided at the tax rate of 25%.

Profit of the Group for the Reporting Period was HK$151.3 million, represented an increase of HK$60.0 million or 65.7% as compared with HK$91.3 million for the same period last year and net profit margin was recorded at 5.8% as compared with 2.8% for the same period last year.

Basic earnings per share for the Reporting Period was HK7.8 cents as compared to HK4.7 cents for the same period last year.

Dividends

The Board is pleased to declare an interim dividend of HK0.75 cents per share, amounting to a total of approximately HK$14.6 million.

OUTLOOK

Despite the unfavourable environment and factors mentioned in the Business Overview section, existing global economic activities were still resilient in the first quarter of 2023, which was mainly driven by the service industry and tourism industry. As people's mobility returns to pre-epidemic levels, people's consumption and outbound travel continue to increase. On the other hand, supply chains have largely recovered, shipping costs and suppliers' delivery times that were back to pre-epidemic levels, these have also contributed a rapid decline in headline inflation in most countries. In addition, after raising interest rates throughout 2023 and it is anticipated to reach its peak at the end of the year, with an expectation of gradually easing in 2024. Inflation is expected to be further controlled and fall. Declining job vacancies is also easing the labour markets, helping to reduce the likelihood of rising unemployment rate due to curb inflation. Coupled with the introduction of more economic stimulus and financial stabilization measures by various countries, the economy is expected to achieve a soft landing. According to the latest forecast of the "World Economic Outlook" issued by the "International Monetary Fund" in July 2023, it is expected that the global economy will still grow by 3.0% in 2024, and the growth of emerging markets and developing economies in Asia will be 5.0%, of which China and India will grow by 4.5% and 6.3% respectively. Even we are facing such challenges and difficulties in the macro-economic environment, the management remains confident since the Group's major markets are still in China and Asian markets.

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 set up a new wholly-owned subsidiary, Linkz Cables Mexico, S. de R.L. de C.V., in Mexico to increase its market share in markets outside China and Asia. A new plant is under construction by Luxshare Group which is expected to be put into production in 2024. By then, the Group will set up the new factory and produce digital cables and automotive wire harness products. This is a "China-Plus-One" strategy that aims to avoid investing solely in China and diversify business into other countries, or to channel investments into manufacturing in other promising developing economies in order to protect supply chains and export markets against geopolitical tensions and unforeseen disruptions. The Group also believes that 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 the 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.

In view of the great market potential of cloud service, communications, transportation and electricity in the PRC, the Group expanded its business to server business with go-to-market strategy and JDM/ODM business model last year, which is deeply customized based on brand customers' requirements. The products offered by the Group under this 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. 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 Precision has extensive technological knowhow and good customers' relationships, the Group is optimistic on the future potential growth of server business. The Group believes the development of server business is a good opportunity for the Group to further develop its business and will help diversify the Group's business as well as the Group's income stream.

The World Health Organisation (WHO) announced in May 2023 that it no longer considers COVID-19 to be a "global health emergency". Various regions and countries relaxed epidemic prevention measures and travel restrictions. People's mobility returns to pre-epidemic levels and back to normal activities and life. Having said that, there is still a risk of the virus mutating, and there may be a rebound phenomenon. 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. To catch up with the trend, the Group has established two wholly-owned subsidiaries, Time Interconnect Technology (Kunshan) Limited and Time Interconnect Technology (Jiangxi) Limited, to expand production capacity and R&D capabilities for medical equipment cables products, and production has been started in September 2023. Moving ahead, the Group believes that this sector will maintain its dynamic pace of growth, considering the arising demand from the medical equipment market. The Group will pay more attention and efforts in this sector and continue to enhance its medical equipment customers base, as well as to strengthen its R&D capabilities.

Considering the vigorous development of the automotive and electric vehicle markets, China has remained the world's largest automotive market and automotive 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 wire harness 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.

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 R&D capabilities of the Luxshare Group. In the future, with the support of Luxshare Precision, the Group will create more and more possibilities.

LIQUIDITY AND FINANCIAL RESOURCES

Shareholders' funds as at 30 September 2023 were approximately HK$1,213.0 million, which represented an increase of HK$80.6 million or 7.1% from HK$1,132.4 million as at 31 March 2023. The increase was mainly due to the profit attributable to shareholders equity for the period HK$141.4 million, although there was a decrease of HK$74.3 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 6.9% from HK$0.58 to HK$0.62.

As at 30 September 2023, the Group had bank balances and cash of HK$387.3 million, represented an increase of 34.5% as compared to HK$288.0 million as of 31 March 2023. It was mainly due to the loans provided from Luxshare Group for financing the Group's operating working capital. As at 30 September 2023, the Group's bank loan was HK$758.9 million, a decrease of HK$589.2 million or 43.7% from HK$1,348.1 million as of 31 March 2023. The Group believes it has sufficient committed and unutilised banking facilities as at 30 September 2023 to meet its current business operation and capital expenditure requirements.

Capital Expenditure

For the Reporting Period, the Group invested HK$56.1 million in the purchase of tangible assets including machinery and equipment, leasehold improvements, office equipment, as well as the improvement of manufacturing working environment. All of these capital expenditures were financed from internal resources.

Charge on Group Assets

Save for the bank deposits that were pledged in order to secure the bank borrowings and bills payables issued by the bank under the general banking facilities granted to the Group, as at 30 September 2023 and 31 March 2023, banking facilities extended to the Group were not secured with the Group's assets. Pledged bank deposits amounted to HK$412.3 million and HK$974.6 million as at 30 September 2023 and 31 March 2023 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 30 September 2023, the Group's gearing ratio was 68.4%, as compared to 64.9% as of 31 March 2023. 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 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 30 September 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 US dollars, Hong Kong dollars, Renminbi and Euro. The Group's management monitors the risk of related foreign exchange risk 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 foreign 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 in order 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 condensed consolidated financial statements as the Company listed its shares on the Stock Exchange.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2023, the capital commitment of the Group is as follows:

	30.9.2023	31.3.2023
	HK$'million	*HK$'million*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the condensed consolidated financial statements	**19.8**	20.7

As of 30 September 2023, the Group had not provided any form of guarantee for any company outside the Group and has not been involved in any material legal proceedings for which provision for contingent liabilities was required.

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 the Reporting Period. There is no other plan for material investments or capital assets for the Reporting Period.

EMPLOYEE

As of 30 September 2023, the total headcount for the Group was 4,607, as compared to 3,805 as of 30 September 2022. Fair and competitive remuneration package and benefits are offered to employees as well as discretionary bonuses and share options. Various types of trainings were provided to the employees. Total employee benefit expenses including Directors' remuneration for the Reporting Period were approximately HK$261.3 million, as compared with approximately HK$261.9 million for the same period last year. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

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 six months ended 30 September 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 30 September 2023 and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules 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 during the six months ended 30 September 2023.

SHARE OPTION SCHEMES

The Company conditionally adopted a share option scheme on 24 January 2018 (the "**2018 Share Option Scheme**"). Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 21 March 2023, the Company conditionally adopted a new share option scheme (the "**2023 Share Option Scheme**") and terminated the 2018 Share Option Scheme. The summary of the 2023 Share Option Scheme is set out in a circular to the shareholders of the Company dated 2 March 2023. The terms of the 2023 Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules and other relevant rules and regulations. As at the date of this announcement, the total number of shares available for issue under the 2023 Share Option Scheme was 194,595,200, representing 10% of the issued shares of the Company as at such date. Further details of the 2023 Share Option Scheme are set out in Note 15 to the condensed consolidated financial statements of the interim report.

CORPORATE GOVERNANCE PRACTICE

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders of the Company.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Company has fully complied with the CG Code during the six months ended 30 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 Stock Exchange and on the Company's website.

The primary duties of the Audit Committee are to review the financial information and oversee financial reporting system, risk management and internal control system, relationship with external auditors and review the 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.

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 Audit Committee has reviewed with the management of the Company on the accounting principles and practices adopted by the Group, this announcement and the interim results announcement of the Group for the six months ended 30 September 2023 and is of the view that such results comply with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend, details of the interim dividend are set out in Note 8 of the condensed consolidated financial statements. Interim dividend will be payable to shareholders whose names appear on the register of members of the Company on Thursday, 14 December 2023.

CLOSURES OF REGISTER OF MEMBERS

In order to qualify for the entitlement to the proposed interim dividend, the register of members of the Company will be closed from Tuesday, 12 December 2023 to Thursday, 14 December 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 and transfer office 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 Monday, 11 December 2023. The proposed interim dividend is expected to be paid on or before Tuesday, 9 January 2024.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 September 2023 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Hong Kong Institute of Certified Public Accountants, by Messrs. BDO Limited whose unmodified review report is set out on the interim report. The interim results of the Group for the six months ended 30 September 2023 have also been reviewed by the Audit Committee.

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 period.

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

Hong Kong, 27 November 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.