COMPUTIME GROUP LIMITED

金 寶 通 集 團 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 320)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board of directors (the "**Board**") of Computime Group Limited (the "**Company**" or "**Computime**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2024 (the "**Year**", or "**FY2024**") together with the comparative figures for the year ended 31 March 2023 ("**FY2023**"), as follows:

HIGHLIGHTS

	FY2024	FY2023	Year-on-year change
	HK$'million	*HK$'million*	
Revenue	**4,037.8**	4,204.8	-4.0%
Gross profit	**631.1**	508.8	24.0%
EBITDA (Note 1)	**340.9**	240.2	41.9%
Profit after tax	**83.9**	23.5	257.0%
Proposed final dividend	**HK$0.050**	HK$0.021	138.1%

Note 1: Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**")

MANAGEMENT DISCUSSION AND ANALYSIS

Established in 1974, Computime has transformed from an electronic clock and timing device manufacturer into a technology, brand, and manufacturing company dedicated to promoting smart and sustainable living. The Group operates through two key segments: Control Solutions, which provide engineering and manufacturing solutions for internationally branded customers in energy management, smart homes, appliance controls, industrial controls, and medical devices; and Branded Business, which offers smart home and energy-efficient products to professional installers, property developers, and wholesalers under the Salus and Braeburn brands. Celebrating its 50th corporate anniversary in 2024, the Group has become a successful global player in its chosen field, backed with extensive experience in overcoming challenges from the macroeconomic environment.

Market Overview

The global landscape has been overshadowed by the United States-China conflict, the Israeli-Palestinian crisis, and the Russo-Ukrainian war, fostering sluggish consumer sentiments in 2023. Heightened geopolitical uncertainty has induced caution in spending habits, with individuals increasingly concerned about potential economic disruptions, job security, and the overall stability of the global economy.

In the North American market, the housing sector stagnated following the post-COVID rebound, exacerbated by rising interest rates. With inflation in the United States persisting at 3.7%, consumer spending further diminished. The current interest rate of 5.5% threatens to escalate borrowing costs, thereby amplifying business operation expenses.

Similarly, the sluggish economy in Europe has led to a downturn in new construction activities, which are currently below pre-pandemic norms. Factors such as higher interest rates, bank lending rates, weak global trade, and increased energy costs have all contributed to reduced architectural and construction expenditures.

The subdued housing market in these primary regions has adversely affected our overall revenue for the year. However, we maintain long-term optimism regarding the growth potential of our smart home and energy management business. This optimism is fueled by the tightening of global green standards, increasing consumers' environmental consciousness, evolving regulatory requirements, and the urgency imposed by rapid climate change.

The risks of political turbulence also extend beyond the economy, potentially triggering supply chain disruptions. This underscores the necessity for businesses, including our Group, to seek solutions to mitigate these risks.

Meanwhile, the Group will take proactive measures to mitigate the impact of macroeconomic factors beyond our control by fortifying and diversifying our revenue base. Diversification into new markets and reinforcing our existing strongholds will help reduce our reliance on specific regions. This strategy aligns with our transition to a "region-to-region" model, enabling us to seize emerging business prospects arising from customer demands for on-shoring services and manufacturing support, thus maximizing growth opportunities.

Furthermore, we have additional measures at our disposal, including cost optimization. Through streamlining operations and identifying cost-saving opportunities, we aim to enhance efficiency. With our steadfast commitment to research and development ("**R&D**"), we are confident in our ability to innovate solutions that address evolving customer needs and market trends, thereby staying ahead of market competition and building a competitive advantage to drive growth.

By implementing these measures, the Group can navigate the challenges of a volatile market environment while positioning itself for sustainable growth and success.

Business and Financial Review

Revenue

During the Year, the Group experienced a total revenue decrease of HK$167.0 million, declining from HK$4,204.8 million in FY2023 to HK$4,037.8 million in FY2024, marking a decrease of approximately 4.0%. The decline is mainly attributed to soft demand, especially in the housing-related market. Additionally, customers are concerned about the recession in the European and the North American markets.

Gross profit margin

Over the past year, the gross profit margin recorded a year-over-year ("**YoY**") growth of 16.4%, from 13.4%[1] in FY2023 to 15.6% in FY2024. The increase was primarily due to improvements in operational efficiency, material management, and a favorable exchange rate environment, with the United States dollars ("**US dollars**") strengthening compared to the weaker Renminbi ("**RMB**").

Selling, distribution, and administrative expenses

In FY2024, the Group maintained relative stability in its selling, distributions, and administrative expenses, showing a 6.5% YoY increase, totaling HK$484.5 million compared to HK$455.0 million in FY2023. This increase primarily results from the expanded global operations and a strategic increase in R&D investment focused on developing advanced technology and product platforms to drive future growth.

1 Excluding the specific inventory provision for Malaysia

Profit before tax, profit after tax, adjusted EBDITA

In FY2024, the Group reported a profit before tax of HK$107.6 million, marking a substantial growth of 242.7% from the HK$31.4 million recorded in FY2023. Furthermore, the profit after tax for FY2024 is reaching HK$83.9 million, representing 3 times of the profit after tax for FY2023 at HK$23.5 million. Additionally, the adjusted EBITDA[2] for FY2024 stood at HK$333.9 million, reflecting a substantial growth of 13.2% compared to the HK$295.0 million recorded in FY2023.

Cash and bank balances

As at 31 March 2024, the Group's net cash improved to HK$90.3 million, up from HK$84.3 million as at 31 March 2023. The cash and bank balances were HK$226.7 million as at 31 March 2024, compared to HK$307.8 million as at 31 March 2023.

Inventory balance

The Group's inventory balance in FY2024 was HK$824.0 million, representing a 15.0% decrease from the HK$969.5 million recorded as at 31 March 2023. The reduction in inventory levels can be attributed to enhanced operational efficiency and material management.

Trade receivables, trade and bills payables

As at 31 March 2024, the Group's trade receivables amounted to HK$509.4 million compared to HK$555.2 million as at 31 March 2023. As at 31 March 2024, the Group's total trade and bills payables amounted to HK$745.3 million, compared to HK$1,012.4 million as at 31 March 2023, following the agreed payment term.

Gearing Ratio

As at 31 March 2024, the Group's gross gearing ratio was 9.9%, a YoY decrease from 17.0%. The decrease in gearing ratio is due to decrease in bank borrowings.

The Group monitors capital based on its gross gearing ratio (i.e., gross debt divided by capital) and net gearing ratio (i.e., net debt divided by capital). For this purpose, the Group defines gross debt as the total borrowings (excluding lease liabilities), net debt as gross debt less cash and bank balances, and capital as all components of equity attributable to shareholders of the Company.

2 Excluding one-off gain on valuation of HK$7.0 million in the current year and the additional inventory provision for the Group's Malaysia operation of HK$54.9 million in last year

GROUP OPERATIONAL REVIEW

The Group's adept management of our key Control Solutions and Branded Business segments has enabled us to maintain agility in navigating the swiftly evolving market environment while delivering value for both our shareholders and customers. Amidst the keen industry competition, we have set ourselves apart through strategic focus and a commitment to product and operational excellence.

Control Solutions

In FY2024, Control Solutions experienced a revenue decline, dropping from HK$3,665.7 million in FY2023 to HK$3,601.0 million, reflecting a YoY decrease of 1.8%. This decline was primarily due to weakened market demand, influenced by a broader economic slowdown, and reduced consumer confidence. However, despite the drop in revenue, profit margins improved significantly. This increase in profitability can be attributed to a stable demand from a reliable customer base, driven by long-term partnerships, and integrated technology and manufacturing collaborations.

Enhancing productivity and efficiency also played a crucial role in boosting profit margins. The implementation of SAP, a focus on business process management ("**BPM**"), and effective material cost management have all contributed to significant operational improvements. Moreover, tight control over selling, distributions, and administrative expenses has further supported the growth in profit margins.

Moving ahead, the Group's globalization strategy, combined with a "region-to-region" approach, facilitates local engineering and manufacturing support, mitigating development and supply chain risks while reducing geopolitical risks. As we can see, customers are increasingly awarding new projects to our overseas manufacturing sites. Furthermore, we continue collaborating closely with customers to launch innovative product platforms by leveraging our technical expertise in energy management, smart home and building solutions, and water management. This strategic focus ensures we remain at the forefront of technological advancements and market demands.

Through continuous efforts to foster strong customer relationships, expand our global footprint, and enhance operational productivity, the Control Solutions segment is well-positioned to navigate market fluctuations and sustain profitability.

Branded Business

In FY2024, Branded Business saw a revenue decline from HK$539.1 million in FY2023 to HK$436.8 million, marking a 19.0% decrease. This drop in sales was influenced by challenging market conditions in the housing sector and a period of destocking by customers who had previously overstocked due to supply chain uncertainties. The destocking phase typically aligns with seasonal patterns, as customer restocking usually occurs during the heating season in the first half of the year. Consequently, an improvement in performance is expected as customers begin to restock for the upcoming heating period.

Despite these challenges, the Branded Business segment is poised for growth through several strategic initiatives. We are expanding into Eastern Europe with our dedicated sales team, aiming to capture new market opportunities in this region. Additionally, we are launching new platforms, including energy management products like Electric Vehicle chargers ("**EVCs**") and home battery storage solutions, Artificial Intelligence ("**AI**")-driven climate control systems, Matter-compatible thermostats, and the ultra-quiet Thermostatic Radiator Valves ("**TRVs**").

A significant focus for the future is the launch of the Salus Protect security service. This new venture targets the security industry by selling professional online products and enhancing our smart home offerings in the European market. By partnering with Securitas, the largest security service company in the world, Salus Protect offers comprehensive monitoring services, including notifications via call centers in the event of an intruder. The product portfolio includes security hardware, smart home devices, and monitoring services under two brands: Immunity and Merlin.

Salus Protect aligns perfectly with our existing business and opens new market opportunities for Salus. We fully expect this initiative to significantly increase our smart home user base, thereby boosting our recurring revenue per homeowner across the European Union ("**EU**") and the United Kingdom ("**UK**").

Moreover, we are launching a centralized warehouse in Poland to enhance our logistics and distribution efficiency, further supporting our regional growth and expansion efforts.

Research and Development

Computime's R&D efforts are spearheaded by a robust global R&D engineering team of over 200 professionals, instrumental in driving innovation and developing intelligent products. Our commitment to building engineering teams and Centers of Excellence globally, including in Mainland China, Hong Kong, the US, Romania, and the UK, underscores our dedication to fostering a culture of innovation and technological advancement.

Our R&D initiatives are bolstered by strategic partnerships and ownership stakes in engineering companies, with a particular focus on cloud technology. Engineers based in Hong Kong, Mainland China, and India collaborate to enhance scalability and flexibility through advanced cloud platforms. Such collaborations enable us to leverage diverse expertise and drive forward our technological capabilities underlying seamless communication and interoperability between systems and devices.

Global Footprint

Computime's evolution from modest origins in 1974 to a globally oriented organization has been characterized by strategic growth and a firm focus on technology, brand, and manufacturing excellence. Over the years, the Group has forged a network of offices, factories, and warehousing facilities spanning critical regions, cementing its status as an industry frontrunner.

Headquartered in Hong Kong, which also serves as its Global Material Hub, the Group presently oversees operations at 20 offices and manufacturing sites across three continents. These facilities encompass over 100,000 square meters of floor space, house over 200 production lines, and employ a workforce of over 4,000 individuals. Its global manufacturing presence extends across Asia, Europe, and North America. Annually, the Group ships 100 million units of products.

Computime has transitioned to a "region-to-region" model amid the COVID-19 pandemic, reducing exposure to single markets and mitigating logistic and supply chain risks amidst escalating geopolitical tensions. The Group now operates in Greater China, Southeast Asia, the EU, the UK, and North America, leveraging nearshoring trends for new business opportunities. This shift entails a "hub and spoke" infrastructure with four customer support, engineering, and manufacturing hubs, enhancing agility in managing demand fluctuation. Under the specialized and flexible operations strategy, Computime adopts a Flexible Hybrid Operation ("**FHO**") model, emphasizing smaller and specialized sites over mega sites.

OUTLOOK

Looking forward, the global economy is expected to remain uncertain in 2024. According to projections by the International Monetary Fund ("**IMF**"), there will be a slight decrease in global growth, dropping to 2.9% from 3% in 2023. Much of this growth is expected to originate from emerging markets, while advanced economies are anticipated to experience tepid growth. Continuing from recent years, the ongoing impact of geopolitical tensions will continue to reverberate, contributing to volatility in stock markets worldwide. [3]

Technologically, the accessibility and versatility of AI not only indicate a broad impact across various sectors of the economy, but also potentially signal a faster implementation compared to similar past advancements. The emergence of AI, particularly generative AI, is a key aspect of the multifaceted transformation driving a new era of expansion for the global economy. Already, it is profoundly reshaping economies and industries, offering potential advances in automation, productivity, efficiency, and data analysis.

The growing demand for sustainability is poised to reshape business operations on the environmental front, compelling companies to take proactive steps in addressing the multifaceted risks posed by climate change. As awareness spreads, more individuals, including homeowners, are embracing their role in safeguarding the environment.

In response to the dynamic landscape, Computime has implemented a multifaceted strategy to seize opportunities in the smart living and technology sectors while adeptly navigating financial uncertainties in the short and long term. We remain committed to investing in cutting-edge technologies, such as AI and Machine Learning ("**ML**"), to empower consumers to efficiently manage energy and advance towards net zero through our expanding range of smart home and sustainable living solutions.

Despite the challenging marketing environment and geopolitical uncertainties in 2024, the Group's business outlook remains bright, especially within our Branded Business segment, as we anticipate increased demand in both the US and European markets in 2024. In response to this favorable forecast, we are strategizing a new business ramp for Salus, our proprietary brand for smart home products, thermostats, and system equipment and accessories. Alongside expanding into new markets, we will prioritize financial prudence by implementing tighter expense and capital expenditure control measures.

3 What does 2024 have in store for the economy? Leading chief economists give their views, World Economic Forum, https://www.weforum.org/agenda/2024/01/economic-outlook-2024-recession-inflation

Additional financial control measures to enhance our bottom line involve implementing a headcount freeze, intensifying cost control efforts, and effectively managing finance costs. Concurrently, we strategically focus on improving material and operational efficiency to optimize our financial performance further.

Driving Computime's transformation through strategic growth themes

The Group has transformed from a traditional engineering and manufacturing company to a technology, brand and manufacturing company. We are fueling our expansion to become a smart and sustainable living leader with formulated growth themes. Our strategic direction and operating framework have been realigned to achieve pivotal objectives. This includes expanding our energy management platform through net-zero home implementation, early adaptation of Matter standards, and enhancing our water conservation product portfolio. We aim to capture the growing smart and sustainable living markets, seize nearshoring opportunities, and introduce new product categories while emphasizing high-performing products and nurturing organic growth.

Financially, our focus is on bolstering cash reserves, increasing profitability, and boosting sales through measures to improve profit margins and cash position. We plan to re-engineer internal processes, particularly in the Global Material Hub order management, and material management areas, to enhance inventory turnover, reduce operating costs, and improve overall productivity. These initiatives aim to secure leadership in the fast-growing sustainability and smart home sectors while enhancing our quality, efficiency, and margins.

Targeted growth

The expanding green and smart markets present significant opportunities, and the Group is strategically positioned to seize them by introducing innovative product platforms. Our substantial investment in R&D, particularly in energy and water management platforms utilizing AI, demonstrates our commitment to developing world-leading sustainable solutions.

We are dedicated to meeting the latest benchmarks in the smart home and Internet of Things ("**IoT**") sectors by adhering to the new Matter standards. Matter, an open-source connectivity standard, allows us to create devices that seamlessly integrate with other smart technologies, enhancing user experience and convenience. These initiatives highlight our commitment to industry leadership, addressing evolving consumer needs and driving our growth in these dynamic markets.

Globalization rewired

The COVID-19 outbreak has demonstrated the risks of relying solely on a single country for our supply chain, manufacturing, and other operational processes. However, it has also brought into focus the numerous business opportunities presented by the demand of our customers in Europe and North America. In response, Computime has restructured its growth strategy towards a "region-to-region" model.

The strategic investments made by the Group are aimed not only at enhancing our ability to meet the evolving demands of our global customer base, but also at bolstering our resilience, particularly concerning supply chain integrity and other variables in a swiftly changing world. We have strategically established cutting-edge manufacturing facilities in key locations such as Malaysia, Vietnam, Mexico and Romania to achieve this. These locations align with our priorities of offering proximity and efficiency to our customers. This strategic shift reflects our commitment to thriving in a rewired era of globalization.

1-to-N technologies

Computime's transformation into a green, sustainable technology innovator represents a significant investment. With a team of over 200 R&D engineers and over 200 patents in strategic markets, we are leading the charge in green and smart living technologies. Our R&D efforts are concentrated on energy management, water management, and cutting-edge Matter standards, cementing our leadership position in these fields.

We leverage the latest sensor and connectivity technologies to develop our platforms. Additionally, our AI model for energy management, created using data from users worldwide, has demonstrated savings of up to 25% on energy bills. We are integrating this algorithm into our latest products and services.

Moving forward, we are working on incorporating AI into predictive equipment maintenance diagnostics, aiming to reduce equipment failures significantly. We meet current market demands by adopting a 1-to-N approach while proactively shaping future technological landscapes. Our commitment to pioneering energy and water management solutions reflects our dedication to industry best practices and sustainability.

Operation remastered

Operation remastered over the past five decades, Computime has evolved from a small factory into a transnational organization with over 4,000 employees. We have continuously refined our operations throughout this journey to accommodate our expanding footprint.

To ensure operational agility, adaptability, and responsiveness to change, we have successfully implemented SAP in Computime, which covers sales and distribution, supply chain management, manufacturing, financial accounting, logistic and warehouse management, and human resources management. We see improvement in operation efficiency through centralizing data, creating analytics to drive improvement, and automating manual administration-heavy processes. Furthermore, SAP improves data security by providing limited access to relevant information through built-in security systems and firewalls.

In addition, we have established a BPM team to focus on a systematic approach to optimize and streamline our business processes. It involves identifying, documenting, analyzing, and improving processes to achieve operational efficiency and meet organizational goals. Our ultimate goals are to improve customer satisfaction, to achieve continuous improvement, to drive digital transformation, and to enhance the overall performance of Computime.

Conclusion

As Computime commemorates its 50th anniversary this year, we reflect on the journey of innovation and growth we have undertaken over the past decades, one that has been filled with entrepreneurial struggles, determination, breakthroughs, growth, and notable achievements. This journey has defined our corporate trajectory and shaped our identity. Having navigated diverse challenges for half a century, the Group has proven the value of its efforts. As we look ahead, we are implementing strategies for a more stable and sustainable future, fully prepared to meet upcoming challenges and seize new opportunities.

Propelling forward, we are guided by the vision to be a leading innovator and enabler of smart and sustainable living, catalyzing positive change for both present and future generations.

Central to our mission is the aspiration to democratize smart and sustainable living through cutting-edge technologies, innovative products, and forward-thinking manufacturing solutions. By harnessing the power of technology and embracing sustainability as a core value, we aim to empower individuals and communities worldwide to lead more connected, efficient, and environmentally conscious lives.

Continuing our course of transformation, we remain steadfast in our dedication to excellence, integrity, and social responsibility. With a bold vision and a relentless pursuit of innovation, Computime is ready to shape the future of smart and sustainable living, driving positive impact and transformation in decades to come.

Liquidity, Financial Resources, and Capital Structure

The Group maintained a sound financial and liquidity position in the Year. As of 31 March 2024, the Group maintained cash and bank balances of HK$226,699,000 (FY2023: HK$307,770,000), which included cash and bank balances of HK$210,824,000 (FY2023: HK$253,733,000) and restricted deposits of HK$15,875,000 (FY2023: HK$54,037,000) for issuance of bank acceptance notes. The Group held a cash and bank balance of HK$53,263,000 (FY2023: HK$80,322,000) denominated in RMB. The remaining balance was mainly denominated in US dollars, Hong Kong dollars ("**HK dollars**" or "**HK$**"), or Euros ("**EUR**"). Overall, the Group maintained a robust current ratio of 1.5 times as of 31 March 2024 (FY2023: 1.3 times).

As of 31 March 2024, total interest-bearing bank borrowings were HK$136,445,000 (FY2023: HK$223,510,000), comprising mainly bank loans repayable within one year. Most of these borrowings were denominated in US dollars, HK dollars, or EUR (FY2023: US dollars, HK dollars, or EUR), and the interest rates applied were primarily subject to floating rate terms.

As of 31 March 2024, total equity attributable to owners of the Company amounted to HK$1,380,738,000 (FY2023: HK$1,318,240,000). The Group had a net balance of total cash and bank balances less total interest-bearing bank borrowings of HK$90,254,000 (FY2023: HK$84,260,000).

Treasury Policies

The Group is exposed to foreign exchange risk through sales and purchases denominated in currencies other than the functional currency of the operations to which they relate. The currencies are primarily US dollars, RMB, EUR, and British pounds ("**GBP**"). The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimise the relevant exposures.

Capital Expenditure and Commitments

During the Year, the Group incurred total capital expenditures of approximately HK$160,320,000 (FY2023: HK$165,612,000) for additions to leasehold land, property, plant, and equipment, software as well as deferred expenditure associated with developing new products.

As of 31 March 2024, the Group had capital commitments contracted but not provided for HK$8,102,000 (FY2023: HK$23,470,000), mainly for the acquisition of property, plant, and equipment.

Contingent Liabilities

As of 31 March 2024, the Group had no significant contingent liabilities (FY2023: Nil).

Charges on Assets

The Group undertakes to the bank that short term bank deposits of HK$15.9 million (FY2023: HK$54.0 million) must be maintained with the respective bank during the life of certain bill payables.

Employee Information

As of 31 March 2024, the Group had a total of 4,005 employees (FY2023: 4,221 employees). Total staff costs for the Year amounted to HK$652,372,000 (FY2023: HK$685,540,000). Salaries and wages are generally reviewed annually by individual qualifications, performance, the Group's results, and market conditions. The Group provides its employees year-end double pay, discretionary bonus, medical insurance, provident fund, educational subsidy, and training.

SHARE SCHEMES

2023 Share Award Plan

A new share award plan ("**2023 Share Award Plan**") has been adopted by the Company in the annual general meeting on 7 September 2023 (the "**2023 AGM**"). Details of the 2023 Share Award Plan are set out in the circular of the Company dated 25 July 2023 (the "**Circular**"). The purposes of the 2023 Share Award Plan are to recognise and reward the contributions of certain eligible participants to the growth and development of the Group and to give incentives in order to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The 2023 Share Award Plan shall be valid and effective for a term of 10 years from 7 September 2023 unless terminated earlier by the Board and is administered by the Board or its delegates and the trustee of the 2023 Share Award Plan. The total number of shares to be awarded under the 2023 Share Award Plan shall not exceed 10% of the total number of issued shares of the Company (the "**Shares**"), being 84,254,000 shares, as at the adoption date of the 2023 Share Award Plan from time to time. The maximum number of Shares which may be awarded to a selected participant under the 2023 Share Award Plan shall not exceed 1% of the total number of issued Shares from time to time.

On 26 September 2023 (the "**First Grant Date**"), the Company granted a total of 6,000,000 award shares (the "**Awards**") to five senior management of the Group (the "**Grantees**") pursuant to the 2023 Share Award Plan, which all the Grantees have duly accepted. Each of the Awards represents a conditional right to receive one awarded share subject to certain terms and conditions of the grant of such Awards. Details of the grant of Awards are set out in the announcement of the Company dated 26 September 2023. As at 31 March 2024, the Company has granted accumulated 6,000,000 Awards under the 2023 Share Award Plan. 6,000,000 Awards were unvested and no Awards were vested, expired, lapsed or cancelled.

On 26 April 2024 (the "**Second Grant Date**"), the Board (including all the independent non-executive directors of the Company) resolved to, among other things, grants 5,100,000 and 3,200,000 Awards under the 2023 Share Award Plan to Mr. AUYANG Pak Hong Bernard and Mr. WONG Wah Shun respectively. The conditional grant is subject to the approval of the independent shareholders of the Company at the annual general meeting. The number of Shares available for future grant after the conditional grant of the Awards and options under the 2023 Share Award Plan and the 2023 Share Option Scheme will be 69,954,000 Shares. Details of the conditional grant of Awards are set out in the announcement of the Company dated 26 April 2024. Save as disclosed above, no other share awards were granted after the reporting period.

As at the date of this announcement, the number of Awards available for grant under the 2023 Share Award Plan and other share schemes of the Company under the scheme mandate limit at (i) the beginning of the Year was Nil and (ii) the end of the Year was 78,254,000, representing approximately 9.29% of the issued share capital of the Company. After the Second Grant Date, the number of Awards available for future grant under the 2023 Share Award Plan and other share schemes of the Company will be 69,954,000, representing approximately 8.30% of the issued share capital of the Company.

2023 Share Option Scheme

The Company had a share option scheme which was adopted on 14 September 2016 ("**2016 Share Option Scheme**") following the expiry of the old share option scheme on 14 September 2016 ("**2006 Share Option Scheme**"). The 2016 Share Option Scheme was terminated in the 2023 AGM. A new share option scheme of the Company was adopted in the 2023 AGM (the "**2023 Share Option Scheme**") under which the Company can grant options to, inter alia, employees of the Group to subscribe for shares of the Company with a view to rewarding those who have contributed to the Group and encouraging employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders of the Company (the "**Shareholders**") as a whole. Details of the 2023 Share Option Scheme are set out in the Circular.

As at 1 April 2023, there is no outstanding share options under the 2006 Share Option Scheme and the 2016 Share Option Scheme and the number of options available for grant under the 2016 Share Option Scheme was 83,642,000, representing approximately 9.93% of the issued share capital of the Company. Since the 2006 Share Option Scheme and the 2016 Share Option Scheme expired on 14 September 2016 and terminated on 7 September 2023 respectively, no further options could be issued under the 2006 Share Option Scheme and the 2016 Share Option Scheme thereafter. During the Year and up to the date of this announcement, no share options were granted, exercised and cancelled under the 2006 Share Option Scheme, the 2016 Share Option Scheme and the 2023 Share Option Scheme.

As at the date of this announcement, the number of options available for grant under the 2023 Share Option Scheme and other schemes of the Company under the share scheme mandate limit was 69,954,000, representing approximately 8.30% of issued share capital of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	*3, 4*	**4,037,818**	4,204,764
Cost of sales		**(3,406,739)**	(3,695,968)
Gross profit		**631,079**	508,796
Other income	*4*	**14,499**	27,150
Selling and distribution expenses		**(106,631)**	(107,463)
Administrative expenses		**(377,892)**	(347,523)
Other operating income, net		**10,134**	444
Finance costs	*5*	**(65,677)**	(49,418)
Share of losses of associates		**(414)**	(594)
Share of profit of a joint venture		**2,482**	–
PROFIT BEFORE TAX	*6*	**107,580**	31,392
Income tax expense	*7*	**(23,668)**	(7,853)
PROFIT FOR THE YEAR		**83,912**	23,539
ATTRIBUTABLE TO:			
Owners of the Company		**84,772**	22,504
Non-controlling interests		**(860)**	1,035
		83,912	23,539
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic		**10.10 HK cents**	2.67 HK cents
Diluted		**10.08 HK cents**	2.67 HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	2024	2023
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**83,912**	23,539
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,659)**	(50,591)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX	**(1,659)**	(50,591)
TOTAL COMPREHENSIVE INCOME /(EXPENSE) FOR THE YEAR	**82,253**	(27,052)
Attributable to:		
Owners of the Company	**83,129**	(28,140)
Non-controlling interests	**(876)**	1,088
	82,253	(27,052)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**342,066**	362,524
Right-of-use assets		**111,942**	139,167
Goodwill		**111,549**	111,773
Club debenture		**705**	705
Intangible assets		**302,615**	262,224
Interests in associates		**–**	1,485
Interests in a joint venture		**13,513**	–
Financial asset at fair value through other comprehensive income		**–**	–
Financial assets at fair value through profit or loss		**12,065**	9,493
Prepayments and deposits		**36,626**	47,450
Deferred tax assets		**22,338**	23,411
Total non-current assets		**953,419**	958,232
CURRENT ASSETS			
Inventories		**823,976**	969,470
Trade receivables	*10*	**509,376**	555,236
Amount due from a joint venture		**6,970**	–
Prepayments, deposits and other receivables		**100,246**	139,766
Derivative financial instruments		**242**	–
Tax recoverable		**–**	10,257
Cash and bank balances		**226,699**	307,770
Total current assets		**1,667,509**	1,982,499
CURRENT LIABILITIES			
Trade and bills payables	*11*	**745,346**	1,012,386
Other payables and accrued liabilities		**166,732**	175,377
Contract liabilities		**40,216**	36,162
Interest-bearing bank borrowings		**136,445**	223,510
Lease liabilities		**44,665**	48,125
Tax payable		**2,713**	–
Total current liabilities		**1,136,117**	1,495,560
NET CURRENT ASSETS		**531,392**	486,939
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,484,811**	1,445,171

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 March 2024

	2024	2023
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**52,977**	78,098
Deferred tax liabilities	**47,397**	44,258
Total non-current liabilities	**100,374**	122,356
Net assets	**1,384,437**	1,322,815
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**84,254**	84,254
Reserves	**1,296,484**	1,233,986
	1,380,738	1,318,240
Non-controlling interests	**3,699**	4,575
Total equity	**1,384,437**	1,322,815

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 June 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The registered address of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the principal place of business is located at 6/F, Building 20E, Phase 3, Hong Kong Science Park, 20 Science Park East Avenue, Shatin, New Territories, Hong Kong.

The Group is principally engaged in the research and development, manufacture, sales, and brand management of electronic control products, focusing on smart and sustainable living.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for a financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in HK dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

(b) rights arising from other contractual arrangements; and

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

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's 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*
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial information.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial information that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial information.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the Group's financial information.

(d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments and the mandatory temporary exception retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any significant impact to the Group.

3. **OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income, finance costs, share of losses of associates, share of profit of a joint venture, as well as corporate and unallocated expenses are excluded from such measurement.

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

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

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

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Control solutions		Branded Business		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**3,600,983**	3,665,675	**436,835**	539,089	**4,037,818**	4,204,764
Segment results	**314,476**	206,753	**(29,544)**	(23,553)	**284,932**	183,200
Bank interest income					**2,060**	2,041
Government grants					**9,467**	12,318
Other income (excluding bank interest income and government grants)					**2,972**	12,791
Corporate and other unallocated expenses					**(128,242)**	(128,946)
Finance costs					**(65,677)**	(49,418)
Share of losses of associates	**–**	–	**(414)**	(594)	**(414)**	(594)
Share of profit of a joint venture	**2,482**	–	**–**	–	**2,482**	–
Profit before tax					**107,580**	31,392
Income tax expense					**(23,668)**	(7,853)
Profit for the year					**83,912**	23,539
Assets and liabilities						
Segment assets	**1,172,277**	1,351,838	**381,843**	405,861	**1,554,120**	1,757,699
Interests in associates	**–**	–	**–**	1,485	**–**	1,485
Interests in a joint venture	**13,513**	–	**–**	–	**13,513**	–
Corporate and other unallocated assets					**1,053,295**	1,181,547
Total assets					**2,620,928**	2,940,731
Segment liabilities	**51,992**	33,554	**45,256**	51,930	**97,248**	85,484
Corporate and other unallocated liabilities					**1,139,243**	1,532,432
Total liabilities					**1,236,491**	1,617,916
Other segment information:						
Capital expenditure*					**160,320**	165,612
Depreciation of property, plant and equipment					**70,263**	70,457
Depreciation of right-of-use assets					**49,752**	48,638
Amortisation of intangible assets	**49,061**	40,808	**658**	687	**49,719**	41,495
Fair value gains from financial assets at fair value through profit or loss	**–**	–	**(7,045)**	(135)	**(7,045)**	(135)
Write-off of deferred expenditure	**–**	–	**–**	798	**–**	798
Impairment of trade receivables, net	**210**	542	**3,039**	1,733	**3,249**	2,275
Write-down/(reversal of write-down) of inventories to net realisable value	**8,523**	57,858	**3,193**	(16)	**11,716**	57,842

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

3. **OPERATING SEGMENT INFORMATION** *(Continued)*

Geographical information

(***a***) ***Revenue from external customers***

	2024	2023
	HK$'000	*HK$'000*
The America	**1,892,423**	1,957,061
Europe	**1,562,529**	1,693,476
Asia	**574,971**	552,494
Oceania	**7,895**	1,733
	4,037,818	4,204,764

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

(***b***) ***Non-current assets***

	2024	2023
	HK$'000	*HK$'000*
The America	**37,478**	23,465
Europe	**8,026**	10,753
Asia	**458,643**	516,408
	504,147	550,626

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

Information about major customers

For the year ended 31 March 2024, revenue of approximately HK$860,458,000 (2023: HK$869,210,000) and HK$813,560,000 (2023: HK$854,891,000), which represented 21.3% (2023: 20.7%) and 20.1% (2023: 20.3%) of the Group's total revenue, respectively, was derived from sales by the control solutions segment to two separate single customers. They included sales to a group of entities which are known to be under common control with these customers.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers	**4,037,818**	4,204,764

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	HK$'000	*HK$'000*
Geographical markets		
The America	**1,892,423**	1,957,061
Europe	**1,562,529**	1,693,476
Asia	**574,971**	552,494
Oceania	**7,895**	1,733
	4,037,818	4,204,764

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of electronic control products	**31,309**	13,105

(ii) Performance obligations

Sale of electronic control products

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 150 days (2023: 30 to 150 days) from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with early settlement rebates which give rise to variable consideration subject to constraint.

4. REVENUE AND OTHER INCOME *(Continued)*

An analysis of other income is as follows:

	2024	2023
	HK$'000	*HK$'000*
Bank interest income	**2,060**	2,041
Government grants*	**9,467**	12,318
Sundry income	**2,972**	12,791
	14,499	27,150

* Government grants were granted by respective governmental authorities in Hong Kong and Mainland China. During the year ended 31 March 2024, HK$119,000 (2023: HK$3,897,000) and RMB521,000 (2023: RMB458,000) (equivalent to approximately HK$575,000 (2023: HK$534,000)) were granted by respective governmental authorities to subsidise stable employment of enterprises in Hong Kong and Mainland China, and RMB7,981,000 (2023: RMB6,953,000) (equivalent to approximately HK$8,773,000 (2023: HK$7,887,000)) was granted by governmental authorities in Mainland China to subsidise the development of the industry which the Group operates. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	HK$'000	*HK$'000*
Interest on bank loans	**61,428**	46,119
Interest on lease liabilities	**4,249**	3,299
	65,677	49,418

6. PROFIT BEFORE TAX

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

	2024	2023
	HK$'000	*HK$'000*
Cost of inventories sold*	**3,395,023**	3,638,126
Depreciation of property, plant and equipment	**70,263**	70,457
Depreciation of right-of-use assets	**49,752**	48,638
Amortisation of intangible assets^	**2,957**	687
Research and development ("**R&D**") costs:		
Amortisation of deferred expenditure^^	**46,762**	40,808
Write-off of deferred expenditure^^	**–**	798
Current year expenditure	**15,061**	13,546
	61,823	55,152
Foreign exchange differences, net#	**(5,549)**	897
Loss on disposal of items of property, plant and equipment, net#	**706**	883
Impairment of trade receivables, net#	**3,249**	2,275
Write-down of inventories to net realisable value**	**11,716**	57,842
Derivative instruments – transactions not qualifying as hedges#		
– Realised gains, net	**(1,105)**	(4,497)
Fair value gains from financial assets at fair value through profit or loss	**(7,045)**	(135)

* Employee benefit expense of HK$369,984,000 (2023: HK$413,686,000) is included in "Cost of inventories sold" above.

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

^ The amortisation of intangible assets included (i) patent and customer relationships and (ii) software for the year are included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

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

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

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group entities operate.

	2024	2023
	HK$'000	*HK$'000*
Current – Hong Kong:		
Charge for the year	**12,378**	134
Underprovision in prior years	**15**	69
Current – Mainland China and other countries:		
Charge for the year	**5,753**	14,166
Underprovision/(overprovision) in prior years	**1,290**	(1,321)
Deferred	**4,232**	(5,195)
Total tax charge for the year	**23,668**	7,853

8. DIVIDENDS

Dividend paid during the year

	2024	2023
	HK$'000	*HK$'000*
Final dividend in respect of the financial year ended 31 March 2023 – HK$0.0210 per ordinary share (2023: final dividend of HK$0.0475 per ordinary share, in respect of the financial year ended 31 March 2022)	**17,693**	40,021

Proposed final dividend

	2024	2023
	HK$'000	*HK$'000*
Final – HK$0.0500 (2023: HK$0.0210) per ordinary share	**42,127**	17,693

The proposed final dividend for the year ended 31 March 2024 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. This announcement does not reflect the final dividend payable.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$84,772,000 (2023: HK$22,504,000) and the weighted average number of ordinary shares of 839,589,000 (2023: 842,540,000) in issue during the year.

For the year ended 31 March 2024, the calculation of the diluted earnings per share amount is based on the profit for the year attributable to owners of the Company of HK$84,772,000. The weighted average number of ordinary shares used in the calculation of 840,692,000 is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration in relation to the share awards granted during the year.

A reconciliation between the weighted average number of ordinary shares used in calculating the basic earnings per share and that used in calculating the diluted earnings per share for the year ended 31 March 2024 is as follows:

	2024
Weighted average number of ordinary shares used in calculating the basic earnings per share	**839,589,000**
Effect of dilution - weighted average number of ordinary shares:	
Share awards	**1,103,000**
Weighted average number of ordinary shares used in calculating the diluted earnings per share	**840,692,000**

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 March 2023.

10. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**515,471**	560,329
Impairment	**(6,095)**	(5,093)
	509,376	555,236

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one to five months (2023: one to five months). The Group maintains strict credit control over its customers and outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

10. TRADE RECEIVABLES *(Continued)*

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

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**249,472**	316,229
1 to 2 months	**136,841**	168,266
2 to 3 months	**67,214**	22,131
Over 3 months	**55,849**	48,610
	509,376	555,236

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

	2024	2023
	HK$'000	*HK$'000*
Current and due within 1 month	**459,258**	517,407
1 to 2 months	**27,897**	18,826
2 to 3 months	**7,125**	5,678
Over 3 months	**15,096**	13,325
	509,376	555,236

11. TRADE AND BILLS PAYABLES

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

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**300,741**	241,141
1 to 2 months	**245,388**	190,921
2 to 3 months	**28,256**	151,216
Over 3 months	**170,961**	429,108
	745,346	1,012,386

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

	2024	2023
	HK$'000	*HK$'000*
Current and due within 1 month	**695,280**	677,916
1 to 2 months	**13,642**	89,975
2 to 3 months	**15,565**	58,175
Over 3 months	**20,859**	186,320
	745,346	1,012,386

The trade payables are non-interest-bearing and generally have payment terms ranging from one to six months (2023: one to six months).

FINAL DIVIDEND

The Board has resolved to recommend to the Shareholders at the forthcoming annual general meeting of the Company to be held on Thursday, 5 September 2024 (the "**2024 AGM**") a final dividend of HK$0.05 per share for the Year (the "**Proposed Final Dividend**") to be paid on Friday, 25 October 2024 to those Shareholders whose names appear on the register of members of the Company on Wednesday, 9 October 2024.

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the 2024 AGM

The 2024 AGM is scheduled to be held on Thursday, 5 September 2024. For determining the entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Monday, 2 September 2024 to Thursday, 5 September 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2024 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, 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 Friday, 30 August 2024.

(b) Entitlement to the Proposed Final Dividend

The Proposed Final Dividend is subject to the approval of the Shareholders at the 2024 AGM. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Monday, 7 October 2024 to Wednesday, 9 October 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, 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 Friday, 4 October 2024.

ANNUAL GENERAL MEETING

It is proposed that the 2024 AGM will be held on Thursday, 5 September 2024. Notice of the 2024 AGM will be sent to the Shareholders in due course.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices with a view to enhancing the management efficiency of the Company as well as preserving the interests of the Shareholders as a whole. In the opinion of the Board, the Company has complied with the code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the Year, except for the deviation from Code Provisions C.2.1 of the CG Code as described below:

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. With effect from 13 April 2022, Mr. AUYANG Pak Hong Bernard, the chief executive officer of the Company, has also assumed the role of the chairman of the Board. The Board believes that this can provide the Group with consistent leadership and allow more effective implementation of the overall strategy of the Group. The Board is of the view that this structure does not compromise the balance of power and authority, as major decisions are made in consultation with the Board, which currently comprises a high percentage of independent non-executive directors who can scrutinise important decisions and monitor the power of the chairman and chief executive. The current senior management team of the Group also possesses rich knowledge and experience in different professional fields to assist Mr. AUYANG Pak Hong Bernard to make decisions about the businesses and operations of the Group. The Board believes that the interests of the Group and the Shareholders as a whole have been safeguarded. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Group's circumstances.

AUDIT COMMITTEE

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

SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF FURTHER INFORMATION

The annual report of the Company for the Year, containing the information required by the Listing Rules, will be despatched to the Shareholders as well as published on the websites of The Stock Exchange of Hong Kong Limited (*www.hkexnews.hk*) and the Company (*www.computime.com*) in due course.

APPRECIATION

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

By Order of the Board
Computime Group Limited
AUYANG Pak Hong Bernard
Chairman and Chief Executive Officer

Hong Kong, 27 June 2024

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

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

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

Independent non-executive directors
Mr. HO Pak Chuen Patrick
Mr. Roy KUAN
Ms. LEE Shang Yuee Christabel
Ms. MAY Man Yee Mariana

* *For identification purposes only*