

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General information

Same Time Holdings Limited ("the Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its principal place of business in Hong Kong is 17th Floor, Phase I, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong.

The Company and its subsidiaries (together "the Group") are engaged in the manufacturing and selling of consumer electronic products and printed circuit boards.

This condensed consolidated interim financial information ("Interim Financial Information") is presented in Hong Kong dollars, unless otherwise stated. This Interim Financial Information has been approved for issue by the Board of Directors on 21st December 2006.

2. Basis of presentation

This Interim Financial Information for the six months ended 30th September 2006 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31st March 2006.

3. Accounting policies

The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2006. In addition, the following accounting policy has been adopted for government grants received during the period:

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to the construction of plant are included in non-current liabilities as deferred income and are credited to income statement on a straight-line basis over the expected useful lives of the related assets.

The following new standards, amendments to standards and interpretations, which are relevant to the Group's operations, are mandatory for financial year ending 31st March 2007:

HKAS 21 (Amendment)	The effects of changes in foreign exchange rates – Net investment in a foreign operation
HKAS 39 and HKFRS 4 (Amendment)	Financial instruments: recognition and measurement and insurance contracts – Financial guarantee contracts
HK(IFRIC) – Int 4	Determining whether an arrangement contains a lease

3. Accounting policies (Continued)

The adoption of the above new accounting standards had no material impact on the Group's Interim Financial Information.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the current period:

HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of embedded derivatives
HK(IFRIC)-Int 10	Interim financial reporting and impairment
HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: disclosures

The Group has not yet adopted the above accounting standards. The Group has commenced an assessment of their expected impact but is not yet in a position to state whether they will have a material impact on the Group's financial statements.

4. Capital expenditure

	Property, plant and equipment HK\$	Leasehold land and land use rights HK\$	Investment property HK\$	Total HK\$
Net book amount at				
1st April 2006	340,035,880	24,704,220	355,163	365,095,263
Exchange differences	1,767,762	114,220	-	1,881,982
Additions	50,234,744	-	-	50,234,744
Disposals	(1,222,059)	-	-	(1,222,059)
Amortisation/ depreciation	(25,774,861)	(375,298)	(4,800)	(26,154,959)
Net book amount at				
30th September 2006	365,041,466	24,443,142	350,363	389,834,971
Net book amount at				
1st April 2005	268,324,817	17,310,543	364,763	286,000,123
Exchange differences	2,462,477	-	-	2,462,477
Additions	113,393,687	11,650,485	-	125,044,172
Disposals	(905,370)	-	-	(905,370)
Transferred to asset held for sale	(1,491,941)	(3,576,648)	-	(5,068,589)
Amortisation/ depreciation	(41,747,790)	(680,160)	(9,600)	(42,437,550)
Net book amount at				
31st March 2006	340,035,880	24,704,220	355,163	365,095,263

5. Trade and other receivables

Included in trade and other receivables are trade receivables of HK\$207,819,984 (31/3/2006: HK\$202,316,902). The ageing analysis of trade receivables is as follows:

	30th September 2006 HK\$	31st March 2006 HK\$
0 – 4 months	191,416,258	192,910,830
5 – 8 months	12,853,728	8,074,647
over 8 months	3,549,998	1,331,425
	<u>207,819,984</u>	<u>202,316,902</u>

Sales are made to customers with credit terms of 30-120 days.

6. Trade and other payables

Included in trade and other payables are trade payables of HK\$190,563,906 (31/3/2006: HK\$167,179,035). The ageing analysis of trade payables is as follows:

	30th September 2006 HK\$	31st March 2006 HK\$
0 – 4 months	148,463,446	145,835,776
5 – 8 months	33,586,599	21,008,549
over 8 months	8,513,861	334,710
	<u>190,563,906</u>	<u>167,179,035</u>

7. Long-term liabilities

	30th September 2006 HK\$	31st March 2006 HK\$
Bank loans		
secured	6,558,329	8,681,611
unsecured	25,224,900	34,040,700
	31,783,229	42,722,311
Obligations under finance leases		
wholly repayable within five years	98,679,683	80,610,276
	130,462,912	123,332,587
Current portion of long-term liabilities	(64,894,672)	(58,577,514)
	65,568,240	64,755,073

At 30th September 2006, the Group's bank loans were repayable as follows:

	30th September 2006 HK\$	31st March 2006 HK\$
Within one year	17,224,505	20,249,260
In the second year	10,054,690	14,435,177
In the third to fifth years	3,528,489	6,434,297
After the fifth year	975,545	1,603,577
	31,783,229	42,722,311

At 30th September 2006, the Group's finance lease liabilities were repayable as follows:

	30th September 2006 HK\$	31st March 2006 HK\$
Within one year	53,295,739	42,876,175
In the second year	40,074,168	32,666,370
In the third to fifth years	13,712,949	11,892,351
	107,082,856	87,434,896
Future finance charge	(8,403,173)	(6,824,620)
	98,679,683	80,610,276

7. Long-term liabilities (Continued)

The present value of finance lease liabilities were repayable as follows:

	30th September 2006 HK\$	31st March 2006 HK\$
Within one year	47,670,167	38,328,254
In the second year	37,688,604	30,676,083
In the third to fifth years	13,320,912	11,605,939
	<u>98,679,683</u>	<u>80,610,276</u>

8. Share capital

**Ordinary shares
of HK\$0.10 each**

	<i>No. of shares</i>	<i>Amount HK\$</i>
Authorised:		
At 1st April 2005, 31st March 2006 and 30th September 2006	<u>700,000,000</u>	<u>70,000,000</u>
Issued and fully paid:		
At 1st April 2005, 31st March 2006 and 30th September 2006	<u>47,438,520</u>	<u>4,743,852</u>

9. Turnover and segment information

The Group is principally engaged in the manufacturing and selling of customer electronic products and printed circuit boards.

An analysis of the Group's turnover and results for the period by business segments and geographical segments is as follows:

(a) *Primary reporting format – business segments:*

	Six months ended		
	30th September 2006		
	Electronic products HK\$	Printed circuit boards HK\$	Group HK\$
Turnover	<u>61,310,440</u>	<u>348,405,488</u>	<u>409,715,928</u>
Segment results	<u>5,051,752</u>	<u>25,433,907</u>	30,485,659
Unallocated costs			<u>(395,901)</u>
Operating profit			30,089,758
Finance costs			<u>(8,498,752)</u>
Profit before income tax			21,591,006
Income tax expense			<u>(1,417,661)</u>
Profit attributable to shareholders			<u>20,173,345</u>
Depreciation	1,935,183	23,844,478	25,779,661
Amortisation of leasehold land and land use rights	<u>249,332</u>	<u>125,966</u>	<u>375,298</u>

9. Turnover and segment information (Continued)

(a) Primary reporting format – business segments: (Continued)

	Six months ended 30th September 2005		
	Electronic products HK\$	Printed circuit boards HK\$	Group HK\$
Turnover	<u>54,605,720</u>	<u>293,286,943</u>	<u>347,892,663</u>
Segment results	<u>1,917,509</u>	<u>14,991,232</u>	16,908,741
Unallocated costs			<u>(2,945,415)</u>
Operating profit			13,963,326
Finance costs			<u>(4,100,465)</u>
Profit before income tax			9,862,861
Income tax expense			<u>(1,902,198)</u>
Profit attributable to shareholders			<u>7,960,663</u>
Depreciation	2,577,349	15,994,249	18,571,598
Amortisation of leasehold land and land use rights	<u>340,082</u>	<u>–</u>	<u>340,082</u>

(b) Secondary reporting format – geographical segments:

	Turnover Six months ended 30th September		Segment results Six months ended 30th September	
	2006 HK\$	2005 HK\$	2006 HK\$	2005 HK\$
Principal markets:				
Hong Kong and Mainland China	179,718,748	109,895,401	13,372,301	5,341,282
America	59,980,973	66,043,360	4,462,993	3,209,927
South East Asia	132,997,582	105,984,536	9,895,927	5,151,201
Europe	<u>37,018,625</u>	65,969,366	<u>2,754,438</u>	3,206,331
	<u>409,715,928</u>	<u>347,892,663</u>	<u>30,485,659</u>	<u>16,908,741</u>

10. Operating profit

	Six months ended 30th September	
	2006 HK\$	2005 HK\$
Operating profit is stated after crediting and charging the following:		
Crediting		
Gain on disposal of property, plant and equipment	3,389,136	25,000
Write back of provision for doubtful debts	<u>1,280,983</u>	<u>—</u>
Charging		
Amortisation of leasehold land and land use rights	375,298	340,082
Cost of inventories sold	334,215,063	279,585,523
Depreciation		
Owned property, plant and equipment	15,847,098	14,302,284
Leased property, plant and equipment	9,927,763	4,264,514
Investment property	<u>4,800</u>	<u>4,800</u>

11. Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the period.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30th September	
	2006 HK\$	2005 HK\$
Current income tax	2,681,512	—
Deferred income tax	<u>(1,263,851)</u>	<u>1,902,198</u>
	<u>1,417,661</u>	<u>1,902,198</u>

12. Dividend

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30th September 2006 (2005: Nil).

13. Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$20,173,345 (2005: HK\$7,960,663) and 47,438,520 (2005: 47,438,520) ordinary shares in issue during the period.

Diluted earnings per share is not shown as there are no potential ordinary shares for the periods ended 30th September 2006 and 2005.

14. Capital commitments

	30th September 2006 HK\$	31st March 2006 HK\$
Contracted but not provided for		
Plant, machinery and leasehold improvements	30,024,983	59,294,392
Capital injection to subsidiaries	122,654,842	156,742,076
	152,679,825	216,036,468
Authorised but not contract for		
Investments in subsidiaries	400,000,000	408,000,000
	552,679,825	624,036,468

15. Related-party transactions

- (a) Transaction with a related entity

	Six months ended 30th September 2006 HK\$	2005 HK\$
Commission paid to a related company (note)	-	7,453,098

Note:

The Group paid commission expenses to an affiliate of a former substantial shareholder of the Company for soliciting customers and marketing products for the Group in accordance with the terms of a sales representative agreement entered into between the Group and the related company. As the sales representative agreement has been terminated, no commission was paid for the current period.

(b) Key management compensation

**Six months
ended 30th September**

	2006 HK\$	2005 HK\$
Key management compensation		
Salaries	<u>4,816,131</u>	<u>4,011,000</u>

On behalf of the Board

Yip Sum Yin

Chairman

Hong Kong, 21st December 2006