



**COMPUTIME  
GROUP LIMITED**  
金寶通集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 320)



## Interim Report 2011/2012

\* For identification purposes only

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Auyang Ho (*Chairman*)  
Dr. Owyang King (*Chief Executive Officer*)  
Ms. Choi Po Yee, Alice

## NON-EXECUTIVE DIRECTORS

Mr. Kam Chi Chiu, Anthony  
Mr. Arvind Amratlal Patel  
Mr. Wong Chun Kong

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Luk Koon Hoo  
Mr. Patrick Thomas Siewert  
Mr. Cheung Ching Leung, David

## AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Mr. Auyang Ho  
Ms. Choi Po Yee, Alice

## EXECUTIVE COMMITTEE

Mr. Auyang Ho (*Chairman*)  
Dr. Owyang King  
Ms. Choi Po Yee, Alice

## AUDIT COMMITTEE

Mr. Luk Koon Hoo (*Chairman*)  
Mr. Patrick Thomas Siewert  
Mr. Kam Chi Chiu, Anthony  
Mr. Arvind Amratlal Patel  
Mr. Cheung Ching Leung, David

## REMUNERATION COMMITTEE

Mr. Auyang Ho (*Chairman*)  
Mr. Luk Koon Hoo  
Mr. Patrick Thomas Siewert  
Mr. Cheung Ching Leung, David

## NOMINATION COMMITTEE

Mr. Auyang Ho (*Chairman*)  
Mr. Luk Koon Hoo  
Mr. Patrick Thomas Siewert

## COMPANY SECRETARY

Ms. Soon Yuk Tai

## INVESTOR RELATIONS

17th Floor, Great Eagle Centre,  
23 Harbour Road,  
Wanchai, Hong Kong  
Email: [ir@computime.com](mailto:ir@computime.com)

## STOCK CODE

320

## REGISTERED OFFICE

Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

17th Floor, Great Eagle Centre,  
23 Harbour Road,  
Wanchai, Hong Kong  
Tel: (852) 2260 0300  
Fax: (852) 2790 3996

## WEBSITE

[www.computime.com](http://www.computime.com)

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House,  
68 Fort Street,  
P.O. Box 609,  
Grand Cayman KY1-1107,  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716, 17th Floor,  
Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong

## AUDITORS

Ernst & Young

## LEGAL ADVISOR

Reed Smith Richards Butler

## PRINCIPAL BANKERS

Hang Seng Bank Limited  
DBS Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
Standard Chartered Bank (Hong Kong) Limited  
BNP Paribas Hong Kong Branch  
Industrial and Commercial Bank of China (Asia) Limited  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

# CONDENSED CONSOLIDATED INCOME STATEMENT

30 September 2011

The board of directors (the "Board") of Computime Group Limited (the "Company") is pleased to present the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2011 (the "Period") together with the comparative figures for the six months ended 30 September 2010.

	Notes	For the six months ended 30 September	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
<b>REVENUE</b>	3, 4	<b>1,258,603</b>	1,232,319
Cost of sales		(1,131,746)	(1,099,324)
<b>GROSS PROFIT</b>		<b>126,857</b>	132,995
Other income and gains		4,648	6,242
Selling and distribution costs		(34,261)	(37,429)
Administrative expenses		(83,089)	(81,323)
Other operating income/(expenses), net		3,626	(1,138)
Finance costs	5	(2,164)	(1,684)
Share of profits and losses of associates		541	(2,569)
<b>PROFIT BEFORE TAX</b>	6	<b>16,158</b>	15,094
Income tax expense	7	(3,113)	8,283
<b>PROFIT FOR THE PERIOD</b>		<b>13,045</b>	23,377
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		13,047	23,387
Non-controlling interests		(2)	(10)
		<b>13,045</b>	23,377
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	9		
Basic		1.57 HK cents	2.82 HK cents
Diluted		1.57 HK cents	2.82 HK cents

Details of the dividends for the Period are disclosed in note 8 to the interim condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

30 September 2011

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
<b>PROFIT FOR THE PERIOD</b>	<b>13,045</b>	23,377
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		
Exchange differences on translation of foreign operations	9,045	5,212
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>22,090</b>	28,589
<b>ATTRIBUTABLE TO:</b>		
Owners of the Company	22,092	28,599
Non-controlling interests	(2)	(10)
	<b>22,090</b>	28,589

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2011

	Notes	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	119,489	129,058
Goodwill		36,420	36,420
Club debenture		705	705
Intangible assets		45,628	44,102
Interests in associates		2,853	2,311
Total non-current assets		205,095	212,596
<b>CURRENT ASSETS</b>			
Inventories		551,646	517,263
Trade receivables	11	483,800	519,748
Prepayments, deposits and other receivables		34,569	33,652
Tax recoverable		879	1,282
Cash and cash equivalents		630,612	623,341
Total current assets		1,701,506	1,695,286
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	12	477,549	464,450
Other payables and accrued liabilities		156,699	160,016
Interest-bearing bank and other borrowings		222,307	255,760
Amounts due to associates		4	62
Amounts due to non-controlling shareholders		160	160
Dividend payable		25,730	–
Tax payable		3,647	4,003
Total current liabilities		886,096	884,451
<b>NET CURRENT ASSETS</b>		<b>815,410</b>	<b>810,835</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,020,505</b>	<b>1,023,431</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2011

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	6,620	7,000
Net assets	<b>1,013,885</b>	1,016,431
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	83,000	83,000
Reserves	930,043	932,587
Non-controlling interests	<b>1,013,043</b> 842	1,015,587 844
Total equity	<b>1,013,885</b>	1,016,431

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30 September 2011

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Issued capital	Share premium	Contributed surplus	Share option reserve	Exchange fluctuation reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2011 (audited)	83,000	386,419	1,879	3,364	32,842	508,083	1,015,587	844	1,016,431
Profit for the period	-	-	-	-	-	13,047	13,047	(2)	13,045
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	9,045	-	9,045	-	9,045
Total comprehensive income	-	-	-	-	9,045	13,047	22,092	(2)	22,090
Equity-settled share option arrangement	-	-	-	1,094	-	-	1,094	-	1,094
Final 2011 dividend declared	-	-	-	-	-	(25,730)	(25,730)	-	(25,730)
At 30 September 2011 (unaudited)	83,000	386,419	1,879	4,458	41,887	495,400	1,013,043	842	1,013,885
At 1 April 2010 (audited)	83,000	386,419	1,879	1,418	23,280	466,210	962,206	854	963,060
Profit for the period	-	-	-	-	-	23,387	23,387	(10)	23,377
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	5,212	-	5,212	-	5,212
Total comprehensive income	-	-	-	-	5,212	23,387	28,599	(10)	28,589
Equity-settled share option arrangement	-	-	-	928	-	-	928	-	928
Final 2010 dividend declared	-	-	-	-	-	(14,940)	(14,940)	-	(14,940)
At 30 September 2010 (unaudited)	83,000	386,419	1,879	2,346	28,492	474,657	976,793	844	977,637



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 September 2011

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	68,135	(76,634)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(26,616)	(28,986)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(35,617)	83,266
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,902	(22,354)
Cash and cash equivalents at beginning of period	623,341	614,407
Effect of foreign exchange rate changes, net	1,369	1,722
CASH AND CASH EQUIVALENTS AT END OF PERIOD	630,612	593,775
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	238,113	235,650
Non-pledged time deposits with original maturity of less than three months when acquired	392,499	358,125
	630,612	593,775

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 1. CORPORATE 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 office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 17th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

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

## 2.1 BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2011 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

Save for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which include HKASs and Interpretations, during the Period as set out in note 2.2 below, the accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2011.

## 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's consolidated interim financial statements:

HKFRS 1 Amendment	<i>Amendment to HKFRS 1 First-time adoption of Hong Kong financial reporting standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adoption</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HK(IFRIC)-Int 14 Amendments	<i>Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement</i>
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3, HKAS 27 are effective for annual periods beginning on or after 1 July 2010 whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

The adoption of these new and revised HKFRSs has had no significant financial effect on these consolidated interim financial statements.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these interim condensed consolidated financial statements:

HKFRS 7 (Amendments)	<i>Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets<sup>1</sup></i>
HKFRS 9	<i>Financial Instruments<sup>2</sup></i>
HKFRS 10	<i>Consolidated Financial Statements<sup>2</sup></i>
HKFRS 11	<i>Joint Arrangements<sup>2</sup></i>
HKFRS 12	<i>Disclosure of Interests in Other Entities<sup>2</sup></i>
HKFRS 13	<i>Fair Value Measurement<sup>2</sup></i>
HKAS 1 (Revised) Amendments	<i>Amendments to HKAS 1 (Revised) Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income<sup>4</sup></i>
HKAS 12 (Amendments)	<i>Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets<sup>3</sup></i>
HKAS 19 (Revised 2011)	<i>Employee Benefits<sup>2</sup></i>
HKAS 27 (Revised 2011)	<i>Separate Financial Statements<sup>2</sup></i>
HKAS 28 (Revised 2011)	<i>Investments in Associates and Joint Ventures<sup>2</sup></i>
HK (IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2012

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. However, it is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

## 3. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 4. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's reportable segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other reportable segments. Segment information regarding the Group's revenue, profit and assets is presented below:

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
<b>Segment revenue:</b>								
Sales to external customers	381,996	471,871	650,405	587,021	226,202	173,427	1,258,603	1,232,319
<b>Segment results</b>	<b>5,255</b>	<b>4,759</b>	<b>8,446</b>	<b>10,085</b>	<b>19,383</b>	<b>20,010</b>	<b>33,084</b>	<b>34,854</b>
Bank interest income							2,041	1,069
Other income and gains (excluding bank interest income)							2,607	5,173
Corporate and other unallocated expenses							(19,951)	(21,749)
Finance costs							(2,164)	(1,684)
Share of profits and losses of associates	541	(2,569)	-	-	-	-	541	(2,569)
Profit before tax							16,158	15,094
Income tax expense							(3,113)	8,283
Profit for the period							13,045	23,377

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
<b>Segment assets</b>	<b>343,860</b>	<b>343,192</b>	<b>538,227</b>	<b>496,304</b>	<b>111,875</b>	<b>131,679</b>	<b>993,962</b>	<b>971,175</b>
Corporate and other unallocated assets							912,639	936,707
Total assets							1,906,601	1,907,882

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 5. FINANCE COSTS

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Interest on:		
Bank loans and overdrafts wholly repayable within five years	2,164	1,681
Finance leases	–	3
	<b>2,164</b>	<b>1,684</b>

## 6. PROFIT BEFORE TAX

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

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Cost of inventories sold	1,123,323	1,090,169
Depreciation	17,896	18,003
Amortisation of intangible assets <sup>#</sup>	20,349	19,974
Write down of inventories to net realisable value	8,423	9,155
Bank interest income	(2,041)	(1,069)

<sup>#</sup> Included in "Administrative expenses" on the face of the condensed consolidated income statement.

## 7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Under the Corporate Income Tax Law (the "New CIT Tax Law") of the People's Republic of China, which became effective from 1 January 2008, enterprises are subject to corporate income tax at a rate of 25%. Under the New CIT Tax Law, for those enterprises benefiting from lower preferential tax rates, such preferential rates will be gradually phased out by increasing them over five years.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 7. INCOME TAX EXPENSE (Continued)

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Current – Hong Kong		
Charge for the year	2,210	2,000
Over-provision in prior years	–	(13,241)
Current – Mainland China and other regions	1,283	2,558
Deferred	(380)	400
<b>Total tax charge/(credit) for the Period</b>	<b>3,113</b>	<b>(8,283)</b>

No share of tax attributable to associates (2010: Nil) is included in "Share of profits and losses of associates" in the condensed consolidated income statement.

## 8. DIVIDENDS

No payment of interim dividend for the six months ended 30 September 2011 is recommended (2010: Nil).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the Period attributable to owners of the Company of HK\$13,047,000 (six months ended 30 September 2010: HK\$23,387,000) and the weighted average of 830,000,000 (six months ended 30 September 2010: 830,000,000) ordinary shares in issue during the Period.

No adjustment has been made to the basic earnings per share amount presented for the period ended 30 September 2011 and 2010 in respect of dilution as the exercise price of the share options of the Company outstanding during the two periods is higher than the average market price of the Company's ordinary shares and accordingly, they have no dilutive effect on the basic earnings per ordinary share.

## 10. MAJOR ADDITIONS OF PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group purchased property, plant and equipment amounting to approximately HK\$6,783,000 (six months ended 30 September 2010: HK\$9,000,000).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 11. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one to three months.

An aged analysis of the trade receivables as at the reporting date is as follows:

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Within 1 month	443,222	489,806
1 to 2 months	17,341	20,418
2 to 3 months	14,224	4,775
Over 3 months	9,013	4,749
	<hr/>	<hr/>
	483,800	519,748

Included in the Group's trade receivables as at 30 September 2011 were amount due from the Group's associate of HK\$16,135,000 (31 March 2011: HK\$10,209,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

## 12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the reporting date is as follows:

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Within 1 month	401,251	432,430
1 to 2 months	60,483	14,823
2 to 3 months	1,545	2,433
Over 3 months	14,270	14,764
	<hr/>	<hr/>
	477,549	464,450

The trade payables are interest-free and generally have payment terms ranging from one to three months.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 13. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Scheme") on 15 September 2006 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Details of the Scheme are set out in the Company's annual report for the year ended 31 March 2011 (note 29 to the financial statements).

Details and movements of the share options granted under the Scheme for the six months ended 30 September 2011 are as follows:

Category of participants	Number of share options					As at 30 September 2011	Date of grant of share options <sup>1</sup>	Exercise period of share options	Exercise price per share HK\$
	As at 1 April 2011	Granted during the Period <sup>2</sup>	Exercised during the Period	Cancelled during the Period	Lapsed during the Period				
<b>Senior management and other employees in aggregate</b>	612,000	-	-	-	(120,000)	492,000	27 September 2007	from 31 August 2008 to 30 August 2017	1.75
	612,000	-	-	-	(120,000)	492,000	27 September 2007	from 31 August 2009 to 30 August 2017	1.75
	612,000	-	-	-	(120,000)	492,000	27 September 2007	from 31 August 2010 to 30 August 2017	1.75
	1,836,000	-	-	-	(360,000)	1,476,000			
<b>Director Dr. Ouyang King</b>	2,400,000	-	-	-	-	2,400,000	30 April 2010	from 30 April 2011 to 29 April 2020	1.05
	2,400,000	-	-	-	-	2,400,000	30 April 2010	from 30 April 2012 to 29 April 2020	1.05
	3,200,000	-	-	-	-	3,200,000	30 April 2010	from 30 April 2013 to 29 April 2020	1.05
	-	2,400,000	-	-	-	2,400,000	28 June 2011	from 28 June 2012 to 27 June 2021	0.79
	-	2,400,000	-	-	-	2,400,000	28 June 2011	from 28 June 2013 to 27 June 2021	0.79
	-	3,200,000	-	-	-	3,200,000	28 June 2011	from 28 June 2014 to 27 June 2021	0.79
	8,000,000	8,000,000	-	-	-	16,000,000			
<b>Total</b>	<b>9,836,000</b>	<b>8,000,000</b>	<b>-</b>	<b>-</b>	<b>(360,000)</b>	<b>17,476,000</b>			



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 13. SHARE OPTION SCHEME (Continued)

Notes:

1. The vesting period of the share options granted is from the date of grant until the commencement of the exercise period.
2. 8,000,000 share options were granted to a director of the Company under the Scheme on 28 June 2011. The closing price of the shares of the Company immediately before such date of grant was HK\$0.77.

The fair value of the share options granted during the Period was HK\$2,666,000 (2010: HK\$4,171,000).

The fair value of the share options granted during the Period was estimated as at the date of grant using a trinomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used.

Exercise price (HK\$)	0.79
Expected volatility(%)	45.13
Expected option life (years)	10.00
Risk-free interest rate (%)	2.17
Share price at the date of grant (HK\$)	0.79
Expected dividend yield (%)	2.81

The expected life of the option is based on the contractual life and is not necessarily indicative of the exercise patterns that may occur. The expected volatility or expected dividend yield reflects the assumption that the historical volatility or dividend yield is indicative of future trends, which may not necessarily be the actual outcome.

## 14. COMMITMENTS

As at 30 September 2011, the Group had contracted but not provided for capital commitments, mainly for the acquisition of property, plant and equipment of HK\$2,032,000 (31 March 2011: HK\$148,000).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2011

## 15. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these interim condensed consolidated financial statements, the Group had the following significant transactions with related parties during the Period:

### (a) Transactions with related parties

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Associates		
Sales of finished goods	25,543	32,324

### (b) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Short term employee benefits	10,274	10,229
Post-employment benefits	139	38
Equity-settled share option expenses	1,094	977
	11,507	11,244

## 16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the Board on 28 November 2011.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

The Group's turnover for the Period amounted to HK\$1,258,603,000, increasing by approximately 2.1% from the same period last year. The consolidated net profit attributable to owners of the Company was HK\$13,047,000 for the Period compared to HK\$23,387,000 for the six months ended 30 September 2010. Basic earnings per share for the Period amounted to 1.57 HK cents, compared to 2.82 HK cents for the same period last year.

## BUSINESS REVIEW AND FINANCIAL HIGHLIGHTS

### Turnover

Turnover of the Group amounted to HK\$1,258,603,000 for the Period, representing an increase of 2.1% over the same period last year. During the first half of the current financial year, the Group recorded growth in turnover in the Appliance Controls and Commercial and Industrial Controls businesses due to a slight increase in general demand and the successful launch of new products by certain existing and new customers. This growth was partially offset as sales in the Building and Home Controls business decreased by approximately HK\$89,875,000 or 19.0%, due primarily to weakness in the United States ("US") housing market resulting in soft demand for these customer products.

### Profitability and Margin

Consolidated net profit attributable to owners of the Company decreased from HK\$23,387,000 to HK\$13,047,000 for the Period, representing a decrease of 44.2%. Excluding the effect of a tax credit of HK\$13,241,000 recorded in same period last year, the Group's consolidated net profit attributable to owners of the Company was HK\$10,146,000 for the six months ended 30 September 2010. Gross profit margin decreased to 10.1% for the Period, compared to 10.8% for same period last year. With production and overhead costs continuing to increase due to inflation, increases in labour costs in Mainland China and appreciation of the Renminbi ("RMB"), the Group managed to reduce operating expenses by HK\$5,686,000 to HK\$115,888,000 during the Period. The decrease in segment margin for both Appliance Controls and Commercial and Industrial Controls businesses largely resulted from the increased production and overhead costs during the Period. Segment margin for Building and Home Controls business improved to 1.4% compared to 1.0% in same period last year, primarily due to a decrease in sales of relatively low margin products.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

The ongoing impact of the European debt crisis and sustained weakness in the US economy will continue to constrain overall customer demand in the second half of current financial year. Challenges also remain in the operating environment for manufacturing in Mainland China with increases in wages, inflation and appreciation of the RMB. To withstand these unfavorable factors, the Group will continue tight cost controls and seek further improvement in operating efficiency and productivity to minimise adverse impact on margins. The Group continues its efforts started in 2010 to reposition products and markets through a stronger product mix derived from the rollout of smart energy and wireless innovations. In addition, as part of that repositioning plan, the Group is pursuing two strategic product partnering arrangements to help solidify its expansion into the growing market in Mainland China and drive business growth in the coming year.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group continued to maintain a sound financial and liquidity position in the Period. As at 30 September 2011, the Group maintained a balance of cash and cash equivalents of HK\$630,612,000, the majority of which were denominated either in US dollars or Hong Kong dollars and HK\$259,089,000 were denominated in RMB. The Group's current ratio remained strong at 1.92 times.

As at 30 September 2011, total interest-bearing bank and other borrowings were HK\$222,307,000, comprised primarily of bank loans and overdrafts repayable within one year. The majority of these borrowings were denominated either in US dollar, Hong Kong dollar or European currencies and the interest rates applied were primarily subject to floating rate terms.

As at 30 September 2011, total equity attributable to owners of the Company amounted to HK\$1,013,043,000. The Group had a net cash balance of HK\$408,305,000, representing total cash and cash equivalents less total interest-bearing bank and other borrowings such that no gearing ratio applies.

# MANAGEMENT DISCUSSION AND ANALYSIS

## TREASURY POLICIES

The majority of the Group's sales and purchases are denominated in US dollars and Hong Kong dollars with Euro zone currencies comprising a lesser extent. Due to the fact that the Hong Kong dollar is pegged to the US dollar, the Group's exposure to this foreign exchange risk is relatively low. Certain production and operating overheads of the Group's production facilities in Mainland China are denominated in RMB. As at 30 September 2011, the Group did not have any outstanding financial instruments entered into for hedging purposes. Nevertheless, the Group will closely monitor its overall foreign exchange exposure and interest rate exposure and will adopt a proactive but prudent approach to minimize the relevant exposures when necessary.

## CAPITAL EXPENDITURES AND COMMITMENTS

During the Period, the Group incurred total capital expenditures of approximately HK\$28,657,000 for the additions to property, plant and equipment as well as for deferred expenditure for the development of new products.

As at 30 September 2011, the Group had contracted but not provided for capital commitments, mainly for the acquisition of property, plant and equipment of HK\$2,032,000.

## CONTINGENT LIABILITIES

A subsidiary of the Company is involved in a dispute with a third party, who is alleging that the subsidiary has infringed patent and is seeking for value in dispute of EUR937,000 (equivalent to approximately HK\$9,876,000). The decision of the relevant district court dated 22 December 2009 was favorable to the subsidiary and the third party has appealed the decision to the relevant higher regional court. Taking into consideration of the advice from the Group's lawyer, the directors consider the subsidiary has valid defence against the claim and therefore no provision was made as at 30 September 2011.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CHARGES ON ASSETS

As at 30 September 2011, no bank deposit nor other assets had been pledged to secure the Group's banking facilities.

## EMPLOYEE INFORMATION

As at 30 September 2011, the Group had a total of approximately 3,600 full-time employees. Total staff costs for the Period amounted to HK\$125,840,000. Salaries and wages are generally reviewed on an annual basis in accordance with individual qualifications and performance, the Group's results and market conditions. The Group provides year-end double pay, discretionary bonus, medical insurance, provident fund, educational subsidy and training to its employees. The Company has also adopted a share option scheme under which the Company can grant options to, inter alia, employees of the Group to subscribe for shares of the Company with a view to rewarding those who have contributed to the Group and encouraging employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Up to the date of this report, 17,476,000 share options remained outstanding under such share option scheme.

## USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares (including shares issued on the exercise of over-allotment option) for listing on the Stock Exchange in October 2006, after deduction of related expenses, amounted to approximately HK\$469,419,000. The Group intends to apply the net proceeds for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 25 September 2006. As at 30 September 2011, approximately HK\$110,140,000 were utilized for strategic business combination and acquisitions, approximately HK\$20,950,000 for the expansion of the distribution network, approximately HK\$44,176,000 for the repayment of bank borrowings and approximately HK\$44,176,000 for general corporate purposes, and the remaining balance of the net proceeds was placed in certain financial institutions and licensed banks in Hong Kong as short-term deposits.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

### 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 Period.

### CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management efficiency of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the Period.

### CODE OF CONDUCT FOR DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the directors, senior personnel and certain employees of the Group (who are likely to be in possession of unpublished price-sensitive information relating to the Company or its securities) (the "Own Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of the Company's directors, all the directors confirmed that they have complied with the required standards set out in the Model Code and the Own Code throughout the Period.

In addition, no incident of non-compliance of the Own Code by the employees of the Group was noted by the Company throughout the Period.

### NON-COMPLIANCE WITH RULES 3.10(1) AND 3.21 OF THE LISTING RULES

Reference is made to the announcement of the Company dated 5 September 2011 in relation to the retirement of Mr. Steven Julien Feniger ("Mr. Feniger") as an independent non-executive director and his cessation as a member of both the Audit Committee and the Remuneration Committee of the Company. Following the retirement of Mr. Feniger: (i) the Company had only two independent non-executive directors, which fell below the minimum number of three required under Rule 3.10(1) of the Listing Rules; and (ii) the Audit Committee of the Company, comprising two independent non-executive directors and two non-executive directors, did not meet the requirement of having a majority of members being independent non-executive directors as set out in Rule 3.21 of the Listing Rules.

On 28 October 2011, Mr. Cheung Ching Leung, David ("Mr. Cheung") was appointed as an independent non-executive director and a member of both the Audit Committee and the Remuneration Committee of the Company to fill the vacancies arising from the retirement of Mr. Feniger. Upon appointment of Mr. Cheung, the Company has duly complied with Rules 3.10(1) and 3.21 of the Listing Rules.

## OTHER INFORMATION

### AUDIT COMMITTEE

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, namely, Mr. Luk Koon Hoo (Chairman of the Audit Committee), Mr. Patrick Thomas Siewert and Mr. Cheung Ching Leung, David, and the two non-executive directors of the Company, namely, Mr. Kam Chi Chiu, Anthony and Mr. Arvind Amratlal Patel, has reviewed with the senior management of the Group the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of these interim results.

Messrs. Ernst & Young, the Company's external auditors, have been engaged by the Company to conduct certain procedures on the Group's interim condensed consolidated financial statements for the Period in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the HKICPA. The Audit Committee of the Company discussed with Messrs. Ernst & Young the findings of these procedures including consistency of accounting policies and procedures adopted by the Group in preparing these financial statements and the relevant disclosures made in accordance with the requirements of HKAS 34 and Appendix 16 to the Listing Rules.

### SHARE OPTION SCHEME

Details of the share option scheme of the Company are disclosed in note 13 to the interim condensed consolidated financial statements.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2011, the interests or short positions of the directors of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### (1) Long position/Short position in the shares of the Company

Name of director	Capacity	Long position/ Short position	Number of ordinary shares involved	*Approximate percentage of the Company's issued share capital
Mr. Auyang Ho	Interest of a controlled corporation	Long position	352,500,000 (Note)	42.46%
	Short position of a controlled corporation	Short position	128,000,000 (Note)	15.42%

Note: The long/short positions in the shares were held by Solar Power Group Limited ("SPGL"). SPGL is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Auyang Ho.

\* The percentage represents the number of ordinary shares involved in the long/short positions divided by the number of the Company's issued shares as at 30 September 2011.



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

#### (2) Long position in the underlying shares of the Company – physically settled unlisted equity derivatives

<b>Name of director</b>	<b>Capacity</b>	<b>Number of underlying shares in respect of the share options granted</b>	<b>*Approximate percentage of the Company's issued share capital</b>
Dr. Owyang King	Beneficial owner	16,000,000	1.93%

Details of the above share options as required to be disclosed by the Listing Rules are disclosed in note 13 to the interim condensed consolidated financial statements.

\* *The percentage represents the number of underlying shares interested divided by the number of the Company's issued shares as at 30 September 2011.*

Save as disclosed above, as at 30 September 2011, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2011, the following persons (other than the directors and chief executives of the Company) had interests or short positions of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

#### Long position/Short position in the shares of the Company

<b>Name of substantial shareholder</b>	<b>Capacity</b>	<b>Long position/ Short position</b>	<b>Number of ordinary shares involved</b>	<b>*Approximate percentage of the Company's issued share capital</b>
SPGL	Beneficial owner	Long position	352,500,000 <i>(Note 1)</i>	42.46%
	Beneficial owner	Short position	128,000,000 <i>(Note 1)</i>	15.42%

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

#### Long position/Short position in the shares of the Company *(Continued)*

Name of substantial shareholder	Capacity	Long position/ Short position	Number of ordinary shares involved	*Approximate percentage of the Company's issued share capital
Ms. Tse Shuk Ming	Interest of spouse	Long position	352,500,000 <i>(Note 2)</i>	42.46%
	Short position of spouse	Short position	128,000,000 <i>(Note 2)</i>	15.42%
Crystalplaza Limited	Beneficial owner	Long position	133,500,000 <i>(Note 3)</i>	16.09%
Little Venice Limited	Beneficial owner	Long position	76,704,000 <i>(Note 3)</i>	9.24%
Ms. Leung Yee Li, Lana	Interest of controlled corporations	Long position	210,204,000 <i>(Note 3)</i>	25.33%
Mr. Heung Lap Chi, Eugene	Interest of spouse	Long position	210,204,000 <i>(Note 4)</i>	25.33%
Martin Currie (Holdings) Limited	Interest of controlled corporations	Long position	51,296,000 <i>(Note 5)</i>	6.18%
Platinum Investment Management Limited	Investment manager	Long position	44,862,000	5.41%

#### Notes:

1. *The interest/short position of SPGL were disclosed as the interest/short position of Mr. Auyang Ho in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations".*
2. *Ms. Tse Shuk Ming was deemed to be interested in 352,500,000 shares (long position) and 128,000,000 shares (short position) of the Company through the interest of her spouse, Mr. Auyang Ho.*
3. *These shares were owned by Crystalplaza Limited (as to 133,500,000 shares) and Little Venice Limited (as to 76,704,000 shares), both companies were wholly-owned by Ms. Leung Yee Li, Lana.*

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

#### Long position/Short position in the shares of the Company *(Continued)*

Notes: *(Continued)*

4. *Mr. Heung Lap Chi, Eugene was deemed to be interested in 210,204,000 shares of the Company through the interest of his spouse, Ms. Leung Yee Li, Lana.*
5. *These shares were held by Martin Currie Inc. (as to 22,098,000 shares) and Martin Currie Investment Management (as to 29,198,000 shares), both were controlled corporations of Martin Currie Ltd., which in turn was a controlled corporation of Martin Currie (Holdings) Limited.*
- \* *The percentage represents the number of ordinary shares involved in the long/short positions divided by the number of the Company's issued shares as at 30 September 2011.*

Save as disclosed above, as at 30 September 2011, no person, other than the directors of the Company whose interests/short positions are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations" above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### 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 Period.

By Order of the Board  
**Computime Group Limited**  
**Auyang Ho**  
*Chairman*

Hong Kong, 28 November 2011