



**COMPUTIME
GROUP LIMITED**
金寶通集團有限公司

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

* For identification purposes only

INTERIM REPORT 2015/2016

CONNECTED DEVICES
INTERNET OF THINGS

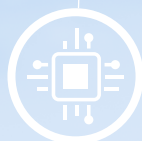
IOT

CONTROL TECHNOLOGY CONNECTED SOLUTIONS



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Auyang Ho (*Chairman*)
Dr. Owyang King (*Chief Executive Officer*)
Mr. Au Hing Lun, Dennis
(*Deputy Chief Executive Officer*)

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
Dr. Owyang King

EXECUTIVE COMMITTEE

Mr. Auyang Ho (*Chairman*)
Dr. Owyang King
Mr. Au Hing Lun, Dennis

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

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REGISTERED OFFICE

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WEBSITE

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4th Floor, Royal Bank House,
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Grand Cayman KY1-1110,
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

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

STOCK CODE

320

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 September 2015

The board of directors (the "Board") of Computime Group Limited (the "Company" or "Computime") 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 2015 (the "Period") together with the comparative figures for the six months ended 30 September 2014.

	Notes	For the six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
REVENUE			
Cost of sales	3, 4	1,668,793 (1,475,271)	1,470,003 (1,309,334)
Gross profit		193,522	160,669
Other income		5,319	5,792
Selling and distribution expenses		(41,232)	(37,851)
Administrative expenses		(106,764)	(93,713)
Other operating expenses, net		(6,396)	(9,179)
Finance costs	5	(4,575)	(3,750)
Share of profits of associates		437	1,580
PROFIT BEFORE TAX	6	40,311	23,548
Income tax expense	7	(7,827)	(5,245)
PROFIT FOR THE PERIOD		32,484	18,303
ATTRIBUTABLE TO:			
Owners of the Company		32,486	18,305
Non-controlling interests		(2)	(2)
		32,484	18,303
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic	9	3.9 HK cents	2.2 HK cents
Diluted		3.8 HK cents	2.2 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

Six months ended 30 September 2015

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	32,484	18,303
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	(7,050)	-
Reclassification adjustments for loss included in the consolidated statement of profit or loss	2,176	-
	(4,874)	-
Exchange differences on translation of foreign operations	(10,632)	(5,267)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	(15,506)	(5,267)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,978	13,036
Attributable to:		
Owners of the Company	16,980	13,038
Non-controlling interests	(2)	(2)
	16,978	13,036

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2015

	Notes	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	140,826	124,338
Goodwill		36,420	36,420
Club debenture		705	705
Intangible assets		84,935	70,639
Interests in associates		4,635	4,198
Available-for-sale investment		7,750	7,750
Prepayments and deposits		2,515	2,515
Total non-current assets		277,786	246,565
CURRENT ASSETS			
Inventories		754,037	635,318
Trade receivables	11	607,954	594,093
Prepayments, deposits and other receivables		51,619	39,412
Tax recoverable		2,952	1,052
Derivative financial instruments		–	3,253
Cash and cash equivalents		582,255	639,654
Total current assets		1,998,817	1,912,782
CURRENT LIABILITIES			
Trade and bills payables	12	713,047	640,117
Other payables and accrued liabilities		94,688	90,620
Interest-bearing bank borrowings		288,304	275,964
Amounts due to non-controlling shareholders		160	160
Dividend payable		37,415	–
Tax payable		21,982	16,143
Derivative financial instruments		1,783	–
Total current liabilities		1,157,379	1,023,004
NET CURRENT ASSETS		841,438	889,778
TOTAL ASSETS LESS CURRENT LIABILITIES (to be continued)		1,119,224	1,136,343

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2015

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES (continued)	1,119,224	1,136,343
NON-CURRENT LIABILITIES		
Deferred tax liabilities	10,145	10,178
Net assets	1,109,079	1,126,165
EQUITY		
Equity attributable to owners of the Company		
Issued capital	83,393	83,000
Reserves	1,024,882	1,042,359
	1,108,275	1,125,359
Non-controlling interests	804	806
Total equity	1,109,079	1,126,165

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2015

	Attributable to owners of the Company									
	Issued capital	Share premium	Contributed surplus	Share option reserve	Hedging reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 September 2015 (unaudited)										
At 1 April 2015 (audited)	83,000	386,419	1,879	9,440	3,091	30,612	610,918	1,125,359	806	1,126,165
Profit for the period	-	-	-	-	-	-	32,486	32,486	(2)	32,484
Other comprehensive expense for the period:										
Cash flow hedges, net of tax	-	-	-	-	(4,874)	-	-	(4,874)	-	(4,874)
Exchange differences on translation of foreign operations	-	-	-	-	-	(10,632)	-	(10,632)	-	(10,632)
Total comprehensive income/(expense) for the period	-	-	-	-	(4,874)	(10,632)	32,486	16,980	(2)	16,978
Issue of shares upon exercise of share options	393	3,292	-	(1,122)	-	-	-	2,563	-	2,563
Equity-settled share option arrangements	-	-	-	788	-	-	-	788	-	788
Final 2015 dividend declared	-	-	-	-	-	-	(37,415)	(37,415)	-	(37,415)
At 30 September 2015 (unaudited)	83,393	389,711	1,879	9,106	(1,783)	19,980	605,989	1,108,275	804	1,109,079
For the six months ended 30 September 2014 (unaudited)										
At 1 April 2014 (audited)	83,000	386,419	1,879	8,093	-	46,235	551,211	1,076,837	809	1,077,646
Profit for the period	-	-	-	-	-	-	18,305	18,305	(2)	18,303
Other comprehensive expense for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	(5,267)	-	(5,267)	-	(5,267)
Total comprehensive income/(expense) for the period	-	-	-	-	-	(5,267)	18,305	13,038	(2)	13,036
Equity-settled share option arrangements	-	-	-	700	-	-	-	700	-	700
Final 2014 dividend declared	-	-	-	-	-	-	(16,600)	(16,600)	-	(16,600)
At 30 September 2014 (unaudited)	83,000	386,419	1,879	8,793	-	40,968	552,916	1,073,975	807	1,074,782

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2015

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	12,709	105,532
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(64,931)	(46,742)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(5,177)	(17,471)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(57,399)	41,319
Cash and cash equivalents at beginning of period	639,654	590,907
Effect of foreign exchange rate changes, net	–	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	582,255	632,227
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	392,823	436,341
Time deposits with original maturity of less than three months when acquired	189,432	195,886
	582,255	632,227

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 address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 9th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

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

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2015 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 2015.

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 period's interim condensed consolidated financial statements.

Amendments to HKAS 19 <i>Annual Improvements</i> <i>2010-2012 Cycle</i>	<i>Defined Benefit Plans: Employee Contributions</i> Amendments to a number of HKFRSs
<i>Annual Improvements</i> <i>2011-2013 Cycle</i>	Amendments to a number of HKFRSs

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

3. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

4. 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 resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax.

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30 September		30 September		30 September		30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Segment revenue:								
Sales to external customers	612,659	409,165	802,834	769,714	253,300	291,124	1,668,793	1,470,003
Segment results	78,197	37,867	(10,349)	200	8,167	20,122	75,995	58,189
Bank interest income							3,667	3,247
Other income (excluding bank interest income)							730	2,545
Corporate and other unallocated expenses							(35,943)	(38,263)
Finance costs							(4,575)	(3,750)
Share of profits of associates	437	1,580	-	-	-	-	437	1,580
Profit before tax							40,311	23,548
Income tax expense							(7,827)	(5,245)
Profit for the period							32,484	18,303

	Building and home controls		Appliance controls		Commercial and industrial controls		Total	
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2015 (Unaudited) HK\$'000	2015 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2015 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2015 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
Segment assets	657,917	577,970	598,734	533,855	113,964	153,258	1,370,615	1,265,083
Interests in associates	4,635	4,198	-	-	-	-	4,635	4,198
Corporate and other unallocated assets							901,353	890,066
Total assets							2,276,603	2,159,347

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

5. FINANCE COSTS

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest on:		
Bank loans and overdrafts wholly repayable within five years	4,575	3,750

6. PROFIT BEFORE TAX

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

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Cost of inventories sold	1,457,301	1,294,907
Depreciation	17,635	16,882
Amortisation of intangible assets [#]	20,959	16,299
Write-down of inventories to net realisable value ^{##}	17,970	14,427
Bank interest income	(3,667)	(3,247)
Foreign exchange differences, net ^{###}	932	4,405
Impairment of trade and other receivables ^{###}	5,575	5,250

[#] The amortisation of intangible assets for the Period is included in "Administrative expenses" on the face of the condensed consolidated statement of profit or loss.

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

^{###} Foreign exchange differences, net and impairment of trade and other receivables are included in "Other operating expenses, net" on the face of the condensed consolidated statement of profit or loss.

Included in other operating expenses, net for the Period is the impairment of trade receivables of HK\$3,500,000 (2014: Nil) relating to the trade receivables from Fagor Electrodomesticos Sociedad Cooperativa, FagorBrandt SAS, and Fagor Mastercook S.A. Details are disclosed in the Company's annual report for the year ended 31 March 2015 (note 21 to the financial statements).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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 entities operate.

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current – Hong Kong	5,754	1,188
Current – Mainland China and other countries	2,106	4,057
Deferred	(33)	–
Total tax charge for the period	7,827	5,245

No share of tax attributable to associates (2014: Nil) is included in "Share of profits of associates" in the condensed consolidated statement of profit or loss.

8. DIVIDENDS

No payment of interim dividend for the six months ended 30 September 2015 is recommended (2014: Nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

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\$32,486,000 (six months ended 30 September 2014: HK\$18,305,000) and 832,239,450 ordinary shares (six months ended 30 September 2014: 830,000,000 ordinary shares), being the weighted average number of ordinary shares in issue during the Period.

For the six months ended 30 September 2015, the calculation of diluted earnings per share is based on the profit for the Period attributable to owners of the Company of HK\$32,486,000 (six months ended 30 September 2014: HK\$18,305,000) and 845,500,699 ordinary shares (six months ended 30 September 2014: 832,039,318 ordinary shares), being the weighted average number of ordinary shares in issue during the Period, adjusted for the effects of the potentially dilutive ordinary shares outstanding during the Period.

A reconciliation of the weighted average number of shares used in calculating basic and diluted earnings per share for the Period is as follows:

	For the six months ended 30 September	
	2015 (Unaudited)	2014 (Unaudited)
Weighted average number of ordinary shares used in calculating the basic earnings per share	832,239,450	830,000,000
Weighted average number of ordinary shares assumed to have been issued at nil consideration on deemed exercise of all dilutive options in issue during the period	13,261,249	2,039,318
Weighted average number of ordinary shares used in calculating the diluted earnings per share	845,500,699	832,039,318

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

10. MAJOR ADDITIONS OF PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group purchased property, plant and equipment amounting to approximately HK\$37,776,000 (six months ended 30 September 2014: HK\$32,072,000).

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 end of the reporting period, based on the payment due date and net of provisions, is as follows:

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Current and within 1 month	565,504	505,258
1 to 2 months	12,265	39,987
2 to 3 months	8,380	13,416
Over 3 months	21,805	35,432
	607,954	594,093

Included in the Group's trade receivables is an amount due from the Group's associate of HK\$12,892,000 (31 March 2015: HK\$17,161,000) which is repayable on similar credit terms to those offered to the major customers of the Group.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

12. TRADE AND BILLS PAYABLES

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

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Current and within 1 month	587,760	600,451
1 to 2 months	105,285	30,392
2 to 3 months	7,198	3,358
Over 3 months	12,804	5,916
	713,047	640,117

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

13. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") 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 2015 (note 30 to the financial statements).

Details and movements of the share options of the Company granted under the Scheme for the six months ended 30 September 2015 are as follows:

Category of participants	Number of share options				Date of grant of share options ²	Exercise period of share options	Date of share options vested/to be vested	Exercise price per share HK\$
	As at 1 April 2015	Granted during the Period	Exercised during the Period ¹	As at 30 September 2015				
Senior management and other employees in aggregate	342,000	-	(80,000)	262,000	27 September 2007	from 31 August 2008 to 30 August 2017	31 August 2008	1.75
	342,000	-	(80,000)	262,000	27 September 2007	from 31 August 2009 to 30 August 2017	31 August 2009	1.75
	342,000	-	(80,000)	262,000	27 September 2007	from 31 August 2010 to 30 August 2017	31 August 2010	1.75
	1,026,000	-	(240,000)	786,000				

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

13. SHARE OPTION SCHEME *(continued)*

Details and movements of the share options of the Company granted under the Scheme for the six months ended 30 September 2015 are as follows *(continued)*:

Category of participants	Number of share options				Date of grant of share options ²	Exercise period of share options	Date of share options vested/to be vested	Exercise price per share HK\$
	As at 1 April 2015	Granted during the Period	Exercised during the Period ¹	As at 30 September 2015				
Directors								
Dr. Ouyang King	2,400,000	-	-	2,400,000	30 April 2010	from 30 April 2011 to 29 April 2020	30 April 2011	1.05
	2,400,000	-	-	2,400,000	30 April 2010	from 30 April 2012 to 29 April 2020	30 April 2012	1.05
	3,200,000	-	-	3,200,000	30 April 2010	from 30 April 2013 to 29 April 2020	30 April 2013	1.05
	2,400,000	-	-	2,400,000	28 June 2011	from 28 June 2012 to 27 June 2021	28 June 2012	0.79
	2,400,000	-	-	2,400,000	28 June 2011	from 28 June 2013 to 27 June 2021	28 June 2013	0.79
	3,200,000	-	-	3,200,000	28 June 2011	from 28 June 2014 to 27 June 2021	28 June 2014	0.79
	1,200,000	-	(1,200,000)	-	6 August 2012	from 6 August 2013 to 5 August 2022	6 August 2013	0.375
	1,200,000	-	-	1,200,000	6 August 2012	from 6 August 2014 to 5 August 2022	6 August 2014	0.375
	1,600,000	-	-	1,600,000	6 August 2012	from 6 August 2015 to 5 August 2022	6 August 2015	0.375
	20,000,000	-	(1,200,000)	18,800,000				
Mr. Au Hing Lun, Dennis	2,490,000	-	(2,490,000)	-	4 July 2014	from 4 July 2015 to 3 July 2024	4 July 2015	0.68
	2,490,000	-	-	2,490,000	4 July 2014	from 4 July 2016 to 3 July 2024	4 July 2016	0.68
	3,320,000	-	-	3,320,000	4 July 2014	from 4 July 2017 to 3 July 2024	4 July 2017	0.68
	8,300,000	-	(2,490,000)	5,810,000				
	28,300,000	-	(3,690,000)	24,610,000				
Total	29,326,000	-	(3,930,000)	25,396,000				

Notes:

- 240,000 share options were exercised by senior management and other employees on 16 April 2015, while 1,200,000 and 2,490,000 share options were exercised by the directors on 21 April 2015 and 22 July 2015 respectively. The weighted average closing prices of the Company's shares immediately before the exercise dates of the share options were HK\$2.45, HK\$2.21 and HK\$1.39 per share as at 15 April 2015, 20 April 2015 and 21 July 2015 respectively. No share options have been granted, cancelled or lapsed during the six months ended 30 September 2015.
- The vesting period of the share options granted is from the date of grant until the commencement of the exercise period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

14. COMMITMENTS

As at 30 September 2015, the Group had contracted but not provided for capital commitments, mainly for the acquisition of property, plant and equipment of HK\$6,703,000 (31 March 2015: HK\$2,326,000).

15. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances set out elsewhere in these interim condensed consolidated financial statements, the Group had the following significant related party transactions during the Period.

(a) The Group had the following material transactions with a related party during the Period:

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
An associate		
Sale of finished goods	23,315	26,638

(b) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Short term employee benefits	14,681	14,883
Post-employment benefits	99	84
Equity-settled share option expenses	788	700
	15,568	15,667

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 26 November 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF RESULTS

The Group's turnover for the Period amounted to HK\$1,668,793,000, rising by approximately 13.5% from the same period in last year. The consolidated net profit attributable to owners of the Company was HK\$32,486,000 for the Period, compared to HK\$18,305,000 for the six months ended 30 September 2014. Basic earnings per share for the Period amounted to 3.9 HK cents, compared to 2.2 HK cents for the same period last year.

BUSINESS REVIEW AND FINANCIAL HIGHLIGHTS

Turnover

Turnover of the Group amounted to HK\$1,668,793,000 for the Period, representing an increase of 13.5% over the same period last year. The increase in turnover was mainly due to the economic recovery in The Americas in favour of the Building & Home Controls business. Furthermore, the Group achieved revenue growth in the European market despite the weak European retail environment.

Profitability and Margin

Gross profit for the Period was HK\$193,522,000, representing an increase of 20.4% when compared with HK\$160,669,000 for the same period last year. Gross profit margin increased to 11.6% for the Period, compared to 10.9% for the same period last year, which was mainly due to the increase in sales, material savings and control of fixed costs, which more than fully offset the scheduled price declines and general salary increment in Mainland China. The Group improved its turnover and profit margin mainly through the continuous growth in the Building & Home Controls business. Meanwhile, the Group managed further cost control through material savings and control of fixed costs. As a result, consolidated net profit attributable to owners of the Company increased by 77.5% to HK\$32,486,000 as compared with HK\$18,305,000 for the same period last year.

The Group recorded other income of HK\$5,319,000 for the Period, compared with HK\$5,792,000 for the same period last year. Other income mainly comprised interest income generated from bank deposits.

Segment margin improved to 4.6% for the Period, compared to 4.0% for the same period last year. The increase in segment margin was mainly attributable to the improvement in segment margin of Building & Home Controls business, which also achieved growth in sales by almost 50% partnered with cost efficiency improvement.

OUTLOOK

The strong financial results for the Period was a result of Computime's careful execution of our strategy of driving higher margin sales growth while continuing with cost improvements. The Group will continue to focus on growing our energy-saving control business in our Building and Home Controls segment and Branded business "SALUS". The Group will continue to make strategic investments in R&D and business development to further expand our markets in these areas by meeting our customers' needs. Through our efforts in the "Connected Devices" area, the SALUS brand has now established an important foothold in the commercial, retail and utility markets, all of which are opportunities critical to the next stage of growth of the Branded business. The Group was successful in penetrating several new European territories with the SALUS brand during the Period, and will continue with do so as part of our strategy.

OUTLOOK *(continued)*

While the global economy remains challenging and volatile, Computime will continue to focus on our strategy of leveraging our core capabilities in electronics and wireless technologies to launch high value products for our partners and customers worldwide, especially in the smart energy and connected devices space. The Group believes the long term growth potential in these markets will be key in driving sustainable shareholder value in the long run, regardless of potential short term volatility driven by macro-economic trends. At the same time, the Group will continue to relentlessly improve our competitive position by driving product mix optimization, productivity and quality improvements in our operations.

The operating environment for manufacturing in Mainland China remains challenging with increases in wages and inflation. To counter these cost increases, the Group has and will continue to improve operational efficiencies by implementing cost-effective automation and lean manufacturing strategies, as well as leverage our purchasing power to drive incremental material cost savings.

Due to the high level of competition in the market for control and smart home business, the Group expects its customer orders will continue to fluctuate and its gross profit will also be under more pressure in the coming period. The Group may also continue to face certain risks including the foreign currency risk related to the Euro, Great British Pound ("GBP") and Renminbi ("RMB"), as well as inflation in China, labour shortage, materials shortage, customers and suppliers' difficulty in meeting contractual obligations, financial difficulties resulting in customers and suppliers' illiquidity and global events and actions, including war and terrorism. These risks and others could affect the Group's sales, profit margin and loss of investments.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group continued to maintain a sound financial and liquidity position in the Period. As at 30 September 2015, the Group maintained a balance of cash and cash equivalents of HK\$582,255,000, which were mainly denominated either in United States dollars ("US dollars") or Hong Kong dollars, and HK\$235,092,000 were denominated in RMB. Overall, the Group maintained a robust current ratio of 1.73 times.

As at 30 September 2015, total interest-bearing bank borrowings were HK\$288,304,000, comprising primarily bank import loans repayable within one year. The majority of these borrowings were denominated either in US dollars, Hong Kong dollars or Euro zone currencies and the interest rates applied were primarily subject to floating rate terms.

As at 30 September 2015, total equity attributable to owners of the Company amounted to HK\$1,108,275,000. The Group had a net cash balance of HK\$293,951,000, representing total cash and cash equivalents less total interest-bearing bank borrowings such that no gearing ratio applies.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES

The Group is exposed to foreign exchange risk through sales and purchase that are dominated in currencies other than the functional currency of the operations to which they relate. The currencies involved are primarily Euro, GBP and RMB. As at 30 September 2015, the Group had outstanding foreign currency forward contracts to sell US dollars 23,500,000 buy RMB. These forward contracts were entered into for hedging purposes. 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 EXPENDITURES AND COMMITMENTS

During the Period, the Group incurred total capital expenditures of approximately HK\$73,031,000 for the additions to property, plant and equipment as well as for deferred expenditures associated with the development of new products.

As at 30 September 2015, the Group had capital commitments contracted but not provided for the amount of HK\$6,703,000, mainly for the acquisition of property, plant and equipment.

CONTINGENT LIABILITIES

As at 30 September 2015, the Group did not have any significant contingent liabilities.

CHARGES ON ASSETS

As at 30 September 2015, no bank deposits and other assets have been pledged to secure the Group's banking facilities.

EMPLOYEE INFORMATION

As at 30 September 2015, the Group had a total of approximately 4,100 full-time employees. Total staff costs for the Period amounted to HK\$196,012,000. 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, 26,196,000 share options remained outstanding under the share option scheme.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (2014: 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 Corporate Governance Code 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 inside 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.

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 two non-executive directors of the Company, namely, Mr. Kam Chi Chiu, Anthony and Mr. Arvind Amrattal 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 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 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.

OTHER INFORMATION

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

As at 30 September 2015, the interests 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 in the shares of the Company

Name of director	Capacity	Number of ordinary shares interested	*Approximate percentage of the Company's issued share capital
Mr. Auyang Ho	Interest of a controlled corporation	352,500,000 <i>(Note)</i>	42.27%
	Beneficial owner	9,012,000	1.08%
		361,512,000	43.35%
Dr. Owyang King	Beneficial owner	2,322,000	0.28%
Mr. Au Hing Lun, Dennis	Beneficial owner	2,810,000	0.34%

Note: These 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 interested divided by the number of the Company's issued shares as at 30 September 2015.*

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

Name of director	Capacity	Number of underlying shares in respect of the share options granted	*Approximate percentage of the Company's issued share capital
Dr. Owyang King	Beneficial owner	18,800,000	2.25%
Mr. Au Hing Lun, Dennis	Beneficial owner	5,810,000	0.70%

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 2015.*

OTHER INFORMATION

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

(continued)

Save as disclosed above, as at 30 September 2015, 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 2015, the following persons (other than the directors and chief executives of the Company) had interests 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 in the shares of the Company

Name of substantial shareholder	Capacity	Number of ordinary shares interested	*Approximate percentage of the Company's issued share capital
SPGL	Beneficial owner	352,500,000 <i>(Note 1)</i>	42.27%
Ms. Tse Shuk Ming	Interest of spouse	361,512,000 <i>(Note 2)</i>	43.35%
Crystalplaza Limited	Beneficial owner	133,500,000 <i>(Note 3)</i>	16.01%
Little Venice Limited	Beneficial owner	81,690,000 <i>(Note 3)</i>	9.79%
Ms. Leung Yee Li, Lana	Interest of controlled corporations	215,190,000 <i>(Note 3)</i>	25.80%
Mr. Heung Lap Chi, Eugene	Interest of spouse	215,190,000 <i>(Note 4)</i>	25.80%

OTHER INFORMATION

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

Long position in the shares of the Company *(continued)*

Notes:

1. *The interest of SPGL was also disclosed as the interest 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 361,512,000 shares 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 81,690,000 shares), both companies were wholly-owned by Ms. Leung Yee Li, Lana.*
 4. *Mr. Heung Lap Chi, Eugene was deemed to be interested in 215,190,000 shares of the Company through the interest of his spouse, Ms. Leung Yee Li, Lana.*
- * *The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 September 2015.*

Save as disclosed above, as at 30 September 2015, no person, other than the directors of the Company whose interests 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, 26 November 2015