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匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1729)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS

For the year ended 31 March	2022	2021	Change
Operating results (HK\$'million)			
Revenue	3,590.1	3,008.0	19.4%
Gross profit	588.1	580.2	1.4%
Total profit for the year	168.3	226.6	-25.7%
Adjusted total profit for the year <i>(Note)</i>	195.2	230.8	-15.4%
Basic earnings per share <i>(Hong Kong cents)</i>	9.1	12.3	-26.0%
Adjusted basic earnings per share <i>(Hong Kong cents) (Note)</i>	10.6	12.5	-15.2%
Financial position (HK\$'million)			
Cash generated from operations	262.5	189.8	38.3%
Bank balances and cash	220.9	156.6	41.1%
Shareholders' funds	1,051.2	852.5	23.3%
Capital expenditure	59.4	46.8	26.9%
Key ratios (%)			
Gross profit margin	16.4	19.3	-2.9pts
Net profit margin	4.7	7.5	-2.8pts
Adjusted net profit margin <i>(Note)</i>	5.4	7.7	-2.3pts
EBITDA/Revenue	9.6	12.7	-3.1pts
Adjusted EBITDA/Revenue <i>(Note)</i>	9.8	12.9	-3.1pts
Return on shareholders' funds	16.0	26.6	-10.6pts

Note: For reconciliations of the reported results to an adjusted basis, including lists of adjustment items, see page 27.

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Time Interconnect Technology Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2022 (the “**Review Year**” or “**FY2022**”), together with the comparative figures for the year ended 31 March 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	4	3,590,117	3,008,019
Cost of goods sold		<u>(3,002,020)</u>	<u>(2,427,802)</u>
Gross profit		588,097	580,217
Other income	5	5,873	13,955
Other gains and losses	6	1,716	(10,970)
Gain (loss) on revaluation of property, plant and equipment		361	(5,755)
Gain on bargain purchase		3,201	–
Distribution and selling expenses		(66,043)	(51,678)
Administrative expenses		(134,459)	(122,607)
Professional fees and costs relating to acquisition of business and business restructuring		(6,496)	(4,168)
Research and development expenses		(121,352)	(88,358)
Finance costs	7	<u>(38,043)</u>	<u>(42,525)</u>
Profit before taxation	8	232,855	268,111
Taxation	9	<u>(64,582)</u>	<u>(41,480)</u>
Profit for the year		<u>168,273</u>	<u>226,631</u>
Other comprehensive (expense) income			
<i>Items that will not be reclassified to profit or loss:</i>			
(Loss) gain on revaluation of right-of-use assets and property, plant and equipment		(36,170)	322,935
Deferred tax arising from revaluation of right-of-use assets and property, plant and equipment		8,497	(77,980)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value gain on hedging instruments designated as cash flow hedge		417	–
Reclassification on hedging instruments to profit or loss		(417)	–
Exchange differences arising on translating foreign operations		<u>63,832</u>	<u>94,636</u>
Other comprehensive income for the year		<u>36,159</u>	<u>339,591</u>
Total comprehensive income for the year		<u>204,432</u>	<u>566,222</u>

	2022	2021
<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year attributable to:		
Owners of the Company	168,223	226,361
Non-controlling interests	<u>50</u>	<u>270</u>
	<u>168,273</u>	<u>226,631</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	204,127	562,148
Non-controlling interests	<u>305</u>	<u>4,074</u>
	<u>204,432</u>	<u>566,222</u>
Earnings per share	<i>10</i>	
– Basic (HK cents)	9.10	12.30
– Diluted (HK cents)	<u>9.01</u>	<u>12.30</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Property, plant and equipment		786,902	733,666
Right-of-use assets		383,731	400,171
Deposits paid for acquisition of property, plant and equipment		3,499	6,726
Financial assets at fair value through profit or loss		6,284	6,035
Rental deposits		1,690	700
		<u>1,182,106</u>	<u>1,147,298</u>
Current assets			
Inventories		653,649	474,894
Trade and other receivables	12	1,090,174	808,755
Contract assets		29,708	2,860
Taxation recoverable		450	1,516
Pledged bank deposits		5,769	7,091
Bank balances and cash		220,906	156,550
		<u>2,000,656</u>	<u>1,451,666</u>
Current liabilities			
Trade and other payables	13	885,572	571,869
Contract liabilities		4,413	5,093
Lease liabilities		10,584	7,785
Taxation payable		14,843	9,605
Unsecured bank borrowings – amount due within one year		788,147	606,583
		<u>1,703,559</u>	<u>1,200,935</u>
Net current assets		<u>297,097</u>	<u>250,731</u>
Total assets less current liabilities		<u>1,479,203</u>	<u>1,398,029</u>
Non-current liabilities			
Unsecured bank borrowings – amount due after one year		274,016	405,625
Lease liabilities		48,251	36,471
Deferred tax liabilities		93,491	91,532
		<u>415,758</u>	<u>533,628</u>
Net assets		<u>1,063,445</u>	<u>864,401</u>
Capital and reserves			
Share capital		19,460	18,404
Reserves		1,031,714	834,070
Equity attributable to owners of the Company		1,051,174	852,474
Non-controlling interests		12,271	11,927
Total equity		<u>1,063,445</u>	<u>864,401</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL INFORMATION

Time Interconnect Technology Limited (the “**Company**”) is a limited company incorporated in the Cayman Islands and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**HK Stock Exchange**”). The addresses of the registered office and the principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

Prior to 16 March 2022, the immediate holding company of the Company was Time Interconnect Holdings Limited which was incorporated in the British Virgin Islands. The ultimate holding company was Linkz Industries Limited (“**Linkz Industries**”), which was incorporated in Hong Kong. Its ultimate controlling shareholder was Mr. Lo Chung Wai Paul (“**Mr. Paul Lo**”), who was also the non-executive director of the Company. On 16 March 2022, Luxshare Precision Limited completed the acquisition of 1,380,000,000 issued ordinary shares of the Company, representing approximately 72% of total issued share capital of the Company. Details of the transaction are set out in the Company’s announcement dated 16 March 2022. The immediate holding company of the Company is then changed to Luxshare Precision Limited. The Company’s ultimate holding company is then changed to Luxshare Precision Industry Co., Ltd. (“**Luxshare**”), a company incorporated in the People’s Republic of China (the “**PRC**”) with its shares listed on the Shenzhen Stock Exchange.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are manufacturing and trading of cable assembly products and digital cable products.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) while the functional currency of the Company is United States dollars (“**US\$**”). The reason for selecting HK\$ as the Company’s presentation currency is that the directors of the Company consider that it is more relevant to the users of the consolidated financial statements as the Company listed its shares on the HK Stock Exchange.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the “**Group**”) has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 “Financial Instruments: Disclosures” (“HKFRS 7”).

As at 1 April 2021, the Group has several financial liabilities, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts are shown at their notional amounts.

	Hong Kong Dollars Hong Kong Interbank Offered Rate (“HIBOR”)* HK\$’000
Unsecured bank borrowings	<u>632,797</u>

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowings measured at amortised cost.

Impacts on application of the agenda decision of the Committee – Costs necessary to sell inventories (HKAS 2 “Inventories”)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group’s accounting policy prior to the Committee’s agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee’s agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and other costs necessary to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee’s agenda decision has had no material impact on the Group’s financial positions and performance.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

3. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” (“**HKFRS 8**”) requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by Chief Operating Decision Maker (“**CODM**”) in order to allocate resources to segments and to assess their performance. Specifically, the Group’s reportable segments under HKFRS 8 are organised into two main operating divisions – (i) cable assembly and (ii) digital cable (previously named as “networking cables”).

The accounting policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS consolidated financial statements. Information reported to the Group’s chief executive officer, being the CODM, for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered.

Principal activities of the Group's reportable segments are as follows:

- Cable assembly – manufacturing and trading of cable assembly products
- Digital cable – manufacturing and trading of networking cable and specialty cable products

These divisions are the basis on which the Group reports its operating segment information.

Segment results represent the profit earned or loss incurred by each segment without allocation of results attributable to professional fees and costs relating to acquisition of business and business restructuring, finance costs, unallocated income and unallocated expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

(a) Segment revenue and results

For the year ended 31 March 2022

	Cable assembly <i>HK\$'000</i>	Digital cable <i>HK\$'000</i>	Total reportable segments <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
External sales	1,876,204	1,713,913	3,590,117	-	3,590,117
Inter-segment sales	<u>77</u>	<u>41,519</u>	<u>41,596</u>	<u>(41,596)</u>	<u>-</u>
	<u>1,876,281</u>	<u>1,755,432</u>	<u>3,631,713</u>	<u>(41,596)</u>	<u>3,590,117</u>
Segment results	199,605	97,615	297,220	-	297,220
Professional fees and costs relating to acquisition of business and business restructuring					(6,496)
Finance costs					(38,043)
Unallocated income					776
Unallocated expenses					<u>(20,602)</u>
Profit before taxation					<u><u>232,855</u></u>

For the year ended 31 March 2021

	Cable assembly HK\$'000	Digital cable HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue					
External sales	1,655,508	1,352,511	3,008,019	–	3,008,019
Inter-segment sales	122	22,220	22,342	(22,342)	–
	<u>1,655,630</u>	<u>1,374,731</u>	<u>3,030,361</u>	<u>(22,342)</u>	<u>3,008,019</u>
Segment results	253,818	71,650	325,468	–	325,468
Professional fees and costs relating to acquisition of business and business restructuring					(4,168)
Finance costs					(42,525)
Unallocated income					628
Unallocated expenses					(11,292)
Profit before taxation					<u>268,111</u>

(b) Segment assets and liabilities

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

At 31 March 2022	Cable assembly HK\$'000	Digital cable HK\$'000	Consolidated HK\$'000
Assets			
Reportable segment assets	1,446,020	1,717,387	3,163,407
Unallocated assets			<u>19,355</u>
Consolidated total assets			<u>3,182,762</u>
Liabilities			
Reportable segment liabilities	690,651	364,107	1,054,758
Unallocated liabilities			<u>1,064,559</u>
Consolidated total liabilities			<u>2,119,317</u>
At 31 March 2021			
Assets			
Reportable segment assets	985,734	1,610,509	2,596,243
Unallocated assets			<u>2,721</u>
Consolidated total assets			<u>2,598,964</u>
Liabilities			
Reportable segment liabilities	415,036	306,374	721,410
Unallocated liabilities			<u>1,013,153</u>
Consolidated total liabilities			<u><u>1,734,563</u></u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain other receivables, bank balances and cash and other unallocated assets; and
- all liabilities are allocated to operating segments other than certain bank borrowings, other payables and other allocated liabilities.

(c) **Other information**

For the year ended 31 March 2022

Amounts included in the measure of segment profit or loss or segment assets.

	Cable assembly HK\$'000	Digital cable HK\$'000	Consolidated HK\$'000
Capital additions	83,104	10,619	93,723
Depreciation of property, plant and equipment	21,687	34,210	55,897
Depreciation of right-of-use assets	10,492	7,400	17,892
Loss (gain) on disposal and written off of property, plant and equipment	118	(1,051)	(933)
Write off of inventories	4,929	–	4,929
	<u>4,929</u>	<u>–</u>	<u>4,929</u>

For the year ended 31 March 2021

Amounts included in the measure of segment profit or loss or segment assets.

	Cable assembly HK\$'000	Digital cable HK\$'000	Consolidated HK\$'000
Capital additions	38,886	8,714	47,600
Depreciation of property, plant and equipment	24,567	33,146	57,713
Depreciation of right-of-use assets	8,916	5,287	14,203
Loss on disposal and written off of property, plant and equipment	1,991	47	2,038
Write off of inventories	4,646	–	4,646
	<u>4,646</u>	<u>–</u>	<u>4,646</u>

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
PRC	1,664,349	1,582,132
The United States of America	887,552	752,591
Singapore	226,258	176,095
Netherlands	220,668	184,299
Hong Kong	201,269	117,691
Mexico	99,583	16,456
United Kingdom	47,771	36,557
Others	242,667	142,198
	<u>3,590,117</u>	<u>3,008,019</u>

Information about the Group's non-current assets (excluding financial assets at fair value through profit or loss ("FVTPL") and rental deposits) is presented based on the geographical location of the assets:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
PRC	1,162,776	1,128,657
Hong Kong	11,356	11,906
	<u>1,174,132</u>	<u>1,140,563</u>

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A (from cable assembly segment)	434,203	478,094
Customer B (from cable assembly segment)	873,060	807,135
Customer C (from digital cable segment)	550,169	476,338
Customer D (from digital cable segment)	406,006	280,101
	<u>406,006</u>	<u>280,101</u>

4. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the manufacturing and sales of cable assembly products and digital cable, during the years ended 31 March 2022 and 2021.

The revenue of the Group derives from manufacturing and sales of cable assembly products and digital cable. The Group's revenue is fixed price and short-term contracts. The normal credit term is 30 to 120 days upon delivery.

The revenue of the Group is recognised at a point in time except for revenue from certain sales, which are recognised over time. Under the transfer-of-control approach in HKFRS 15 “Revenue from Contracts with Customers” (“**HKFRS 15**”), revenue from certain sales of goods to the Group’s customers in connection with the production of cable assembly products and digital cable are recognised when the goods are physically passed to the customers, which is the point in time when the goods have been delivered or shipped to the customers’ specific location (delivery) and the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods upon customer acceptance. For certain sales of cable assembly, revenue is recognised over time when the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Revenue from its major products

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

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Cable assembly		
– Optical fibres	1,054,950	970,582
– Copper	821,254	684,927
Digital cable		
– Cat 6/6A cables	1,386,716	1,001,233
– Cat 5/5e cables	165,116	226,309
– Cat 7/7A cables	61,724	44,683
– Specialty cable	100,357	80,285
	<u>3,590,117</u>	<u>3,008,019</u>
	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Over time	873,060	807,135
Point in time	2,717,057	2,200,884
	<u>3,590,117</u>	<u>3,008,019</u>

5. OTHER INCOME

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Government grants (<i>note</i>)	1,790	11,585
Interest income	776	627
Others	3,307	1,743
	<u>5,873</u>	<u>13,955</u>

Note: During the year ended 31 March 2021, the Group recognised government grants of HK\$1,674,000 (2022: nil) relating to Employment Support Scheme provided by the Hong Kong Government. The remaining government grants in both years were related to export and other incentive payments received by the Group from relevant government departments. There were no unfulfilled conditions attached to these grants.

6. OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net foreign exchange gain (loss)	565	(9,190)
Gain (loss) on disposal of property, plant and equipment	933	(2,038)
Gain on change in fair value of financial assets at FVTPL	218	258
	<u>1,716</u>	<u>(10,970)</u>

7. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on unsecured bank borrowings	35,555	39,803
Interest on lease liabilities	2,905	2,722
Fair value gain reclassified from equity to profit or loss on interest rate swaps designated as cash flow hedges	(417)	–
	<u>38,043</u>	<u>42,525</u>

8. PROFIT BEFORE TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	55,897	57,713
Depreciation of right-of-use assets	17,892	14,203
Less: capitalised in inventories	(58,822)	(58,293)
Less: included in research and development expenses	(4,735)	(3,615)
	<u>10,232</u>	<u>10,008</u>
Directors' emoluments	13,330	14,569
Other staff costs	389,516	336,929
Retirement benefits schemes contributions for other staff	52,684	33,348
Equity-settled share-based payment for other staff	3,942	4,009
Total staff costs	459,472	388,855
Less: capitalised in inventories	(301,803)	(261,899)
Less: included in research and development expenses	(59,802)	(43,140)
	<u>97,867</u>	<u>83,816</u>
Auditor's remuneration		
– Deloitte Touche Tohmatsu	2,170	2,120
– other auditors	766	560
	<u>2,936</u>	<u>2,680</u>
Cost of inventories recognised as expense (<i>note</i>)	3,002,020	2,427,802
Expense relating to short-term leases	3,479	3,627

Note: Write off of inventories amounting to HK\$4,929,000 (2021: HK\$4,646,000) was recognised as an expense during the year ended 31 March 2022.

9. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current tax	22,113	21,953
Under-provision in respect of prior years	1	1
	<u>22,114</u>	<u>21,954</u>
PRC Enterprise Income Tax (“EIT”)		
Current tax	14,574	17,798
Under-provision in respect of prior years	385	–
Withholding tax in the PRC	20,382	1,603
	<u>35,341</u>	<u>19,401</u>
Deferred tax	7,127	125
	<u>64,582</u>	<u>41,480</u>

(i) Hong Kong Profits Tax

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

(ii) PRC EIT

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Pursuant to the relevant laws and regulations in the PRC, certain entities of the Group operating in the PRC were awarded the Advanced-Technology Enterprise Certificate and are eligible for tax concessionary rate of 15% for the years ended 31 March 2022 and 2021.

Certain entities operating in the PRC that have taxable income of not more than RMB3 million are qualified as small and micro enterprises for the years ended 31 March 2022 and 2021. For the first RMB1 million taxable income, 25% of its first RMB1 million taxable income would be taxed at a reduced rate of 20%. With effect from 1 January 2021, these entities were entitled to a further reduced EIT rate of 10% on 25% of its first RMB1 million taxable income. For the portion over first RMB1 million and up to RMB3 million, only 50% of the taxable income would be taxed at a reduced EIT rate of 20%.

The withholding tax of HK\$10,833,000 (2021: HK\$1,603,000) mainly represented taxation recognised in respect of dividend income from PRC subsidiaries and is recognised at tax rates of 5% (2021: 10%) in accordance with the Implementation Regulation of the EIT Law of the PRC and HK\$9,549,000 (2021: N/A) represented taxation recognised in respect of shares transfer of subsidiaries in the PRC in relation to group restructuring with tax rate of 10% (2021: N/A) under EIT Law during the year ended 31 March 2022.

According to relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim an additional 75% of their research and development expense so incurred as tax deductible expenses when determining their assessable profits for the period up to 31 December 2020. With effect from 1 January 2021, these entities are entitled to claim an additional 100% of their research and development expenses (“Super Deduction”). The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits for the year ended 31 March 2022.

10. EARNINGS PER SHARE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>168,223</u>	<u>226,361</u>
	Number of shares	
	2022 <i>'000</i>	2021 <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,849,527	1,840,057
Effect of dilutive potential ordinary shares:		
– Share options	<u>17,243</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,866,770</u>	<u>1,840,057</u>

The computation of diluted earnings per share for the year ended 31 March 2021 did not assume the exercise of the Company's share options because the adjusted exercise price of the share options (after the adjustment of the fair value of the unvested share options) was higher than the average market prices of shares of the Company during the year ended 31 March 2021.

11. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2021 final dividend – HK1.5 cents (2021: 2020 final dividend – HK1.5 cents) per ordinary share	27,606	27,600
2022 interim dividend – HK1 cent (2021: 2021 interim dividend – HK1.5 cents) per ordinary share	<u>18,440</u>	<u>27,600</u>
	<u>46,046</u>	<u>55,200</u>

On 28 June 2022, a final dividend of HK 1 cent per ordinary share in respect of the year ended 31 March 2022, totalling HK\$19,460,000 has been proposed by the board of directors of the Company. The final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

12. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	981,316	744,725
Trade receivables from fellow subsidiaries	128	426
Bills receivables	17,366	7,468
Trade and bills receivables	<u>998,810</u>	<u>752,619</u>
Value added tax receivables	56,582	33,418
Other receivables	8,480	5,086
Deposits and prepayments	26,302	17,632
Deposits, prepayments and other receivables	<u>91,364</u>	<u>56,136</u>
Trade and other receivables	<u><u>1,090,174</u></u>	<u><u>808,755</u></u>

As at 1 April 2020, trade and bills receivables amounted to HK\$511,371,000.

The Group allows credit period ranging from 30 days to 120 days to its trade customers. Before accepting any new customers, the Group will internally assess the credit quality of the potential customers and determine appropriate credit limits. The ageing analysis of trade and bills receivables, based on invoice date which approximates revenue recognition date, at the end of the reporting period is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	488,962	336,684
31 – 60 days	179,704	166,088
61 – 90 days	206,860	165,580
91 – 180 days	122,539	83,863
Over 180 days	745	404
	<u>998,810</u>	<u>752,619</u>

13. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	748,461	482,363
Trade payables to related companies (<i>notes a and b</i>)	–	252
Bills payables	46,659	24,754
Trade and bills payables	<u>795,120</u>	<u>507,369</u>
Other payables	7,225	6,279
Salaries and staff related costs payables	45,808	34,364
Accrued charges	27,566	14,809
Other tax payables	9,853	9,048
Accruals and other payables	<u>90,452</u>	<u>64,500</u>
Trade and other payables	<u><u>885,572</u></u>	<u><u>571,869</u></u>

Notes:

- (a) Mr. Paul Lo, a non-executive director of the Company is the controlling shareholder of the related companies.
- (b) The immediate holding company of the related company had significant influence over Linkz Industries, the then ultimate holding company of the Group as at 31 March 2021.

The average credit period of trade payables ranges from 30 days to 120 days.

The aging analysis of trade and bills payables based on invoice date at the end of the reporting period as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	448,782	283,373
31 – 60 days	123,150	60,778
61 – 90 days	93,947	81,089
91 – 180 days	129,032	81,759
Over 180 days	209	370
	<u>795,120</u>	<u>507,369</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the Review Year, although vaccines have been available, vaccine promotion has been slow and virus variants have appeared. The pandemic has taken a turn for the worse in some parts of the world since April 2021. Meanwhile, a speedy vaccine rollout has helped bringing down caseloads quickly in other regions. Economies are diverging even further, influenced by differences in the pace of vaccine rollout and policy support. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID-19 death tolls. However, smooth and durable recoveries are not assured even in places where infections are seemingly under control, since the virus continues to mutate, the epidemic seems to continue and impact the economy. On the other hand, a large number of containers are stranded in ports with inactive business, and there is a serious shortage of containers in the market, which has led to a surge in transportation costs and freight delays. The Group's shipments have been obstructed directly and the business growth has been stifled.

Started from December 2020, copper (one of major materials of digital cable business) price has continuously increased and reached a record high of USD10,730 per ton in March 2022. During the Review Year, the average copper price was USD9,689 per ton, representing an increase of 40.5% as compared with USD6,897 for the previous financial year. Based on the existing quotation mechanism that the Group has been used with customers, the selling price will be automatically adjusted with the price of copper, which means the impact of the copper price fluctuation has been directly pass through to customers. Even the amount of gross profit of the orders has not been affected by such copper price, the gross profit margin has been diluted inevitably. In the meantime, coupled with the increase in other costs, such as PVC cost, packing materials cost and labour cost, the Group's profitability in certain sectors has been affected differently. In view of it, the Group has adjusted the selling price (excluding copper component) to its customers in a range of 5% to 8% in May 2021, until May 2022, the Group has adjusted the selling price again in a range of 5% to 10% as the materials cost still on the high side.

On 19 July 2021, TIME Interconnect Technology (Huizhou) Limited, an indirect wholly-owned subsidiary of the Company, was honoured to receive the Supplier Award for Outstanding Contribution from ASM Pacific Technology Limited (our major customer in industrial equipment sector) for the first two quarters of 2021. This recognition should be thanks to the concerted efforts of its colleagues, who have been committed to providing high quality service to the customers. The Company greatly appreciates the long-term collaboration with ASM and looks forward to being a valued partner of their global supply chain continuously.

On 31 August 2021, Time Interconnect Investment Limited, a direct wholly-owned subsidiary of the Company, has completed the acquisition of the business of manufacturing and sales of automotive wire harness engaged by GP Industries Marketing Limited and its subsidiaries from GP Industries Limited (the former controlling shareholder of the Company) at the final consideration of HK\$69.0 million. The acquisition provides the Group with an attractive opportunity to expand and diversify its business and investment portfolio, and enhance its income sources and long-term development potential. The Group believes that the automotive wiring products can help the Group to provide its customers with a broader product portfolio, and to step into a new business sector thereby enriching the Group's business portfolio and broadening its unique customer base, which can capture opportunities brought by the booming electric vehicle market.

On 16 September 2021, to align with the Group's business direction and its strategy of accelerating the development of specialty cable, "Networking Cables Business Unit" was re-named as "Digital Cable Business Unit" and sub-divided into two sectors, namely "Networking Cable Sector" and "Specialty Cable Sector". Networking Cable Sector includes a full range of CAT3, CAT5/5E, CAT6/6A, CAT7, CAT7A, CAT8 series products in U/UTP, F/UTP, SF/UTP, F/FTP and S/FTP structures, which also obtains some environmental regulations such as anti-rats, chemical resistance, weather proof and oil proof. On the other hand, Specialty Cable Sector includes Industrial Communication Cables, Rail Transit Cables, HDBT Hi-Res Data Communication Cables and etc. Those products are widely used for networking communication system, smart buildings, security engineering, hi-fidelity digital audio and video system, industrial automation control system and rail transit communication system.

In September 2021, the Develop & Reform Ministry has set restrictions to reduce the energy consumption level during the next three months in the provinces of Guangdong and Jiangsu among other provinces. It reflects the PRC government's commitment in Carbon Emission reduction. In terms of short-term measure, the Group managed to minimize its impact by turning on its own standby power generator to support the daily demand so that no influence occurred in regular production lines. For the long-term direction, the Group are taking every action to improve the productivity in terms of power consumption. The Group has been regularly reviewing its own business and striving to seize any business opportunities and made regular strategic deployments to expand its business in order to cope with the impact of global economic changes, pandemic and potential trade wars.

On 16 March 2022, Luxshare Precision Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Luxshare Precision (a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475)), acquired an aggregate of 1,380,000,000 ordinary shares of the Company from Datatech Investment Inc. (ultimately beneficially owned by Mr. Paul Lo who was former Non-executive Director and Chairman of the Board of the Company) and Time Interconnect Holdings Limited (ultimate controlling shareholder is Mr. Paul Lo, who indirectly owns 59.82% issued shares of Time Interconnect Holdings Limited) for the total cash consideration of HK\$1,104,000,000, which then represented approximately 72.18% of the issued share capital of the Company as at the date of the completion. Luxshare Precision is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. The Company believes that, following the acquisition, the strategic alliance between Luxshare Precision and the Company would enable the Company to further benefit from the development and synergy in the fields of consumer electronics, communications, healthcare, automobile industry in terms of products, customers, and marketing, through integration of customer and market resources as well as technologies and R&D capabilities of the Luxshare Group. In the meantime, the plan for spin-off and separate listing of Huizhou TIME on a stock exchange in the PRC will also be shelved.

In spite of the challenges in the macro-economy environment and the difficulties brought by COVID-19, the Group's business has been continuously growing through a series of strategic acquisition and deployments. For the Review Year, the Group recorded revenue amounting to HK\$3,590.1 million, representing an increase of HK\$582.1 million or 19.4% as compared with HK\$3,008.0 million for the previous financial year. Operating profit for the Review Year was HK\$277.0 million, representing a decrease of HK\$43.6 million or 13.6%, as compared with HK\$320.6 million for the previous financial year, with the operating profit margin dropping 3.0% from 10.7% to 7.7% for the Review Year. The decrease of operating profit was mainly attributable to the increase in various materials cost, labour cost, transportation costs and R&D costs. Net profit of the Review Year was HK\$168.3 million, representing a decrease of HK\$58.3 million or 25.7%, as compared with HK\$226.6 million for the previous financial year, with the net profit margin dropping 2.8% from 7.5% to 4.7% for the Review Year.

RESULTS OF OPERATIONS

Financial Overview

For the year ended 31 March	2022 <i>HK\$'million</i>	2021 <i>HK\$'million</i>	Change <i>HK\$'million</i>
Revenue	3,590.1	3,008.0	582.1
Gross profit	588.1	580.2	7.9
Gross profit margin	16.4%	19.3%	
Other income and other gains and losses	10.8	3.0	7.8
Total operating expenses	(321.9)	(262.6)	(59.3)
Total operating expenses as a percentage of revenue	9.0%	8.7%	
Operating profit	277.0	320.6	(43.6)
Operating profit margin	7.7%	10.7%	
Gain (loss) on revaluation of building	0.4	(5.8)	6.2
Professional fee for acquisition/Extreme transaction expenses	(6.5)	(4.2)	(2.3)
Finance costs	(38.0)	(42.5)	4.5
Profit before taxation	232.8	268.1	(35.3)
Taxation	(64.6)	(41.5)	(23.1)
Effective tax rate	27.7%	15.5%	
Profit for the year	168.3	226.6	(58.3)
Net profit margin	4.7%	7.5%	
Adjusted Profit for the year	195.2	230.8	(35.6)
Adjusted net profit margin	5.4%	7.7%	

Revenue

During the year, copper price has significantly increased from the average copper price USD6,897 per ton to USD9,689 per ton, which represented an increase of 40.5% compared with the previous financial year. Based on the existing quotation mechanism that the Group has been using with customers, the selling price will be automatically adjusted to account for the price of copper, resulting in the impact of the copper price fluctuation being directly pass through to customers. As such the copper price impact was approximately HK\$252.9 million, which represented 7.0% of the Group's revenue. On the other hand, a serious shortage of containers in the market has led to a surge in transportation costs and freight delays, which also directly hindered the Group's shipments and stifled normal business growth. The Group's revenue in FY2022 increased by HK\$582.1 million to HK\$3,590.1 million from HK\$3,008.0 million in the previous financial year, which represented an increase of 19.4% as compared to previous financial year. By excluding the copper price impact, the Group's revenue increased by HK\$329.2 million or 10.9% as compared with the previous financial year. The increase in revenue was mainly attributable to the increase of digital cable sector since the major oversea markets have been reopened progressively and the organic growth of cable assembly sector.

For the year ended 31 March	2022		2021		Change	
Market Sector	HK\$'million	%	HK\$'million	%	HK\$'million	%
Cable assembly						
Data centre	874.6	24.4%	811.6	27.0%	63.0	7.8%
Telecommunication	559.6	15.6%	568.1	18.9%	(8.5)	-1.5%
Medical equipment	257.8	7.2%	181.7	6.0%	76.1	41.9%
Industrial equipment	95.9	2.7%	94.1	3.1%	1.8	1.9%
Automotive	88.3	2.5%	–	–	88.3	100.0%
	<u>1,876.2</u>	<u>52.3%</u>	<u>1,655.5</u>	<u>55.0%</u>	<u>220.7</u>	<u>13.3%</u>
Digital cable						
Networking cable	1,613.5	44.9%	1,272.2	42.3%	341.3	26.8%
Specialty cable	100.4	2.8%	80.3	2.7%	20.1	25.0%
	<u>1,713.9</u>	<u>47.7%</u>	<u>1,352.5</u>	<u>45.0%</u>	<u>361.4</u>	<u>26.7%</u>
Total	<u>3,590.1</u>	<u>100.0%</u>	<u>3,008.0</u>	<u>100.0%</u>	<u>582.1</u>	<u>19.4%</u>

Data centre sector: The revenue of data centre sector has increased by HK\$63.0 million or 7.8% to HK\$874.6 million for FY2022 as compared to HK\$811.6 million for the previous financial year. The orders of this sector still maintained at a high shipment level during the year, and remaining the highest revenue sector in the cable assembly business.

Telecommunication sector: It recorded a slightly decline of revenue from HK\$568.1 million in the previous financial year to HK\$559.6 million for FY2022, representing a decrease of HK\$8.5 million or 1.5%. The orders of 5G products have maintained a stable level and the profit margin has improved as these new products carry a better margin.

Medical equipment sector: Although vaccines have been available, vaccine promotion has been slow and virus variants have appeared. Smooth and durable recoveries are not assured even in places where infections are seemingly under control. The COVID-19 has still stimulated an increase in medical equipment cables orders. The revenue of medical equipment sector for FY2022 was HK\$257.8 million, representing a substantial increase of HK\$76.1 million or 41.9% as compared with HK\$181.7 million for the previous financial year.

Industrial equipment sector: With the introduction of vaccines, and the economic recovery measures launched by different countries. The market started to reopen and rebound, which drove the orders in industrial equipment sector has been increased continuously. The Group has strived to grasp different business opportunities in order to minimise the risks and uncertainties involved in the unstable economies. The revenue of industrial equipment sector slightly increased by HK\$1.8 million or 1.9% from HK\$94.1 million for the previous financial year to HK\$95.9 million for FY2022.

Automotive sector: On 31 August 2021, the Group has completed the acquisition of the business of manufacturing and sales of automotive wire harness. The acquisition provides the Group with an attractive opportunity to expand and diversify its business and investment portfolio, and enhance its income sources and long-term development potential. The Group believes that the automotive wiring products can help the Group to provide its customers with a broader product portfolio, and to step in new business sector by enriching the Group's business portfolio and broadening its unique customer base, which can capture opportunities brought by the booming electric vehicle market. The revenue of automotive sector HK\$88.3 million represented seven months revenue for FY2022.

Networking cable: The revenue of networking cable for FY2022 was HK\$1,613.5 million, represented an increase of HK\$341.3 million or 26.8% as compared with HK\$1,272.2 million for the previous financial year. The increase was mainly attributable to the increase of copper price during the year and the major oversea markets reopened. Based on the existing quotation mechanism that the Group has been used with customers, the selling price will be automatically adjusted with the price of copper, so the impact of the copper price fluctuation will be directly pass through to customers. By excluding the copper price impact, the networking cable's revenue increased by HK\$108.8 million or 8.6% as compared with the previous financial year.

Specialty cable: Specialty Cable Sector includes Industrial Communication Cables, Rail Transit Cables, HDBT Hi-Res Data Communication Cables and etc. Those products are widely used for networking communication system, smart buildings, security engineering, hi-fidelity digital audio and video system, industrial automation control system and rail transit communication system. For FY2022, the revenue of specialty cable was HK\$100.4 million, represented an increase of HK\$20.1 million or 25.0% as compared with HK\$80.3 million for the previous financial year. By excluding the copper price impact, the specialty cable's revenue increased by HK\$5.6 million or 7.0% as compared with the previous financial year.

Gross Profit/Margin

Gross profit for FY2022 was HK\$588.1 million, a slight increase of HK\$7.9 million or 1.4% compared with HK\$580.2 million for the previous financial year. The copper price increased significantly during the year, based on the existing quotation mechanism, the selling price will be automatically adjusted with the price of copper. The copper price fluctuation impact has been passed through to customers, but the gross profit margin has been diluted passively. Coupled with the increase in other various costs, such as PVC cost, packing materials cost and labour cost, the Group's profitability in certain sectors have been affected differently. Although the Group has adjusted the selling price in a range of 5% to 8% in May 2021, the Group's gross profit margin decreased from 19.3% to 16.4% as compared with the previous financial year. Manufacturing overhead increased HK\$47.0 million or 11.5% for the year, the increase was mainly due to the increase in labour cost of HK\$40.0 million in line with the revenue increase. In which HK\$23.6 million was increased from the acquisition of automotive wire harness and a lack of relief of social insurance HK\$9.7 million by the PRC government for the previous financial year.

Operating Profit/Margin

Operating profit (before the loss on revaluation of building, professional fee for acquisition/extreme transaction expenses and finance costs) for FY2022 was HK\$277.0 million, representing a decrease of HK\$43.6 million or 13.6% as compared with HK\$320.6 million recorded in the previous financial year. Operating profit margin was 7.7% for FY2022 compared to 10.7% in the previous financial year. EBITDA of FY2022 was HK\$344.7 million which represented a decrease of HK\$37.8 million or 9.9% as compared with HK\$382.5 million for the previous financial year. The ratio of EBITDA to revenue decreased to 9.6% from 12.7% for the previous financial year.

Other income, which comprise primarily of bank interest income, government grants and handling income was in aggregate HK\$5.9 million for FY2022, representing a decrease of 57.9% as compared with HK\$14.0 million for the previous financial year. Such decrease was mainly attributable to the decrease of government grants of HK\$9.8 million.

Other gains and losses recorded a gain of HK\$1.7 million for FY2022 compared to a loss of HK\$11.0 million for the previous financial year. Such gain was mainly due to the disposal gain of machinery and equipment and the exchange gain from RMB appreciation of HK\$0.6 million, which was attributable to the Group's operations in the ordinary course of business, as compared to an exchange loss of HK\$9.2 million in the previous financial year.

The total operating expenses for FY2022 were HK\$321.9 million, an increase of HK\$59.3 million or 22.6% compared to HK\$262.6 million recorded in the previous financial year. Total operating expenses as a percentage of Group's revenue increased from 8.7% to 9.0%.

Distribution and selling expenses increased from HK\$51.7 million to HK\$66.0 million during FY2022, representing an increase of HK\$14.3 million or 27.7% as compared with the previous financial year. It was mainly attributable to the increase in staff cost of HK\$4.9 million due to the expansion of salesforce, transportation cost increased HK\$4.8 million related to the sales volume increase and the shortage of containers in the market, credit insurance increased HK\$1.3 million attributed to the effect of copper price driving an increase in the sales value, and travel and entertainment expenses increased HK\$1.2 million as the market reopened. As a percentage of the Group's revenue, distribution and selling expenses slightly increased from 1.7% to 1.8% as compared to the previous financial year.

Administrative expenses increased from HK\$122.6 million to HK\$134.5 million, which represented an increase of HK\$11.9 million or 9.7% as compared with the previous financial year. The increase was mainly due to the increase of staff cost of HK\$9.1 million, which included the impact of the lack of the previous year's social insurance relief of HK\$1.9 million by the PRC government. Administrative expenses as a percentage of revenue decreased from 4.1% to 3.7%.

During FY2022, the research and development expenses were HK\$121.4 million, which represented an increase of HK\$33.0 million or 37.3% as compared with the previous financial year. It was mainly attributable to the increase of staff cost of HK\$16.7 million, materials cost and testing fee of HK\$15.9 million and depreciation of HK\$1.1 million. Research and development expenses as a percentage of Group's revenue increased from 2.9% to 3.4%. The Company continued to put great efforts into enhancing its R&D capabilities by expanding the R&D team, so as to launch more new products and technologies.

Professional fee for acquisition/Extreme Transaction Expenses

As at 30 June 2020, the Company completed the acquisition of the business of manufacturing and sales of networking cables engaged by Linkz Cables Limited and its subsidiaries, at a final consideration of HK\$781.0 million. The expenses incurred in connection with this acquisition was approximately HK\$4.2 million for FY2021.

As at 31 August 2021, the Company completed the acquisition of the business of manufacturing and sales of automotive wire harness business engaged by GPIM Group (the relevant subsidiaries of GP Industries, being a controlling shareholder of the Company), at a final consideration of HK\$69.0 million. The expenses incurred in connection with this acquisition was approximately HK\$1.4 million for FY2022. In addition, approximately HK\$3.8 million professional fee incurred in connection with the possible spin-off and separate listing of Huizhou TIME. And approximately HK\$1.3 million professional fee incurred in connection with the acquisition of sale shares in the Company by Luxshare Precision Limited and mandatory unconditional cash offers to acquire all the issued shares and to cancel all the outstanding options of the Company for FY2022.

Finance Costs

For FY2022, the finance costs were recorded at HK\$38.0 million against HK\$42.5 million for the previous financial year. The finance costs included (i) bank loan interest of HK\$25.4 million for short-term bank borrowings mostly for digital cable business; and (ii) interest expenses of HK\$13.7 million for the Company's club loan financing its acquisition of the networking cables business.

Total Profit for the year and Earnings per Share

Profit before taxation for FY2022 was HK\$232.8 million, representing a decrease of HK\$35.3 million or 13.2% as compared with HK\$268.1 million for the previous financial year.

Taxation represents the tax expenses arising from the assessable profit generated by the Group in Hong Kong and the PRC. Taxation was provided at the respective tax rate of 16.5% and 25% based on the profit from operating activities. The major manufacturing subsidiary, Huizhou TIME, was awarded the Advanced-Technology Enterprise Certificate and are eligible for tax concessionary rate of 15%. Taxation charges increased from HK\$41.5 million in the previous financial year to HK\$64.6 million in FY2022. The effective tax rate increased from 15.5% to 27.7%. Such increase was mainly attributable to the preparation of spin-off and separate listing in the PRC which included the withholding tax of HK\$10.9 million charged at 5% of a dividend declared by Huizhou TIME and the withholding tax of HK\$9.5 million charged at 10% of capital gain related to internal reorganisation during the year.

Total profit for the year of the Group for FY2022 was HK\$168.3 million, representing a decrease of HK\$58.3 million or 25.7% as compared with HK\$226.6 million for the previous financial year.

Basic earnings per share for FY2022 was HK9.1 cents as compared to the basic earnings per share of HK12.3 cents in the previous financial year.

Dividends

The Directors recommend to the Shareholders the payment of a final dividend in respect of FY2022 of HK1 cent (2021: HK1.5 cents) per share, amounting to a total of approximately HK\$19.5 million.

Dividend per share	2022 <i>HK cents</i>	2021 <i>HK cents</i>
Interim	1.0	1.5
Final*	1.0	1.5
Total	2.0	3.0

* Final dividend proposed after the end of the reporting period

Adjusted Performance

The reported results are prepared in accordance with HKFRSs as detailed in our financial statements. The Company also present alternative performance measures (non-GAAP financial measures). These include adjusted performance, which the Company use to align internal and external reporting, identify and quantify items management believes to be significant, and provide insight into how management assesses period-on-period performance. The non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with HKFRSs. The non-GAAP financial measures facilitate investors' assessment of the Group's operating performance, enhance the understanding of the Group's past performance as well as the future prospects and allow for greater visibility with respect to key metrics used by the management in their financial and operational decision-making. The non-GAAP financial measures is generally defined as profit for the year adjusted by excluding non-recurring and one-off items from continuing operations, which includes the professional fee for acquisition/extreme transaction expenses and the one-off withholding tax arising from the internal reorganisation relating to the preparation of spin-off and separate listing in the PRC.

The following information details the adjustments made to the reported results and the calculation of other alternative performance measures. All alternative performance measures are reconciled to the closest reported performance measure.

Reconciliations on Non-GAAP Financial Measures

For the year ended 31 March	2022 <i>HK\$'million</i>	2021 <i>HK\$'million</i>	Change
Reported profit for the year	168.3	226.6	-25.7%
Adjustment for Professional fee for acquisition	6.5	4.2	
Adjustment for One-off withholding tax	20.4	–	
Adjusted total profit for the year	195.2	230.8	-15.4%
Revenue	3,590.1	3,008.0	
Adjusted net profit margin (%)	5.4	7.7	-2.3pts
Weighted average number of ordinary shares ('000)	1,849,527	1,840,057	
Adjusted basic earnings per share (Hong Kong cents)	10.6	12.5	-15.2%
Reported profit for the year	168.3	226.6	-25.7%
Interest expense	38.0	42.5	
Taxation	64.6	41.5	
Depreciation and amortisation	73.8	71.9	
EBITDA	344.7	382.5	-9.9%
Adjustment for Professional fee for acquisition	6.5	4.2	
Adjusted EBITDA	351.2	386.7	-9.2%
EBITDA/Revenue (%)	9.6	12.7	-3.1pts
Adjusted EBITDA/Revenue (%)	9.8	12.9	-3.1pts

Adjusted Total Profit for the year: By excluding the professional fee for acquisition/extreme transaction expenses and the one-off withholding tax arising from the internal reorganisation relating to the preparation of spin-off and separate listing in the PRC, the adjusted total profit of FY2022 was HK\$195.2 million which representing a decrease of HK\$35.6 million or 15.4% as compared with HK\$230.8 million for the previous financial year. The adjusted net profit margin was recorded at 5.4% as compared with 7.7% for the previous financial year.

Adjusted Basic Earnings per Share: Adjusted basic earnings per share for FY2022 was HK10.6 cents as compared to the adjusted basic earnings per share of HK12.5 cents in the previous financial year.

Adjusted EBITDA: By excluding the professional fee for acquisition/extreme transaction expenses, the adjusted EBITDA of FY2022 was HK\$351.2 million which representing a decrease of HK\$35.5 million or 9.2% as compared with HK\$386.7 million for the previous financial year. The ratio of adjusted EBITDA to revenue decreased to 9.8% from 12.9% for the previous financial year.

OUTLOOK

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localised wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions (especially with debt levels having increased significantly in the past two years) may emerge. Other global risks may crystallise as geopolitical tensions remain high. Even we are facing such challenges in the macro-economy environment and the difficulties brought by COVID-19, according to the latest forecast of the "World Economic Outlook" issued by the "International Monetary Fund" in January 2022. It is estimated that the global economy will continue to grow by 4.4% in 2022, and the growth of Asian emerging markets and developing economies will be 5.9%, of which China/India/ASEAN will grow by 4.8%/9.0%/5.6% respectively. Such forecast is based on the assumptions that 1) the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022; 2) the forecast is conditional on adverse health outcomes declining to low levels in most countries by end of 2022; and 3) assuming vaccination rates improve worldwide and therapies become more effective. The cable industry is expected to sustain growth in the coming years and the management remains confident that the Group's enlarged production capacity and well-established business fundamentals would enable it to capture the market opportunities upon the arrival of this generation 5G network.

With the rapid development of the 5G cellular network technology in the PRC and the 5G network deployment announced by various mobile operators in these two years, the Group noted that there will be gradual and large-scale replacement of 5G devices and equipment in the coming years, which is expected to drive the demand for cable assembly products. The PRC government has continuously made great efforts to accelerate the research and development of 5G technology, it is expected the sales order of telecommunication sector will continue to increase and benefit the Group's business growth. In the meantime, the COVID-19 pandemic has changed many economic activities, such as companies are forced to work from home and increase online meetings during the lockdown period and persistent social distancing, which will also directly increase the application and demand for network communication.

Moreover, the utilisation rate of cloud technology in the companies around the world is continuously increasing. In cloud computing, the computing storage network must be placed in the data centre, therefore, the growing cloud technology is expected to drive the development of data centre. Meanwhile, the development of 5G will boost the application of big data, IoT, internet gaming and video streaming through cloud platform. The Group remains very positive on the continuous growth of the business of data centre sector.

Although the COVID-19 vaccines have been available, and countries vigorously urged people to get vaccinated, the epidemic is still severe or has rebounded due to the mutation of the virus, and the number of confirmed cases and deaths is still on the rise in the near future. As for the medical equipment sector, the Group expects the demand for medical cables will last for a while and it will continue to bring positive impact to the Group's medical cables orders in this year. Moving ahead, the Group believes that this sector will maintain its dynamic pace of growth, considering the arising demand from the medical equipment market. To catch up with the trend, the Group will continue to enhance its medical equipment customers base, as well as to strengthen its R&D capabilities.

On the other hand, local transmission of the virus is expected to be brought to low levels everywhere by the end of 2022 through a combination of better-targeted precautions and improved access to vaccines and therapies. Coupled with some advanced economies will still provide further financial resources support, this will have a positive spill over effect on the global economy and it is expected that the market will rebound accordingly. The Group noticed that the orders in industrial equipment sector is still increasing in recent months. For the industrial equipment sector, the Group has striven to grasp different business opportunities in order to minimise the risks and uncertainties involved in the unstable economies. Moving ahead, the Group expects the demand for sales order in this sector will increase gradually for the coming year.

In addition, the successful acquisition of GPIM Group has provided the Group with an attractive opportunity to expand and diversify the Group's business and investment portfolio, and enhance its income sources and long-term development potential. Considering the vigorous development of the automotive and electric vehicle markets, the acquisition has helped the Group to enter a new business area. In the past few years, China has remained the world's largest auto market and auto producer. As the PRC government has launched certain industry plans that focus on technological improvements and fossil fuels are expected to be exhausted soon in the future, large PRC companies have announced their initiatives to develop electric vehicles and/or autonomous driving technologies. In October 2020, the State Council set a goal and stated that by 2025, the sales of new energy vehicles in China will reach 20% of the total sales of new vehicles. In view of this, the management noted that one of the major customers of the Group cooperated with automobile manufacturers to launch the first electric vehicle model named after the customer's brand. The Group believes that the automotive wiring products can help the Group to provide this major customer with a broader product portfolio, and to step in new business sector by enriching the Group's business portfolio and broadening its unique customer base, which can capture opportunities brought by the booming electric vehicle market.

Moreover, the Digital Cable Business Unit has created synergy by integrating the R&D resources of the Group and GPIM Group by utilizing rich knowledge and existing production facilities to deliver reliable and high-quality products to its customers. Since the autonomous driving technology of smart cars usually requires reliable and high-speed data transmission, the Group can produce new smart car products that can meet the highest standards and specifications with the technical support of Digital Cable Business Unit. In addition, GPIM Group's production facilities are close to the Group's existing production facilities in Huizhou. As a result, the efficiency of GPIM Group's management operations can be optimized through the local management of the Group.

In view of the great market potential of cloud service, communications, transportation and electricity in the PRC, the Group has set up a wholly-owned subsidiary, Time X-Ware Technology Limited, in April 2022 to commence a new server business, which is deeply customized based on brand customers' requirements. Our go-to-market strategy and business model will be JDM/ODM model. The products offered by the Group under the New Business are mainly applied in data centres, which includes rack-mounted computing servers, edge servers, AI smart servers, storage servers, smart network cards, GPU cards, complete cabinet products, etc. The New Business and the existing wire and cable business have an upstream and downstream relationship. It is expected the New Business will represent an opportunity for the Group to expand its existing converged wire and cable products to a larger customer portfolio. In addition, the Company considers there will be a degree of vertical integration with the existing production of the Group allowing an optimized cost structure. Given Luxshare Precision has (i) a solid technical team with efficient operation management/automation capabilities; and (ii) good relationship with core customers in the PRC, it is expected that Luxshare Precision will bring synergy to the Group to further expand the PRC market by increasing the share of orders from data centre customers in the market. Moreover, having considered that (i) China is actively conducting investment activities to build digital infrastructure; (ii) the PRC manufacturers continue to increase the share of local supply chain due to geopolitics relationship; and (iii) Luxshare Precision has extensive technological knowhow and good customers' relationships, the Board is optimistic on the future potential growth of the New Business. The Board believes the development of the New Business is a good opportunity for the Group to further develop its business and will help diversify the Group's business as well as the Group's income stream.

After Luxshare Precision Limited has acquired the shares of the Company from Datatech Investment Inc. and Time Interconnect Holdings Limited, which was representing approximately 72.18% of the issued shares capital of the Company, it became the controlling shareholder of the Company as at the date of the completion date on 16 March 2022. Riding on the policy of the PRC government on "channeling computing resources from the eastern areas to the western regions" (東數西算), Luxshare Precision would deploy the platform advantages and market position of the Luxshare Group and introduce strategic resources to the Company with intention to further strengthen the Company's potential for continuous growth and core competitiveness in its market and to enable the Company to develop strategically to become an all-rounded network solutions and infrastructure providers, so as to create greater value for the shareholders. In this regard, Luxshare Precision is conducting a strategic review of the operations and financial position of the Company, and actively exploring business opportunities for the growth and development, in both organic and inorganic manners, of the Company. The Company believes that, following the acquisition, the strategic alliance between Luxshare Precision and the Company would enable the Company to further benefit from the development and synergy in the fields of consumer electronics, communications, healthcare, automobile industry in terms of products, customers, and marketing, through integration of customer and market resources as well as technologies and R&D capabilities of the Luxshare Group.

LIQUIDITY AND FINANCIAL RESOURCES

Shareholders' funds as at 31 March 2022 were approximately HK\$1,051.2 million, which represented an increase of HK\$198.7 million or 23.3% from HK\$852.5 million as at 31 March 2021. The increase was mainly due to the profit attributable to shareholders equity for the year HK\$95.7 million and the appreciation of RMB at the reporting date, an increase of HK\$63.2 million in the translation reserve from converting Renminbi into Hong Kong dollars as recorded in the financial statements of the PRC subsidiaries. As a result, shareholders' funds per share increased by 23.9% from HK\$0.46 to HK\$0.57.

As at 31 March 2022, the Group had bank balances and cash of HK\$220.9 million, representing an increase of 41.1% as compared to HK\$156.6 million as of 31 March 2021. Such increase was mainly due to the increase in cash generated from operating activities during the year. As at 31 March 2022, the Group's bank loan was HK\$1,062.2 million, representing an increase of HK\$50.0 million or 4.9% from HK\$1,012.2 million as at 31 March 2021. It was mainly due to i) the new bank loan of HK\$50.0 million for the acquisition of automotive wire harness business as at 31 August 2021 which have a maturity of 3 years; and ii) the operating working capital increase (such as the trade receivable and inventory balance) due to the copper price increase. The Group believes it has sufficient committed and unutilised banking facilities as at 31 March 2022 to meet its current business operation and capital expenditure requirements.

Charge on Group Assets

Save for the bank deposits that were pledged in order to secure the bills payables issued by the bank under the general banking facilities granted to the Group, as at 31 March 2022 and 2021, banking facilities extended to the Group were not secured with the Group's assets. Pledged bank deposits amounted to HK\$5.8 million and HK\$7.1 million as at 31 March 2022 and 2021 respectively.

Gearing Ratio

Gearing ratio is calculated as total debt divided by total equity and multiplied by 100%. As at 31 March 2022, the Group's gearing ratio was 99.9% as compared to the previous financial year 117.1%.

CAPITAL STRUCTURE

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2022, the Company's issued share capital was HK\$19.5 million and the number of its issued ordinary shares were 1,945,952,000 of HK\$0.01 each.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's receipts and payments are denominated in US dollars, Hong Kong dollars, RMB and Euro. The Group's management monitors the risk of related foreign exchange exposure by entering into forward foreign exchange contracts. Foreign currency exchange rates are volatile and may have an impact on the Group's results. The Group's management evaluates the Group's foreign currency exposure on a continuing basis and takes actions to minimise the Group's exposure whenever necessary.

TREASURY POLICIES

As an internal treasury policy, the Group continues to implement a prudent policy on financial management policy and does not participate in any high risk speculative activities. However, the Group's management monitors exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Save for the net proceeds from the listing, the Group will also monitor and maintain a Hong Kong dollar cash balance in order to minimise the need for unnecessary foreign exchange conversion which may result in exchange loss.

The reporting currency of the Group is presented in Hong Kong dollars, as the Directors consider that it is more relevant to the users of the consolidated financial statements as the Company listed its shares on the Stock Exchange.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As of 31 March 2022, the Group had not provided any form of guarantee for any company outside the Group and had not been involved in any material legal proceedings for which provision for contingent liabilities was required.

As at 31 March 2022, the capital commitment of the Group is as follows:

	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements	<u>5.7</u>	<u>3.6</u>

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Time Interconnect Investment Limited (a direct wholly-owned subsidiary of the Company) completed the acquisition of the business of manufacturing and sales of automotive wire harness engaged by GPIM Group from GP Industries on 31 August 2021 at the final consideration of HK\$69.0 million. As the highest of the applicable percentage ratios was greater than 5% but less than 25%, the acquisition constituted a discloseable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). In addition, as at the date of completion, Linkz Industries Limited, which in turn hold 63.85% equity interests of the Company through Time Interconnect Holdings Limited, was owned as to 38.13% by GP Industries (which was owned as to 85.47% by Gold Peak Technology Group Limited (formally known as Gold Peak Industries (Holdings) Limited)). As such, GP Industries was a connected person of the Company under Chapter 14A of the Listing Rules.

Save as disclosed above, the Group did not have any significant investments held, material acquisition or disposal of subsidiaries and associations for FY2022. There was no other plan for material investments or capital assets as at 31 March 2022.

MATERIAL EVENT SINCE THE END OF THE FINANCIAL PERIOD

Cancellation of the outstanding share options of the Group

On 19 April 2022, Luxshare, the ultimate holding company of the Company, acquired and cancelled of 45,296,000 outstanding share options of the Group. The Group would account for the cancellation as an acceleration of vesting and recognise immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Details of the transaction are set out in the Company’s announcement dated 19 April 2022.

Change of Directors

Ms. Wang Laichun, the non-executive Director and chairman of the Board, joined the Company on 19 April 2022. Mr. Paul Lo has resigned as a non-executive Director and chairman of the Board with effect from 19 April 2022.

EMPLOYEE

As of 31 March 2022, the total headcount for the Company was approximately 3,232, compared to 2,519 in the previous financial year. The increase was mainly driven by the acquisition of automotive wire harness business and the increase from Huizhou TIME. Fair and competitive remuneration package and benefits are offered to employees as well as discretionary bonus and share option. Various types of trainings were provided to the employees. Total employee benefit expenses including Directors’ remuneration for FY2022 were approximately HK\$459.4 million, as compared to approximately HK\$388.9 million in the previous financial year. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

On 30 June 2020, the Company entered into a four years term loan facility agreement for an aggregate amount of HK\$630.0 million with four leading banks in Hong Kong (the “**Club Loan Lenders**”) for the exclusive purpose of acquisition of the networking cables business. Pursuant to the terms of the facility agreement, it shall be an event of default if (i) Mr. Paul Lo ceases to be the single largest beneficial shareholder of the Company or beneficially own more than 51% of the issued share capital of Linkz Industries; (ii) Mr. Paul Lo ceases to be the chairman of the board of directors of the Company or have control over the management and business of the Group; or (iii) Linkz Industries ceases to beneficially own more than 50% of the issued share capital of the Company (the “**Restriction**”). Upon the occurrence of an event of default, the entire outstanding amount of the facility shall be prepaid together with accrued interest.

On 11 February 2022, Datatech Investment Inc. and Time Interconnect Holdings Limited (collectively, the “**Sellers**”) and Luxshare Precision entered into the Sale and Purchase Agreement, pursuant to which the Sellers agreed to sell and Luxshare Precision agreed to purchase a total of 1,380,000,000 shares, representing approximately 74.67% of the entire issued share capital of the Company at that time, for a total consideration of HK\$1,104,000,000 (equivalent to HK\$0.80 per sale share).

The Company has obtained the consent from the Club Loan Lenders for the waiver on the Restriction.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2022.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders’ value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all Shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 of the Listing Rules. During the year ended 31 March 2022, to the best knowledge of the Board, the Company had complied with all the applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code and there was no event of non-compliance throughout the period.

CLOSURE OF REGISTER OF MEMBER

The forthcoming annual general meeting is scheduled to be held on Tuesday, 23 August 2022 (the “**2022 AGM**”). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 18 August 2022 to Tuesday, 23 August 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the company in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 17 August 2022.

In order to qualify for the entitlement to the proposed final dividend, the register of members of the Company will also be closed from Monday, 29 August 2022 to Wednesday, 31 August 2022, both days inclusive, during which period no transfer of shares in the Company will be registered. All transfer of shares, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 26 August 2022. If the resolution of the proposed final dividend is passed at the 2022 AGM, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Wednesday, 31 August 2022. The proposed final dividend is expected to be paid on or before Thursday, 22 September 2022.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 24 January 2018. The chairman of the Audit Committee is Mr. Chan Chung Shun Eric, the independent non-executive Director, and other members included Mr. Ho Hin Shun and Mr. Luk Wai Shing, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company’s website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, had reviewed the audited consolidated financial statements for the year in conjunction with the Group's auditors, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at the annual results for the year ended 31 March 2022.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

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

Hong Kong, 28 June 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cua Tin Yin Simon and Mr. Wong Chi Kuen, one non-executive Director, namely Ms. Wang Laichun and three independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric.