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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)**

### **CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES**

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of Time Interconnect Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES**

On 19 June 2025, the Board has approved the change in accounting policy for the measurement method after initial recognition of leasehold land and buildings (the “**Land and Buildings**”) held by the Group from the revaluation model to the cost model (the “**Change in Accounting Policy**”) and the change in accounting estimate for the depreciation method of the Group’s plant and machinery (the “**Plant and Machinery**”) from the reducing balance method to the straight-line method (the “**Change in Accounting Estimates**”), with effect from the accounting or reporting period commencing on 1 January 2025.

### **Reasons for the Change in Accounting Policy and the Change in Accounting Estimates**

Since 16 March 2022, the Company has become a subsidiary of Luxshare Precision Limited, which in turn is a wholly-owned subsidiary of Luxshare Precision Industry Co., Limited (a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475)) (“**Luxshare**”). In order to align the accounting policy with Luxshare, the Group intend to adopt the cost model for the Land and Buildings and adjust the depreciation method for the Plant and Machinery to the straight-line method. It is expected that the alignment of the accounting policy with Luxshare will reduce the administrative costs for internal reporting and facilitate the comparison of the financial performance of the Group with other business units of Luxshare, thereby enabling better formulation of the Group’s business strategy. In addition, under the revaluation model, the Group has to engage professional valuers

to carry out the valuation for the fair value of the Land and Buildings, and the adoption of the cost model will reduce the professional fees incurred for the Group's financial reporting. Accordingly, the Board has approved the Change in Accounting Policy and the Change in Accounting Estimates.

## **ESTIMATED IMPACT OF THE CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES**

### **Change in Accounting Policy**

The change of measurement method from the revaluation model to cost model requires the Company to make retrospective adjustments to the historical consolidated financial statements of the Group. According to the preliminary calculation by the Company based on the currently available information, it is expected the following retrospective adjustments are to be made to the consolidated financial statements of the Group for the year ended 31 December 2024 and for the six months ended 30 June 2024:

- (i) decrease in total assets as at 31 December 2024 and 30 June 2024 by approximately HK\$219.4 million and HK\$232.4 million respectively, mainly due to the decrease in the carrying amount of Land and Buildings;
- (ii) decrease in net assets as at 31 December 2024 and 30 June 2024 by approximately HK\$163.6 million and HK\$173.4 million respectively, mainly due to the decrease in the carrying amount of Land and Buildings and the related deferred tax liabilities;
- (iii) increase in the consolidated net profit for the year ended 31 December 2024 and the six months ended 30 June 2024 by approximately HK\$13.3 million and HK\$10.1 million respectively, mainly due to the decrease in depreciation charge on Land and Buildings for the year ended 31 December 2024 and the six months ended 30 June 2024 by approximately HK\$4.2 million and HK\$2.7 million respectively, and reversal of revaluation loss on Land and Buildings for the year ended 31 December 2024 and six months ended 30 June 2024 by approximately HK\$9.1 million and HK\$7.5 million respectively; and
- (iv) increase in the earnings per share for the year ended 31 December 2024 and the six months ended 30 June 2024 by HK0.68 cents and HK0.52 cents respectively.

The Change in Accounting Policy has no effect on the Group's revenue and cash flows for all the previous periods.

## **Change in Accounting Estimates**

The change of depreciation method from the reducing balance method to the straight-line method constitutes a change in accounting estimate, which adopts prospective application method for accounting treatment without retroactive adjustment, and will not have an impact on the financial position and operating results of the Group in previous years.

Based on the existing information, in accordance with the calculations under Hong Kong Financial Reporting Standards (“**HKFRSs**”), the depreciation expenses of the Group under the straight-line method are expected to be higher than that under the reducing balance method for the year ending 31 December 2025 by approximately HK\$13.8 million, which are also expected to affect the net profit of the Group for the year ending 31 December 2025.

## **OPINION OF THE AUDIT COMMITTEE**

The audit committee of the Company is of the view that (i) the Change in Accounting Policy and the Change in Accounting Estimates are made taking into account of the reasons set out above and will facilitate the formulation of the Group’s business strategy for better comparison of its financial performance; (ii) it is in compliance with relevant HKFRSs; and (iii) it will not prejudice the interests of the Company and its shareholders as a whole. As such, the audit committee of the Company has agreed to the Change in Accounting Policy and the Change in Accounting Estimates by the Group.

The financial information contained in this announcement is only a preliminary assessment based on information currently available to the Group, which have not been audited or reviewed by the Company’s auditor, and therefore is subject to adjustments where necessary.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 19 June 2025

*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 four independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing, Mr. Chan Chung Shun Eric and Ms. Chan Kit Fun Fanny.*