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 2020

FINANCIAL HIGHLIGHTS

For the year ended 31 March	**2020**	2019	Change
Operating results *(HK$'million)*			
Revenue	**1,438.8**	1,314.4	9.5%
Gross profit	**305.1**	279.3	9.2%
Total profit for the year – Adjusted *(Note)*	**147.2**	122.9	19.8%
Total profit for the year	**128.1**	122.9	4.2%
Earnings per share *(Hong Kong cents)*			
– Adjusted *(Note)*	**8.0**	6.7	19.4%
Earnings per share *(Hong Kong cents)*	**7.0**	6.7	4.5%
Financial position *(HK$'million)*			
Cash generated from operations	**168.4**	171.5	-1.8%
Bank balances and cash	**281.6**	223.8	25.8%
Shareholders' funds	**603.4**	549.1	9.9%
Capital expenditure	**12.0**	182.6	-93.4%
Key ratios *(%)*			
Gross profit margin	**21.2**	21.2	0.0pts
Net profit margin – Adjusted *(Note)*	**10.2**	9.4	0.8pts
Net profit margin	**8.9**	9.4	-0.5pts
EBITDA/Revenue – Adjusted *(Note)*	**14.7**	12.8	1.9pts
EBITDA/Revenue	**13.3**	12.8	0.5pts
Return on shareholders' funds	**21.2**	22.4	-1.2pts

Note: Total profit, net profit margin and EBITDA are calculated by excluding the extreme transaction expenses.

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 2020 (the "**FY2020**"), together with the comparative figures for the year ended 31 March 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Notes	**2020** *HK$'000*	2019 *HK$'000*
Revenue	*3*	**1,438,776**	1,314,389
Cost of goods sold		**(1,133,628)**	(1,035,041)
Gross profit		**305,148**	279,348
Other income	*4*	**11,787**	4,844
Other losses	*5*	**(6,280)**	(9,786)
Distribution and selling expenses		**(21,095)**	(23,227)
Administrative expenses		**(65,641)**	(57,878)
Professional fees relating to acquisition of business		**(19,079)**	–
Research and development expenses		**(43,931)**	(45,672)
Finance costs	*6*	**(5,015)**	(1,649)
Profit before taxation	*7*	**155,894**	145,980
Taxation	*8*	**(27,780)**	(23,046)
Profit for the year		**128,114**	122,934
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**(24,846)**	(4,712)
Total comprehensive income for the year		**103,268**	118,222
Earnings per share	*9*		
– Basic (HK cents)		**6.96**	6.68
– Diluted (HK cents)		**6.90**	6.68

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	Notes	**2020** **_HK$'000_**	2019 *HK$'000*
Non-current assets			
Property, plant and equipment		**155,069**	175,152
Right-of-use assets		**120,590**	–
Prepaid lease payments		**–**	83,355
Deposits paid for acquisition of property, plant and equipment		**840**	2,315
Rental deposits		**805**	1,064
		277,304	261,886
Current assets			
Inventories		**200,990**	186,623
Trade and other receivables	*11*	**247,449**	197,755
Contract assets		**20,917**	1,644
Prepaid lease payments		**–**	2,017
Tax recoverable		**265**	583
Pledged bank deposits		**13,273**	16,260
Bank balances and cash		**281,558**	223,808
		764,452	628,690
Current liabilities			
Trade and other payables	*12*	**341,908**	286,084
Contract liabilities		**425**	80
Lease liabilities		**5,089**	–
Tax payable		**11,170**	5,284
Unsecured bank borrowings		**40,000**	49,233
		398,592	340,681
Net current assets		**365,860**	288,009
Total assets less current liabilities		**643,164**	549,895
Non-current liabilities			
Lease liabilities		**38,907**	–
Deferred tax liabilities		**852**	817
		39,759	817
Net assets		**603,405**	549,078
Capital and reserves			
Share capital		**18,400**	18,400
Reserves		**585,005**	530,678
Total equity		**603,405**	549,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. GENERAL

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 "**Stock Exchange**").

The immediate holding company of the Company is Time Interconnect Holdings Limited ("**Time Holdings**") which was incorporated in the British Virgin Islands. The ultimate holding company is Linkz Industries Limited ("**Linkz Industries**"), which was incorporated in Hong Kong. Its ultimate controlling shareholder is Mr. Lo Chung Wai Paul, who is also the non-executive director of the Company.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of cable assembly products.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") while the functional currency of the Company is United States dollars. The reason for selecting HK$ 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 Stock Exchange.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and 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.

2.1 HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“**HKAS 17**”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities, adjusted by any prepaid lease payments by applying HKFRS 16.C8 (b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

iii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entity at the date of initial application. The lessee's incremental borrowing rates applied ranged from 4.75% to 5.64%.

	At 1 April 2019
	HK$'000
Operating lease commitments disclosed as at 31 March 2019	58,535
Less: Recognition exemption – short-term leases	(1,445)
	57,090
Lease liabilities discounted at relevant incremental borrowing rate as at 1 April 2019	44,327
Analysed as:	
Current	4,081
Non-current	40,246
	44,327

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	Right-of-use assets
	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	44,327
Reclassified from prepaid lease payments *(Note a)*	85,372
Adjustments on rental deposits at 1 April 2019 *(Note b)*	317
	130,016
By class:	
Leasehold land	85,372
Land and building	44,644
	130,016

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019	Adjustments	Carrying amounts under HKFRS 16 at 1 April 2019
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Prepaid lease payments *(Note a)*	83,355	(83,355)	–
Right-of-use assets *(Notes a and b)*	–	130,016	130,016
Rental deposits *(Note b)*	1,064	(317)	747
Current assets			
Prepaid lease payments *(Note a)*	2,017	(2,017)	–
Current liabilities			
Lease liabilities	–	(4,081)	(4,081)
Non-current liabilities			
Lease liabilities	–	(40,246)	(40,246)

Notes:

(a) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 March 2019. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK$2,017,000 and HK$83,355,000 respectively were reclassified to right-of-use assets.

(b) Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK$317,000 was adjusted from rental deposits to right-of-use assets. The transition to HKFRS 16 resulted in no material impact on accumulated profits at 1 April 2019.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable by the Group in respect of the manufacturing and sales of cable assembly products during the years ended 31 March 2020 and 2019. For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Company) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

The revenue of the Group derives from manufacturing and sales of cable assembly products. The Group's revenue is fixed price and short term contracts.

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 are recognised when the goods are physically passed to the customers, which is the point of time when 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, 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:

	2020	2019
	HK$'000	*HK$'000*
Optical fibres	**827,792**	584,149
Copper	**610,984**	730,240
	1,438,776	1,314,389

	2020	2019
	HK$'000	*HK$'000*
Over time	**677,183**	410,254
Point in time	**761,593**	904,135
	1,438,776	1,314,389

Geographical information

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

	2020	2019
	HK$'000	*HK$'000*
People's Republic of China ("**PRC**")	**684,481**	785,241
The United States of America	**550,065**	287,002
Netherlands	**139,275**	178,274
Hong Kong	**9,429**	24,133
Others	**55,526**	39,739
	1,438,776	1,314,389

Information about the Group's non-current assets (excluding rental deposits) is presented based on the geographical location of the assets:

	2020	2019
	HK$'000	*HK$'000*
PRC	**272,968**	256,739
Hong Kong	**3,531**	4,083
	276,499	260,822

Information about major customers

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

	2020	2019
	HK$'000	*HK$'000*
Customer A	**485,105**	545,727
Customer B	**677,183**	410,254

4. OTHER INCOME

	2020	2019
	HK$'000	*HK$'000*
Government grants *(Note)*	**9,652**	1,133
Compensation from a supplier	**839**	–
Interest income	**783**	1,344
Compensation for cancellation of sales orders	**349**	–
Compensation from insurance	**–**	1,831
Bad debt recovery	**–**	483
Others	**164**	53
	11,787	4,844

Note: Government grants represent export and other incentive payments received by the Group from relevant government departments. There are no unfulfilled conditions attached to these grants.

5. OTHER LOSSES

	2020	2019
	HK$'000	*HK$'000*
Net foreign exchange loss	**6,254**	9,786
Loss on disposal of property, plant and equipment	**26**	–
	6,280	9,786

6. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest on bank borrowings	**2,249**	1,649
Interest on lease liabilities	**2,766**	–
	5,015	1,649

7. PROFIT BEFORE TAXATION

	2020	2019
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**22,430**	19,611
Depreciation of right-of-use assets	**8,486**	–
Less: included in cost of goods sold	**(23,692)**	(14,205)
Less: included in research and development expenses	**(2,225)**	(2,038)
	4,999	3,368
Directors' emoluments	**12,228**	10,590
Other staff costs	**192,803**	174,665
Retirement benefits schemes contributions for other staff	**19,689**	13,677
Share-based payment for other staff	**4,316**	2,625
Total staff costs	**229,036**	201,557
Less: included in cost of goods sold	**(153,942)**	(136,129)
Less: included in research and development expenses	**(27,234)**	(25,386)
	47,860	40,042
Auditor's remuneration	**1,598**	1,542
Cost of inventories recognised as expense	**1,133,628**	1,035,041
Release of prepaid lease payments	**–**	506
Research and development expenses	**43,931**	45,672
Short-term leases expense	**1,445**	–
Written off of inventories	**2,356**	3,005

8. TAXATION

	2020	2019
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current tax	**19,873**	11,658
Underprovision in respect of prior years	**138**	–
	20,011	11,658
PRC Enterprise Income Tax ("**EIT**")		
Current tax	**5,940**	15,817
Overprovision in respect of prior years	**(1,798)**	(3,762)
Withholding tax in the PRC	**3,599**	–
	7,741	12,055
Deferred tax	**28**	(667)
	27,780	23,046

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

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, one of the entities of the Group operating in the PRC was awarded the Advanced-Technology Enterprise Certificate in December 2019 and is eligible for tax concessionary rate of 15% from 1 January 2019 to 31 December 2021.

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% for the years ended 31 December 2019 and 2018 of their research and development expense so incurred as tax deductible expenses when determining their assessable profits for that year ("**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.

9. EARNINGS PER SHARE

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

	2020	2019
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the year)	**128,114**	122,934

	Number of shares	
	2020	2019
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,840,000**	1,840,000
Effect of dilutive potential ordinary shares:		
– Share options	**17,419**	1,143
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,857,419**	1,841,143

10. DIVIDENDS

	2020	2019
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2019 final dividend – HK2 cents (2019: 2018 final dividend – HK1 cent) per ordinary share	**36,800**	18,400
2020 interim dividend – HK1 cent (2019: 2019 interim dividend – HK1 cent) per ordinary share	**18,400**	18,400
	55,200	36,800

On 22 June 2020, a final dividend of HK1.5 cents per ordinary share in respect of the year ended 31 March 2020, totalling HK$27,600,000 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.

11. TRADE AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**217,210**	159,827
Trade receivable from a fellow subsidiary	**554**	800
Bills receivables	**3,930**	3,575
Trade and bills receivables	**221,694**	164,202
Value added tax receivables	**17,668**	29,014
Other receivables	**1,638**	472
Deposits and prepayments	**6,449**	4,067
Deposits, prepayments and other receivables	**25,755**	33,553
Trade and other receivables	**247,449**	197,755

As at 1 April 2018, trade and bills receivables amounted to HK$237,692,000.

The Group allows an average 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:

	2020	2019
	HK$'000	*HK$'000*
0 – 30 days	**121,514**	108,740
31 – 60 days	**49,824**	21,661
61 – 90 days	**44,418**	23,887
91 – 180 days	**5,938**	9,914
	221,694	164,202

12. TRADE AND OTHER PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Trade payables	**258,234**	201,519
Trade payables to fellow subsidiaries	**3,275**	239
Trade payables to related companies *(Notes a and b)*	**223**	–
Bills payables	**44,243**	54,201
Trade and bills payables	**305,975**	255,959
Other payables	**3,818**	5,667
Rental payable to a related company *(Note a)*	**–**	41
Salaries and staff related costs payables	**17,439**	15,740
Accrued charges	**14,676**	8,677
Accruals and other payables	**35,933**	30,125
Trade and other payables	**341,908**	286,084

Note: (a) Mr. Paul Lo, a non-executive director of the Company is the controlling shareholder of the related company.

(b) The immediate holding company of the related company has significant influence over Linkz Industries, the ultimate holding company of the Group.

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

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

	2020	2019
	HK$'000	*HK$'000*
0 – 30 days	**137,713**	113,586
31 – 60 days	**33,484**	33,448
61 – 90 days	**43,963**	53,821
91 – 180 days	**90,815**	54,852
Over 180 days	**–**	252
	305,975	255,959

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Sino-U.S. trade war has caused the overall slowdown of global economic market. The trade and tariff disputes between the United States and China caused further impact on the telecommunication and industrial equipment sector. Since the Department of Commerce of the United States had added the Group's largest customer ("**Customer A**") in telecommunication sector to the entity list under Export Administration Regulations, companies from the United States will not be permitted to sell goods or services to this customer without the relevant license or authorisation.

Meanwhile, the Sino-U.S. trade war also lead to depreciation of Renminbi. During the FY2020, the average foreign currency exchange rate from converting Renminbi into Hong Kong dollars was 4.1% lower than the previous financial year. The Renminbi revenue converted into Hong Kong dollars decreased by HK$29.6 million, representing 2.1% of the Group's revenue. Telecommunication, medical equipment and industrial equipment sectors were also affected by this impact and revenue was reduced.

On the other hand, due to the outbreak of Novel Coronavirus (COVID-19), the Group's production capacity has dropped temporarily as the PRC government announced the temporary lockdown in various provinces since January 2020 to avoid the spreading of the pandemic. Following the end of the extended Chinese New Year holiday on 10 February 2020, the Group's production facilities begun resuming in phases. The Group experienced a slower-than-usual return to normal conditions, as many workers around the country have delayed returning to work resulting in a loss of 60% of production capacities of February 2020. The Group's production facilities have resumed full operations since mid-March 2020. Fortunately, the demand from customers remained relatively stable and there was no significant decrease or cancellation of sales orders from customers. The Group has proactively liaised with customers to adjust the delivery schedule in order to minimise the impact, and the delayed delivery schedule for those sales orders resumed normal in April 2020.

Despite all these challenges and difficulties, the Group recorded encouraging results for the year ended 31 March 2020. The Group's revenue for FY2020 was HK$1,438.8 million, an increase of HK$124.4 million or 9.5% as compared to the previous financial year. Operating profit increased by HK$32.4 million or 22.0%, and operating profit margin improved 1.3% to 12.5% in FY2020. The increase of revenue and profit were mainly attributable to having resolved the additional tariff issues. The shipments of the data centre sector were back to the normal level as prior to the Sino-U.S. trade war since May 2019, and the previous backlog orders have also been shipped out progressively during the year. The Group also achieved favourable results benefiting from the new production factory acquired in 2019 in order to prepare for business expansion and production lines extension. The Group has kept expanding its customer base to capture the rising business opportunities from the telecommunication equipment, data centre and medical equipment industries.

In FY2020, the Group achieved recognition on its business operations, and received two Certificates of Merit presented by the 2019 Hong Kong Awards for Industries (HKAI), in the categories of "Smart Productivity" and "Upgrading and Transformation", in recognition of the Group's outstanding performance and achievements in enhancing its competitiveness in various aspects.

RESULTS OF OPERATIONS

Financial Overview

For the year ended 31 March	**2020**	2019	Change
	HK$'million	*HK$'million*	*HK$'million*
Revenue	**1,438.8**	1,314.4	124.4
Gross profit	**305.1**	279.3	25.8
Gross profit margin	**21.2%**	21.2%	
Other income and other losses	**5.5**	(4.9)	10.4
Total operating expenses	**(130.7)**	(126.8)	(3.9)
Total operating expenses as a percentage of revenue	**9.1%**	9.6%	
Operating profit	**180.0**	147.6	32.4
Operating profit margin	**12.5%**	11.2%	
Extreme transaction expenses	**(19.1)**	–	(19.1)
Finance costs	**(5.0)**	(1.6)	(3.4)
Profit before taxation	**155.9**	146.0	9.9
Taxation	**(27.8)**	(23.1)	(4.7)
Effective tax rate	**17.8%**	15.8%	
Profit for the year	**128.1**	122.9	5.2
Net profit margin	**8.9%**	9.4%	
Profit for the year (excluding Extreme transaction expenses)	**147.2**	122.9	24.3
Net profit margin	**10.2%**	9.4%	

Revenue

The Group's revenue for FY2020 increased by HK$124.4 million to HK$1,438.8 million from $1,314.4 million in the previous financial year, which represented an increase 9.5% as compared to last financial year. The increase in revenue was mainly driven by the substantially increased sales in data centre, which was attained by having resolved the additional tariffs issues and the additional production capacity made available from the acquisition of the new production factory.

Market Sector	**2020**		2019		Change	
	HK$'million	**%**	*HK$'million*	*%*	*HK$'million*	*%*
Data centre	**698.8**	**48.6%**	462.9	35.2%	235.9	51.0%
Telecommunication	**565.8**	**39.3%**	650.9	49.5%	(85.1)	-13.1%
Medical equipment	**126.3**	**8.8%**	138.0	10.5%	(11.7)	-8.5%
Industrial equipment	**47.9**	**3.3%**	62.6	4.8%	(14.7)	-23.5%
Total	**1,438.8**	**100.0%**	1,314.4	100.0%	124.4	9.5%

Data centre sector: In April 2019, the Group has changed the supply source away from China for the certain major components of products to be shipped to the United States for avoidance of the additional tariffs. Besides, the Group also procured the "Country of origin and Marking Ruling" from the U.S. Customs and Border Protection for the fibre cable assembly products in February 2019. Accordingly, the fibre cable assembly products will not be subjected to additional tariffs when importing into the United States anymore even though the major components are purchased from China. The shipments of the data centre sector resumed to the normal level prior to the Sino-U.S. trade war since May 2019, and the previous backlog orders have also been shipped out progressively during the year. The revenue has substantially increased by 51.0% to HK$698.8 million for FY2020 as compared to HK$462.9 million for the last year. It was also a record high of revenue of this sector.

Telecommunication sector: The Group recorded a decrease of revenue from HK$650.9 million in the previous financial year to HK$565.8 million for FY2020, representing a decrease of 13.1%. Besides the RMB depreciation impact, the decrease was mainly attributable to the impact of the United States having added the Company's largest customer to the entity list under Export Administration Regulations. Shipment to this customer has in fact been decreasing after the inclusion of this customer in the so-called trade "blacklist" by the United States government, as companies from the United States will not be permitted to sell goods or services to this customer, and the financial effect was quite immediate. The Company has been seeking for measures to mitigate the impact of trade war on its businesses.

Medical equipment sector: The Group recorded a mild decrease in revenue of 8.5% from HK$138.0 million for the previous financial year to HK$126.3 million for FY2020. Such decrease was due to slowdown of orders by the largest medical equipment customer in order to consume the inventory backlog in the 1st half of the year. Orders have been resumed normal in the 2nd half of the year.

Industrial equipment sector: The revenue dropped 23.5% from HK$62.6 million for FY2019 to HK$47.9 million for FY2020. The decrease was mainly due to the turmoil from the Sino-U.S. trade war and the overall slowdown on the growth of the global economy.

Gross Profit/Margin

Gross profit for FY2020 was HK$305.1 million, representing an increase of HK$25.8 million or 9.2% compared to that of HK$279.3 million recorded in the previous financial year as a result of the increase in revenue for FY2020. Gross profit margin remained the same as the previous financial year of 21.2%. The manufacturing overheads slightly increased by HK$2.8 million or 1.4% compared to previous financial year. As a percentage of revenue, it improved from 14.8% to 13.7% due to the decrease in subcontracting charges and sales tax.

Operating Profit/Margin

Operating profit (excluding the extreme transaction expenses and finance costs) for FY2020 was HK$180.0 million, representing an increase of HK$32.4 million or 22.0% as compared with the previous financial year. Operating profit margin also increased from 11.2% to 12.5%. The ratio of EBITDA to revenue rose from 12.8% to 13.3%.

Other income and other losses increased from a loss of HK$4.9 million for FY2019 to a gain of HK$5.5 million for FY2020. Such increase was mainly attributable to government grants of HK$9.7 million received in FY2020, as compared with HK$1.1 million in the previous financial year, and the decrease in exchange loss of HK$3.5 million as compared to the previous financial year.

The total operating expenses for FY2020 were HK$130.7 million, an increase of HK$3.9 million or 3.1% over the previous financial year. Total operating expenses as a percentage of Group's revenue decreased from 9.6% to 9.1%.

Distribution and selling expenses decreased from HK$23.2 million to HK$21.1 million during FY2020, representing a decrease of 9.1% as compared with the previous financial year. It was mainly attributable to the decrease of staff cost, travel and entertainment, freight and transportation cost. As a percentage of Group's revenue, distribution and selling expenses improved from 1.8% to 1.5%.

Administrative expenses increased from HK$57.9 million to HK$65.6 million over the previous financial year. The increase was mainly due to the increase in salary increment and share option expenses. Administrative expenses as a percentage of revenue increased from 4.4% to 4.6%.

During FY2020, the research and development expenses were HK$43.9 million, which represented a decrease of HK$1.8 million or 3.9% compared with the previous financial year. It was mainly attributable to the decrease of materials cost, testing and supplies. Research and development expenses as a percentage of Group's revenue slightly decreased from 3.5% to 3.1%. The Group continuously expanded the size of its R&D team to enhance its R&D capabilities in respect of launching new products and technologies.

Extreme Transaction Expenses

By the end of June 2020, the Company expects to complete the acquisition of the business of manufacturing and sales of networking cables engaged by the relevant subsidiaries of Linkz Industries Limited, being a controlling shareholder of the Company, at an initial consideration of HK$802.7 million. The professional fees incurred in connection with this acquisition was approximately HK$19.1 million for FY2020.

Finance Costs

The finance costs represent bank loan interest of HK$2.2 million for bank borrowings and interest expenses of HK$2.8 million on the lease liabilities under adoption of HKFRS 16 which was effective from 1 April 2019. For FY2020, the total finance costs were recorded at HK$5.0 million against HK$1.6 million for the previous financial year.

Total Profit for the year and Earnings per Share

Total profit for the year of the Company for FY2020 was HK$128.1 million, an increase of HK$5.2 million or 4.2% as compared to the last financial year. Net profit margin dropped from 9.4% to 8.9%. By excluding the extreme transaction expenses, the total profit recorded was HK$147.2 million and net profit margin was recorded at 10.2%, representing an increase of HK$24.3 million or 19.8% as compared to 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 15% based on the profit from operating activities. In December 2019, the major manufacturing subsidiary, TIME Interconnect Technology (Huizhou) Limited, was awarded the Advanced-Technology Enterprise Certificate and is eligible for tax concessionary rate of 15% for 3 years effective from the year of 2019. Taxation charges increased from HK$23.1 million in the last financial year to HK$27.8 million in FY2020. The effective tax rate increased from 15.8% to 17.8%, due to the withholding tax of HK$3.6 million charged at 5% of dividend income received from TIME Interconnect Technology (Huizhou) Limited for FY2020.

Basic earnings per share for FY2020 were HK7.0 cents as compared to the basic earnings per share of HK6.7 cents in the previous financial year.

Dividends

The Directors recommend to the Shareholders the payment of a final dividend in respect of FY2020 of HK1.5 cents (2019: HK2 cents) per share, amounting to a total of approximately HK$27.6 million.

Dividend per share	**2020**	2019
	HK cents	*HK cents*
Interim	**1.0**	1.0
Final*	**1.5**	2.0
Total	**2.5**	3.0

* Final dividend proposed after the end of the reporting period

OUTLOOK

Looking ahead, the cable assembly industry is expected to sustain growth in the coming years. To meet with the market demand, the Group is striving to enhance its production capacity by acquiring a parcel of industrial land with two industrial buildings for the production, with 34 production lines were installed. 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 the next-generation 5G network.

With the rapid development of the 5G cellular network technology in China and the announced 5G network deployment by various mobile operators in the second half of 2019, the Company 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 of cable assembly products. China has continuously made great efforts to accelerate the research and development of 5G technology. China Mobile also announced its Phase II wireless equipment centralised procurement results in March 2020, in which Huawei won the highest percentage as 57.25%. It is expected the sales order from Customer A will be increased and benefit to the telecommunication sector. In addition, with the signing of the first phase of the trade deal between China and the U.S. in January 2020, China granted tariff exemptions on various types of U.S. goods to support purchases. The easing of the trade war atmosphere will also benefit to the recovery of the global economic market.

For the data centre sector, the Group has moved its supply source away from China in April 2019 for certain major components of products to be shipped to the United States for avoiding additional tariffs. Meanwhile, the Group also procured the "Country of Origin and Marking Ruling" from the U.S. Customs and Border Protection for the fibre cable assembly products in February 2019. Accordingly, the fibre cable assembly products will not be subjected to any additional tariffs when importing into the United States anymore even though the major components are purchased from China. The shipments of the data centre sector were back to the normal level prior to the Sino-U.S. trade war since May 2019, and the previous backlog orders have also been shipped out progressively during the year. The revenue of data centre sector for FY2020 has substantially increased by 51% to a record high level. As the development of 5G will boost the application of big data, IoT, internet gaming and video streaming through cloud platform, the Company remains positive and optimistic on the continuous growth of the business of data centre sector.

As for the medical equipment sector, despite the decrease in the first half of FY2020 due to a major customer consuming the inventory backlog, sales orders have resumed normal in the second half of FY2020. The Group noticed that the outbreak of COVID-19 spurred medical cable orders to rise, and the number of new orders received in March 2020 have trebled as a result. In addition, as the epidemic broke out across the world, the Company expects the demand for medical cables will continue to last for a while and it will continue to bring positive impact to the Group's medical cables orders in the coming few months. Moving ahead, the Company 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 Company will continue to enhance its medical equipment customers base, as well as to strengthen its R&D capabilities.

For the industrial equipment sector, the escalation of the trade tensions between the United States and China has brought more uncertainties to the global economy and the business of industry equipment sector becomes difficult to predict. In FY2020, the Group has strove to grasp different business opportunities in order to minimise the risks and uncertainties involved in the unstable economies. After many efforts, the Group received HK$7 million trial orders from a new prestigious customer Sany in March 2020, which has become one of its major revenue contributors in this sector. Additionally, Huawei's intelligent automotive solution BU was officially established in May 2019 and this will be a part of Information and Communication Technology (ICT) business sectors of Huawei. The Group is honoured to become one of the four first tier suppliers of Huawei in this sector. Moving ahead, the Group is expected that the demand of sales order in this sector will increase gradually for the coming year.

The acquisition of Linkz Cables Limited and its subsidiaries (collectively the "**Target Group**"), a long-established cable manufacturer with its manufacturing facilities located in the PRC, is expected to be completed by the end of June 2020. The Target Group has over 26 years of business operation and currently owns three sizable industrial complexes situated in Shanghai and Kunshan City, Jiangsu Province. It is certified as the first market shareholder of PRC networking cable market by the China Electronic Components Association. It focuses on the manufacturing of different networking cables with copper as the transmission media and has an annual production capacity of approximately 4 million kft of networking cables. The Target Group has technical know-how in the next-generation networking cables, such as Cat 8 cables, PoE, hybrid cables and compatibility with the HDBaseT standard. The networking cable products of the Target Group are marketed and sold to large enterprises including multinational corporations and which are usually the end users, such as international networking infrastructure companies, which mainly incorporate the Target Group's products in their networking solutions services. The Target Group sells a small proportion of its products as a majority of the networking cables on the OEM basis. The Target Group has distinct customer base as compared with the Group and its major customers are reputable multinational corporations that have presence in the PRC. After the successful acquisition, the Group's revenue base will be significantly enlarged and its risk of customer concentration will be mitigated by merging with the diverse customer base of the Target Group. Moreover, the Company believes that the acquisition can better position the Group and the Target Group to capture the evolving opportunities brought by the rapid development of 5G technology, and strategically improves the Group's defence position amid the global economic uncertainties.

Moving ahead, the Group will continue to stay alert to the changes in economic environment and take prompt and decisive actions to maintain the Group's competitiveness and sustainability. Meanwhile, the Group will keep enhancing its business operations, so that it is fully capable to capitalise on an eventual market turnaround.

LIQUIDITY AND FINANCIAL RESOURCES

Shareholders' funds as at 31 March 2020 were approximately HK$603.4 million, which represented an increase of 9.9% from HK$549.1 million in the last financial year. The increase was mainly due to the profit attributable to equity shareholders for the current year. On other hand, due to the RMB depreciation, the translation reserve from converting Renminbi into Hong Kong dollars as recorded in the financial statements of the PRC subsidiary decreased by HK$24.8 million. As a result, shareholders' funds per share increased by 10.0% from HK$0.30 to HK$0.33.

As at 31 March 2020, the Group had bank balances and cash of HK$281.6 million, representing an increase of 25.8% as compared to HK$223.8 million as of 31 March 2019. It was mainly due to the increase in cash generated from operating activities during the current year. As at 31 March 2020, the Group's bank loan was HK$40.0 million, a decrease of 18.7% from HK$49.2 million in the last financial year. The Group maintained sufficient banking facilities and good enough to support daily operation.

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 2020 and 2019, banking facilities extended to the Group were not secured with the Group's assets. Pledged bank deposits amounted to HK$16.3 million and HK$13.3 million as at 31 March 2019 and 2020 respectively.

Gearing Ratio
Gearing ratio is calculated as total debt (summation of amount due to ultimate holding company, and unsecured bank borrowings) divided by total equity and multiplied by 100%. As at 31 March 2020, the Group's gearing ratio was 6.6% as compared to the last financial year 9.0%.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 13 February 2018. 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 2020, the Company's issued share capital was HK$18.4 million and the number of its issued ordinary shares were 1,840,000,000 of HK$0.01 each.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's receipts and payments are denominated in US dollars, Hong Kong dollars, Renminbi 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.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 30 January 2018 (the "**Prospectus**") with the actual business progress for the period from the date of listing (i.e. 13 February 2018) to 31 March 2020 is set out below:

Business plan as set out in Prospectus	Actual business progress up to 31 March 2020
Pursue strategic industries which the Group believes to have high growth potential:	
• The Group plans to intensify its presence in the telecommunication, data centre, and medical equipment sectors by dedicating sufficient resources, including the purchase of new laboratory and testing equipment, and the hiring of experienced and talented personnel to join its R&D team and to strengthen its product development capabilities. The Group plans to invest and spend approximately HK$8.6 million in further strengthening its R&D capability.	Up to 31 March 2020, the Group has utilised HK$5.8 million of the net proceeds for the new testing equipment and hired 53 experienced personnel in order to strengthen the Group's R&D capabilities. The remaining balance of the net proceeds will be expected to utilise by stages in line with the enlarged capacity of the new factory.
Enhance and increase the production capacity:	
• The Group plans to acquire new production facilities to aim at high level of automation yet capable of assembling a wide variety of cable assembly products. The Group plans to invest approximately HK$96.1 million for the production capacity expansion (HK$88.6 million for the new production facility and HK$7.5 million for the related production machinery) and HK$15.9 million for the automation expenditures.	As at 31 March 2020, the Group has spent HK$7.5 million and HK$9.4 million for the production machinery and automation process in order to meet the demand of existing production capacity. In addition, the Group has acquired a parcel of industrial land with two industrial buildings of Huizhou Light Engine Limited at the consideration of HK$166.8 million, where HK$88.6 million was paid by the net proceeds from the Listing, and the balance was paid by internal resources. The new factory would offer more than 120% of the increased production capacity in terms of increment in gross floor area for production, and the Company plans to utilise the enlarged capacity by stages within three years following completion. The new factory will be utilised for telecommunication, data centre and medical equipment sector.

Business plan as set out in Prospectus	Actual business progress up to 31 March 2020

Strengthen established customer relationships and continue to expand customer base:

• The Group plans to spend approximately HK$1.9 million to set up regional representative offices or centre in key strategic locations where potential customers are located to support its future business development and to enable the Group to respond quickly to the needs of customers in different regions.	As at 31 March 2020, the Group has spent HK$0.9 million for setting up a regional representative office in Shanghai where will take care its potential customers in eastern and northern part of China. The Group will hire 2 to 3 new sales personnel in order to provide services to strengthen the Group's salesforce.

CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND USE OF NET PROCEEDS FROM LISTING

During FY2018, the Group was committed to expand its production capacity by acquiring a new production factory, purchasing of production equipment and upgrading of existing production and quality equipment, which is in line with the use of proceeds from the listing that was set out in the Prospectus. The net proceeds from the listing of the Company were HK$126.6 million (after deducting underwriting fees and related expenses). The use of the net proceeds from the listing as at 31 March 2020 was approximately as follows:

Use of proceeds	Percentage of net proceeds	Net proceeds	Amount utilised	Amount remaining
	%	*HK$'million*	*HK$'million*	*HK$'million*
New production facility	70.0%	88.6	88.6	–
R&D equipment	6.8%	8.6	5.8	2.8
Production machinery	5.9%	7.5	7.5	–
Automation process	12.6%	15.9	9.4	6.5
Marketing development	1.5%	1.9	0.9	1.0
General working capital	3.2%	4.1	4.1	–
Total	100.0%	126.6	116.3	10.3

As of 31 March 2020, the Group had not provided any form of guarantee for any company outside the Group and has not been involved in any material legal proceedings for which provision for contingent liabilities was required.

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

	2020	2019
	HK$'million	*HK$'million*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements	**1.6**	3.6

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

The Company expected to complete the acquisition of the business of manufacturing and sales of networking cables engaged by the Target Group at an initial consideration of HK$802.7 million by the end of June 2020. As one or more of the applicable percentage ratios in respect of the acquisition exceeds 100%, the acquisition constituted a very substantial acquisition of the Company under the Listing Rules. In addition, as the acquisition may have the effect of achieving a listing of the Target Group, the Listing Committee has resolved that the acquisition was an extreme transaction under Rule 14.06C of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

As at the date of completion, Linkz Industries Limited, which was ultimately and beneficially owned by Mr. Paul Lo as to 59.82% of its effective interest, was a Controlling Shareholder of the Company interested in 63.86% of the Company through Time Holdings. As such, Linkz Industries Limited was a connected person of the Company under Chapter 14A of the Listing Rules.

Save as disclosed in this announcement, the Group did not have any other significant investments held, material acquisition or disposal of subsidiaries and associations for FY2020. There is no other plan for material investments or capital assets as at 31 March 2020.

MATERIAL EVENT SINCE THE END OF THE FINANCIAL PERIOD

Apart from the acquisition as set out in above section, there has no other important event affecting the Group since 31 March 2020 and up to the date of this announcement.

EMPLOYEE

As of 31 March 2020, the total headcount for the Company was approximately 2,047, compared to 2,033 in the previous financial year. 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 the year ended 31 March 2020 were approximately HK$229.0 million, as compared to approximately HK$201.6 million in the financial year 2019. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

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 2020.

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 2020, 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 Friday, 28 August 2020 (the "**2020 AGM**"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 August 2020 to Friday, 28 August 2020, 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 Monday, 24 August 2020.

In order to qualify for the entitlement to the proposed final dividend, the register of members of the Company will also be closed from Thursday, 3 September 2020 to Monday, 7 September 2020, 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 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 Wednesday, 2 September 2020. If the resolution of the proposed final dividend is passed at the 2020 AGM, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Monday, 7 September 2020. The proposed final dividend is expected to be paid on or before Friday, 25 September 2020.

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 2020 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 2020.

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, 22 June 2020

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 Mr. Lo Chung Wai Paul and three independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric.