



# SAME TIME HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 451)

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

The Directors of Same Time Holdings Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2007 with the comparative figures for the previous year as follows:

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31st March 2007*

	Note	2007 HK\$	2006 HK\$
Revenue/turnover	2	<b>933,170,349</b>	817,115,246
Cost of sales		<b>(734,433,872)</b>	(641,107,751)
Gross profit		<b>198,736,477</b>	176,007,495
Other operating income	3	<b>14,084,615</b>	1,728,632
Distribution and marketing costs		<b>(19,571,767)</b>	(39,945,418)
Administrative expenses		<b>(82,446,653)</b>	(74,558,778)
Other operating expenses		<b>(11,219,856)</b>	(47,991,403)
Operating profit	4	<b>99,582,816</b>	15,240,528
Finance costs	5	<b>(17,472,062)</b>	(11,503,314)
Profit before income tax		<b>82,110,754</b>	3,737,214
Income tax expense	6	<b>(11,808,670)</b>	(4,544,109)
Profit/(loss) attributable to shareholders		<b>70,302,084</b>	(806,895)
Earnings/(loss) per share (basic and diluted)	7	<b>148.2 cents</b>	(1.7) cents

# **CONSOLIDATED BALANCE SHEET**

*As at 31st March 2007*

	<i>Note</i>	<b>2007</b> <b>HK\$</b>	2006 <b>HK\$</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>374,383,704</b>	340,035,880
Leasehold land and land use rights		<b>24,421,371</b>	24,704,220
Investment property		<b>345,563</b>	355,163
Interest in an associate		–	–
Other non-current asset		<b>350,000</b>	350,000
		<b>399,500,638</b>	365,445,263
<b>Current assets</b>			
Inventories		<b>102,279,449</b>	92,131,151
Asset held for sale		–	5,068,589
Trade and other receivables	9	<b>295,325,314</b>	283,184,753
Cash at banks and in hand		<b>64,627,161</b>	19,992,801
		<b>462,231,924</b>	400,377,294
<b>Total assets</b>		<b>861,732,562</b>	765,822,557
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		<b>4,743,852</b>	4,743,852
Reserves		<b>312,749,228</b>	230,783,986
<b>Total equity</b>		<b>317,493,080</b>	235,527,838
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term liabilities		<b>49,479,371</b>	64,755,073
Deferred tax liabilities		<b>15,748,998</b>	18,277,046
Deferred income		<b>8,080,808</b>	–
		<b>73,309,177</b>	83,032,119
<b>Current liabilities</b>			
Trade and other payables	10	<b>236,460,494</b>	261,309,349
Current portion of long-term liabilities		<b>64,825,435</b>	58,577,514
Short-term bank loans and overdrafts		<b>155,962,999</b>	125,751,072
Tax payable		<b>13,681,377</b>	1,624,665
		<b>470,930,305</b>	447,262,600
<b>Total liabilities</b>		<b>544,239,482</b>	530,294,719
<b>Total equity and liabilities</b>		<b>861,732,562</b>	765,822,557
<b>Net current liabilities</b>		<b>8,698,381</b>	46,885,306
<b>Total assets less current liabilities</b>		<b>390,802,257</b>	318,559,957

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

As at 31st March 2007, the Group had net current liabilities of HK\$8.7 million. The directors of the Company have reviewed the Group’s cash flows projection which has reflected the Group’s plan to obtain new bank loan facilities to finance the expected capital expenditure on the Group’s Jiangxi plant. The directors believe that the Group will be able to obtain new loan facilities and to continue its operations as a going concern. Consequently, the directors have prepared the financial statements on a going concern basis.

#### *Adoption of new standards, amendments and interpretations of HKFRSs*

The following standards, amendments and interpretations, which are relevant to the Group’s operations are mandatory for accounting periods beginning on or after 1st January 2006 and were adopted by the Group:

HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	The fair value option
HKAS 39 & HKFRS 4 (Amendment)	Financial guarantee contracts
HK(IFRIC) – Int 4	Determining whether an arrangement contains a lease

The adoption of the above amendments and interpretation did not result in significant impacts on the Group’s financial statements.

The Group has not early adopted the following standards, amendment or interpretations that have been issued and are relevant to the Group’s operations but are not yet effective. The directors anticipate that the adoption of these standards, amendment or interpretations will not result in substantial changes to the Group’s accounting policies.

<b>Effective for accounting periods beginning on or after</b>		
HKAS 1 (Amendment)	Capital disclosures	1 January 2007
HKFRS 7	Financial instruments – disclosures	1 January 2007
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) – Int 8	Scope of HKFRS 2	1 May 2006
HK(IFRIC) – Int 9	Reassessment of embedded derivatives	1 June 2006
HK(IFRIC) – Int 10	Interim financial reporting and impairment	1 November 2006
HK(IFRIC) – Int 11	Group and treasury share transactions	1 March 2007
HK(IFRIC) – Int 12	Service concession arrangements	1 January 2008

## 2. Revenue and segment information

Revenue/turnover represents invoiced sales of electronics products and printed circuit boards.

### Primary reporting format – business segments

An analysis of the revenue and contribution to profit of the Group for the year by business segment is as follows:

#### 2007

	Electronic products <i>HK\$</i>	Printed circuit boards <i>HK\$</i>	Group <i>HK\$</i>
Revenue	<u>115,339,679</u>	<u>817,830,670</u>	<u>933,170,349</u>
Segment results	<u>8,269,117</u>	<u>101,784,794</u>	110,053,911
Unallocated income			3,529,195
Unallocated costs			<u>(14,000,290)</u>
Operating profit			99,582,816
Finance costs			<u>(17,472,062)</u>
Profit before income tax			82,110,754
Income tax expense			<u>(11,808,670)</u>
Profit attributable to shareholders			<u>70,302,084</u>
Segment assets	71,083,325	774,409,902	845,493,227
Unallocated assets			<u>16,239,335</u>
Total assets			<u>861,732,562</u>
Segment liabilities	(11,954,173)	(229,184,056)	(241,138,229)
Unallocated liabilities			<u>(303,101,253)</u>
Total liabilities			<u>(544,239,482)</u>
Capital expenditure	9,167,216	73,668,707	82,835,923
Depreciation and amortisation	4,750,578	50,219,418	54,969,996
Provision for slow moving and obsolete inventories	775,608	–	775,608
Provision for doubtful debts	–	4,616,324	4,616,324
Write back of provision for doubtful debts	<u>–</u>	<u>6,262,313</u>	<u>6,262,313</u>

2006

	Electronic products <i>HK\$</i>	Printed circuit boards <i>HK\$</i>	Group <i>HK\$</i>
Revenue	<u>107,238,322</u>	<u>709,876,924</u>	<u>817,115,246</u>
Segment results	<u>(2,976,664)</u>	<u>28,971,564</u>	25,994,900
Unallocated income			168,000
Unallocated costs			<u>(10,922,372)</u>
Operating profit			15,240,528
Finance costs			<u>(11,503,314)</u>
Profit before income tax			3,737,214
Income tax expense			<u>(4,544,109)</u>
Loss attributable to shareholders			<u>(806,895)</u>
Segment assets	57,734,460	670,681,681	728,416,141
Unallocated assets			<u>37,406,416</u>
Total assets			<u>765,822,557</u>
Segment liabilities	(19,743,883)	(238,734,322)	(258,478,205)
Unallocated liabilities			<u>(271,816,514)</u>
Total liabilities			<u>(530,294,719)</u>
Capital expenditure	5,380,195	119,663,977	125,044,172
Depreciation and amortisation	4,259,565	38,177,985	42,437,550
Provision for slow moving and obsolete inventories	493,476	—	493,476
Provision for doubtful debts	1,601,117	2,706,014	4,307,131
Provision for legal claim and related legal costs	<u>5,246,146</u>	<u>35,108,827</u>	<u>40,354,973</u>

## Secondary reporting format – geographical segments

### 2007

	Revenue <i>HK\$</i>	Segment results <i>HK\$</i>	Total assets <i>HK\$</i>	Capital expenditure <i>HK\$</i>
Hong Kong and Mainland China	444,987,663	53,922,738	760,169,456	82,835,923
America	111,174,527	10,213,396	18,452,119	–
South East Asia	283,046,240	35,035,921	59,555,664	–
Europe	93,961,919	10,881,856	23,555,323	–
	<u>933,170,349</u>	<u>110,053,911</u>	<u>861,732,562</u>	<u>82,835,923</u>
Unallocated income		3,529,195		
Unallocated costs		<u>(14,000,290)</u>		
Operating profit		<u>99,582,816</u>		

### 2006

	Revenue <i>HK\$</i>	Segment results <i>HK\$</i>	Total assets <i>HK\$</i>	Capital expenditure <i>HK\$</i>
Hong Kong and Mainland China	304,721,638	12,659,269	662,624,957	125,044,172
America	142,612,025	(3,294,692)	30,095,582	–
South East Asia	235,294,519	17,277,708	45,232,383	–
Europe	134,487,064	(647,385)	27,869,635	–
	<u>817,115,246</u>	<u>25,994,900</u>	<u>765,822,557</u>	<u>125,044,172</u>
Unallocated income		168,000		
Unallocated costs		<u>(10,922,372)</u>		
Operating profit		<u>15,240,528</u>		

### 3. Other operating income

	2007 HK\$	2006 HK\$
Gain on disposal of asset held for sale	3,361,195	–
Gain on disposal of property, plant and equipment	42,679	236,873
Interest income	104,954	675,515
Rental income	168,000	168,000
Sale of manufacturing by-products	3,844,629	565,094
Write back of provision for doubtful debts	6,262,313	–
Sundries	300,845	83,150
	<u>14,084,615</u>	<u>1,728,632</u>

### 4. Operating profit

	2007 HK\$	2006 HK\$
Operating profit is stated after charging the following:		
Auditor's remuneration		
– provision for current year	875,000	780,000
– underprovision in prior years	144,200	–
Amortisation of leasehold land and land use rights	753,575	680,160
Cost of inventories sold	734,433,872	641,107,751
Depreciation:		
Owned property, plant and equipment	37,548,823	33,502,057
Leased property, plant and equipment	16,657,998	8,245,733
Investment property	9,600	9,600
Operating lease rental in respect of properties	3,534,331	2,973,387
Outgoings in respect of investment property	30,744	31,268
Net exchange losses	3,637,249	2,642,155
Provision for slow moving and obsolete inventories	775,608	493,476
Provision for doubtful debts	4,616,324	4,307,131
Provision for legal claim and related legal costs	424,801	40,354,973

### 5. Finance costs

	2007 HK\$	2006 HK\$
Interest on bank loans and overdrafts wholly repayable within five years	9,871,492	6,571,101
Interest on bank loans not wholly repayable within five years	348,401	314,129
Interest element of finance leases	7,252,169	4,618,084
	<u>17,472,062</u>	<u>11,503,314</u>

## 6. Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year.

	2007 HK\$	2006 HK\$
Current tax		
Hong Kong profits tax	13,244,870	2,537,949
Underprovision in prior years	1,091,848	109,085
	<u>14,336,718</u>	<u>2,647,034</u>
Deferred taxation	(2,528,048)	1,897,075
	<u>11,808,670</u>	<u>4,544,109</u>

## 7. Earnings/loss per share

The calculation of basic earnings/loss per share is based on profit attributable to shareholders of the Company of HK\$70,302,084 (2006: loss of HK\$806,895) and 47,438,520 (2006: 47,438,520) ordinary shares in issue during the year.

As there are no potential ordinary shares in issue, basic and diluted earnings/loss per share are the same for both years.

## 8. Dividend

The directors do not recommend the payment of a dividend for the year ended 31st March 2007.

## 9. Trade and other receivables

	2007 HK\$	2006 HK\$
Trade receivables	217,858,440	202,316,902
Deposits, prepayments and other receivables	77,466,874	80,867,851
	<u>295,325,314</u>	<u>283,184,753</u>

The ageing analysis of trade receivables as at 31st March 2007 was as follows:

	2007 HK\$	2006 HK\$
0 – 4 months	206,320,961	192,910,830
5 – 8 months	8,310,602	8,074,647
Over 8 months	3,226,877	1,331,425
	<u>217,858,440</u>	<u>202,316,902</u>

Sales are made to customers with credit terms of 30 to 120 days.



## 10. Trade and other payables

	2007 HK\$	2006 HK\$
Trade payables	169,926,234	167,179,035
Accruals and other payables	66,534,260	94,130,314
	<u>236,460,494</u>	<u>261,309,349</u>

The ageing analysis of trade payables as at 31st March 2007 was as follows:

	2007 HK\$	2006 HK\$
0 – 4 months	143,371,873	145,835,776
5 – 8 months	23,513,957	21,008,549
Over 8 months	3,040,404	334,710
	<u>169,926,234</u>	<u>167,179,035</u>

## 11. Post balance sheet event

On 18th June 2007, the Company entered into a placing agreement with third parties for a private placement of a total of 9,780,000 new shares of the Company at a price of HK\$2.18 per share (“Share Placing”). The Share Placing was completed on 6th July 2007. The Share Placing raised proceeds of approximately HK\$20.2 million net of expenses.

## CHAIRMAN’S STATEMENT

The Group has made dramatic improvement in the net profit after income tax from a loss of HK\$806,895 in 2006 to a profit of HK\$70,302,084 in 2007. This was mainly due to the increase in net profit contributed by the Printed Circuit Board (“PCB”) business.

PCB business continued to be the driving force for the growth of the Group in the current year under review and the investment in the past few years in PCB has started to pay off. The PCB division made a step forward in developing the technologically advanced High Density Interconnect Circuit Boards (“HDI”), which are installed in electronic products ranging from mobile phones to digital cameras. The increase in production volume propelled the sales growth but was partly offset by the rise in raw materials cost, in particular, copper and factory overhead expenses. In the meantime, the electronic business remained relatively stable. The combined effects led to an increase in gross profit of HK\$22,728,982 in 2007.

With the increase in HDI production, PCB business is approaching its full production capacity. Therefore in 2005, management decided to build a new manufacturing plant in Jiangxi, the People’s Republic of China to accommodate the excess demand. The construction of the main block of our new plant in Jiangxi has been completed and is currently in the renovation stage. Machinery and equipment for production will be installed after September 2007. Based on the current development progress, the new production plant is expected to start operation in March 2008. This will increase the overall production capacity substantially.

Our efforts in the past few years have positioned us to further enhance our Group's technology level. We hope this will translate into an expansion of our customer base and increase in productivity. With the collaborative efforts of our management and employees, we will continue to strive for our best in developing new products and sustaining our growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

For the year ended 31st March 2007, the revenue of the Group amounted to HK\$933,170,349 (2006: HK\$817,115,246) representing an increase of 14.20% comparing with last year whereas the profit after income tax amounted to HK\$70,302,084 (2006: loss of HK\$806,895).

### Financial Review

#### Revenue

The Group principally engages in the manufacturing and trading of printed circuit board and electronic products.

The revenue for 2007 and 2006 were as follow;

	<b>2007</b> <b>HK\$</b>	2006 <b>HK\$</b>	Increase %
Printed circuit board	<b>817,830,670</b>	709,876,924	15.21
Electronic products	<b>115,339,679</b>	107,238,322	7.55
	<b><u>933,170,349</u></b>	<b><u>817,115,246</u></b>	14.20

The increase in revenue was due to the increase of sales of higher profit margin products including HDI boards.

In the current year, the customers of the Group covered Hong Kong and the Mainland China, South East Asia, America and Europe which represents 48%, 30%, 12% and 10% of total revenue respectively.

### Cost of sales

Cost of sales in the current year increased to HK\$734,433,872 (2006: HK\$641,107,751) representing an increase of 14.56% comparing to last year.

In the current year, the price increase in higher profit margin products offset the rising costs in materials and production overhead.

### Other operating income

Other operating income included a gain on sale of a property amounting to HK\$3,361,195 (2006: nil ) and write back of provision for doubtful debts amounting to HK\$6,262,313 (2006: nil).

## **Distribution and marketing costs**

Distribution and marketing costs decreased to HK\$19,571,767 (2006: HK\$39,945,418) representing a drop of 51% comparing to last year.

The drop was due to the significant decrease in sales commission paid in the year. No more sales commission had been paid to a sale representative since the sale representative filed an arbitration demand in the USA against the Group in December 2005.

## **Other operating expenses**

Other operating expenses decreased to HK\$11,219,856 (2006: HK\$47,991,403) representing a decrease of 76.62% comparing to last year.

Other operating expenses included a provision of bad debts amounting to HK\$4,616,324 (2006: HK\$4,307,131).

For the year ended 31 March 2006, other operating expenses included a provision for legal claim and related legal costs amounting to HK\$40,354,973 which was related to an arbitration demand filed by a sales representative, of which a settlement was reached in July 2006.

## **Finance costs**

Finance costs increased to HK\$17,472,062 (2006: HK\$11,503,314) representing an increase of 51.89% comparing to last year.

The increase was due to more banking facilities was utilised.

## **Review of operations**

### *Printed Circuit Boards Segment*

Sales increased to HK\$817,830,670 (2006: HK\$709,876,924) which accounts for 88% (2006: 87%) of the Group's total revenue for the current year. The improvement was due to increase in sales of products with higher profit margin including HDI boards associated with advanced technology and privileged quality. The sale and production of HDI boards progressed satisfactorily in the current year.

### *Electronic Products Segment*

Sales increased to HK\$115,339,679 (2006: HK\$107,238,322) which accounts for 12% (2006: 13%) of the Group's total revenue for the current year. The results for the year remained stable.

## **Liquidity and financial resources**

At 31st March 2007, the total borrowings of the Group, including obligations under finance leases, amounted to HK\$270,267,805 (2006: HK\$249,083,659) which were payable in Hong Kong dollars and Renminbi. The Group's gearing ratio at 31st March 2007, which was calculated as the ratio of all bank borrowings and long term liabilities to shareholders' funds, was 85% (2006: 106%).

Of the Group's total borrowings, HK\$220,788,434 (82%) is due within one year, HK\$36,806,302 (14%) is due in more than one year but not exceeding two years, and HK\$12,346,848 (4%) is due in more than two years but not exceeding five years, and the remaining balance of HK\$326,221 (0%) is due more than five years.

At 31st March 2007, the total banking facilities granted to the Group amounted to HK\$209,572,377 (2006: HK\$193,722,311) of which HK\$178,434,276 (2006: HK\$168,299,508) were utilised.

Among the total facilities, banking facilities amounting to HK\$6,062,177 (2006: HK\$8,681,611) are secured by a legal charge on the leasehold land and buildings with a net book value of HK\$11,412,500 (2006: HK\$16,999,839).

### **Employees, remuneration policies**

At 31st March 2007, approximately 3,835 staff members and workers were employed in our Chang An Factory, Feng Gang Factory and 42 staff members were employed in the Group's Hong Kong Office. Employees' costs, excluding directors' remuneration, amounted to HK\$89,436,785 for the year ended 31st March 2007 (2006: HK\$56,202,064). Remuneration packages are generally structured with reference to the prevailing market practice and individual qualifications. The remuneration policies of the Group are reviewed on a periodic basis.

### **Exposure to fluctuation in exchange rates and related hedges**

The Group's borrowings are primarily denominated in Hong Kong dollars and Renminbi. The Group has no significant exposure to foreign exchange fluctuations.

## **PROSPECTS**

The construction of the main block of our new production plant in Jiangxi has been completed and is currently in the renovation stage. Machinery and equipment for production will be installed after September 2007. Operation is expected to be commenced in March 2008. This will increase the overall production capacity substantially.

Due to the intense competition in the PCB market and the continuous rise in cost of sales including materials and factory overhead expenses, it is very difficult to maintain the same level of profitability if the business strategy remained unchanged. In order to strengthen the competitive power, we will continue to develop more value-added products to enhance our profit margin.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year ended 31st March 2007.

## **CORPORATE GOVERNANCE**

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the Code of Corporate Governance Practices, as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange at any time during the year ended 31st March 2007.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the “Code”). The Company had made specific enquiry with the directors of the Company. All the directors confirmed that they had complied with the Code during the year ended 31st March 2007.

## AUDIT COMMITTEE

The Audit Committee of the Company comprises Mr Lai Wing Leung, Peter, Mr Lam Kwok Cheong and Madam Lee Mei Ling, all of whom are independent non-executive directors of the Company. The Audit Committee meets at least twice a year with the Company’s management and auditors to review the accounting principles and practices adopted by the Group and discuss auditing, internal control and financial reporting matters including the review of the financial statements.

## DIRECTORS

As at the date of this announcement, the Board comprises the following directors:

### *Executive Directors:*

Mr Yip Sum Yin  
Madam Yu Hung Min  
Madam Yu Pei Yi

### *Independent Non-Executive Directors:*

Mr Lai Wing Leung Peter  
Mr Lam Kwok Cheong  
Madam Lee Mei Ling

On behalf of the Board

**Yip Sum Yin**

*Chairman*

Hong Kong, 25th July 2007