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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The board of directors (the “Directors”) of Same Time Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim financial information (“Interim Financial Information”) of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2012.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

		Six months ended 30 September	
		2012	2011
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
Continuing operations			
Revenue	3	744,199,513	847,331,069
Cost of sales		(719,964,898)	(789,046,178)
		<hr/>	<hr/>
Gross profit		24,234,615	58,284,891
Other operating income	4	52,420,581	24,172,326
Change in fair value of an investment property		–	890,000
Realised loss on embedded derivatives upon conversion of convertible redeemable bond	13	(19,346,000)	–
Change in fair value of embedded derivatives	13	(145,696,960)	(1,651,000)
Distribution and marketing costs		(9,177,007)	(12,435,900)
Administrative expenses		(36,958,544)	(53,132,141)
Other operating expenses		(3,072,323)	(1,227,076)
		<hr/>	<hr/>
Operating (loss)/profit	5	(137,595,638)	14,901,100
Finance income		101,830	79,826
Finance costs		(19,458,585)	(18,672,113)
		<hr/>	<hr/>
Loss before income tax		(156,952,393)	(3,691,187)

		Six months ended 30 September	
		2012	2011
	<i>Note</i>	HK\$	<i>HK\$</i>
Income tax credit/(expense)	6	17,252,494	(13,966,438)
Loss from continuing operations		(139,699,899)	(17,657,625)
Discontinued operation			
Loss for the period from discontinued operation	7	–	(134,737)
Loss attributable to owners of the Company		<u>(139,699,899)</u>	<u>(17,792,362)</u>
Basic and diluted loss per share attributable to the owners of the Company	9		
– from continuing operations		(183.8 cents)	(26.3 cents)
– from discontinued operation		–	(0.2 cent)
		<u>(183.8 cents)</u>	<u>(26.5 cents)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	Six months ended 30 September	
	2012	2011
	<i>HK\$</i>	<i>HK\$</i>
Loss for the period	(139,699,899)	(17,792,362)
Other comprehensive income:		
Currency translation differences	(1,476,502)	16,569,624
Revaluation surplus on leasehold land and buildings, net of deferred tax	20,870,470	6,263,682
Other comprehensive income for the period, net of tax	19,393,968	22,833,306
Total comprehensive (expenses)/income attributable to owners of the Company for the period	(120,305,931)	5,040,944

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2012

	30 September	31 March
	2012	2012
<i>Note</i>	HK\$	HK\$
ASSETS		
Non-current assets		
Property, plant and equipment	959,925,125	968,237,517
Land use rights	20,944,544	21,309,965
Non-current deposits	6,789,919	6,887,029
Other non-current asset	350,000	350,000
	988,009,588	996,784,511
Current assets		
Inventories	185,917,974	203,197,893
Trade and other receivables	364,322,901	316,735,282
Pledged bank deposits	9,390,249	2,646,121
Cash at banks and in hand	47,368,252	29,637,112
	606,999,376	552,216,408
Total assets	1,595,008,964	1,549,000,919
EQUITY		
Capital and reserves		
Share capital	8,594,852	6,829,852
Reserves	443,858,678	498,596,803
Total equity	452,453,530	505,426,655

		30 September	31 March
		2012	2012
	<i>Note</i>	HK\$	HK\$
LIABILITIES			
Non-current liabilities			
Borrowings	12	158,478,925	169,094,507
Convertible redeemable bond	13	208,374,570	66,881,610
Deferred income tax liabilities		10,260,670	12,381,700
Deferred income		20,846,161	21,203,782
		<u>397,960,326</u>	<u>269,561,599</u>
Current liabilities			
Trade and other payables	11	440,229,352	438,180,276
Borrowings	12	254,777,230	274,488,210
Current income tax liabilities		49,588,526	61,344,179
		<u>744,595,108</u>	<u>774,012,665</u>
Total liabilities		<u>1,142,555,434</u>	<u>1,043,574,264</u>
Total equity and liabilities		<u>1,595,008,964</u>	<u>1,549,000,919</u>
Net current liabilities		<u>(137,595,732)</u>	<u>(221,796,257)</u>
Total assets less current liabilities		<u>850,413,856</u>	<u>774,988,254</u>

1. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 September 2012 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

As at 30 September 2012, (i) the Group’s current liabilities exceeded its current assets by approximately HK\$138 million; (ii) the total borrowings of the Group excluding the fair value of the embedded derivatives of the convertible redeemable bond (which will not be settled in cash upon its conversion) amounted to HK\$467 million, of which HK\$255 million will be due for repayment in the coming twelve months. In addition, the Group breached the covenant requirement of a banking facility (note 12). The facility from the bank was approximately HK\$98 million of which approximately HK\$62 million had been utilised as at 30 September 2012. In November 2012, the bank granted a waiver from strict compliance with the covenant requirement of the banking facility.

The Group meets its day to day working capital requirements, capital expenditure and other financing obligations through cash inflow from operating activities, facilities obtained from banks and other fund raising activities in the capital market.

During the period, the Group completed a placing of new shares with net proceeds of HK\$42 million raised. In addition, the Group obtained additional bank loans in November 2012 from its principal banks with an aggregate amount of approximately HK\$37 million. Management maintains continuous communication with the Group’s principal banks on the renewal of existing banking facilities and grant of additional banking facilities. The Directors have reviewed the Group’s bank loans and banking facilities available to the Group and are of the opinion that the bank loans and banking facilities will be renewed when their current terms expire. The Directors have evaluated all the relevant facts available to them and are of the opinion that there are good track records or relationship with the relevant banks which enhance the Group’s ability to renew the current bank loans upon expiry.

Up to the date of approval of these financial statements, the Directors are not aware of any intention of the Group’s principal banks to withdraw their banking facilities granted or request early repayment of the utilised facilities within the next twelve months from the date of balance sheet.

Based on the Group’s cash flow projection and taking into account the reasonably possible changes in trading performance, the ongoing support from the Group’s principal banks and the recent capital market related financing measures, the Directors believe that the Group will be able to generate sufficient cash flows to meet its financial obligations as and when they fall due within the next twelve months from the date of balance sheet. Accordingly, the directors are of the opinion that it is appropriate to prepare the financial information on a going concern basis.

2. ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those adopted and as described in the annual financial statements for the year ended 31 March 2012.

Exceptional items are disclosed and described separately in this Interim Financial Information where it is necessary to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Taxes on income in the interim periods are accrued using the tax rates that will be applicable to the expected total annual earnings.

In the current period, the Group has adopted, for the first time, the following new or revised standards, amendments and interpretations (“new and revised HKFRSs”) which are mandatory for the accounting periods beginning on or after 1 April 2012:

HKAS 12 (Amendment)	Deferred tax: recovery of underlying assets
HKFRS 7 (Amendment)	Financial instruments: Disclosures – transfer of financial assets

The adoption of the above new and revised HKFRSs does not have any significant impacts on the financial statements of the Group for the current or prior accounting periods.

The Group has not early adopted the following new or revised standards, amendments or interpretations that have been issued but are not yet effective for the accounting period beginning on or after 1 April 2012:

HKAS 1 (Amendment)	Presentation of items of other comprehensive income (effective from 1 July 2012)
HKAS 19 (2011)	Employee benefits (effective on or after 1 January 2013)
HKAS 27 (2011)	Separate financial statements (effective on or after 1 January 2013)
HKAS 28 (2011)	Investments in associates and joint ventures (effective on or after 1 January 2013)
HKAS 32 (Amendment)	Financial instruments: Presentation – offsetting financial assets and financial liabilities (effective on or after 1 January 2014)
HKFRS 7 (Amendment)	Financial instruments: Disclosures – offsetting financial assets and financial liabilities (effective on or after 1 January 2013)
HKFRS 9	Financial instruments (effective on or after 1 January 2013)
HKFRS 10	Consolidated financial statements (effective on or after 1 January 2013)
HKFRS 11	Joint arrangements (effective on or after 1 January 2013)
HKFRS 12	Disclosure of interests in other entities (effective on or after 1 January 2013)
HKFRS 13	Fair value measurement (effective on or after 1 January 2013)
HK (IFRIC) – Int 20	Stripping costs in the production phase of a surface mine (effective on or after 1 January 2013)

The Directors are in the process of reviewing the impact on the Group’s financial statements in respect of the adoption of these new or revised HKFRS.

3. REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decision.

As almost all of the Group's business operations relate to the manufacturing and selling of printed circuit boards, the chief operating decision-maker makes decisions about resources allocation and performance assessment based on the entity-wide financial information. Therefore, there is only one reportable segment for the Group in this period.

In the past, the Group's reportable segments were identical to the business segments namely:

Electronic products (discontinued operation)	–	manufacturing and selling of consumer electronic products
Printed circuit boards	–	manufacturing and selling of printed circuit boards

During the six months ended 30 September 2012, the electronic products segment did not qualify as a reportable segment and was presented as discontinued operation. For the results of the discontinued operation, please refer to note 7.

No financial information of the electronic products segment for the last corresponding period is presented as the chief operating decision-maker considers the segment data of the electronic products segment for the last corresponding period is insignificant to the Group.

The Group's operations are principally located in Hong Kong, Macao and Mainland China. The revenue from external customers in Hong Kong, Macao and Mainland China for the six months ended 30 September 2012 is HK\$479,859,310 (2011: HK\$558,466,624), and the revenue from external customers in other countries is HK\$264,340,203 (2011: HK\$288,864,445).

At 30 September 2012 and 31 March 2012, all of the non-current assets are located in Hong Kong, Macao and Mainland China.

For the six months ended 30 September 2012, revenues of HK\$93,430,117 (2011: HK\$82,296,446) were derived from a single external customer. These revenues were attributable to the printed circuit boards.

4. OTHER OPERATING INCOME

	Six months ended 30 September	
	2012	2011
	HK\$	HK\$
Amortisation of deferred income on government grants	227,171	222,290
Gain on disposal of property, plant and equipment	381,468	150,000
Government subsidies (<i>Note</i>)	10,824,608	2,558,598
Rental income	–	80,000
Sales of manufacturing by-products	40,783,389	20,777,327
Sundries	203,945	17,902
Unrealised gain on derivatives	–	366,209
	<u>52,420,581</u>	<u>24,172,326</u>

Note: Government subsidies represent cash received from the local municipal government in the PRC during the six months ended 30 September 2012 and 2011 as incentives to encourage export sales and capital investment in the PRC, the conditions attached thereto had been fully complied with.

5. OPERATING (LOSS)/PROFIT

	Six months ended 30 September	
	2012	2011
	HK\$	HK\$
Operating (loss)/profit is stated after charging the following:		
Amortisation of land use rights	238,409	248,591
Bad debts written off	769,185	206,165
Cost of inventories sold	452,043,339	533,495,552
Depreciation:		
– Owned property, plant and equipment	55,707,375	52,003,182
– Leased property, plant and equipment	6,669,647	8,819,410
Realised loss on embedded derivatives upon conversion of convertible redeemable bond (<i>note 13</i>)	19,346,000	–
Change in fair value of embedded derivatives (<i>note 13</i>)	145,696,960	1,651,000
	<u>145,696,960</u>	<u>1,651,000</u>

6. INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 September	
	2012	2011
	HK\$	HK\$
Current income tax		
Hong Kong profits tax (reversed)/charged (<i>Note</i>)	(13,678,668)	69,442
Overseas taxation charged	5,544,991	13,466,952
	<u>(8,133,677)</u>	<u>13,536,394</u>
Deferred income tax		
Hong Kong profits tax (reversed)/charged	(6,794,729)	13,275
Overseas taxation (reversed)/charged	(2,324,088)	416,769
	<u>(9,118,817)</u>	<u>430,044</u>
	<u><u>(17,252,494)</u></u>	<u><u>13,966,438</u></u>

The Hong Kong Inland Revenue Department (the “IRD”) has questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. Current income tax of approximately HK\$20.5 million has been recorded in the Group’s consolidated financial statements for the year ended 31 March 2008. During the six months ended 30 September 2012, the case has been resolved with the IRD, a reversal of current income tax of approximately HK\$13.6 million and writes back of deferred tax liabilities of approximately HK\$6.8 million have been booked in the Group’s consolidated income statement for the six months ended 30 September 2012.

7. DISCONTINUED OPERATION

Electronic products segment ceased operation and was classified as the discontinued operation during the six months ended 30 September 2011.

Results of the electronic products segment have been included in the unaudited condensed consolidated income statement as follows:

	Six months ended 30 September	
	2012 HK\$	2011 HK\$
Revenue	–	–
Cost of sales	–	–
	<hr/>	<hr/>
Gross profit	–	–
Other operating income	–	1,151,591
Distribution and marketing costs	–	(14,789)
Administrative expenses	–	(1,226,314)
Other operating expenses	–	(45,656)
	<hr/>	<hr/>
Operating loss	–	(135,168)
Finance income	–	431
Finance costs	–	–
	<hr/>	<hr/>
Loss before income tax	–	(134,737)
Income tax expense	–	–
	<hr/>	<hr/>
Loss attributable to owners	–	(134,737)
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8. DIVIDEND

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2012 (2011: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company and on the weighted average number of ordinary shares in issue during the period.

Basic

	2012	2011
<u>Number of shares</u>		
Weighted average number of ordinary share in issue	76,001,799	67,116,990
	HK\$	HK\$
Loss from continuing operations attributable to owners of the Company	(139,699,899)	(17,657,625)
Basic loss per share from continuing operations attributable to owners of the Company	(183.8 cents)	(26.3 cents)
Loss from discontinued operation attributable to owners of the Company	–	(134,737)
Basic loss per share from discontinued operation attributable to owners of the Company	–	(0.2 cent)

For both the six months ended 30 September 2012 and 2011, the diluted loss per share was the same as the basic loss per share, as the convertible redeemable bond had an anti-dilutive effect on the loss per share.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK\$293,082,412 (31 March 2012: HK\$233,193,163). The ageing analysis of trade receivables is as follows:

	30 September 2012 HK\$	31 March 2012 HK\$
0 – 60 days	234,333,597	174,499,369
61 – 120 days	47,725,908	52,486,730
121 – 180 days	7,441,791	3,964,079
181 – 240 days	2,484,536	1,124,214
Over 240 days	1,096,580	1,118,771
	293,082,412	233,193,163

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

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$341,346,013 (31 March 2012: HK\$325,870,022). The ageing analysis of trade payables is as follows:

	30 September	31 March
	2012	2012
	HK\$	HK\$
0 – 60 days	151,700,104	151,738,843
61 – 120 days	124,237,767	91,596,790
121 – 180 days	53,116,355	56,877,691
181 – 240 days	8,511,424	18,760,371
Over 240 days	3,780,363	6,896,327
	341,346,013	325,870,022

12. BORROWINGS

	30 September	31 March
	2012	2012
	HK\$	HK\$
Non-current		
Bank loans	146,774,627	147,690,490
Obligations under finance leases	11,704,298	21,404,017
	158,478,925	169,094,507
Current		
Bank loans due for repayment within one year	233,253,945	248,117,008
Obligations under finance leases	21,523,285	26,371,202
	254,777,230	274,488,210
Total	413,256,155	443,582,717

Movements in borrowings are analysed as follows:

	Six months	
	ended 30 September	
	2012	2011
	<i>HK\$</i>	<i>HK\$</i>
At the beginning of the period	443,582,717	471,802,590
Exchange differences	(2,300,861)	12,548,510
New bank loans	119,206,083	54,388,616
Inception of finance leases	–	38,154,399
Repayments of borrowings	(147,231,784)	(74,399,207)
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At the end of the period	413,256,155	502,494,908
	<hr/> <hr/>	<hr/> <hr/>

One of the banking facilities granted to the Group has stipulated that the assets should not be pledged without the lending bank's permission. At 30 September 2012, the Group breached such covenant. The facility from the bank was approximately HK\$98 million of which approximately HK\$62 million had been utilised as at 30 September 2012. Accordingly, the non-current portion of bank loan amounting to approximately HK\$12 million was reclassified as a current liability in the unaudited condensed consolidated statement of financial position as at 30 September 2012. In November 2012, the bank granted a waiver from strict compliance with the covenant requirement of the banking facility.

13. CONVERTIBLE REDEEMABLE BOND

	30 September	31 March
	2012	2012
	<i>HK\$</i>	<i>HK\$</i>
Liability components	53,387,570	57,591,570
Fair value of the embedded derivatives	154,987,000	9,290,040
	<hr/>	<hr/>
	208,374,570	66,881,610
	<hr/> <hr/>	<hr/> <hr/>

On 16 June 2011, the Company issued a three-year 1.0% convertible redeemable bond at a total nominal value of HK\$90 million due 16 June 2014.

The bond matures three years from the date of issuance at their nominal value of HK\$90 million or can be converted into ordinary shares of the Company at conversion price of HK\$1.75 per share, subject to adjustments, after six months from the date of issuance.

The conversion price will be subject to adjustments for, amongst others, consolidation, subdivision or reclassification of shares, rights issues of shares or options over shares, issues at a certain discount to current market price, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares may fall to be issued at a discount to their par value. The conversion feature fails the fixed-for-fixed requirement for equity classification as one of the conversion ratio adjustments does not preserve the relative interest between bondholder and ordinary shareholders. The option is therefore regarded as derivatives with changes in fair value through profit or loss in accordance with HKAS 39, “Financial instruments: recognition and measurement”.

The major terms and conditions of the convertible redeemable bond are the same as those described in the annual financial statements for the year ended 31 March 2012. According to the relevant accounting standards and the terms of the convertible redeemable bond, the liability components and the embedded derivatives of the convertible redeemable bond should be separately accounted for. The embedded derivatives concerned referred to conversion right and redemption rights of the convertible redeemable bond exercisable by the bond holders and the Company respectively.

On 17 January 2012, the Company redeemed HK\$24.3 million of the principal amount of the convertible redeemable bond at 105% of the relevant principal amount.

On 13 September 2012, convertible redeemable bond with a principal amount of HK\$7 million was converted into 4,000,000 ordinary shares of the Company at the price of HK\$1.75 per share. As a result, the Group recognised a loss on embedded derivatives amounting to HK\$19,346,000 upon such conversion.

During the six months ended 30 September 2012, the Group recognised a further fair value loss on embedded derivatives of the convertible redeemable bond amounting to HK\$145,696,960, which is primarily a result of the changes of certain parameters during the period used to determine the fair value of the embedded derivatives including but not limited to the Company’s share price and its volatility, interest rates and the likelihood of the exercise of the conversion right and redemption rights of the convertible redeemable bond by the bond holders and the Company respectively.

14. CAPITAL COMMITMENTS

	30 September	31 March
	2012	2012
	HK\$	HK\$
Contracted but not provided for		
Plant, machinery and leasehold improvements	<u>12,843,269</u>	<u>3,740,784</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 September 2012, the revenue of the Group amounting to HK\$744,199,513 (2011: HK\$847,331,069) representing a decrease of 12% compared with last corresponding period whereas the loss attributable to owners amounted to HK\$139,699,899 (2011: loss attributable to owners amounted to HK\$17,792,362). The realised loss on embedded derivatives upon conversion of convertible redeemable bond during the period under review amounting to HK\$19,346,000 and change in fair value of embedded derivatives of the convertible redeemable bond outstanding as at 30 September 2012 amounting to HK\$145,696,960 significantly impacted the bottom line of the Group. Excluding this loss, the Group made an after tax profit of HK\$25,343,061.

Financial review

The Group is principally engaged in the manufacturing and selling of printed circuit boards. For the six months ended 30 September 2011, electronic products segment ceased operation and was classified as the discontinued operation.

Revenue

The revenue for the six months ended 30 September 2012 and 2011 are as follows:

	Six months		Decrease %
	ended 30 September		
	2012	2011	
	HK\$	HK\$	
Printed circuit boards	<u>744,199,513</u>	<u>847,331,069</u>	12

In the current period, the revenue from customers in Hong Kong, Macao and Mainland China represented 64% (2011: 66%) of the Group's total revenue.

Cost of sales

Cost of sales in the current period decreased to HK\$719,964,898 (2011: HK\$789,046,178) representing a decrease of 9% comparing to last corresponding period.

The decline in gross profit margin from 6.9% to 3.3% was mainly due to the increase in labor costs and other production costs.

Other operating income

Other operating income included sales of manufacturing by-products amounting to HK\$40,783,389 (2011: HK\$20,777,327) and government subsidies on Jiangxi factory amounting to HK\$10,824,608 (2011: HK\$2,558,598). Government subsidies represent cash received from the local municipal government in the PRC as incentives to encourage export sales and capital investment in the PRC, the conditions attached thereto had been fully complied with.

Distribution and marketing expenses

Distribution and marketing expenses decreased to HK\$9,177,007 (2011: HK\$12,435,900) representing a decrease of 26% compared with last corresponding period. The decline was mainly due to decrease in sales commission, freights and delivery expenses during the period.

Administrative expenses

Administrative expenses decreased to HK\$36,958,544 (2011: HK\$53,132,141) representing a decrease of 30% compared with last corresponding period. Net exchange gain amounting to HK\$1,655,602 (2011: net exchange loss amounting to HK\$14,763,257) due to the depreciation of Renminbi was included.

Other operating expenses

Other operating expenses mainly included bad debt written off, amounting to HK\$769,185 (2011: HK\$206,165) which represented around 0.1% (2011: lower than 0.1%) of total revenue and compound penalty on additional tax amounting to HK\$1,600,000 (2011: Nil).

Finance costs

Finance costs amounting to HK\$19,458,585 (2011: HK\$18,672,113) represented an increase of 4% compared with last period.

Income tax

The Hong Kong Inland Revenue Department (the “IRD”) has questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. Current income tax of approximately HK\$20,500,000 has been recorded in the Group’s consolidated financial statements for the year ended 31 March 2008. During the six months ended 30 September 2012, the matter has been resolved with the IRD, a reversal of current income tax of approximately HK\$13,600,000 and writes back of deferred tax liabilities of approximately HK\$6,800,000 have been booked in the Group’s consolidated income statement for the six months ended 30 September 2012.

Loss relating to the convertible redeemable bond

According to the relevant accounting standards and the terms of the convertible redeemable bond, the liability components and the embedded derivatives of the convertible redeemable bond should be separately accounted for. The embedded derivatives concerned referred to conversion right and redemption rights of the convertible redeemable bond exercisable by the bond holders and the Company respectively.

During the period under review, the Group recognised a loss on embedded derivatives amounting to HK\$19,346,000 upon conversion of convertible redeemable bond with a principal amount of HK\$7 million into 4,000,000 ordinary shares of the Company at the price of HK\$1.75 per share on 13 September 2012. In addition, the Group recognised a further fair value loss on embedded derivatives of the convertible redeemable bond amounting to HK\$145,696,960, which is primarily a result of the changes of certain parameters during the period used to determine the fair value of the embedded derivatives including but not limited to the Company's share price and its volatility, interest rates and the likelihood of the exercise of the conversion right and redemption rights of the convertible redeemable bond by the bond holders and the Company respectively.

Liquidity and financial resources

At 30 September 2012, the total borrowings of the Group, including obligations under finance leases and convertible redeemable bond, amounted to HK\$621,630,725 (31 March 2012: HK\$510,464,327) which were payable in Hong Kong dollars and Renminbi. The Group's total borrowings were repayable as follows:

	30 September 2012 HK\$		31 March 2012 HK\$	
Within one year	254,777,229	41%	274,488,210	54%
In the second year	330,159,839	53%	84,901,613	17%
In the third to fifth years	36,693,657	6%	151,074,504	29%
	<u>621,630,725</u>	100%	<u>510,464,327</u>	100%

At 30 September 2012, the liability component and the fair value of the embedded derivatives of convertible redeemable bond amounted to HK\$53,387,570 (31 March 2012: HK\$57,591,570) and HK\$154,987,000 (31 March 2012: HK\$9,290,040) respectively.

On the basis that the convertible redeemable bond will be settled on cash basis, the Group's gearing ratio at 30 September 2012, which was calculated as the ratio of total borrowings, excluding the fair value of the embedded derivatives of the convertible redeemable bond (which will not be settled in cash upon its conversion) less cash at banks and in hand to total equity, was 93% (31 March 2012: 93%).

At 30 September 2012, the Group's banking facilities were summarised as follows:

	30 September 2012 HK\$	31 March 2012 HK\$
Total banking facilities granted	452,233,665	455,185,290
Facilities utilised	(380,028,572)	(395,807,498)
Available facilities	<u>72,205,093</u>	<u>59,377,792</u>

Among the total facilities, banking facilities amounted to HK\$232,393,160 (31 March 2012: HK\$337,841,996) were secured by a legal charge on the Group's assets with a net book value of HK\$709,973,806 (31 March 2012: HK\$690,103,376).

One of the banking facilities granted to the Group has stipulated that the assets should not be pledged without the lending bank's permission. At 30 September 2012, the Group breached such covenant. The facility from the bank was approximately HK\$98 million of which approximately HK\$62 million had been utilised as at 30 September 2012. Accordingly, the non-current portion of bank loan amounting to approximately HK\$12 million was reclassified as a current liability in the unaudited condensed consolidated statement of financial position as at 30 September 2012. In November 2012, the bank granted a waiver from strict compliance with the covenant requirement of the banking facility. Please refer to note 1 "Basis of preparation" for further details of changes subsequent to 30 September 2012.

At 30 September 2012, obligations under finance leases of the Group amounted to HK\$33,227,583 (31 March 2012: HK\$47,775,219) were secured by a legal charge on the Group's property, plant and equipment with a net book amount of HK\$79,152,024 (31 March 2012: HK\$86,953,901).

Prospect

The forthcoming business environment is still difficult and challenging due to the global economic instability and uncertainties in Europe. Moreover, possible increase in raw material prices, labor costs and appreciation of Renminbi are the potential cost burden to the Group. In order to ease the negative impact caused by these factors, the Group would not only adopt more cost control measures to lower the costs, but also put more effort to develop advanced products with higher gross profit margin and expand the local sales in the China market.

Purchase, sale or redemption of Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company during the six months ended 30 September 2012 period.

Corporate governance

The Company has adopted the code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code and Corporate Governance Report (the “New CG Code”) (effective from 1 April 2012) as set out in Appendix 14 to the Listing Rules.

During the six months ended 30 September 2012, the Company was in compliance with the code provisions set out in the New CG Code except for the deviation from the code provisions A.5.1, A.6.7 and D.1.4, which are explained below.

Code provision A.5.1 of the New CG Code requires that issuers should establish a nomination committee. The Company had not set up a Nomination Committee. Pursuant to the Company’s Bye-laws, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall retire and be eligible for re-election at the next following general meeting after appointment. Executive directors identify potential new directors and recommend to the Board for decision. In considering the nomination of a new director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of independent non-executive directors, the Board follows the requirements set out in the Listing Rules.

Code provision A.6.7 of the New CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Two independent non-executive directors, Mr LAI Wing Leung, Peter and Madam LEE Mei Ling, did not attend the annual general meeting of the Company held on 10 August 2012 by the reason of their another business engagement.

Code provision D.1.4 of the New CG Code requires that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company had formal letters of appointment for Directors except two executive directors, Mr YIP Sum Yin and Madam YU Hung Min. However, the Directors shall be subject to retirement in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

Save as the aforesaid, 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 New CG Code at any time during the six months ended 30 September 2012.

Model Code

The Company has adopted the Model Code as its code of conduct regarding the directors' securities transactions. The Company had made specific enquiry with all directors of the Company, who have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2012.

Audit committee

The Audit Committee has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the review of the interim report for the six months ended 30 September 2012.

Auditor

The Group's external auditor, PricewaterhouseCoopers, has conducted a review of the Interim Financial Information of the Group for the six months ended 30 September 2012 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

Publication of interim results announcement and interim report

The results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and is available on the Company's website at www.sametimeholdings.com. The interim report for the six months ended 30 September 2012 will be dispatched to the Company's shareholders and available on the said websites in due course.

Appreciation

On behalf of the Board, I would like to express our thanks to our shareholders, customers, banks, and suppliers for their continuous support to the Group. I would also extend my appreciation to all our management and staffs for their contribution during the period.

Directors

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

Executive Directors:

Mr YIP Sum Yin
Madam YU Hung Min
Mr CHUNG Chi Shing
Mr MAO Lu
Mr YIP Wing Fung

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, 28 November 2012