C&T announces 1998 results

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Hong Kong-listed information technology company, Computer and Technologies Holdings Limited (0046) today announced its fiscal year 1998 annual results. In view of the economic downturn in Asia during the year, the Group has inevitably experienced a slowdown in its business.

As of 31 December 1998, the proforma combined turnover was HK$181.4 million. This represents a decrease of 29 per cent over the previous year. The profits attributed to shareholders was HKS$2.91 million for 1998, representing a decrease of 90 per cent.

According to the Board of Directors, since its recent establishment as a publicly listed company, the Group has made several major investments in infrastructure development to strengthen its long-term market competitiveness. Taking into consideration the need to fund the tremendous growth opportunities created by the economic upswing that is beginning to happen in Asia Pacific, the Board has recommended that no year-end dividend should be paid in fiscal 1998.

"1998 was an important year in the history of Computers and Technologies," said CS Ng, chairman and managing director. "The Group successfully listed on the Hong Kong Stock Exchange on 18 May 1998. The reaction to the offering was encouraging. Support for the Group was not hampered, in spite of the Asian economic turmoil which resulted in strong fluctuations in the Hong Kong stock market.

"As a key player in the information technology market, C&T well understands that its business lies in assisting enterprises in both Hong Kong and Mainland China to adopt state-of-art technology. We are committed to long-term investment to keep ourselves at the forefront of advanced technology.

"Since the establishment of the public company, the Group has extended its geographic business coverage to eight major cities in China. Three new representative offices were established in Chengdu, Shenyang and Wuhan in addition to our existing operations in Beijing, Guangzhou, Nanjing, Shanghai, and Shenzhen."

During the year, the Group acquired Progressive World Limited. This acquisition not only substantially enhanced C&T's strength to cope with strong demand in network infrastructure, it also elevated the Group to become one of Cisco's biggest partners in China.

In addition, the Group has expanded its capabilities into the software application development market sector which delivers a higher profit margin. To achieve this goal, the Group has recruited many IT professionals in China and Hong Kong, has established a research and

development centre in Shenzhen and has expanded its existing R&D operations in Shanghai to cater for local industry-specific application needs.

The Group focuses specifically on the telecommunications and insurance industries. By developing software applications for these industries, the Group has secured contracts for local customers like China Telecom and China Pacific Insurance Group. This has created a new income stream for the Group as a whole.

Looking to the future, Ng is optimistic about the Group. He stated that there are many good situational factors that will help to promote the growth of the company in 1999.

"With the completion of the reorganisation of the Ministry of Information Technology, the Ministry plans to make significant investments in expanding its telecommunications services," he said.

"Moreover, to promote e-commerce, China's government declared 1999 as 'The Year of Government on Internet'. These factors, together with China's possible admission into the World Trade Organisation by the end of this year, lead us to believe that we are well-positioned to capture huge business opportunities by leveraging our proven record and strong capabilities."

In Hong Kong, the Group has consistently reported several major contract wins. These include HKSAR Government contracts such as the Electronic Tendering System – a pilot for the far-reaching Electronic Services Delivery system that is currently subject to tender – and a Remote Access System contract among others.

"After making major investments in people, facilities and technologies, the Group has succeeded in laying a solid foundation for future development in 1999 and the new era," said Ng.

"The Group is determined to look into diversifying its business from that of traditional systems integration and will emerge as a pioneer in software application development to improve the return to its shareholders. The Group will also take full advantage of the e-commerce trend to expand its business into Internet-based commerce services and on-line security systems. In view of the current performance, the Group is optimistic about its overall operations.

Founded in 1991, Computer And Technologies Holdings Limited (0046) is listed on the Hong Kong Stock Exchange. It has built its business on a vision to deliver competitive advantage for enterprises to progress by optimising their information systems efficiently. C&T partners with its customers, bringing experience and knowledge in systems integration to build and

enhance their information infrastructure. Within that infrastructure C&T develops and implements the best possible information technology solutions. C&T conducts business in both Hong Kong and China. Headquartered in Hong Kong, the company has offices in Beijing, Shanghai, Guangzhou, Nanjing, Shenzhen, Chengdu, Wuhan and Shenyang. More C&T information is available at www.ctil.com.