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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

The Board of Directors (the "Board") of Computer And Technologies Holdings Limited (the "Company") presents the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2009, together with the comparative amounts. These condensed consolidated interim financial results have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
CONTINUING OPERATIONS			
REVENUE	*5*	**196,739**	161,109
Cost of sales		**(138,968)**	(112,709)
Gross profit		**57,771**	48,400
Other income and gains	*5*	**5,305**	11,514
Selling and distribution costs		**(14,152)**	(14,597)
General and administrative expenses		**(25,563)**	(23,219)
Other expenses/(reversal of expenses), net		**1,223**	(450)
PROFIT BEFORE TAX	*6*	**24,584**	21,648

CONDENSED CONSOLIDATED INCOME STATEMENT *(continued)*

	Notes	For the six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
PROFIT BEFORE TAX	*6*	**24,584**	21,648
Tax	*7*	**(3,427)**	(2,819)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**21,157**	18,829
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation	*8*	**–**	(257)
PROFIT FOR THE PERIOD		**21,157**	18,572
Profit for the period attributable to:			
Equity holders of the parent		**21,154**	18,645
Minority interests		**3**	(73)
		21,157	18,572
DIVIDEND	*9*	**9,889**	Nil
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*	***HK cents***	*HK cents*
Basic			
– For profit for the period		**8.56**	7.14
– For profit from continuing operations		**8.56**	7.21
Diluted			
– For profit for the period		**8.53**	N/A
– For profit from continuing operations		**8.53**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**21,157**	18,572
Other comprehensive income for the period		
Exchange difference arising from translation of overseas operations	**–**	2,510
Total comprehensive income for the period	**21,157**	21,082
Total comprehensive income for the period attributable to:		
Equity holders of the parent	**21,154**	21,029
Minority interests	**3**	53
	21,157	21,082

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2009 (Unaudited)** ***HK$'000***	31 December 2008 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**11,587**	11,723
Investment properties		**26,157**	24,901
Goodwill		**25,813**	25,813
Held-to-maturity securities		**1,278**	498
Available-for-sale investments		**1,500**	1,911
Deferred tax assets		**1,835**	2,851
Total non-current assets		**68,170**	67,697
CURRENT ASSETS			
Inventories		**10,049**	11,326
Trade receivables	*11*	**166,764**	74,770
Due from contract customers		**4,524**	7,216
Prepayments, deposits and other receivables		**7,003**	13,437
Equity investments at fair value through profit or loss		**7,128**	9,947
Tax recoverable		**94**	94
Pledged bank deposits		**10,943**	14,328
Cash and cash equivalents		**166,739**	228,690
Total current assets		**373,244**	359,808
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*12*	**78,915**	70,952
Due to contract customers		**612**	1,640
Deferred income		**15,157**	10,070
Due to minority shareholders of subsidiaries		**–**	1,355
Tax payable		**9,075**	6,887
Total current liabilities		**103,759**	90,904
NET CURRENT ASSETS		**269,485**	268,904
TOTAL ASSETS LESS CURRENT LIABILITIES		**337,655**	336,601

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

	30 June 2009 (Unaudited) *HK$'000*	31 December 2008 (Audited) *HK$'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**875**	875
Total non-current assets	**875**	875
Net assets	**336,780**	335,726
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	**25,184**	25,386
Reserves	**311,596**	291,184
Proposed dividends	**–**	19,909
	336,780	336,479
Minority interests	**–**	(753)
Total equity	**336,780**	335,726

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2009

1. CORPORATE INFORMATION

Computer And Technologies Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 30th Floor, Prosperity Millennia Plaza, 663 King's Road, North Point, Hong Kong.

During the period, the Group was involved in the following principal activities:

- provision of system and network integration services, application development services, Information Technology ("IT") solutions implementation and related maintenance outsourcing services;
- provision of enterprise software applications and related operation outsourcing and e-business services; and
- property and treasury investments.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information, which comprises the condensed consolidated statement of financial position as at 30 June 2009 and the related condensed consolidated statement of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008 ("Annual Report").

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which also included HKASs and Interpretations, that affect the Group and are adopted for the first time for the current period's financial statements.

HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009*
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 (Amendments)	*Puttable Financial Instruments and Obligations Arising on Liquidation*
HKFRS 1 and HKAS 27 (Amendments)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 (Amendment)	*Vesting Conditions and Cancellations*
HKFRS 7 (Amendment)	*Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	*Embedded Derivatives*
HK(IFRIC) – Int 13	*Customer Loyalty Programmes*
HK(IFRIC) – Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC) – Int 16	*Hedges of a Net Investment in a Foreign Operation*

The adoption of these new or revised standards, amendments and interpretations had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2008.

HKFRS 8 – *Operating Segments*
HKFRS 8 is a disclosure standard that has resulted in a disclosure of the Group's reportable segments, but has had no impact on the reported results or financial position of the Group.

HKAS 1 (Revised) – *Presentation of Financial Statements*
HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Group has not applied the following new and revised HKFRSs and HKASs, which have been issued but are not yet effective, in these unaudited condensed consolidated interim financial information:

HKFRSs (Amendments)	*Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008* [1]
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2009* [2]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [1]
HKAS 39 (Amendment)	*Eligible Hedged Items* [1]
HKFRS 2 (Amendments)	*Group Cash-settled Share-based Payment Transactions* [3]
HKFRS 3 (Revised)	*Business Combinations* [1]
HK(IFRIC) – Int 17	*Distribution of Non-cash Assets to Owners* [1]
HK(IFRIC) – Int 18	*Transfers of Assets from Customers* [4]

1. Effective for annual periods beginning on or after 1 July 2009.
2. Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.
3. Effective for annual periods beginning on or after 1 January 2010.
4. Effective for transfers on or after 1 July 2009.

The Group has already commenced an assessment of the potential impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 *Segment Reporting*) required an equity to identify two sets of segments (business and geographical) using a risk and returns approach, with the equity's "system of internal financial reporting to key management personnel" serving only as starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment of profit or loss.

4. SEGMENT INFORMATION *(continued)*

During the period, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

(a) the integration and solution services segment engages in the provision of system and network integration services, application development services, IT solutions implementation and related maintenance outsourcing services;

(b) the application services segment engages in the provision of enterprise software applications and related operation outsourcing and e-business services;

(c) the investments segment primarily engages in various types of investing activities including, inter alia, property investments for rental income and treasury investments in listed securities and held-to-maturity securities for dividend income and interest income; and

(d) the distribution segment engages in the distribution and retail of digital media products and other computer accessories.

The distribution segment is classified as a discontinued operation of the Group following the disposal of the relevant business in 2008 as further detailed in note 8 to the announcement.

4. SEGMENT INFORMATION *(continued)*

An analysis of the Group's revenue and profit/(loss) for the six months ended 30 June 2009 by the Group's business segments is as follows:

	Continuing operations								Discontinued operation					
	Integration and Solutions Services		Application Services		Investments		Total		Distribution		Inter co Elimination		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue														
Sales to external customers	**166,007**	136,280	**30,001**	24,103	**731**	726	**196,739**	161,109	**–**	14,018	**–**	–	**196,739**	175,127
Sales to internal customers	**2,780**	2,674	**95**	114	**341**	281	**3,216**	3,069	**–**	–	**(3,216)**	(3,069)	**–**	–
Other revenue and gains	**702**	5,898	**105**	68	**2,438**	2,131	**3,245**	8,097	**–**	813	**–**	–	**3,245**	8,910
Total	**169,489**	144,852	**30,201**	24,285	**3,510**	3,138	**203,200**	172,275	**–**	14,831	**(3,216)**	(3,069)	**199,984**	184,037
Segment results before significant non-cash expenses	**20,280**	20,264	**8,339**	5,289	**839**	462	**29,458**	26,015	**–**	(83)	**(750)**	(33)	**28,708**	25,899
Depreciation	**(634)**	(1,020)	**(291)**	(524)	**(120)**	(107)	**(1,045)**	(1,651)	**–**	(174)	**–**	–	**(1,045)**	(1,825)
Impairment of amounts due from contract customers	**–**	(4)	**–**	(1,032)	**–**	–	**–**	(1,036)	**–**	–	**–**	–	**–**	(1,036)
Impairment of trade receivables	**(4,341)**	–	**(321)**	–	**–**	–	**(4,662)**	–	**–**	–	**–**	–	**(4,662)**	–
Reversal of impairment of trade receivables	**5,230**	–	**655**	586	**–**	–	**5,885**	586	**–**	–	**–**	–	**5,885**	586
Net fair value gains on investment properties	**–**	–	**–**	–	**1,256**	1,827	**1,256**	1,827	**–**	–	**–**	–	**1,256**	1,827
Net fair value gains/(losses) on equity investments at fair value through profit or loss	**–**	–	**–**	–	**810**	(400)	**810**	(400)	**–**	–	**–**	–	**810**	(400)
Segment results	**20,535**	19,240	**8,382**	4,319	**2,785**	1,782	**31,702**	25,341	**–**	(257)	**(750)**	(33)	**30,952**	25,051
Unallocated interest income													**1,293**	2,123
Unallocated other income and gains													**767**	1,294
Corporate and other unallocated depreciation													**(128)**	(75)
Corporate and other unallocated expenses													**(8,300)**	(7,002)
Profit before tax													**24,584**	21,391
Tax													**(3,427)**	(2,819)
Profit for the period													**21,157**	18,572

4. SEGMENT INFORMATION *(continued)*

	Continuing operations								Discontinued operation			
	Integration and Solutions Services		Application Services		Investments		Total		Distribution		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Asset and liabilities:												
Segment assets	**189,590**	125,619	**30,081**	36,266	**35,704**	40,601	**255,375**	202,486	**–**	8,402	**255,375**	210,888
Corporate and other unallocated assets							**186,039**	206,862	**–**	–	**186,039**	206,862
Total assets							**441,414**	409,348	**–**	8,402	**441,414**	417,750
Segment liabilities	**78,151**	59,998	**23,392**	21,501	**1,976**	1,762	**103,519**	83,261	**–**	5,695	**103,519**	88,956
Corporate and other unallocated liabilities							**1,115**	1,698	**–**	–	**1,115**	1,698
Total liabilities							**104,634**	84,959	**–**	5,695	**104,634**	90,654

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' remuneration. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

5. REVENUE, OTHER INCOME AND GAINS

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sale of computer network and system platform	**145,003**	103,583
Provision of IT solutions, e-business and related services	**21,257**	19,191
Provision of maintenance services	**29,250**	37,127
Gross rental income from investment properties	**1,218**	1,191
Interest income from treasury investments	**11**	17
Attributable to continuing operations reported in the condensed consolidated income statement	**196,739**	161,109
Sale of computer hardware, software and related accessories attributable to a discontinued operation	**–**	14,018
	196,739	175,127
Other income		
Bank interest income	**1,109**	2,123
Dividend income from listed and unlisted investments	**220**	297
Others	**1,407**	211
	2,736	2,631
Gains		
Gain/(loss) on disposal of equity investments at fair value through profit or loss	**(2,213)**	482
Fair value gains/(loss), net		
Equity investments at fair value through profit or loss	**3,120**	(815)
Investment properties	**1,256**	1,827
Gain on disposal of items of property, plant and equipment	**–**	74
Foreign exchange differences, net	**406**	7,315
	2,569	8,883
Other income and gains attributable to continuing operations reported in the consolidated income statement	**5,305**	11,514
Other income and gains attributable to a discontinued operation *(note 8)*	**–**	813
	5,305	12,327

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**1,173**	1,900
Impairment of amount due from contract customers*	**–**	1,036
Impairment of trade receivables*	**4,662**	–
Reversal of impairment of trade receivables*	**(5,885)**	(586)
Interest income	**(1,109)**	(2,123)

* *This is included in "Other expenses/(reversal of expenses), net" on the face of the condensed consolidated income statement.*

7. TAX

Hong Kong profits tax has been provided at the applicable rate of 16.5% (six months ended 30 June 2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the period	**1,576**	307
Current – Elsewhere		
Charge for the period	**835**	1,543
Deferred	**1,016**	969
Total tax charge for the period	**3,427**	2,819

8. DISCONTINUED OPERATIONS

In November 2008, the Company announced the decision of its board of directors to dispose of its entire 75% equity interest in Maxfair Technology Holdings Limited ("Maxfair") to a director of a 70% owned subsidiary of Maxfair, further details of which are set out in a circular of the Company dated 1 December 2008 and Annual Report. Maxfair, together with its subsidiary (collectively the "Maxfair Group"), mainly engages in the distribution and retail of digital media products and other computer accessories (the "Distribution and Retail Business"), which belong to the Group's "Distribution" business segment. The Group has decided to cease its Distribution and Retail Business because it plans to focus its resources on its core businesses and focused geographical segments. Accordingly, the Group also ceased its Distribution and Retail Business in Hong Kong. The disposal of the Maxfair Group was completed in November 2008 and the Group has discontinued its Distribution and Retail Business since then.

The results of the discontinued operation for the period are presented below:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue	**–**	14,018
Cost of sales	**–**	(9,879)
Other income and gains	**–**	813
Expenses	**–**	(5,209)
Loss for the period from the discontinued operation	**–**	(257)

The net cash flows incurred by the discontinued operation are as follows:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Operating activities	**–**	(1,152)
Investing activities	**–**	(288)
Net cash flow	**–**	(1,440)
Profit/(loss) per share *(note 10)*:	***HK cents***	*HK cents*
Basic, from the discontinued operation	**–**	(0.07)
Diluted, from the discontinued operation	**–**	N/A

9. DIVIDEND

a. The Board has determined that an interim dividend of HK4 cents (2008: Nil) in cash per share should be paid to the shareholders of the Company whose names appear in the register of members on 18 September 2009.

b. Dividends attributable to the previous financial year, approved and paid during the interim period.

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Final dividends in respect of the previous financial year, approved and paid during the interim period of HK6 cents (2008: 6 cents) per share	**14,803**	15,661
Special dividends in respect of the previous financial year, approved and paid during the interim period of HK2 cents (2008: Nil) per share	**4,934**	–
	19,737	15,661

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings per share

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period, as adjusted to exclude the shares held under the restricted share award scheme of the Company.

(b) Diluted earnings per share

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion or vesting of all dilutive potential ordinary shares relating to the Company's share option schemes and restricted share award scheme into ordinary shares.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

(b) Diluted earnings per share *(continued)*

Since the exercise price of the Company's outstanding share options is higher than the average market prices of the Company's ordinary shares during the period ended 30 June 2009 and 2008, the Company's outstanding share options have no dilutive effect on the basic earnings per share for these periods. Accordingly, diluted earnings per share amounts for the period ended 30 June 2008 have not been disclosed.

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation		
From continuing operations	**21,154**	18,829
From a discontinued operations	**–**	(184)
	21,154	18,645
Shares		
Weighted average number of ordinary shares in issue during the period less shares held under the Company's restricted share award scheme used in the basic earnings per share calculation	**247,144**	261,178
Effect of dilution – awarded restricted shares under the Company's restricted share award scheme	**769**	–
	247,913	261,178

11. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the balance sheet date, based on the payment due date and net of provisions, is as follows:

	30 June 2009 (Unaudited) *HK$'000*	31 December 2008 (Audited) *HK$'000*
Current	**83,242**	50,976
1 to 3 months	**76,650**	16,959
4 to 6 months	**1,215**	3,112
More than 6 months	**5,657**	3,723
	166,764	74,770

Credit terms

For system integration projects and the provision of maintenance services and software development services, the Group's trading terms with its customers vary from contract to contract or depending on the specific arrangements with individual customers, and may include cash on delivery, advance payment and on credit. For those customers who trade on credit, the overall credit period is generally within 120 days, except for certain projects with longer implementation schedules where the period may extend beyond 120 days, or may be extended for major or specific customers. The Group seeks to maintain strict control over its outstanding trade receivables and overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in the balance is an amount of HK$6,418,000 (31 December 2008: HK$42,227,000) representing the Group's trade payables. An aged analysis of trade payables as at the balance sheet date, based on the payment due date, is as follows:

	30 June 2009 (Unaudited) *HK$'000*	31 December 2008 (Audited) *HK$'000*
Current	**4,116**	36,922
1 to 3 months	**1,927**	4,870
4 to 6 months	**362**	419
Over 6 months	**13**	16
	6,418	42,227

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

13. COMMITMENTS AND CONTINGENT LIABILITIES

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At 30 June 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Unaudited 30 June 2009 *HK$'000*	Audited 31 December 2008 *HK$'000*
Within one year	**1,868**	2,652
In the second to fifth years, inclusive	**1,458**	23
	3,326	2,675

Other than the normal course of business, the Group has no significant contingent liability as at 30 June 2009.

14. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 28 August 2009.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am glad to present the unaudited interim results of Computer And Technologies Holdings Limited and its subsidiaries (collectively the "Group") for the six-month period ended 30 June 2009.

Despite the weakened economic situations caused by the financial tsunami, the Group's service-oriented business with strong recurring income performed consistently in the first half of 2009. The Group's consolidated revenue from continuing business increased by 22.1% to HK$196.7 million (2008: HK$161.1 million) when compared with the same period of the previous year. The net profit attributable to shareholders also increased 13.5% to HK$21.1 million (2008: HK$18.6 million).

The improved results were attributed mainly to the enlarged business scale of the e-Services business and the Solutions services business as well as the continuous growth in the integration services business in China.

The Group repurchased approximately two million shares at an averaged price of HK$0.80 per share during the reporting period. The earnings per share, after taking the effects of the share repurchase, was 8.56 Hong Kong cents (2008: 7.14 Hong Kong cents) or an increase of 19.9% compared with the same period last year. The Board declared an interim dividend of 4 Hong Kong cents per share (2008: Nil).

The Group's financial position had been maintaining healthily during the report period with a net cash balance of approximately HK$166.7 million as of 30 June 2009 (31 December 2008: HK$228.7 million) after taking the effects of the cash outflows of HK$1.7 million for the share repurchase and HK$19.7 million for the payment of 2008 final and special dividends. The increase in trade receivables balance had also driven down the cash balance. However, as of the date of this report, majority of the reported outstanding amounts had been collected and the cash balance has been re-bounced and exceeded the level as at end of 2008 by more than 10%. The financial strengths had provided the Group with good foundations to sustain the continuous growth.

Prospect

Looking forward to the second half of the year, we anticipated that the business environment will remain difficult and the competitions will be continuously keen.

Leveraging on the new contracts signed with a major trade promotion organization in Hong Kong for provision of large-scale business process outsourcing (BPO) service during the reporting period as well as the business collaboration with the five Government Approved Certification Organizations (GACOs) to jointly promote the Group's GETS related businesses, the Group is on track growing its recurring income streams generating from the BPO service and e-Services business.

Given the recent success in winning new bulk service contracts from the HKSAR Government, in providing various software development and consulting services for the coming four years, the outlook of the Group's solution services business is expected to grow steadily in the medium run.

For many years, the Group has established solid footprints and strong track records in providing leading IT solutions to the financial services sector in eastern China. With the recent announcement from the Chinese Government in positioning Shanghai to become a major international financial centre has definitely supplies sparks for the Group's long-term prospects in such region. The Group is optimistic in capturing more businesses and expanding its scales along with the future development in Shanghai.

Appreciation

On behalf of the Group and the Board, I would like to extend my sincere thanks and appreciation to our shareholders, customers, suppliers, business partners and all the employees for their continuous support and trust to the Group during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The Group's overall revenue from continuing operations in the first six months of 2009 was HK$196.7 million (2008: HK$161.1 million) representing an increase of 22.1% compared with the same period last year. The revenue from Integration and Solutions Services as well as Application Services divisions increased by 21.8% and 24.5% respectively. The overall gross profit increased by 19.4% to HK$57.8 million (2008: HK$48.4 million) while the overall gross profit margin was slightly reduced and maintained at a healthy level of 29.4% (2008: 30.0%). The net profit attributable to shareholders was HK$21.1 million (2008: HK$18.6 million) or a growth of 13.5% compared with the same period last year.

During the report period, the momentum of the integration services business of the Group in China remained robust. Benefited from the strong install base, the Group had materialized business opportunities arose from the insurance sector in China. In particular, several contracts with substantial amount were secured from a market leader of the insurance industry in China which had not only boosted the business results but also further solidified the market position of the Group. However, the deliveries of these contracts during the reporting period had caused a short-term increase in trade receivables and such situation was quickly rectified as majority of the outstanding amounts were collected as of the date of this announcement.

The solutions services business in Hong Kong had also achieved solid results despite very keen competitive operating environment and weakened economy. The Group's strong presence in the government and public sector insulated the Group from more severe impact caused by the financial tsunami. On the other hand, it is encouraging that the Group managed to renew several long-term services contracts with large organizations both in the public and commercial sectors. The Group is also pleased to have the SOA-QPS contract renewed with the HKSAR Government for another four years to provide professional services to all the government departments. The scope of offerings of the renewed SOA-QPS contracts had increased from three to all the four service categories implying that the Group will have more opportunities to serve the Government and in turn have better prospect to further expanding the solutions services business in the future.

At the same time, the Group continued to generate steady revenue stream from existing and new outsourcing service contracts. On top of organic growth of revenue from established IT outsourcing customers, the Group also achieved a major breakthrough in entering into a multi-year BPO contract with a reputable trade promotion organization in Hong Kong to provide outsourcing services for their various critical business functions in the coming years. This contract had strong leverage with the Group's established BPO services for GETS and together formed a much stronger platform for the Group to capture the growing BPO opportunities and thus further expand its market presence in providing BPO services.

The Group's e-Services business also achieved substantial growth in both revenue and profit contribution. The improvements were attributed to the enlarged business scale and the results from the collaboration with the GACOs in promoting the Group's GETS services. The Group is pleased to see such encouraging achievement given that the overall trade activities of Hong Kong had sharply declined and the global economy was weakened during the reporting period.

Conversely, the performance of the Group's human resource management (HRM) solutions business was affected by the economic downturn and had experienced some customers holding up business decisions in investing in HRM systems. Nevertheless, the related business continued to generate healthy recurrent maintenance service income.

The previously reported litigation (HCA2481/07), against a former senior employee (the "Defendant") for breaching his contractual commitments and fiduciary duties, had been finally concluded. Prior to the trail, the Group received a Sanctioned Offer including a sanction payment offer from the Defendant for settlement. Considered the counsel opinion and in order to save tremendous efforts and resources, the Board decided to accept the offers so to accelerate the conclusion of the case. As a result, the High Court of the HKSAR had granted a final injunction order to restraint the Defendant from certain activities in order to protect the Group's interests in the related business. In addition, the Court had also ordered the Defendant to pay the costs incurred by the Group in relation to such legal proceeding.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2009, the Group's cash and bank balances (excluded pledged bank deposit of HK$10.9 million) was HK$166.7 million compared with HK$228.7 million as at 31 December 2008. The Group made no bank borrowings during the current period. As a result, gearing ratio comparing net debt (borrowing net of cash and bank balances available) to equity was zero as of 30 June 2009 and 31 December 2008.

CURRENCY AND FINANCIAL RISK MANAGEMENT

All of the Group's on hand funding is in Hong Kong, Renminbi, and US currencies. The Group has not adopted any hedging policies, as these currencies carry low exchange fluctuation risks.

REMUNERATION POLICY AND NUMBER OF EMPLOYEES

The remuneration policies adopted for the six months ended 30 June 2009 were consistent with those disclosed in the Annual Report. As at 30 June 2009, the Group employed approximately 359 full time employees and 33 contract-based employees (31 December 2008: 358 full time employees and 4 contract-based employees).

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period, the Company repurchased 2,146,000 shares on the Stock Exchange and these shares were subsequently cancelled by the Company. The share repurchase has enhanced the net asset value per share and the earnings per share, which the directors believe is in the best interests of the Company and the shareholders. Further details of these transactions are set out as below:

Month/year	**Number of shares repurchased**	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate price paid** *HK$'000*
January 2009	744,000	0.65	0.72	509
February 2009	1,402,000	0.72	0.92	1,210

Except as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Board opined that the Company has complied with the code provision set out in the Code of Corporate Governance Practice (the "CG Code") as stipulated in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the reporting period except on the deviations noted below.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive and Mr. Ng Cheung Shing currently holds both positions. The Board believes that vesting the roles of both chairman and chief executive in the same individual provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election. Independent non-executive directors of the Company do not have a specific term of appointment but are subject to retirement by rotation in accordance with the provisions of the bye-laws of the Company. The Company therefore considers that sufficient measures have been taken to ensure that its corporate governance practices are similar to those provided in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

To comply with CG Code A.5.4, the Company has also adopted the Model Code as its code of conduct for dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

DIVIDEND AND BOOK CLOSE

The Board has recommended an interim dividend of HK4 cents (2008: Nil) per ordinary share ("Interim Dividend") payable to shareholders whose names appear on the register of members of the Company on 18 September 2009. The register of members of the Company will be closed from 16 to 18 September 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Interim Dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 15 September 2009. The Interim Dividend will be dispatched on or around 30 September 2009.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company. The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited interim financial information for the six months ended 30 June 2009.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company website (www.ctil.com). The 2009 interim report will be published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.ctil.com) and also to be despatched to the shareholders of the Company in due course.

By Order of the Board
Computer And Technologies Holdings Limited
Ng Cheung Shing
Chairman

Hong Kong, 28 August 2009

As at the date of this announcement, the Board comprises Mr. Ng Cheung Shing, Mr. Leung King San, Sunny and Mr. Yan King Shun as executive directors, and Mr. Ha Shu Tong, Dr. Lee Kwok On, Matthew, and Mr. Ting Leung Huel, Stephen as independent non-executive directors.