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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00046)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

GROUP RESULTS

The Board of Directors (the "Board") of Computer And Technologies Holdings Limited (the "Company") herein presents the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 together with comparative figures for the corresponding period in 2008 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
CONTINUING OPERATIONS			
REVENUE	3	**400,012**	376,386
Cost of sales		**(280,372)**	(261,894)
Gross profit		**119,640**	114,492
Other income and gains, net	3	**2,823**	14,689
Fair value gains/(losses), net:			
Financial assets at fair value through profit or loss		**4,272**	(5,406)
Investment properties		**2,836**	(1,146)
Selling and distribution costs		**(33,069)**	(34,069)
General and administrative expenses		**(45,269)**	(45,382)
Other expenses, net		**(442)**	(3,349)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	4	**50,791**	39,829
Income tax expense	5	**(6,908)**	(5,172)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**43,883**	34,657
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	6	**–**	(2,118)
PROFIT FOR THE YEAR		**43,883**	32,539
Attributable to:			
Owners of the parent	8	**43,880**	33,067
Minority interests		**3**	(528)
		43,883	32,539
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8	**HK cents**	HK cents
Basic			
– For profit for the year		**17.73**	12.91
– For profit from continuing operations		**17.73**	13.53
Diluted			
– For profit for the year		**17.50**	12.87
– For profit from continuing operations		**17.50**	13.49

Details of the dividends payable and proposed for the year are disclosed in note 7 to the announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Notes	**2009**	2008
		HK$'000	HK$'000
PROFIT FOR THE YEAR		**43,883**	32,539
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets:			
Change in fair value		**178**	(727)
Reclassification adjustments for gains included in the consolidated income statement			
– gain on disposal	3	**(28)**	–
		150	(727)
Deferred tax arising from a change in statutory tax rate		**–**	25
Exchange differences on translation of foreign operations		**–**	2,247
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**150**	1,545
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**44,033**	34,084
Attributable to:			
Owners of the parent	8	**44,030**	34,632
Minority interests		**3**	(548)
		44,033	34,084

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2009

	Notes	2009	2008
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**11,267**	11,723
Investment properties		**27,737**	24,901
Goodwill		**25,813**	25,813
Other intangible assets		**–**	–
Held-to-maturity securities		**–**	498
Available-for-sale investments		**1,650**	1,911
Financial assets at fair value through profit or loss		**861**	–
Deferred tax assets		**591**	2,851
Total non-current assets		**67,919**	67,697
CURRENT ASSETS			
Held-to-maturity securities		**498**	–
Inventories		**5,289**	11,326
Trade and bills receivables	9	**61,764**	78,190
Prepayments, deposits and other receivables		**5,363**	3,796
Due from contract customers		**6,221**	13,437
Financial assets at fair value through profit or loss		**12,925**	9,947
Tax recoverable		**39**	94
Pledged bank deposits		**11,829**	14,328
Cash and cash equivalents		**288,053**	228,690
Total current assets		**391,981**	359,808
CURRENT LIABILITIES			
Trade payables, other payables and accruals	10	**85,475**	70,952
Due to contract customers		**1,583**	1,640
Deferred income		**9,699**	10,070
Due to a minority shareholder of a subsidiary		**–**	1,355
Tax payable		**9,822**	6,887
Total current liabilities		**106,579**	90,904
NET CURRENT ASSETS		**285,402**	268,904
TOTAL ASSETS LESS CURRENT LIABILITIES		**353,321**	336,601
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,309**	875
Net assets		**351,012**	335,726
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**25,273**	25,386
Reserves		**310,853**	291,184
Proposed final and special dividends		**14,886**	19,909
		351,012	336,479
Minority interests		**–**	(753)
Total equity		**351,012**	335,726

NOTES:

1. CORPORATE INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

Computer And Technologies Holdings Limited is a limited liability company incorporated in Bermuda.

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

- provision of system and network integration services, application development services, 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.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, available-for-sale investments and financial assets at fair value through profit or loss, which have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK$"). The basis of preparation and accounting policies adopted in the financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2008, except for the new adoption of the new and revised HKFRSs as disclosed in note 2 below.

2. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS, CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an Entity is Acting as a Principal or as an Agent*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – 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*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers (adopted from 1 July 2009)*
Improvements to HKFRSs (October 2008) **	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*, which is effective for annual periods beginning on or after 1 July 2009.

2 NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS, CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Other than as further explained below regarding the impact of HKFRS 7 Amendments, HKFRS 8 and HKAS 1 (Revised), the adoption of these new and revised HKFRSs has had no significant financial effect on the financial statements and there have been no significant changes to the accounting policies applied in the financial statements.

The principal effects of adopting HKFRS 7 Amendments, HKFRS 8 and HKAS 1 (Revised) are as follows:

(a) Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

(b) HKFRS 8 *Operating Segments*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures are shown in note 3.

(c) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present one single statement.

2 NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS, CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards* [1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters* [2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adoption* [4]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* [2]
HKFRS 3 (Revised)	*Business Combinations* [1]
HKFRS 9	*Financial Instruments* [6]
HKAS 24 (Revised)	*Related Party Disclosures* [5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [1]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [3]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [5]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners* [1]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [4]
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary* [1]
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* [2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

[1] *Effective for annual periods beginning on or after 1 July 2009*
[2] *Effective for annual periods beginning on or after 1 January 2010*
[3] *Effective for annual periods beginning on or after 1 February 2010*
[4] *Effective for annual periods beginning on or after 1 July 2010*
[5] *Effective for annual periods beginning on or after 1 January 2011*
[6] *Effective for annual periods beginning on or after 1 January 2013*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

3. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the aggregate of the invoiced value of goods sold, net of trade discounts, returns and business tax, where applicable; fees earned from the provision of IT solutions, e-business and related services; fees earned from the provision of maintenance services; gross rental income earned from investment properties; and interest income earned from treasury investments during the year.

An analysis of revenue, other income and gains, net from continuing operations is as follows:

	2009	2008
	HK$'000	HK$'000
Revenue		
Sale of computer networks and system platforms	**246,239**	250,600
Provision of IT solutions, e-business and related services	**76,082**	53,578
Provision of maintenance services	**76,068**	70,680
Gross rental income from investment properties	**1,435**	1,501
Interest income from treasury investments	**188**	27
	400,012	376,386
Other income and gains, net		
Bank interest income	**2,036**	4,611
Other interest income	**30**	45
Dividend income from listed and unlisted investments	**327**	533
Gain/(loss) on disposal of financial assets at fair value through profit or loss	**(1,906)**	304
Gain on disposal of items of property, plant and equipment	**–**	156
Gain on disposal of available-for-sale investments (transfer from equity on disposal)	**28**	–
Foreign exchange differences, net	**124**	7,521
Others	**2,184**	1,519
	2,823	14,689

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the integration and solutions 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 investment for rental income and treasury investments in listed and unlisted 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 operation in the prior year as further detailed in note 6.

3. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (CONTINUED)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the reportable segment profit/(loss), which is a measure of adjusted profit before tax from continuing operations. The adjusted profit before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that unallocatd interest income, unallocated other income and gains, corporate and other unallocated depreciation, and corporated and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There were no material intersegment sales and transfers during the current and prior years.

(a) Operating segments

	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
Segment revenue:												
Sales to external customers	**335,901**	321,009	**62,488**	53,849	**1,623**	1,528	**400,012**	376,386	**–**	23,624	**400,012**	400,010
Other income and gains, net	**220**	6,690	**1,166**	186	**(599)**	1,518	**787**	8,394	**–**	1,479	**787**	9,873
Total	**336,121**	327,699	**63,654**	54,035	**1,024**	3,046	**400,799**	384,780	**–**	25,103	**400,799**	409,883
Segment results	**38,056**	41,787	**21,084**	11,625	**7,647**	(3,464)	**66,787**	49,948	**–**	(2,104)	**66,787**	47,844
Reconciliation:												
Unallocated interest income							**2,036**	4,611	**–**	–	**2,036**	4,611
Unallocated other income and gains, net							**–**	1,684	**–**	–	**–**	1,684
Corporate and other unallocated depreciation							**(288)**	(184)	**–**	–	**(288)**	(184)
Corporate and other unallocated expenses							**(17,744)**	(16,230)	**–**	–	**(17,744)**	(16,230)
Profit/(loss) before tax							**50,791**	39,829	**–**	(2,104)	**50,791**	37,725

3. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (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
Segment assets	**77,852**	104,505	**30,796**	33,139	**50,598**	44,097	**159,246**	181,741	**–**	–	**159,246**	181,741
Reconciliation:												
Corporate and other unallocated assets							**300,654**	245,764	**–**	–	**300,654**	245,764
Total assets							**459,900**	427,505	**–**	–	**459,900**	427,505
Segment liabilities	**70,015**	61,043	**23,610**	18,406	**467**	666	**94,092**	80,115	**–**	–	**94,092**	80,115
Reconciliation:												
Corporate and other unallocated liabilities							**14,796**	11,664	**–**	–	**14,796**	11,664
Total liabilities							**108,888**	91,779	**–**	–	**108,888**	91,779
Other segment information:												
Net fair value gains/(losses) on investment properties	**–**	–	**–**	–	**2,836**	(1,146)	**2,836**	(1,146)	**–**	–	**2,836**	(1,146)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	**–**	–	**–**	–	**4,272**	(5,406)	**4,272**	(5,406)	**–**	–	**4,272**	(5,406)
Depreciation	**1,423**	1,612	**511**	922	**239**	229	**2,173**	2,763	**–**	248	**2,173**	3,011
Corporate and other unallocated depreciation							**288**	184	**–**	–	**288**	184
							2,461	2,947	**–**	248	**2,461**	3,195
Other material non-cash items, net*	**(1,277)**	(1,812)	**793**	(965)	**–**	–	**(484)**	(2,777)	**–**	–	(484)	(2,777)
Capital expenditure**	**1,372**	1,281	**496**	356	**54**	–	**1,922**	1,637	**–**	373	**1,922**	2,010
Corporate and other unallocated capital expenditure							**188**	433	**–**	–	**188**	433
							2,110	2,070	**–**	373	**2,110**	2,443

* Including impairment losses recognised in the income statement attributable to the integration and solutions services segment and the application service segment of HK$6,507,000 (2008: HK$1,812,000) and HK$420,000 (2008: HK$1,506,000), respectively, and impairment losses reversed in the Income Statement attributable to the integration and solutions services segment and the application services segment of HK$5,230,000 (2008: Nil) and HK$1,213,000 (2008: HK$541,000) respectively.

** Capital expenditure consists of additions to property, plant and equipment.

3. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

Group

(i) Revenue from external customers

	Hong Kong		Mainland China		Others		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:								
Sales to external customers	**136,166**	131,003	**263,846**	256,357	**–**	12,650	**400,012**	400,010
Attributable to a discontinued operation	**–**	(10,974)	**–**	–	**–**	(12,650)	**–**	(23,624)
Revenue from continuing operations	**136,166**	120,029	**263,846**	256,357	**–**	–	**400,012**	376,386

The revenue information from continuing operations above is based on the location of the customers.

(ii) Non-current assets

	2009	2008
	HK$'000	HK$'000
Hong Kong	**48,440**	48,029
Mainland China	**16,377**	14,408
	64,817	62,437

The non-current asset information from continuing operations above is based on the location of assets and excludes financial instruments and deferred tax assets.

(iii) Information about major customers

Revenue from two major customers, each of them amounted to 10% or more of the Group's revenue, from continuing operation is set out below:

	Operating segment	**2009**	2008
		HK$'000	HK$'000
Customer A	Integrations and solutions	**162,490**	78,176
Customer B	Integrations and solutions	**43,778**	42,794

4. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	2009	2008
	HK$'000	HK$'000
Cost of inventories sold	**242,348**	228,908
Cost of services provided	**37,426**	31,965
Depreciation*	**2,461**	2,947
Loss/(gain) on disposal of items of property, plant and equipment	**11**	(156)
Loss on disposal of subsidiaries**	**–**	572
Impairment of trade receivables**	**3,492**	1,812
Impairment of amounts due from contract customers**	**3,435**	1,506
Reversal of impairment of trade receivables**	**(3)**	(541)
Reversal of trade receivables written off**	**(42)**	–
Reversal of impairment of amounts due from contract customers**	**(6,440)**	–
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**260**	126
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss	**(4,272)**	5,406
Investment properties	**(2,836)**	1,146
Rental income on investment properties less direct operating expenses of HK$260,000 (2008: HK$126,000)	**(1,175)**	(1,375)

* Depreciation of HK$598,000 (2008: HK$1,021,000) are included in "Cost of sales" on the face of the consolidation income statement.

** These items are included in "Other expenses, net" on the face of the consolidated income statement.

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2009	2008
	HK$'000	HK$'000
Group:		
Current – Hong Kong		
Charge for the year	**2,157**	560
Overprovision in prior years	**(260)**	–
Current – Elsewhere		
Charge for the year	**1,969**	2,404
Overprovision in prior years	**(652)**	(700)
Deferred	**3,694**	2,908
Total tax charge for the year	**6,908**	5,172

6. DISCONTINUED OPERATION

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. Maxfair, together with its subsidiary (collectively the "Maxfair Group"), mainly engage in the distribution and retail of digital media products and other computer accessories (the "Distribution and Retail Operation"). In the prior year, the Group had decided to cease its Distribution and Retail Operation because it planned to focus its resources on its core businesses and focused geographical areas. Accordingly, the Group also ceased its Distribution and Retail Operation in Hong Kong in the prior year. The disposal of the Maxfair Group was completed in November 2008 and the Group has discontinued its Distribution and Retail Operation since then.

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

	2009	2008
	HK$'000	HK$'000
Revenue	**–**	23,624
Cost of sales	**–**	(17,955)
Other income and gains	**–**	1,479
Expenses	**–**	(9,252)
Loss before tax from the discontinued operation	**–**	(2,104)
Income tax	**–**	(14)
Loss for the year from the discontinued operation	**–**	(2,118)
	HK cents	HK cents
Loss per share: (note 8)		
Basic, from the discontinued operation	**–**	0.62
Diluted, from the discontinued operation	**–**	0.62

7. DIVIDENDS

	2009	2008
	HK$'000	HK$'000
Interim – HK$0.04 (2008: Nil) per ordinary share	**10,101**	–
Less: Dividend for shares held under the Company's restricted share award scheme	**(185)**	–
	9,916	–
Proposed final – HK$0.04 (2008: HK$0.06) per ordinary share	**10,109**	15,232
Less: Dividend for shares held under the Company's restricted share award scheme	**(185)**	(300)
	9,924	14,932
Proposed special – HK$0.02 (2008: HK$0.02) per ordinary share	**5,054**	5,077
Less: Dividend for shares held under the Company's restricted share award scheme	**(92)**	(100)
	4,962	4,977
	24,802	19,909

The proposed dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 247,491,223 (2008: 256,215,788) in issue during the year, as adjusted to exclude the shares held under the restricted share award scheme of the Company.

The calculation of diluted earnings per share amounts is based on the profit for the year 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 year, 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 of all dilutive potential ordinary shares granted under the share option schemes of the Company and the deemed vesting of all dilutive restricted shares of the Company awarded under the restricted share award scheme of the Company into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2009	2008
	HK$'000	HK$'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation:		
From continuing operations	**43,880**	34,657
From a discontinued operation	**–**	(1,590)
	43,880	33,067

	Number of Shares	
	2009	2008
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**247,491,223**	256,215,788
Effect of dilution – weighted average number of ordinary shares:		
– Restricted shares awarded under the Company's restricted share award scheme	**3,296,038**	686,066
	250,787,261	256,901,854

9. TRADE AND BILLS RECEIVABLES

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the payment due date and net of provisions, is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
Current	**43,326**	54,396
1 to 3 months	**16,883**	16,959
4 to 6 months	**1,087**	3,112
More than 6 months	**468**	3,723
	61,764	78,190

Credit terms

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.

10. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

An aged analysis of the trade payables included in trade payables, other payables and accruals as at the end of the reporting period, based on the payment due date, is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
Current	**50,432**	36,922
1 to 3 months	**459**	4,870
4 to 6 months	**1,503**	419
Over 6 months	**1,657**	16
	54,051	42,227

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

11. COMPARATIVE AMOUNTS

As further explained in note 2, the accounting presentation, treatment and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been provided/reclassified to conform with the current year's new requirements.

In addition, certain comparative amounts have been reclassified to conform to the current year's presentation. The directors consider that such reclassifications allow a more appropriate presentation of the Group's state of affairs and/or better reflect the nature of the transaction/balances.

Business Operation and Financial Review

The Group's consolidated revenue from continuing operations for the reporting period, on a year-on-year basis, grew 6.3% to HK$400.0 million. The overall gross profit increased to HK$119.6 million representing a 4.5% improvement. Resulting from the improved overall gross profit and gain in fair value of financial assets and investment properties, the consolidated net profit after tax attributable to the shareholders increased by 32.7% to HK$43.9 million and the basic earnings per share for the year increased by 37.3% to 17.73 Hong Kong cents.

In retrospect of the Group's business development in the past 5 years, the Board of Directors is pleased to report the achievement of vigorous growth of the Group during the period, in particular, a 116% growth in revenue and 507% growth in basic earning per share. The corresponding compound annual growth rate for revenue and earnings per share was 21% and 57% respectively.

During the reporting period, the Group generated HK$87.6 million cash flow from operations and maintained strong financial position with more than HK$288 million net cash on hand. To repatriate enhanced value to our shareholders, the Board recommended to distribute a final dividend of 4 HK cents per share and a special dividend of 2 HK cents per share. Together with the interim dividend of 4 HK cents distributed for the first half of the year, the total dividends for the entire year reach HK 10 cents (2008: 8 HK cents), representing an increase of 25% from last year, which is another dividend increase for the 5th consecutive year.

Our Business Operations and Development

During the report period, the Group's integration services business continued to benefit from its strong customer base in China and successfully completed of a very large-scale project for a leading Chinese insurance company. Riding on the economy growth of the Mainland, the demands for the Group's integration services are continuously strong. On the other hand, the competitions in integration services remains keen and the performance of this sector may fluctuate due to project oriented business nature.

The Group also continues to benefit from the business generated from the several long-term services contracts with the Hong Kong SAR Government ("HKSAR Government") and a number of large corporations in Hong Kong. In 2009, the Group was successfully awarded four contracts by the HKSAR Government on the Standing Offer Agreement for Quality Professional Services to provide professional I.T. services to various government departments in the coming four years. These contracts, under confined competition, provided opportunities for the Group to capture business from the sizable annual I.T. spending of the HKSAR Government and to further expand the scale of the Group's related operation.

In early 2009, the Group signed a multi-year contract with a leading trade promotion organization in Hong Kong for providing business process outsourcing services. Such related business has been operating smoothly with improving efficiency. In order to maintain stable growth from outsourcing service and to minimize impact from any one expiring service contract, the Group will continue to deploy more efforts to capture new business in the related areas.

Despite the decline in volume of overall import/export trading activities and hence the demand for the Group's Government Electronic Trading Services ("GETS"), the Group's e-Services business achieved satisfactory growth in both revenue and profit contribution during the reporting year due to the increase in market share as well as the improvements in the related service efficiency.

Looking forward, the import/export trading volume is anticipated to gradually resume and the Group's GETS business is expected to benefit from such a trend. However, the HKSAR Government appointed an additional GETS provider which commenced operations in January 2010. It led to uncertainty in the competitive landscape of the GETS market. The Group will endeavor in strengthening the promotion of existing services and introducing additional value added services to maintain its momentums.

The Group's human resource management ("HRM") software business continued to generate healthy recurring maintenance services income from its customer base. However, the economic downturn had caused some customers withholding their business decisions in investing in HRM systems that lengthened the selling cycle and thus lessened the new software sales in 2009.

With the dedicated product development effort deployed, the Group is launching its new HRM product line this year. The Management anticipated that the new HRM product line would enhance the Group's competitiveness in the HRM software market in Hong Kong and foster its market position by capturing the accumulated market demands when the economy is rebounded.

To solidity the foundations for future growth, the Group is determined to persistently invest in human resources development and in system for improvement of operation efficiency and to achieve a higher standard of corporate governance.

Pledge of assets and contingent liabilities

At 31 December 2009, the Group had pledged certain of its investment properties with a carrying value of HK$18.5 million (2008: HK$16.3 million) and bank balances of HK$11.8 million (2008: HK$14.3 million) to secure certain general bank facilities, guarantee/performance bonds facilities granted to the Group in aggregate of HK$22.3 million (2008: HK$30.2 million) of which HK$6.1 million (2008: HK$4.1 million) had been utilized as of 31 December 2009.

Financial resources and liquidity

As at 31 December 2009, the Group's bank balances and cash (excluded pledged bank deposit of HK$11.8 million) was HK$288.1 million (2008: HK$228.7 million) with no bank borrowings.

All of the Group's on hand fundings is in Hong Kong dollars, Renminbi and United States dollars. 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 year ended 31 December 2009 are consistent with those disclosed in the Group's 2008 Annual Report. As at 31 December 2009, the Group employed approximately 357 full time employees and 13 contract-based employees (31 December 2008: 358 full time employees and 4 contract-based employees).

CODE ON CORPORATE GOVERNANCE PRACTICES

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 of Hong Kong Limited ("Listing Rules") during the reporting year except on the deviations noted below.

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

The CG 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2009, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") as follows:

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	0.72	0.65	508
February 2009	1,402,000	0.92	0.72	1,210
	2,146,000			1,718

The repurchased shares were cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of HK$1,504,000 was charged to the contributed surplus.

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 year.

DIVIDEND AND BOOK CLOSE

The Board has recommended a final dividend of HK4 cents and a special dividend of HK2 cents (2008: a final dividend of HK6 cents and a special dividend of HK2 cents) per ordinary share payable to shareholders whose names appear on the register of members of the Company on 18 May 2010. The register of members of the Company will be closed from 13 May 2010 to 18 May 2010, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the members' entitlement to the recommended final and special dividends and the attendance of the forthcoming annual general meeting, 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 12 May 2010.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Company the Group's annual results for the year ended 31 December 2009, including the accounting principles and practices adopted by the Group.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website at www.hkex.com.hk and the Company website at www.ctil.com. The 2009 annual report will also be published on the Stock Exchange's website www.hkex.com.hk and the Company's website www.ctil.com and will be despatched to the shareholders of the Company.

APPRECIATION

On behalf of the Board and the Management, I would like to express our deep appreciations to all employees, shareholders, customers and business partners for their supports to the Group during the reporting period.

Ng Cheung Shing
Chairman

Hong Kong, 18 March 2010

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, Professor Lee Kwok On, Matthew and Mr. Ting Leung Huel, Stephen as independent non-executive directors.