COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF 2000 ANNUAL RESULTS

FINAL RESULTS

The Board of Directors (the "Board") of Computer And Technologies Holdings Limited (the "Company") would like to announce the audited final results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2000 together with the comparative figures for 1999 as follows:

	Notes	2000 HK$'000	1999 HK$'000
TURNOVER	1	420,648	353,480
Cost of sales		(330,467)	(283,575)
Gross profit		90,181	69,905
Other revenue	1	15,365	2,013
Selling and distribution expenses		(49,172)	(26,813)
Administrative expenses		(32,182)	(29,331)
PROFIT FROM OPERATING ACTIVITIES	2	24,192	15,774
Finance costs		(1,259)	(823)
Share of losses of:			
Jointly-controlled entity		(441)	–
Associate		(32)	–
PROFIT BEFORE TAX		22,460	14,951
Tax	3	(1,946)	(783)
PROFIT BEFORE MINORITY INTERESTS		20,514	14,168
Minority interests		(747)	(366)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		19,767	13,802
Dividends	4	(7,910)	(3,942)
EARNINGS PER SHARE	5		
– Basic		7.71 cents	6.26 cents
– Diluted		7.44 cents	6.14 cents

Notes:

1. TURNOVER AND CONTRIBUTION TO PROFIT FROM OPERATING ACTIVITIES

An analysis of the Group's turnover and contribution to profit from operating activities by principal activities and geographical area is as follows:

	Turnover		Profit from operating activities	
	2000 HK$'000	1999 HK$'000	2000 HK$'000	1999 HK$'000
By activity:				
Systems Integration (including installation and systems design)	344,562	316,978	18,859	11,793
Distribution of computer hardware, software and related accessories	34,620	33,174	3,694	2,194
Provision of e-business related services	33,908	–	199	–
Provision of technical services	7,558	3,328	1,440	1,787
	420,648	353,480	24,192	15,774
By geographical area:				
Mainland China	335,201	306,906	14,284	14,633
Hong Kong Special Administrative Region	85,447	46,574	9,908	1,141
	420,648	353,480	24,192	15,774

Other revenue is the net earnings generated from investment and bank interests.

2. The Group's profit from operating activities is arrived at after deducting depreciation expense of HK$5,708,000 (1999: HK$3,727,000) and amortization of deferred development costs of HK$5,095,000 (1999: HK$1,314,000).

3. TAX

	Group	
	2000 HK$'000	1999 HK$'000
Provision for tax in respect of profits for the year:		
Hong Kong	504	365
Mainland China	1,487	549
	1,991	914
Overprovisions in prior years – Hong Kong	(45)	(20)
Hong Kong profits tax rebate	–	(111)
Tax charge for the year	1,946	783

Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profits arising in Hong Kong during the year. Provision has been made for tax in Mainland China based on existing legislation, interpretations and practices in respect thereof at the prevailing rates of tax.

4. DIVIDENDS

The Board propose to declare a final dividend of HK 2.0 cents per share for year ended 31 December 2000 (1999: HK 1.5 cents per share) and a special dividend of HK 1.0 cent per share (1999: nil) for the Group entering its 10th anniversary. Both dividends will be payable on 18 June 2001 to the shareholders on the Register of Member on 18 May 2001. The proposed dividends are incorporated in the accounts as follows:

	2000 HK$'000	1999 HK$'000
Proposed final dividend of 2.0 cents (1999: 1.5 cents) per share	5,273	3,942
Special dividend of 1.0 cent (1999: Nil) per share	2,637	–
	7,910	3,942

5 EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the following data:

	2000 HK$'000	1999 HK$'000
Earnings		
Net profit attributable to shareholders, used in the basic and diluted earnings per share calculations	19,767	13,802
	'000	'000
Shares		
Weighted average number of shares in issue during the year used in basic earnings per share calculation	256,455	220,431
Effect of dilutive potential ordinary shares	9,363	4,355
Weighted average number of shares used in diluted earnings per share calculation	265,818	224,786

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review and Opportunities

During the period under review, the Group's core and proven business in network and application solutions continued to grow healthily and to be the major contributor to revenues. In addition to solid growth in revenues, a substantial order backlog has been carried forward to the year 2001, laying a solid foundation on which the Group can build a consistent level of high growth.

While competition remains keen in network and application solutions in China, the Group has managed to achieve stable growth and has consistently generated repeat orders with relatively shorter selling cycles and lower costs of sales. This has been achieved from a strong and ever-increasing customer base cultivated by the Group over the years. With the rapid pace of economic growth in China, there is now a wealth of opportunities which will enable the Group to consolidate its gains and grow even further.

Building on its core systems integration business, the Group has matured into an all-round information technology ("IT") services provider. The Group now manages a synergistic portfolio of subsidiaries offering systems and network integration services, business and operations support applications software packages, e-Business enabling services, and enterprise B2B ASP services. The Group also provides software development outsourcing services through a 50-50 joint venture with Hutchison Whampoa Limited ("Hutchison").

The Group's e-Business enabling service is now generating considerable revenues. In particular, the Group successfully delivered the software for the e-Business service platform for the Hong Kong SAR Government's high-profile Electronic Service Delivery ("ESD") project. In addition, the Group has also secured additional e-Business enabling contracts from other prestigious commercial customers.

The Electronic Tendering System ("ETS"), which the Group was contracted by the Hong Kong SAR Government to build and operate, was also launched in April 2000. This track record helped the Group secure further major corporate procurers and with more than 2,000 suppliers worldwide subscribing to the Group's electronic tendering services. Building on this existing platform, additional applications services and subscriptions will help this ASP business grow into a high margin contributor to the Group.

Located in Shenzhen, the first software development center of the Group's 50-50 joint venture with Hutchison, HutchTech Resources Ltd ("HutchTech") has been commissioned and is now providing cost-competitive software-development services. From the outset, HutchTech will play a major role in supporting the software development and systems implementation of both Hutchison and the Group projects. Leveraging Hutchison's strong international network and branding, HutchTech will gradually scale up to provide a wide range of development and support outsourcing services to customers in overseas markets.

The Group's continuous investment in research and development ("R&D") as well as the development of the Group's branded software packages have successfully created additional high-margin revenue sources from among the Group's existing loyal customer base and also brought in prestigious new customers in both Hong Kong and China.

The Group's multi-media products distribution business has maintained its consistent profitable record. Having established a proven business model in the Hong Kong market, the Group is now initiating the expansion of this business into other countries in the nearby region.

In addition, the Group's achievements have also been recognized by prestigious publications and industry organizations on several occasions:

- Listed in the Forbes Best 300 Small-Listed-Enterprises by Forbes Magazine;
- Named one of the 20 fastest-growing Chinese enterprises by Yazhou Zhoukan;
- Corporate website www.ctil.com named one of the Best Asian Corporate Websites among listed companies in Asia as polled by FIA Magazine;
- ETS awarded the Hong Kong e-Award for Design & Innovation in the category of e-Public Services, and named Best Public Sector Site in the UUNET/HKET Business Web Sites of the Year Awards 2000.

Such recognition helps to enhance the Group's corporate profile and facilitate further business development with major organizations in the region.

Outlook

The Group remains highly optimistic about economic growth in China over the next few years. Internal deregulation, China's entrance to the WTO, rapidly increasing domestic demand and the likely entry of large number of foreign companies into the China market are all factors contributing to an overall increase in business opportunities for IT services providers such as the Group. Moreover, to further improve business effectiveness and reduce time-to-market, government organizations and enterprises are also showing an increasing demand for high quality e-business solutions and services.

Management believes that the Group's proven technical strength and robust customer base, as it grows and prospers, will continue to generate the stable revenue stream the Group requires to sustain vigorous growth. Management is also optimistic that, by leveraging long-term customer relationships, the Group can gradually generate more high-profit software and services business where it has already established strong competence and project references.

At the same time, the global trend towards IT outsourcing by major corporations as well as government organizations is also creating an increasing number of opportunities for the Group. These opportunities include the provision of one-stop, high-quality outsourcing services including enterprise e-Business applications and related business-operations support, as well as remote applications development services. In capitalizing on current opportunities, the combined strengths of the Group and its world-class business units, including Ge-BE, GO-Business and HutchTech, make the Group unique in the region, and the collective expertise and business structures radically differentiate the Group from competitors.

In addition, the continuous commitment to R&D on the Group's branded software packages will position the Group well for generating high profit and repeatable income in long-term. The Group will also sustain and even accelerate its aggressive expansion plan by acquisitions as well as establishing additional application development centres in China.

To maximize synergies between Group business units, the Group has recently formed an Executive Committee to look at the Group's overall development and to strengthen intra-company communications.

In view of the strategic value of talented employees to the Group's long-term growth, Management has also assigned dedicated resources to the development and retention of valued members of staff through stock option plans, technology and management development programs, and through internal communications programs.

THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the annual report, except that the non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation in accordance with the Company's bye-laws.

The Company established an audit committee since 24 April, 1999 in accordance with paragraph 14 of the Code of Best Practice. The audit committee meets twice in the past twelve months to consider the nature and scope of audit reviews, the effectiveness of the internal control systems and compliance with the latest rules and regulations.

PURCHASE, SALES OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiary companies purchased or sold any of the Company's issued shares during the year.

CLOSURE OF REGISTER OF MEMBERS

The Registered of Members of the Company will be closed from Tuesday, 15 May 2001 to Friday 18 May 2001 (both days inclusive) during which period no transfer of shares will be registered.

In order to qualify for the proposed final and special dividends and attending the Annual General Meeting that resolved to be held on 18 May, 2001, all transfers of share accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, 4/F Hutchison House, 10 Harcourt Road, Central, Hong Kong , for registration not later than 4:00 p.m. Monday, 14 May 2001.

FULL DETAILS OF FINANCIAL INFORMATION

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the web-site of the Stock Exchange of Hong Kong Limited in due course.

APPRECIATION

Ten years is a brief history for any enterprise. But for the Group, this decade has been an exciting journey that continues to offer great opportunities, challenges and rewards. Without the wholehearted dedication and support of the Group's shareholders, business partners and employees, the Group would not have achieved the many significant milestones in this last decade.

On behalf of the Board and Management, I would like to express the sincere thanks and to reassure them of our deep commitment to delivering our vision of becoming a major to all of their contribution IT service provider in the region.

Ng Cheung Shing
Chairman and Chief Executive Officer

Hong Kong, 3 April 2001

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2000 Annual General Meeting of the Company will be held at 30th Floor, CEF Lend Lease Plaza, 663 King's Road, North Point, Hong Kong on Friday, 18 May 2001 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2000;

2. To declare a final dividend and special dividend;

3. To elect Directors, to authorise the Board to fix the Directors' remuneration and to set a maximum number of Directors;

4. To appoint Messrs Ernst & Young as Auditors and to authorise the Board to fix their remuneration;

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

   "THAT

   (a) the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

   (b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and

   (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

      (i) the conclusion of the next Annual General Meeting of the Company;

      (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

      (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or the laws of Bermuda to be held.";

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

   "THAT

   (a) the exercise by the Directors during the Relevant Period of all the powers of the Company to issue, allot and dispose of additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or disposed of during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) or any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, the total nominal amount of additional shares issued, allotted, disposed of or agreed conditionally or unconditionally to be issued, allotted or disposed of (whether pursuant to an option or otherwise) shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and

   (b) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

      (i) the conclusion of the next Annual General Meeting of the Company;

      (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

      (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or the laws of Bermuda to be held.";

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

   "THAT the general mandate granted to the Directors of the Company pursuant to Resolution 6 above and for the time being in force to exercise the powers of the Company to issue, allot or dispose of additional shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of such general mandate referred to in the above Resolution 5 pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.

On Behalf of the Board
Ng Cheung Shing
Chairman

Hong Kong, 3 April 2001

Notes:

1. The Register of Members of the Company will be closed from Tuesday, 15 May 2001 to Friday, 18 May 2001 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and attending the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, 4/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong for registration not later than 4:00 p.m. on Monday, 14 May 2001.

2. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy so appointed.

3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, 4/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong not less than 48 hours before the time appointed for holding the Meeting.

4. An explanatory statement containing further details regarding Resolutions Nos. 5 to 7 above will be despatched to shareholders together with the 2000 Annual Report.