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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 2011

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 (collectively, the "Group") for the year ended 31 December 2011 together with comparative figures for the corresponding period in 2010 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2011

	Notes	**2011** **HK$'000**	2010 HK$'000
REVENUE	5	**391,209**	338,851
Cost of sales and services		**(284,194)**	(225,741)
Gross profit		**107,015**	113,110
Other income and gains, net	5	**24,262**	8,152
Fair value gains/(losses), net:			
Financial assets at fair value through profit or loss		**(5,858)**	615
Derivative financial instruments - transactions not qualifying as hedges		**72**	(202)
Investment properties		**9,068**	7,440
Selling and distribution costs		**(33,097)**	(31,797)
General and administrative expenses		**(44,424)**	(41,572)
Finance costs	7	**(545)**	(39)
PROFIT BEFORE TAX	6	**56,493**	55,707
Income tax expense	8	**(4,949)**	(6,650)
PROFIT FOR THE YEAR		**51,544**	49,057

continued/⋯

CONSOLIDATED INCOME STATEMENT (continued)
Year ended 31 December 2011

	Notes	**2011**	2010
		HK$'000	HK$'000
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**51,544**	49,057
		2011	2010
		HK cents	HK cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		**21.11**	19.89
Diluted		**20.90**	19.58

Details of the dividends payable and proposed for the year are disclosed in note 9 to the announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2011

	2011	2010
	HK$'000	HK$'000
PROFIT FOR THE YEAR	**51,544**	49,057
OTHER COMPREHENSIVE INCOME		
Available-for-sale investment:		
Changes in fair value	**150**	200
Exchange differences on translation of foreign operations	**2,439**	752
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**2,589**	952
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT	**54,133**	50,009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2011

	Notes	**2011**	2010
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,660**	7,649
Investment properties		**30,972**	32,278
Goodwill		**25,813**	25,813
Other intangible assets		**-**	-
Available-for-sale investment		**2,000**	1,850
Financial assets at fair value through profit or loss		**3,187**	847
Total non-current assets		**67,632**	68,437
CURRENT ASSETS			
Inventories		**12,431**	18,482
Trade and bills receivables	11	**67,615**	74,441
Prepayments, deposits and other receivables		**6,313**	9,076
Due from contract customers		**3,999**	7,530
Financial assets at fair value through profit or loss		**20,100**	10,648
Tax recoverable		**2,226**	1,907
Derivative financial assets	13	**91**	-
Pledged bank deposits		**31,774**	37,560
Cash and cash equivalents		**311,837**	287,501
Total current assets		**456,386**	447,145
CURRENT LIABILITIES			
Trade payables, other payables and accruals	12	**90,017**	95,140
Derivative financial liabilities	13	**221**	202
Interest-bearing bank borrowings	14	**22,526**	26,520
Due to contract customers		**3,019**	2,658
Deferred revenue		**5,937**	6,186
Tax payable		**15,223**	11,739
Total current liabilities		**136,943**	142,445
NET CURRENT ASSETS		**319,443**	304,700
TOTAL ASSETS LESS CURRENT LIABILITIES		**387,075**	373,137

continued/⋯

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2011

	Notes	**2011**	2010
		HK$'000	HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**387,075**	373,137
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,975**	3,429
Net assets		**384,100**	369,708
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**24,604**	25,273
Reserves		**342,601**	329,627
Proposed final dividend	9	**16,895**	14,808
Total equity		**384,100**	369,708

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2011

	Attributable to owners of the parent												
	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Shares held under the restricted share award scheme HK$'000	Share-based payment reserve HK$'000	Goodwill reserve HK$'000	Asset revaluation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Reserve funds HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Proposed final dividend HK$'000	Total equity HK$'000
At 1 January 2010	25,273	38,493	176,488	(3,946)	2,228	(7,227)	233	490	733	1,114	102,247	14,886	351,012
Profit for the year	-	-	-	-	-	-	-	-	-	-	49,057	-	49,057
Other comprehensive income for the year:													
Changes in fair value of an available-for-sale investment, net of tax	-	-	-	-	-	-	-	200	-	-	-	-	200
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	752	-	-	752
Total comprehensive income for the year	-	-	-	-	-	-	-	200	-	752	49,057	-	50,009
Purchase of shares held under the restricted share award scheme	-	-	-	(3,048)	-	-	-	-	-	-	-	-	(3,048)
Vesting of shares held under the restricted share award scheme	-	-	-	589	(589)	-	-	-	-	-	-	-	-
Share award arrangements	-	-	-	-	1,237	-	-	-	-	-	-	-	1,237
Disposal of an investment property	-	-	-	-	-	-	(233)	-	-	-	311	-	78
Final and special 2009 dividends declared	-	-	114	-	-	-	-	-	-	-	-	(14,886)	(14,772)
Interim 2010 dividend	-	-	(14,808)	-	-	-	-	-	-	-	-	-	(14,808)
Proposed final 2010 dividend	-	-	(14,808)	-	-	-	-	-	-	-	-	14,808	-
At 31 December 2010	25,273	38,493*	146,986*	(6,405)*	2,876*	(7,227)*	-*	690*	733*	1,866*	151,615*	14,808	369,708

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2011

	Attributable to owners of the parent												
	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Shares held under the restricted share award scheme HK$'000	Share-based payment reserve HK$'000	Goodwill reserve HK$'000	Asset revaluation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Reserve funds HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Proposed final dividend HK$'000	Total equity HK$'000
At 1 January 2011	25,273	38,493	146,986	(6,405)	2,876	(7,227)	-	690	733	1,866	151,615	14,808	369,708
Profit for the year	-	-	-	-	-	-	-	-	-	-	51,544	-	51,544
Other comprehensive income for the year:													
Changes in fair value of an available-for-sale investment, net of tax	-	-	-	-	-	-	-	150	-	-	-	-	150
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	2,439	-	-	2,439
Total comprehensive income for the year	-	-	-	-	-	-	-	150	-	2,439	51,544	-	54,133
Repurchase of shares	(669)	-	(10,870)	-	-	-	-	-	-	-	-	-	(11,539)
Vesting of shares held under the restricted share award scheme	-	-	-	1,229	(1,229)	-	-	-	-	-	-	-	-
Share award arrangements	-	-	-	-	1,057	-	-	-	-	-	-	-	1,057
Final 2010 dividend declared	-	-	193	-	-	-	-	-	-	-	-	(14,808)	(14,615)
Interim 2011 dividend	-	-	(14,644)	-	-	-	-	-	-	-	-	-	(14,644)
Proposed final 2011 dividend	-	-	(16,895)	-	-	-	-	-	-	-	-	16,895	-
At 31 December 2011	24,604	38,493*	104,770*	(5,176)*	2,704*	(7,227)*	-*	840*	733*	4,305*	203,159*	16,895	384,100

* These reserve accounts comprise the consolidated reserves of HK$342,601,000 (2010: HK$329,627,000) in the consolidated statement of financial position.

NOTES:

1. CORPORATE INFORMATION

Computer And Technologies Holdings Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, 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 year, the Group was involved in the following principal activities:

- sales of computer networks and system platforms, the provision of system and network integration, information technology ("IT") solutions development and implementation, and related maintenance services;
- provision of enterprise software applications and related operation outsourcing, business process outsourcing and e-business, and related maintenance services; and
- property and treasury investments.

2. BASIS OF PREPARATION

These 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 (the "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, derivative financial instruments, available-for-sale investment and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

3. 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 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments*: *Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRS 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised) and amendment to HKAS 1 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these HKFRSs are as follows:

(a) HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendment most applicable to the Group are as follows:

HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* [4]
HKFRS 9	*Financial Instruments* [6]
HKFRS 10	*Consolidated Financial Statements* [4]
HKFRS 11	*Joint Arrangements* [4]
HKFRS 12	*Disclosure of Interests in Other Entities* [4]
HKFRS 13	*Fair Value Measurement* [4]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* [3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [2]
HKAS 19 (2011)	*Employee Benefits* [4]
HKAS 27 (2011)	*Separate Financial Statements* [4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* [5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine* [4]

1 *Effective for annual periods beginning on or after 1 July 2011*
2 *Effective for annual periods beginning on or after 1 January 2012*
3 *Effective for annual periods beginning on or after 1 July 2012*
4 *Effective for annual periods beginning on or after 1 January 2013*
5 *Effective for annual periods beginning on or after 1 January 2014*
6 *Effective for annual periods beginning on or after 1 January 2015*

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 its results of operations and financial position.

5. 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 system and network integration, IT solutions, enterprise software applications, business process outsourcing, 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, is as follows:

	2011	2010
	HK$'000	HK$'000
Revenue		
Sales of computer networks and system platforms and the provision of system and network integration, IT solutions development and implementation, and related maintenance services	**309,978**	257,302
Provision of enterprise software applications and related operation outsourcing, business process outsourcing and e-business, and related maintenance services	**79,489**	79,796
Gross rental income from investment properties and interest income from treasury investments	**1,742**	1,753
	391,209	338,851
Other income and gains, net		
Bank interest income	**6,474**	3,077
Other interest income	**-**	30
Dividend income from listed investments	**554**	435
Gain on disposal of financial assets at fair value through profit or loss	**255**	277
Gain on disposal of items of properties, plant and equipment	**6,865**	1,465
Gain on disposal of an investment property	**73**	-
Foreign exchange differences, net	**9,742**	1,249
Others	**299**	1,619
	24,262	8,152

5. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (continued)

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

(a) the integration and solutions services segment that engages in the sales of computer networks and system platforms, and the provision of system and network integration, IT solutions development and implementation, and related maintenance services;

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

(c) the investments segment primarily that engages in various types of investing activities including, inter alia, property investment for rental income and treasury investment in listed securities for dividend income and interest income.

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

Segment assets exclude derivative financial assets, deferred tax assets, tax recoverable, pledged bank 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 derivative financial liabilities, interest-bearing bank borrowings, 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.

5. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments

Group

	Integration and Solutions Services		Application Services		Investments		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:								
Sales to external customers	**309,978**	257,302	**79,489**	79,796	**1,742**	1,753	**391,209**	338,851
Other income and gains, net	**4,909**	1,090	**194**	864	**9,172**	2,933	**14,275**	4,887
Total	**314,887**	258,392	**79,683**	80,660	**10,914**	4,686	**405,484**	343,738
Segment results	**22,349**	29,329	**27,285**	26,726	**14,739**	13,758	**64,373**	69,813
Reconciliation:								
Unallocated interest income							**6,474**	3,077
Unallocated other income and gains, net							**3,513**	188
Corporate and other unallocated depreciation							(**250**)	(312)
Corporate and other unallocated expenses							(**17,072**)	(17,020)
Finance costs							(**545**)	(39)
Profit before tax							**56,493**	55,707
Segment assets	**82,664**	102,257	**35,049**	34,073	**60,054**	52,145	**177,767**	188,475
Reconciliation:								
Corporate and other unallocated assets							**346,251**	327,107
Total assets							**524,018**	515,582
Segment liabilities	**63,530**	71,840	**32,989**	29,727	**580**	533	**97,099**	102,100
Reconciliation:								
Corporate and other unallocated liabilities							**42,819**	43,774
Total liabilities							**139,918**	145,874

5. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

Group

	Integration and Solutions Services		Application Services		Investments		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Other segment information:								
Net fair value gains on investment properties	**-**	-	**-**	-	**9,068**	7,440	**9,068**	7,440
Net fair value gains/(losses) on financial assets at fair value through profit or loss	**-**	-	**-**	-	**(5,858)**	615	**(5,858)**	615
Depreciation	**802**	1,222	**517**	477	**113**	181	**1,432**	1,880
Corporate and other unallocated depreciation							**250**	312
							1,682	2,192
Other material non-cash income/(expense) items, net*	**1,920**	2,960	**230**	(184)	**-**	(600)	**2,150**	2,176
Capital expenditure**	**344**	254	**465**	465	**-**	-	**809**	719
Corporate and other unallocated capital expenditure							**62**	140
							871	859

* *Including impairment losses recognised in the consolidated income statement attributable to the application services segment and investments segment of HK$188,000 (2010: HK$296,000) and Nil (2010: HK$600,000), respectively, and impairment losses reversed in the consolidated income statement attributable to the integration and solutions services segment and the application services segment of HK$1,920,000 (2010: HK$2,960,000) and HK$418,000 (2010: HK$112,000), respectively.*

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

5. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information

Group

(i) Revenue from external customers

	Hong Kong		Mainland China		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:						
Sales to external customers	**139,821**	141,436	**251,388**	197,415	**391,209**	338,851

The revenue information is based on the location of the customers.

(ii) Non-current assets

	2011	2010
	HK$'000	HK$'000
Hong Kong	**53,961**	56,885
Mainland China	**8,484**	8,855
	62,445	65,740

The non-current asset information is based on the location of assets and excludes financial instruments.

(c) Information about major customers

Revenue from external customers individually amounting to 10% or more of the Group's total revenue:

For the year ended 31 December 2011, revenues from three major customers of HK$61,687,000, HK$58,301,000 and HK$39,862,000, individually amounting to 10% or more of the Group's total revenue, were derived from the integration and solutions services segment.

For the year ended 31 December 2010, revenues from two major customers of HK$41,857,000 and HK$41,795,000, individually amounting to 10% or more of the Group's total revenue, were derived from the integration and solutions services segment.

6. PROFIT BEFORE TAX

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

	2011	2010
	HK$'000	HK$'000
Cost of inventories sold	**246,859**	188,106
Cost of services provided	**36,954**	37,045
Depreciation*	**1,682**	2,192
Gain on disposal of items of property, plant and equipment	**(6,865)**	(1,465)
Gain on disposal of an investment property	**(73)**	-
Impairment of trade receivables	**188**	296
Impairment of prepayments, deposits and other receivables	**-**	600
Reversal of impairment of trade receivables	**(1,580)**	(2,508)
Reversal of trade receivables written-off	**(227)**	(52)
Reversal of impairment of amounts due from contract customers	**(758)**	(565)
Reversal of impairment of amounts due from contract customers written off	**(34)**	-
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**144**	234
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss	**5,858**	(615)
Investment properties	**(9,068)**	(7,440)
Fair value losses/(gains) on derivative financial instruments		
- transactions not qualifying as hedges	**130**	202
- settlement of derivative financial instruments	**(202)**	-
Rental income on investment properties less direct operating expenses of HK$144,000 (2010: HK$234,000)	**(1,372)**	(1,217)

* *Depreciation for the year of HK$381,000 (2010: HK$590,000) is included in "Cost of sales and services" on the face of the consolidated income statement.*

7. FINANCE COSTS

	2011	2010
	HK$'000	HK$'000
Interest on bank loans wholly repayable within five years	**545**	39

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 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.

	2011	2010
	HK$'000	HK$'000
Group:		
Current - Hong Kong		
Charge for the year	**4,185**	3,088
Overprovision in prior years	**-**	(46)
Current - Elsewhere		
Charge for the year	**1,568**	1,799
Underprovision/(overprovision) in prior years	**(350)**	20
Deferred	**(454)**	1,789
Total tax charge for the year	**4,949**	6,650

9. DIVIDENDS

	2011	2010
	HK$'000	HK$'000
Interim - HK$0.06 (2010: HK$0.06) per ordinary share	**14,926**	15,164
Less: Dividend for shares held under the Company's restricted share award scheme	**(282)**	(356)
	14,644	14,808
Proposed final - HK$0.07 (2010: HK$0.06) per ordinary share	**17,223**	15,164
Less: Dividend for shares held under the Company's restricted share award scheme	**(328)**	(356)
	16,895	14,808
	31,539	29,616

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

10. 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 244,127,666 (2010: 246,649,080) 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 per share are based on:

Earnings

The calculations of basic and diluted earnings per share are based on profit attributable to ordinary equity holders of the parent.

Shares

	Number of shares	
	2011	2010
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**244,127,666**	246,649,080
Effect of dilution - weighted average number of ordinary shares: Restricted shares awarded under the Company's restricted share award scheme	**2,529,245**	3,955,767
	246,656,911	250,604,847

11. 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	
	2011	2010
	HK$'000	HK$'000
Not past due	**32,579**	43,962
Within 3 months	**29,763**	26,151
4 to 6 months	**4,155**	2,811
More than 6 months	**1,118**	1,517
	67,615	74,441

11. TRADE AND BILLS RECEIVABLES (continued)

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. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

12. 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	
	2011	2010
	HK$'000	HK$'000
Current	**50,743**	52,914
1 to 3 months	**1,569**	3,065
4 to 6 months	**106**	258
Over 6 months	**137**	133
	52,555	56,370
Other payables	**23,276**	25,573
Accruals	**14,186**	13,197
	90,017	95,140

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

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2011	2010
	HK$'000	HK$'000
Assets		
Interest rate swaps	**91**	**-**
Liabilities		
Forward currency contracts	**221**	121
Interest rate swaps	**-**	81
	221	202

The main purpose of the above contracts and swaps entered into by the Group is to manage the Group's exchange rate and interest rate exposures. Such forward currency contracts and interest rate swaps are not designated for hedge purposes and are measured at fair value through profit or loss.

14. INTEREST-BEARING BANK BORROWINGS AND PLEDGE OF ASSETS

	2011			2010		
Group	**Contractual interest rate (%)**	**Maturity**	**HK$'000**	Contractual interest rate (%)	Maturity	HK$'000
Current						
Bank loans - secured	**1.10-1.85**	**2012**	**22,526**	1.10-1.23	2011	26,520
Analysed into:						
Bank loans repayable:						
Within one year or on demand - note (a)			**22,526**			26,520

Notes:

(a) These bank loans contain a clause that gives the lender the unconditional right to call the loans at any time and, accordingly, are classified as current liabilities. Not taking into account the repayment on demand clause, based on the maturing terms of these loans, these loans are repayable within one year.

(b) These bank loans are denominated in United States dollars.

Pledge of assets

The Group's bank loans and other banking facilities are secured by:

(i) certain of the Group's time deposits amounting to HK$31,774,000 at 31 December 2011 (2010: HK$37,560,000); and

(ii) an investment property of the Group with a carrying value of HK$26,800,000 as at 31 December 2011 (2010: HK$24,000,000).

BUSINESS AND FINANCIAL REVIEW

Dear Shareholders,

I am glad to report that the Group's overall revenue increased by 15.5% to HK$391.2 million (2010: HK$338.9 million) and the consolidated net profit attributable to shareholders achieved a 5.1% growth to HK$51.5 million (2010: HK$49.1 million).

During the reporting period, the Group repurchased approximately 6.7 million shares at an averaged price of HK$1.73 per share. The basic earnings per share, after taken into account of the share repurchase, is 21.11 HK cents (2010: 19.89 HK cents) representing an increase of 6.1% over the previous year. The Group generated HK$56.5 million cash flow from operations and maintained strong financial position with approximately HK$321.1 million net cash on hand as of end of December 2011 (2010: HK$298.5 million).

In view of the sustained healthy financial position, the Board recommended the distribution of a final dividend of 7 HK cents (2010: 6 HK cents). Including the 6 HK cents per share interim dividend, the full-year dividends for the reporting period are 13 HK cents, which is 8.3% over the previous year (2010: 12 HK cents).

BUSINESS OPERATIONS AND DEVELOPMENT

The increase in revenue was mainly generated from the Group's Integration Services [1] business with the sales of third party products in China. The gross profit margin of such business is relatively low and hence caused an overall decrease in gross profit margin during the reporting period.

To improve the long-term contribution of the Integration Services business to the Group's overall profitability, the Group will actively develop value-added services and focus more on selling of higher margin advance technology products. Leveraging the Group's strong technical competency in software applications and solutions services, the Group will transform its Integration Services business from a hardware-intensive business to a service and solutions oriented business. While the Management is optimistic of the substantial long-term value of such transformation, it is anticipated that there would be impact on the near term revenue and contributions from the Integration Services business.

The Group's Solutions Services [2] business continuously generated stable revenue from the Standing Offer Agreement for Quality Professional Services [3] ("SOA-QPS2") and other long-term IT services contracts with the Hong Kong SAR Government and other large commercial organizations. Furthermore, the order backlog for solutions services carried forward to year 2012 was also strong.

As to the Government Electronic Trading Services [4] ("GETS"), through implementation of various promotional programs, introduction of new services and expansion of service network, the Group managed to increase its overall market share in the GETS market with stable transaction income despite a decrease in overall import/export trading activities of Hong Kong SAR during 2011.

Leveraging its GETS customer base and established e-Service platform, the Group has been launching various new Cloud [5] applications and services. The Management envisages that the expanding Cloud applications and services will broaden the Group's revenue source.

BUSINESS OPERATIONS AND DEVELOPMENT *(continued)*

The Group's business process outsourcing [6] ("BPO") business has also contributed stable revenue to the Group during the reporting period. As of the announcement date, the Group is in the process of finalizing the renewal of a multi-year BPO contract with a leading trade promotion organization in Hong Kong. The Management is optimistic that such renewed contract will bring stable revenue stream to the Group in the coming years and solidify our market position to capture additional BPO businesses.

During 2011, more customer orders were secured for the Group's new generation Human Resource Information System ("HRIS") product suite. The amendment in the Employment Ordinance on minimum wages in Hong Kong SAR during the period also triggered additional products and services opportunities for the Group. Coupled with the healthy and growing maintenance services income from its strong customer base, the Group's Application Products [7] business contributed satisfactorily to the Group.

The Group has been continuously investing in research and development resources to enrich the new product suite and has completed the development of a Cloud version of HRIS in order to capture unexplored market segments and broaden revenue streams of the Group.

Footnotes:

[1] The Group's **Integration Services** business covers the provision of IT systems and network infrastructure with related design, implementation and on-going support services.

[2] The Group's **Solutions Services** business includes (a) Development Services for the provision of IT solutions implementation and application software development; and (b) Managed Services for the provision of IT and related operation/infrastructure outsourcing services.

[3] The **Standing Offer Agreement for Quality Professional Services 2** (SOA-QPS2) is part of the HKSAR Government's IT outsourcing strategy aiming to enlarge the delivery capacity for IT services; accelerate the delivery of IT solutions; and create a market of sufficient size to encourage the further development of the IT industry locally. The Group was awarded as one of the selected services providers for four SOA-QPS2 contracts from the HKSAR Government in July 2009. These contracts will cover 4 different types of IT professional services, namely pre-implementation & independent program/project management services; on-going services; implementation & combined system development services; and information security services on an as and when required basis. Such arrangement will last for 4 years till July 2013. During the contract period, individual demands in the form of assignment proposals will be invited by government departments for competitive bidding among the services providers of the relevant service category. The HKSAR Government estimated that it would draw assignment-based services from these contracts costing about HK$858 million.

[4] Since 2004, the Group has been granted a license from the HKSAR Government for the provision of front-end Government Electronic Trading Services ("**GETS**") for processing certain official trade-related documents. The Group's GETS license was renewed in 2009 for operation of additional 7 years until the end of 2016.

[5] **Cloud** computing is the delivery of computing as a service rather than a product, whereby shared resources, software, and information are provided to computers and other devices as a utility (like the electricity grid) over a network (typically the Internet).

[6] The Group's **BPO** business comprises the provision of services for the operations and support of specific business functions or processes of customers. On top of e-Services related BPO services, the Group has also entered into a multi-year BPO contract with a leading trade promotion organization in Hong Kong since 2009.

[7] The Group's **Application Products** business comprises the provision of business application solutions for enterprises including (i) HRM as well as related application software and payroll outsourcing services; (ii) e-procurement and e-tendering and related services; and (iii) the document and workflow management solutions.

OUTLOOK

Looking forward, amid global economy uncertainty, businesses would be indecisive in their IT investments. This sentiment presents significant challenges to the Group's operating environment. On the other hand, the trend of increasing acceptance on the usage of Cloud applications and services has provided the Group with new opportunities that the Group is well prepared to capture. The management is optimistic that the Group's strong financial and market positions will enable the Group to take advantage of the arising opportunities and to cope with the upcoming challenges.

BETTERMENT IN CORPORATE GOVERNANCE

It has long been a commitment of the Group to continuously uplift its corporate governance with the best endeavor. After deliberate consideration, the Board decided that it is now the appropriate time to separate the roles of Chairman and Chief Executive Officer ("CEO") and to reinforce its full compliance to Code on Corporate Governance Practices. It is my pleasure to announce that Mr. Yan King Shun, an executive director of the Company since 28 July 2008, will be appointed as the CEO of the Group effective from 1 April 2012. At the same time, I will continue to serve as the Chairman of the Group. Please refer to the related announcement for detail.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

At 31 December 2011, the Group had pledged certain of its investment properties with a carrying value of HK$26.8 million (2010: HK$24.0 million) and bank balances of HK$31.8 million (2010: HK$37.6 million) to secure certain general bank facilities including interest-bearing borrowings, guarantee/performance bonds facilities granted to the Group in aggregate of HK$113.7 million (2010: HK$174.2 million) of which HK$27.8 million (2010: HK$29.2 million) had been utilized as of 31 December 2011.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2011, the Group's bank balances and cash (excluded pledged bank deposits of HK$31.8 million) was HK$311.8 million (2010: HK$287.5 million).

All of the Group's on hand fundings are in Hong Kong dollars, Renminbi and US dollars. Save as disclosed in note 13 to this announcement, the Group has not adopted any hedging policies, as these currencies carry low exchange fluctuation risks.

As at 31 December 2011, the Group had bank borrowings of approximately HK$22.5 million (2010: HK$26.5 million). The Group's current ratio representing current assets divided by current liabilities was 3.3 (2010: 3.1) and the gearing ratio, representing total liabilities divided by total assets, was 26.7% (2010: 28.3%).

REMUNERATION POLICY AND NUMBER OF EMPLOYEES

The remuneration policies adopted for the year ended 31 December 2011 are consistent with those disclosed in the Group's 2010 Annual Report. As at 31 December 2011, the Group employed approximately 373 full time employees and 18 contract-based employees (31 December 2010: 368 full time employees and 33 contract-based employees).

DIVIDEND AND BOOK CLOSE

The Board has recommended a final dividend of HK7 cents (2010: HK6 cents) per ordinary share payable to shareholders whose names appear on the register of members of the Company on 25 May 2012. The Register of Members of the Company will be closed from Tuesday, 15 May 2012 to Thursday, 17 May 2012 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 14 May 2012. In addition, the Register of Members of the Company will be closed from Wednesday, 23 May 2012 to Friday, 25 May 2012 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Tuesday, 22 May 2012. During such periods, no share transfer will be effected.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2011, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregate consideration paid HK$'000
March 2011	2,158,000	1.89	1.81	3,970
April 2011	1,052,000	1.90	1.88	1,997
May 2011	716,000	1.89	1.84	1,341
June 2011	44,000	1.83	1.82	80
September 2011	366,000	1.51	1.49	555
November 2011	1,448,000	1.52	1.47	2,193
December 2011	904,000	1.60	1.52	1,403
	6,688,000			11,539

The repurchased shares were cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares of HK$669,000. The premium paid on the repurchase of the shares of HK$10,870,000 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.

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.

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.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Company the Group's annual results for the year ended 31 December 2011, 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 2011 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 dispatched to the shareholders of the Company.

APPRECIATION

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

Ng Cheung Shing
Chairman

Hong Kong, 22 March 2012

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.