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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 2008

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 2008 together with comparative figures for the corresponding period in 2007 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2008

	Notes	**2008** **HK$'000**	2007 HK$'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	3	**376,386**	328,472
Cost of sales		**(261,894)**	(228,474)
Gross profit		**114,492**	99,998
Other income and gains	3	**14,689**	12,383
Selling and distribution costs		**(34,069)**	(35,414)
General and administrative expenses		**(45,382)**	(43,872)
Other expenses, net		**(9,901)**	(3,496)
PROFIT BEFORE TAX	4	**39,829**	29,599
Tax	5	**(5,172)**	(814)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**34,657**	28,785
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	6	**(2,118)**	(814)
PROFIT FOR THE YEAR		**32,539**	27,971
Attributable to:			
Equity holders of the parent	8	**33,067**	28,142
Minority interests		**(528)**	(171)
		32,539	27,971
DIVIDENDS	7		
Proposed final		**15,232**	15,804
Proposed special		**5,077**	–
		20,309	15,804
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8	**HK cents**	HK cents (Restated)
Basic			
– For profit for the year		**12.91**	10.63
– For profit from continuing operations		**13.53**	10.87
Diluted			
– For profit for the year		**12.87**	N/A
– For profit from continuing operations		**13.49**	N/A

CONSOLIDATED BALANCE SHEET

31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**11,723**	9,902
Investment properties		**24,901**	29,047
Goodwill		**25,813**	25,813
Other intangible assets		**–**	–
Held-to-maturity securities		**498**	498
Available-for-sale investments		**1,911**	2,587
Deferred tax assets		**2,851**	5,632
Total non-current assets		**67,697**	73,479
CURRENT ASSETS			
Held-to-maturity securities		**–**	767
Inventories		**11,326**	11,709
Trade receivables	9	**74,770**	82,887
Prepayments, deposits and other receivables		**7,216**	7,984
Due from contract customers		**13,437**	24,397
Equity investments at fair value through profit or loss		**9,947**	5,710
Tax recoverable		**94**	218
Pledged bank deposits		**14,328**	16,677
Cash and cash equivalents		**228,690**	190,348
Total current assets		**359,808**	340,697
CURRENT LIABILITIES			
Trade payables, other payables and accruals	10	**70,952**	65,427
Due to contract customers		**1,640**	1,377
Deferred income		**10,070**	10,009
Due to a minority shareholder of a subsidiary		**1,355**	2,150
Tax payable		**6,887**	5,145
Total current liabilities		**90,904**	84,108
NET CURRENT ASSETS		**268,904**	256,589
TOTAL ASSETS LESS CURRENT LIABILITIES		**336,601**	330,068
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**875**	773
Net assets		**335,726**	329,295
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**25,386**	26,340
Reserves		**290,784**	286,272
Proposed dividends		**20,309**	15,804
		336,479	328,416
Minority interests		**(753)**	879
Total equity		**335,726**	329,295

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;
- distribution and retail of digital media products and other computer accessories, which was discontinued during the year as further detailed in note 6 below; 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, 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 equity investments 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 where otherwise indicated. 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 2007 except for the new adoption of the new and revised HKFRSs as disclosed in note 2 below.

2 IMPACT OF NEW AND REVISED HKFRSs

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

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement and* HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 11	*HKFRS 2 – Group and Treasury Share Transactions*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these new interpretations and amendments 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 Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these 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* [1]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* [1]
HKFRS 3 (Revised)	*Business Combinations* [2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures –Improving Disclosures about Financial Instruments* [1]
HKFRS 8	*Operating Segments* [1]
HKAS 1 (Revised)	*Presentation of Financial Statements* [1]

2 IMPACT OF NEW AND REVISED HKFRSs (CONTINUED)

HKAS 23 (Revised)	*Borrowing Costs* [1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [2]
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* [1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [2]
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* [5]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes* [3]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate* [1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation* [4]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners* [2]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* [2]

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Effective for annual periods ending on or after 30 June 2009

* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

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 AND 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 is as follows:

	Note	**2008** **HK$'000**	2007 HK$'000 (Restated)
Revenue			
Sale of computer networks and system platforms		**250,600**	214,338
Provision of IT solutions, e-business and related services		**53,578**	53,389
Provision of maintenance services		**70,680**	59,323
Gross rental income from investment properties		**1,501**	1,377
Interest income from treasury investments		**27**	45
Attributable to continuing operations reported in the consolidated income statement		**376,386**	328,472
Sale of computer hardware, software and related accessories attributable to a discontinued operation	6	**23,624**	30,266
		400,010	358,738
Other income			
Bank interest income		**4,611**	6,448
Other interest income		**45**	–
Dividend income from listed and unlisted investments		**533**	717
Others		**1,519**	1,499
		6,708	8,664
Gains			
Gain on disposal of equity investments at fair value through profit or loss		**304**	395
Gain on disposal of items of property, plant and equipment		**156**	–
Foreign exchange differences, net		**7,521**	3,324
		7,981	3,719
Other income and gains attributable to continuing operations reported in the consolidated income statement		**14,689**	12,383
Other income and gains attributable to a discontinued operation	6	**1,479**	1,840
		16,168	14,223

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

(a) the integration and 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;

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(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 business during the year as further detailed in note 6 below.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

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

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2008 and 2007 or as at 31 December 2008 and 2007.

Group

	Continuing operations								Discontinued operation			
	Integration and Solutions Services		Application Services		Investments		Total		Distribution		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000 (Restated)
Segment revenue:												
Sales to external customers	**321,009**	278,707	**53,849**	48,343	**1,528**	1,422	**376,386**	328,472	**23,624**	30,266	**400,010**	358,738
Other revenue, income and gains	**6,690**	3,165	**186**	36	**1,518**	1,267	**8,394**	4,468	**1,479**	1,840	**9,873**	6,308
Total	**327,699**	281,872	**54,035**	48,379	**3,046**	2,689	**384,780**	332,940	**25,103**	32,106	**409,883**	365,046
Segment results before significant non-cash gains and expenses	**45,211**	35,675	**13,512**	9,189	**3,317**	2,615	**62,040**	47,479	**(1,856)**	(272)	**60,184**	47,207
Write-down of inventories to net realisable value	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(37)	**–**	(37)
Depreciation	**(1,612)**	(1,982)	**(922)**	(1,466)	**(229)**	(231)	**(2,763)**	(3,679)	**(248)**	(441)	**(3,011)**	(4,120)
Amortisation of deferred development costs	**–**	–	**–**	(2,066)	**–**	–	**–**	(2,066)	**–**	–	**–**	(2,066)
Impairment of amounts due from contract customers	**–**	(6,059)	**(1,506)**	(1,703)	**–**	–	**(1,506)**	(7,762)	**–**	–	**(1,506)**	(7,762)
Impairment of trade receivables	**(1,812)**	(33)	**–**	–	**–**	–	**(1,812)**	(33)	**–**	–	**(1,812)**	(33)
Reversal of impairment of trade receivables	**–**	–	**541**	127	**–**	–	**541**	127	**–**	–	**541**	127
Net fair value gains/(losses) on investment properties	**–**	–	**–**	–	**(1,146)**	4,530	**(1,146)**	4,530	**–**	–	**(1,146)**	4,530
Net fair value gains/(losses) on equity investments at fair value through profit or loss	**–**	–	**–**	–	**(5,406)**	(358)	**(5,406)**	(358)	**–**	–	**(5,406)**	(358)
Segment results	**41,787**	27,601	**11,625**	4,081	**(3,464)**	6,556	**49,948**	38,238	**(2,104)**	(750)	**47,844**	37,488
Unallocated other income and gains							**6,295**	7,915	**–**	–	**6,295**	7,915
Corporate and other unallocated depreciation							**(184)**	(189)	**–**	–	**(184)**	(189)
Corporate and other unallocated expenses							**(16,230)**	(16,365)	**–**	–	**(16,230)**	(16,365)
Profit/(loss) before tax							**39,829**	29,599	**(2,104)**	(750)	**37,725**	28,849
Tax							**(5,172)**	(814)	**(14)**	(64)	**(5,186)**	(878)
Profit/(loss) for the year							**34,657**	28,785	**(2,118)**	(814)	**32,539**	27,971

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Business segments (continued)

Group

	Continuing operations								Discontinued operation			
	Integration and Solutions Services		Application Services		Investments		Total		Distribution		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets and liabilities:												
Segment assets	**107,356**	112,075	**33,139**	36,148	**39,441**	42,645	**179,936**	190,868	**–**	8,257	**179,936**	199,125
Corporate and other unallocated assets							**247,569**	215,051	**–**	–	**247,569**	215,051
Total assets							**427,505**	405,919	**–**	8,257	**427,505**	414,176
Segment liabilities	**67,678**	49,582	**18,406**	20,058	**1,541**	464	**87,625**	70,104	**–**	6,561	**87,625**	76,665
Corporate and other unallocated liabilities							**4,154**	8,216	**–**	–	**4,154**	8,216
Total liabilities							**91,779**	78,320	**–**	6,561	**91,779**	84,881
Other segment information:												
Capital expenditure	**1,281**	2,319	**356**	579	**–**	–	**1,637**	2,898	**373**	125	**2,010**	3,023
Corporate and other unallocated capital expenditure							**433**	71	**–**	–	**433**	71
							2,070	2,969	**373**	125	**2,443**	3,094
Depreciation	**1,612**	1,982	**922**	1,466	**229**	231	**2,763**	3,679	**248**	441	**3,011**	4,120
Corporate and other unallocated depreciation							**184**	189	**–**	–	**184**	189
							2,947	3,868	**248**	441	**3,195**	4,309

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2008 and 2007 or as at 31 December 2008 and 2007.

Group

	Hong Kong		Mainland China		Others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000 (Restated)	**HK$'000**	HK$'000	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000 (Restated)
Segment revenue:								
Sales to external customers	**131,003**	119,617	**256,357**	220,932	**12,650**	18,189	**400,010**	358,738
Attributable to a discontinued operation	**(10,974)**	(12,077)	**–**	–	**(12,650)**	(18,189)	**(23,624)**	(30,266)
Revenue from continuing operations	**120,029**	107,540	**256,357**	220,932	**–**	–	**376,386**	328,472
Other segment information:								
Segment assets	**260,739**	257,062	**166,766**	149,953	**–**	7,161	**427,505**	414,176
Capital expenditure	**1,605**	1,485	**734**	1,531	**104**	78	**2,443**	3,094

4. PROFIT BEFORE TAX

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

	2008 HK$'000	2007 HK$'000
Cost of inventories sold	**246,863**	219,889
Cost of services provided	**31,965**	27,060
Depreciation*	**3,195**	4,309
Loss/(gain) on disposal of items of property, plant and equipment	**(156)**	193
Loss on disposal of subsidiaries**	**572**	–
Write-down of inventories to net realisable value	**–**	37
Amortisation of deferred development costs*	**–**	2,066
Impairment of trade receivables**	**1,812**	33
Impairment of amounts due from contract customers**	**1,506**	7,762
Reversal of impairment of trade receivables**	**(541)**	(127)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**126**	127
Fair value losses/(gains), net:		
Equity investments at fair value through profit or loss**	**5,406**	358
Investment properties**	**1,146**	(4,530)
Net rental income	**(1,375)**	(1,250)

* The amortisation of deferred development costs of nil (2007: HK$2,066,000) and depreciation of HK$1,021,000 (2007: HK$1,253,000) are included in "Cost of sales" on the face of the consolidated income statement.

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

^ The disclosures presented in this note include those amounts charged/credited in respect of the discontinued operation.

5. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 December 2008. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2008 HK$'000	2007 HK$'000 (Restated)
Group:		
Current – Hong Kong		
Charge for the year	**574**	99
Overprovision in prior years	**–**	(48)
Current – Elsewhere		
Charge for the year	**2,404**	4,409
Overprovision in prior years	**(700)**	(620)
Deferred	**2,908**	(2,962)
Total tax charge for the year	**5,186**	878
Represented by:		
Tax charge attributable to continuing operations	**5,172**	814
Tax charge attributable to a discontinued operation (note 6)	**14**	64
	5,186	878

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. 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 Business"), which belong to the Group's "Distribution" business segment and are part of the Group's "Hong Kong" and "Others" geographical segments. The Group has decided to cease its Distribution and Retail Business because it plans to focus its resources on its core businesses and focused geographical segment. Accordingly, the Group also ceased its Distribution and Retail Business in Hong Kong. The disposal of the Maxfair Group was completed in November 2008 and the Group has discontinued its Distribution and Retail Business since then.

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

	Notes	**2008**	2007
		HK$'000	HK$'000
Revenue	3	**23,624**	30,266
Cost of sales		**(17,955)**	(21,794)
Other income and gains	3	**1,479**	1,840
Expenses		**(9,252)**	(11,062)
Loss before tax from the discontinued operation		**(2,104)**	(750)
Tax	5	**(14)**	(64)
Loss for the year from the discontinued operation	8	**(2,118)**	(814)
		HK cents	HK cents
Loss per share: (note 8)			
Basic, from the discontinued operation		**0.62**	0.24
Diluted, from the discontinued operation		**0.62**	N/A

7. DIVIDENDS

	2008	2007
	HK$'000	HK$'000
Proposed final – HK$0.06 (2007: HK$0.06) per ordinary share	**15,232**	15,804
Proposed special – HK$0.02 (2007: Nil) per ordinary share	**5,077**	–
	20,309	15,804

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 in issue during the year, as adjusted to exclude the shares held for the Restricted Share Award Scheme of the Company (the "Restricted Shares").

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, the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion or vesting of all dilutive potential ordinary shares and awarded Restricted Shares that are not subject to any performance condition into ordinary shares, and the weighted average number of Restricted Shares awarded under the Restricted Share Award Scheme of the Company that satisfy certain performance conditions. If the performance conditions are not satisfied at the end of the period, the number of awarded Restricted Shares included in the diluted earnings per share calculation is based on the number of shares that would be vested if the end of the period were the end of the contingency period.

Since the exercise price of the Company's outstanding share options is higher than the average market prices of the Company's ordinary shares during the years ended 31 December 2008 and 2007, the Company's outstanding share options have no dilutive effect on the basic earnings per share for these years. Accordingly, diluted earnings per share amounts for the year ended 31 December 2007 have not been disclosed.

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

	2008 HK$'000	2007 HK$'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	**34,657**	28,785
From a discontinued operation (note 6)	**(1,590)**	(643)
	33,067	28,142

	Number of Shares 2008 '000	 2007 '000
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**256,216**	264,770
Effect of the Awarded Restricted Shares	**686**	–
	256,902	264,770

9. TRADE RECEIVABLES

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

	Group	
	2008	2007
	HK$'000	HK$'000
Current	**50,976**	35,896
1 to 3 months	**16,959**	38,882
4 to 6 months	**3,112**	8,092
More than 6 months	**3,723**	17
	74,770	82,887

Credit terms

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

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 balance sheet date, based on the payment due date, is as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Current	**36,922**	30,220
1 to 3 months	**4,870**	5,842
4 to 6 months	**419**	603
Over 6 months	**16**	1,034
	42,227	37,699

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

11. COMPARATIVE AMOUNTS

As further detailed in note 6 above, the results of the Group's distribution business were presented as a discontinued operation during the year. Accordingly, the comparative income statement and related disclosures have been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period.

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

CHAIRMAN'S STATEMENT

Dear Shareholders

I am glad to report that the Group's consolidated revenue for the reporting period increased by 11.5% from HK$358.7 million in 2007 to HK$400.0 million (continuing operations: HK$376.4 million; discontinued operation: HK$23.6 million) in 2008, and the consolidated net profit after tax attributable to the shareholders increased by 17.5% to HK$33.1 million (2007: HK$28.1 million). The earnings per share for the year amounted to 12.91 Hong Kong cents (2007: 10.63 Hong Kong cents), representing an increase of 21.4%. The improved results were mainly attributed to the continuous growths in the integration and solutions services business and the improvements in profit generation from the various recurring revenue streams.

As of the reporting day, the balance of the Group's order book not yet recognized as revenue in the reporting period is around HK$339 million (2007: HK$323 million) of which 50% are service-oriented contracts.

The Group generated HK$66.7 million cash inflow from its operations in 2008 and its financial position is continuously strong. The Board recommended to distribute a final dividend of 6 Hong Kong cents per share (2007: 6 Hong Kong cent). In view of the strong financial position, the Board also recommended a special dividend of 2 Hong Kong cents per share (2007: nil) as to celebrate the Group's 10th anniversary of listing in the Hong Kong Stock Exchange.

Prospect

The general demand of the IT services has been adversely impacted by the deteriorating global economy and the businesses of the Group are continuously subject to keen competition. Nevertheless, the Group managed to maintain strong order backlogs and has been benefiting from recurrent businesses generated from its solid customer base in the government sector and in China which are relatively less vulnerable to the global financial turmoil.

The Group is pleased to renew the license with the HKSAR Government for operating the Government Electronic Trading Services (GETS) for additional 7 years until the end of 2016. Besides, the Group is excited to enter into business collaboration with the 5 Government Approved Certification Organizations (GACOs) to jointly promote the GETS related businesses.

Resulting that, the Group's market share in GETS had immediately increased and also its positions in capturing more businesses from the trading community were strengthened. In addition, the Group is also actively exploring the introduction of new value added services in order to mitigate the impact caused by the decreased import and export volumes.

The Group has been involving in various business opportunities in provision of business process outsourcing (BPO) and IT outsourcing (ITO) services. Those opportunities, if being materialized, will further enhance the Group's related recurring revenue in the coming years.

To enhance the foundation for future growth, the Group will continue to strengthen its management system and to take measures to tune up and advance its project implementation systems and human resources development strategy to the optimal efficiency. On the other hand, the Group will not lessen its efforts in maintaining the prudent principles in financial management and the effectiveness in the internal controls for risks minimization.

Leveraging on the economic downturn and the Group's sound financial position, the Management considers that the chance and opportunity for the Group to further increase its market share and business scale through merger and acquisition will be increased.

Appreciation

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

MANAGEMENT DISCUSSION AND ANALYSIS

Review of operations

For the reporting period, the overall revenue increased by 11.5% from HK$358.7 million in 2007 to HK$400.0 million (continuing operations: HK$376.4 million; discontinued operation: HK$23.6 million) in 2008. The revenue from the Integration and Solutions Services and Application Services segments (collectively as the "Core Business") increased by 15.2% and 11.4% respectively. On the other hand, with reference to the announcement and the circular made in November 2008, the Group divested from the Distribution Business segment. Consequently, the related revenue recorded a decrease of 21.9%.

The Group's net profit attributable to shareholders was HK$33.1 million, representing an increase of 17.5%. The overall gross profit margin maintained at a healthy level of 30% (2007: 30.2%), and the gross profit increased by 10.8% from HK$108.5 million in 2007 to HK$120.2 million (continuing operations: HK$114.5 million, discontinued operation: HK$5.7 million) in 2008.

The Group generated HK$66.7 million of cashflow from operations (2007: HK$38.2 million). The consistence in generation of positive cashflow in the past years revealed the healthiness of the service-oriented business model that the Group had adopted. In addition, the solid financial position enriched the foundations and flexibilities of the Group to utilize the funding to reward its shareholders and to acquire new businesses.

Despite the challenging business environment in the second half of the year, the Integration and Solutions Services segment achieved a growth in revenue by 15.2% compared with the same period of last year. The growth mainly resulted from the strong demands from the Group's existing customer in the financial service section in China for additional infrastructure system upgrades.

During the reporting period, the Group's stable revenue streams generating from outsourcing service and application development service of its existing government contracts and the newly signed contracts from both commercial and public sectors remain strong.

The Group's e-Services businesses, namely Government Electronic Trading Services (GETS) and Electronic Tendering System (ETS), had steadily contributed transaction and subscription-based incomes to the Group. Benefiting from the progressively built business scale and operation efficiency, the profit contributions from the e-Services business had solidly grown from previous year.

With the attentions to promptly realign and strengthen the resources for service delivery and new product developments, the Group's HRM Solutions business performance had been gradually recovering from previous year. As at the reporting date, the previously reported litigation against a former senior employee for breaching his contractual commitments and fiduciary duties is still in process.

In recent years, while the Group has been focusing in development of it's Core Business, the Distribution Business operating under Maxfair Technology Limited and Maxfair Technology (Taiwan) Co. Ltd. had become increasingly diverge from the Group's core competence. While the related divestment in late 2008 had resulted into a non-recurrent loss from the discontinued operation and loss on disposal of subsidiaries of HK$2.1 million and 0.6 million, respectively, to the Group, it would allow the Group to concentrate more of its resources to further develop the Core Business and towards the market in China.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

At 31 December 2008, the Group had pledged certain of its investment properties with a carrying value of HK$16.3 million (2007: HK$17.5 million) and bank balances of HK$14.3 million (2007: HK$16.7 million) to secure certain general bank facilities, guarantee/performance bonds facilities granted to the Group in aggregate of HK$30.2 million (2007: HK$30.5 million) of which HK$4.1 million (2007: HK$4.6 million) had been utilised as of the balance sheet date.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2008, the Group's bank balances and cash (excluded pledged bank deposit of HK$14.3 million) was HK$228.7 million (2007: HK$190.3 million) with no bank borrowings.

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

REMUNERATION POLICY AND NUMBER OF EMPLOYEES

The remuneration policies adopted for the year ended 31 December 2008 are consistent with those disclosed in the Group's 2007 Annual Report. As at 31 December 2008, the Group employed approximately 358 full time employees and 4 contract-based employees (31 December 2007: 346 full time and 1 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 Practices (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 2008, 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**	**Lowest price paid per share**	**Aggregate price paid**
		HK$	HK$	HK$'000
January 2008	2,308,000	0.95	0.85	2,102
February 2008	64,000	0.85	0.85	54
June 2008	1,422,000	0.84	0.83	1,194
July 2008	714,000	0.85	0.83	602
August 2008	212,000	0.85	0.85	180
October 2008	3,964,000	0.75	0.55	2,698
November 2008	850,000	0.62	0.58	507
	9,534,000			7,337

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$6,383,000 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 HK6 cents and a special dividend of HK2 cents (2007: a final dividend of HK6 cents) per ordinary share payable to shareholders whose names appear on the register of members of the Company on 25 May 2009. The register of members of the Company will be closed from 20 May 2009 to 25 May 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend and the special dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:00 p.m. on 19 May 2009.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Company the Group's annual results for the year ended 31 December 2008, 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 (www.hkex.com.hk) and the Company website (www.ctil.com). The 2008 annual report will be published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.ctil.com) and also to be despatched to the shareholders of the Company in due course.

Ng Cheung Shing
Chairman

Hong Kong, 31 March 2009

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