CT HOLDINGS (INTERNATIONAL) LIMITED
詩天控股(國際)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1008)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

RESULTS

The board (the "Board") of directors (the "Directors") of CT Holdings (International) Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2009, together with the comparative figures for the previous year in 2008 as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Turnover	*4*	**362,750**	403,188
Cost of sales		**(271,386)**	(304,076)
Gross profit		**91,364**	99,112
Other revenue and other net income	*5*	**2,621**	4,934
Selling expenses		**(25,912)**	(29,578)
Administrative expenses		**(35,562)**	(29,017)
Profit from operation		**32,511**	45,451
Listing expenses	*6(c)*	**(1,569)**	(2,194)
Finance costs	*6(a)*	**(4,966)**	(8,622)
Profit before taxation	*6*	**25,976**	34,635
Income tax charge	*7*	**(3,243)**	(2,803)
Profit for the year attributable to the owners of the Company		**22,733**	31,832
Other comprehensive income:			
Change in fair value of available-for-sale financial assets		**–**	669
Reversal of fair value reserve in respect of the disposal of available-for-sale financial assets		**618**	–
Total other comprehensive income for the year		**618**	669
Total comprehensive income for the year attributable to the owners of the Company		**23,351**	32,501
Earnings per share			
– basic and diluted	*8*	**HK$0.12**	HK$0.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Notes	**2009** **HK$'000**	2008 *HK$'000*
Non-current assets			
Property, plant and equipment		**147,720**	126,739
Available-for-sale financial assets	*9*	**–**	16,542
		147,720	143,281
Current assets			
Inventories		**47,072**	51,123
Trade and other receivables	*10*	**148,070**	164,037
Pledged bank deposits		**25,306**	15,117
Cash and cash equivalents		**56,256**	14,456
		276,704	244,733
Current liabilities			
Trade and other payables	*11*	**59,471**	37,921
Obligations under finance leases		**15,006**	17,923
Secured bank loans		**36,982**	76,189
Tax payable		**3,554**	2,089
		115,013	134,122
Net current assets		**161,691**	110,611
Total assets less current liabilities		**309,411**	253,892
Non-current liabilities			
Obligations under finance leases		**18,503**	38,210
Secured bank loans		**2,800**	–
Deferred taxation		**9,161**	7,433
		30,464	45,643
NET ASSETS		**278,947**	208,249
CAPITAL AND RESERVES			
Share capital		**2,000**	2
Reserves		**276,947**	208,247
TOTAL EQUITY		**278,947**	208,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY BACKGROUND AND BASIS OF PRESENTATION

(a) Corporate information

The Company was incorporated and domiciled in the Cayman Islands under Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 11 November 2008. The Company has established a principal place of business in Hong Kong at Suites 2301-2, 23rd Floor Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong and has been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance on 24 December 2008. Its issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 30 March 2009.

(b) Reorganisation

Pursuant to a reorganisation (the "Reorganisation") of the Company and its subsidiaries now comprising the Group completed on 4 March 2009 to rationalise the group structure for the public listing of the Company's shares on the Main Board of the Stock Exchange, the Company became the holding company of the Group.

Details of the Reorganisation are set out in the prospectus of the Company dated 18 March 2009 (the "Prospectus").

The Company and its subsidiaries now comprising the Group as set out below are principally engaged in the provision of printing services.

Particulars of the Company's subsidiaries are as follows:

		Proportion of ownership interest				
Name of company	**Place and date of incorporation/ establishment**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Particulars of issued and paid up capital**	**Principal activities**
CT Management Investments Limited	British Virgin Islands 24 October 2008	100%	100%	–	US$200	Investment holding
CT Printing Limited	Hong Kong 5 January 2001	100%	–	100%	HK$20,000	Provision of printing services
詩天紙藝製品(深圳)有限公司#	The People's Republic of China ("PRC") 15 August 2008	100%	–	100%	Paid up capital of US$860,000 out of the registered capital of US$4,280,000	Provision of the printing of packaging and decorative matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services

Wholly foreign owned enterprise registered in the PRC

The Reorganisation of the Group that took place prior to its listing on the Stock Exchange on 30 March 2009. Since the Reorganisation was not fully completed until 4 March 2009, the effect of the full Reorganisation is not reflected in the Company's financial statements for the period from 11 November 2008 (date of incorporation) to 31 December 2008.

Since all entities which took part in the Reorganisation were under common control of Mr. Tsoi Tak (the "Controlling Shareholder") before and immediately after the Reorganisation and, consequently, there was a continuation of the risks and benefits to the Controlling Shareholder and therefore this is considered as a business combination under common control and Accounting Guideline 5 "Merger Accounting for Common Control Combinations" has been applied. These consolidated financial statements have been prepared by using the merger basis of accounting as if the Group had been in existence throughout the years presented. The net assets of the combining companies are combined using the existing book values from the Controlling Shareholder's perspective.

Accordingly, the consolidated statement of comprehensive income of the Group for the years ended 31 December 2008 and 2009 include the results of operations of the companies now comprising the Group for the years ended 31 December 2008 and 2009 (or, where the companies were established/ incorporated at a date later than 1 January 2008) as if the companies now comprising the Group had been in existence throughout the years presented. The consolidated statement of financial position of the Group as at 31 December 2008 and 2009 have been prepared to present the state of affairs of the companies now comprising the Group as at that date as if the combined entities had been in existence as at that date.

All material intra-group transactions and balances have been eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the principal accounting policies set out below. These accounting policies are in accordance with all applicable Hong Kong Financial Reporting Standards (the "HKFRS"), which collective term includes all applicable individual, 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 applicable disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements also comply with the disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the the Group and Company. Note 3 provides information on any changes in the accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the available-for-sale financial assets are stated at their fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments
- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- HKAS 23 (revised 2007), Borrowing costs
- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations

Amendments to HKAS 27, HKAS 23 and HKFRS 2 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments are as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 has resulted in a change of the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's chief operating decision maker, and has resulted in a change of the geographical information presented by continent of the country located instead of country (note 4). Corresponding amounts have been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income, if they are recognised as part of profit or loss for the period. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- As a result of the adoption of the amendments to HKFRS 7, the financial statements are required to disclose the fair value measurement of the Group's financial instruments, categorising these fair value measurement into a three-level fair value hierarchy according to the extent to which they are based on observable market data. As at 31 December 2009, the Group did not have any financial instruments measured at fair value based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment is required.

The Group has not early applied any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effective for annual periods beginning on 1 January 2009.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendments)	Financial Instruments: Presentation – Classification of Rights Issues [4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[5]
HKFRS 1 (Amendment)	Limited Exemption from Comparatives HKFRS 7 Disclosures for First-Time Adopter[7]
HKFRS 2 (Amendment)	Share-based Payment – Group Cash-settled Share-based Payment Transactions[5]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[6]
HK(IFRIC) – Int 14 (Amendment)	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[7]
HK Interpretation 4 (Revised December 2009)	Determination of the length of Lease Team in respect of Hong Kong Land Leases[5]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 February 2010.
5 Effective for annual periods beginning on or after 1 January 2010.
6 Effective for annual periods beginning on or after 1 January 2013.
7 Effective for annual periods beginning on or after 1 July 2010.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The Company's directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. TURNOVER AND SEGMENT REPORTING

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009, HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The application of HKFRS 8 has resulted in a change of the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's chief reporting decision maker and has resulted in a change of the geographical information presented by continent of the country located instead of by country.

The Group is principally engaged in the provision of printing services in Hong Kong and overseas markets. The Group's chief operating decision maker regularly reviews the consolidated financial information to assess the performance of and makes resource allocation decisions for the Group's operation. There is only one operating segment for the Group.

The Group comprises the following main geographical segments:

	Year ended 31 December 2009						
	Europe	Asia	North America	South America	Oceania	Africa	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	234,577	79,144	34,190	1,093	8,017	5,729	362,750
Segment result	33,049	14,171	8,914	203	2,546	1,102	59,985
Bank interest income							40
Other revenue and other net income							2,581
Central corporate expenses							(30,095)
Profit from operations							32,511
Finance costs							(4,966)
Listing expenses							(1,569)
Income tax							(3,243)
Profit after taxation							22,733
Depreciation for the year	9,992	3,796	1,456	47	342	244	15,877
Impairment loss on trade receivables	3,787	327	16	–	1	–	4,131

	Year ended 31 December 2008						
	Europe	Asia	North America	South America	Oceania	Africa	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	287,095	60,892	42,220	1,300	6,572	5,109	403,188
Segment result	52,970	8,802	8,065	240	1,982	1,491	73,550
Bank interest income							1,021
Other revenue and other net income							3,913
Central corporate expenses							(33,033)
Profit from operations							45,451
Finance costs							(8,622)
Listing expenses							(2,194)
Income tax							(2,803)
Profit after taxation							31,832
Depreciation for the year	9,511	2,844	1,399	43	218	169	14,184
Impairment loss on trade receivables	128	204	–	–	–	9	341

The Group's assets and liabilities are physically located in the PRC including Hong Kong, and accordingly, no analysis on segment assets and liabilities and capital expenditure is provided.

5. OTHER REVENUE AND OTHER NET INCOME

	2009	2008
	HK$'000	*HK$'000*
Other revenue		
Bank interest income *(note i)*	**40**	1,021
Management fee income	**–**	264
Sales of scrap materials	**2,504**	3,419
Sundry income	**77**	151
	2,621	4,855
Other net income		
Gain on disposal of property, plant and equipment	**–**	79
	2,621	4,934

Note:

(i) The bank interest income represented the total income on financial assets not at fair value through profit or loss.

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		2009	2008
		HK$'000	*HK$'000*
(a)	**Finance costs**		
	Interest on bank loans and other borrowings wholly repayable within five years	**3,233**	5,770
	Finance charges on obligations under finance leases	**1,733**	2,852
	Total interest expense on financial liabilities not at fair value through profit or loss	**4,966**	8,622
(b)	**Other items**		
	Auditors' remuneration	**906**	900
	Cost of inventories sold	**271,386**	304,076
	Depreciation		
	– owned assets	**9,267**	6,917
	– assets held under finance leases	**6,610**	7,267
	Impairment loss on trade receivables	**4,131**	341
	Exchange loss, net	**1,176**	7,920
	Operating lease charges in respect of land and building	**5,196**	4,637
	Loss on disposal of property, plant and equipment	1	–

(c) Listing expenses

The amount represents professional fees and other expenses related to the listing of Company's shares on the Stock Exchange being recognised for the years ended 31 December 2008 and 2009. Pursuant to HKAS 32 Financial Instruments: Presentation, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs are recognised as an expense when incurred.

7. INCOME TAX

Taxation in the consolidated statement of comprehensive income represents:

	2009	2008
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– Provision for the year	**–**	1,935
– Underprovision in prior years	**–**	154
	–	2,089
Current tax – PRC Enterprise Income Tax		
– Provision for the year	**1,515**	–
Deferred tax		
– Origination of temporary differences	**1,728**	1,098
– Effect on deferred tax balances at 1 January resulting from a change in tax rate	**–**	(384)
	3,243	2,803

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) based on the estimated assessable profit for the year.

The PRC subsidiary is subject to PRC Enterprise Income Tax at 25% (2008: 25%).

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	2009	2008
	HK$'000	*HK$'000*
Profit for the year attributable to the equity shareholders of the Company	**22,733**	31,832

Number of shares

	2009	2008
	No. of shares	*No. of shares*
	'000	*'000*
Issuance of shares upon Reorganisation	**10,000**	10,000
Issuance of shares upon capitalisation issue	**140,000**	140,000
Effect of share issued upon public offering on 30 March 2009	**37,808**	–
Weighted average number of ordinary shares in issue	**187,808**	150,000

The weighted average number of shares in issue during the years ended 31 December 2008 and 2009 is calculated on the assumption that the 150,000,000 ordinary shares issued upon the Reorganisation and capitalisation issue were in issue throughout the entire two years.

Diluted earnings per share is equal to basic earnings per share as there were no potential dilutive ordinary shares outstanding throughout the years ended 31 December 2008 and 2009.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2009	2008
	HK$'000	*HK$'000*
Unlisted equity securities at fair value	**–**	16,542

The fair value of the unlisted equity securities is based on quoted market price.

During the year ended 31 December 2008, the investment was pledged to a bank to secure general banking facilities granted to the Group and a related company. The investment was matured on 15 June 2009 and the aforesaid pledge, granted to the Group and a related company, has been released thereafter.

10. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**148,128**	156,880
Less: Allowance for doubtful debts	**(5,150)**	(1,358)
	142,978	155,522
Other receivables	**–**	1,094
Trade and other receivables	**142,978**	156,616
Prepayments	**779**	4,005
Rental, utility and sundry deposits	**1,052**	1,383
Deposit paid for purchase of property, plant and equipment	**90**	1,755
Trade deposits paid	**3,023**	29
Staff advances	**148**	249
	5,092	7,421
	148,070	164,037

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group normally grants credit terms of up to 90–120 days to its customers. The Directors may from time to time approve extended credit periods for extra 30 to 60 days to certain wholesale customers during the year.

Ageing analysis

The ageing analysis of trade receivables (net of allowance for doubtful debts) presented based on the date of billing is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**38,133**	31,515
More than 1 month but within 3 months	**45,727**	55,555
More than 3 months but within 6 months	**42,208**	62,615
More than 6 months but within 1 year	**11,487**	5,389
Over 1 year	**5,423**	448
	142,978	155,522

The carrying amounts of trade receivables approximate to their fair values.

11. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables	**37,118**	19,293
Bills payable	**9,594**	–
Accrued salaries and bonuses	**5,265**	6,069
Trade deposits received	**2,748**	974
Accruals and other payables	**3,212**	6,267
Accruals and other payables to related parties	**706**	5,014
Financial liabilities measured at amortised cost	**58,643**	37,617
Other tax payable	**828**	304
	59,471	37,921

Ageing analysis

The ageing analysis of trade payables and bills payable is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**27,310**	7,413
More than 1 month but within 2 months	**10,466**	6,600
More than 2 months but within 3 months	**7,140**	4,045
More than 3 months but within 1 year	**1,796**	1,235
	46,712	19,293

The Directors consider the carrying amounts of the trade payables and bills payable approximate to their fair values.

12. DIVIDEND

The Board did not recommend the payment of a dividend for the year ended 31 December 2009 (2008: Nil).

BUSINESS REVIEW

The year under review was a difficult year as the unprecedented effects of the 2008 financial tsunami continued to prevail amongst different levels of the global economy, hence despite the injection of massive liquidity by governments around the world, uncertainty still lingers in the 2009 business environment. Publishers in general responded cautiously in managing their operations by slowing down new product developments, reducing order size and compressing order cycles to 3-4 weeks for the avoidance of undesirable stockpiling. However, amidst such efforts, several reputable publishing companies were unable to withstand the severe conditions and filed for bankruptcy.

In view of such adverse circumstances, the Group initiated measures to neutralize the impact of a sagging demand and heightening credit risks. The Company's established structure and scale gave us the capacity to offer competitive prices to clients during the difficult times thereby retaining clients as well as absorbing prospective clients from the closure of smaller competitors. In addition, the Group continued to participate in a number of international book fairs to explore new business opportunities and results were encouraging as some new orders have been obtained. In respect of managing credit risks, the Group exercised tight control over our client portfolio to avoid excessive and unnecessary exposure to doubtful accounts without stifling business growth. This strategy in return helped the Group in sustaining a healthy cash flow and proficient working capital management, allowing us better leverage on our resource allocations. Several strict cost control and stringent quality control initiations were implemented to lower our overhead costs and sustain internal efficiency.

The remarkable growth of the Chinese economy in recent years brought many changes to the economic landscape of China. With new job opportunities being created in provinces outside the Pearl River Delta and a rising wage policy supported by the government, manufacturing facilities in the region no longer enjoy an abundant supply of inexpensive labour. To maintain its competitiveness, the Group adjusted its product mix to reduce its reliance on manual labour and increase automated processes where possible. The Group successfully lowered labour costs by introducing several new machines to increase the output of machine-made books.

Amidst uncertainties, the Group remains positive about future prospects. In anticipation of forthcoming developments, book-related production facilities were successfully relocated to a neighboring site twice the gross floor area by the end of 2009 and hence production workflow was further streamlined thereby, saving time, cost whilst reducing wastage. In addition, the new site area is capable of encompassing future expansion plans.

Apart from the core business of book printing services to overseas publishers, the Group has extended its footprint into the packaging and decorative printing market in the PRC through the establishment of Shitian Paper Craft (Shenzhen) Company Limited ("CT Shenzhen"). The Group will explore this new segment in the PRC domestic market with products including, but not limited to, folding cartons and rigid boxes for consumer goods packaging. In addition, the opportunity to engage in the booming domestic market will generate stronger revenue flow. CT Shenzhen commenced trial production in May 2009 and thanks to the vast experience of our PRC sales team, CT Shenzhen has achieved a turnover of HK$29 million within its first half year of production in 2009.

FINANCIAL REVIEW

Turnover and gross profit

For the year ended 31 December 2009, the turnover of the Group was approximately HK$362.8 million (2008: HK$403.2 million), representing a decrease of approximately HK$40.4 million or 10.0% when compared with that of last year. Such fall in turnover for the year was mainly due to the impact of the financial crisis on the customers from the US and Europe respectively. However, the recent development of CT Shenzhen has been bringing the Group extra income from the PRC market.

During the year, the Group attained a gross profit of approximately HK$91.4 million (2008: HK$99.1 million), which representing a decrease of approximately 7.7 million or 7.8% when compared with last year. Such reduction of gross profit was resulted from the downfall of sales. However, the gross profit margin had improved slightly to 25.2% (2008: 24.6%) by virtue of the higher profit margin product (28.0%) produced by CT Shenzhen.

Other revenue and other net income

The other revenue and other net income representing mainly the net proceed from the sale of scrap materials and bank interest income. During the year, such income decreased by HK$2.3 million.

Selling expenses

Selling expenses incurred for the year of HK$25.9 million (2008: HK$29.6 million) had decreased by approximately 12.5% when compared to that of 2008. The major reason for the saving is that the largest selling expenses item, freight and transportation costs, was less consumed in line with the drop of sales as well as the global fall in fuel price. Therefore, approximately HK$3.4 million of the freight charges was scrimped.

Administrative expenses

Administrative expenses had increased by around HK$6.5 million for the year ended 31 December 2009 as compared to the previous year. The maintenance of status as a newly listed company after the Company's listing on the Main Board of the Stock Exchange on 30 March 2009, gave rise to an extra HK$4.1 million increase in administrative expenses (mainly comprising the professional fees). In addition, CT Shenzhen commenced its operation during the year and thus, approximately HK$2.0 million of administrative expenses were occurred. Owing to the closing down of certain customers, an impairment loss of approximately HK$4.1 million was made to those doubtful account receivables. Apart from the aforementioned, the administrative expenses were kept at a reasonable level as previous year.

Finance costs

Finance costs decreased by approximately HK$3.7 million which was in line with the overall decrease in interest bearing borrowings.

Net Profit

As a result of the drop-off of the gross profit, other revenue and other income and together with the increase in administrative expenses, profit for the year attributable to owners of the Company was HK$22.7 million (2008: HK$31.8 million), representing a decrease of HK$9.1 million, despite the retrenchment of the selling expenses and finance costs.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 31 December 2009, the Group had net current assets of HK$161.7 million (2008: HK$110.6 million), while the Group's cash and cash equivalents amounted to HK$56.3 million (2008: HK$14.5 million). The betterment of the cash position was mainly due to the funds raised from the Company's public offering during the year.

As at 31 December 2009, the Group had interest-bearing bank loans of HK$39.8 million (2008: HK$76.2 million) of which HK$37.0 million were repayable within one year and had interest bearing obligations under finance leases of approximately HK$33.5 million (2008: HK$56.1 million) of which about HK$15.0 million were repayable within one year (2008: HK$17.9 million). Carrying amount of property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to about HK$87.7 million.

As at 31 December 2009, the Group's gearing ratio represented by the amount of interest bearing borrowings divided by shareholders equity was 26.3% (2008: 63.5%). The sound improvement in the gearing ratio was mainly due to the significant increase in shareholders equity and decrease in the interest bearing borrowings.

As at 31 December 2009, the Group had capital commitment of HK$2.3 million in respect of acquisition of property, plant and equipment which have been contracted but not provided for by the Group.

As at 31 December 2009, the Group had no material contingent liabilities.

As at 31 December 2009, the borrowings were mainly denominated in Hong Kong dollars, while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and Reminbi. All of the Group's borrowings was variable rate borrowings and no hedging has been employed by the Group during the year.

The Group's turnover is mainly denominated in US dollars, British pound, Euros, and Hong Kong dollars, while its costs and expenses are mainly denominated in US dollars, Hong Kong dollars and Renminbi. Most of the Group's assets, liabilities, revenues and payments were denominated in either Hong Kong dollars or US dollars. Therefore, the Group considers that the risk exposure to foreign exchange rate fluctuations is minimal. The Group does not have a formal hedging policy and has not entered into any material foreign currency exchange contracts or derivative transactions to hedge against its currency risks.

HUMAN RESOURCES

As at 31 December 2009, the Group had a total of 42 full-time staff based in Hong Kong and the PRC. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with appropriate laws and regulations in the PRC. The Group has also adopted a share option scheme to provide incentive or reward to eligible persons for their contribution to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

USE OF IPO PROCEEDS

Following the listing of the Shares of the Company on the Stock Exchange on 30 March 2009, net proceeds raised from the initial public offering of the Company were approximately HK$48.9 million of which HK$27.6 million had been utilised up to the date of this announcement. The unutilised proceeds have been deposited in licensed banks in Hong Kong. As stated in the prospectus of the Company dated 18 March 2009, the Company plans to use the proceeds in the purchase of new machinery and equipment, business development of the domestic market of packaging and decorative printed products in the PRC, expansion of sales network and for general working capital purposes.

PROSPECT

As two of the major market segments of the Group, Europe and USA are slowly recovering and orders are expected to return to normal in the near future. On the other hand, labour and material costs will continue to rise hence the Group aims to further implement strict cost and quality control, exercise prudent credit control, optimize its product mix by maximizing machine utilization, seek new growth drivers and maintain a healthy client mix to boost profitability. In addition, the Group will look into developing and distributing our original brand products which entails product design, development and distribution and in return, yield better margin and supplement the current product mix.

The Group anticipates that 2010 will be no less challenging than the previous year but it will also bring opportunities for those who are prepared therefore we believe that the proactive stance of our existing business strategy will successfully pave way for impressive growth in 2010 and beyond.

CORPORATE GOVERNANCE

The Company has adopted the Code on Corporate Governance Practices (the "Corporate Governance Code") contained in Appendix 14 of the Listing Rules since its listing on the Stock Exchange on 30 March 2009. The Company had in general met the relevant code provisions set out in the Code on Corporate Governance Practices based on the principles set out in Appendix 14 to the Listing Rules since the listing of its shares on the Stock Exchange on 30 March 2009 and up to 31 December 2009 except for the provision E.1.2 of the Corporate Govervance Code that the Chairman of the Board was absent from the annual general meeting of the Company held on 5 June 2009 due to other business engagement. Details of the Company's corporate governance practices will be set out in the Corporate Governance Report in the annual report of the Company for the year ended 31 December 2009.

REVIEW BY THE AUDIT COMMITTEE

The Company established an audit committee on 4 March 2009 in compliance with Rule 3.21 of the Listing Rules with written terms of reference in line with the code provisions of the Corporate Governance Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee currently has three members comprising Mr. Lui Tin Nang (Chairman of audit committee), Mr. Lam Ying Hung, Andy and Mr. Siu Man Ho, Simon, all being independent non-executive Directors. Both Mr. Lui Tin Nang and Mr. Lam Ying Hung, Andy possess the appropriate professional qualifications and accounting and related financial management expertise.

The audit committee has met with the joint auditors of the Company, CCIF CPA Limited and World Link CPA Limited, to review the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 December 2009 as set out in this announcement.

SCOPE OF WORK OF CCIF CPA LIMITED AND WORLD LINK CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2009, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in this announcement have been agreed by the Group's joint auditors, CCIF CPA Limited and World Link CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CCIF CPA Limited and World Link CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CCIF CPA Limited and World Link CPA Limited in this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Since the shares of the Company have been listed on the Stock Exchange on 30 March 2009, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2009.

DIVIDENDS

The Board did not recommend payment of dividend for the year ended 31 December 2009 (2008: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on or about Friday, 4 June 2010. Notice of the annual general meeting will be issued and disseminated to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Wednesday, 2 June 2010 to Thursday, 3 June 2010, both days inclusive. In order to qualify for the right to attend and vote at the forthcoming annual general meeting of the Company to be held on or about Friday, 4 June 2010, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 1 June 2010.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.ctprinting.com.hk). The annual report for the year ended 31 December 2009 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

By Order of the Board of
CT Holdings (International) Limited
Tsoi Tak
Chairman

Hong Kong, 23 April 2010

As at the date of this announcement, the Board comprises the Chairman, Mr. Tsoi Tak (who is a non-executive Director), four executive Directors, namely, Ms. Wu Sin Wah, Eva, Mr. Cai Xiao Ming, David, Mr. Cai Xiao Xing and Mr. Kiong Chung Yin, Yttox, and three independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy and Mr. Siu Man Ho, Simon.