COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00046)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

The Board of Directors (the "Board") of Computer And Technologies Holdings Limited (the "Company") presents the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013, together with the comparative amounts. These condensed consolidated interim financial results have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*5*	**90,200**	110,402
Cost of sales and services		**(39,150)**	(64,976)
Gross profit		**51,050**	45,426
Other income and gains, net	*5*	**8,176**	3,601
Fair value gains/(losses), net:			
Financial assets at fair value through profit or loss		**(505)**	3,607
Investment properties		**2,558**	13,556
Selling and distribution expenses		**(13,341)**	(16,303)
General and administrative expenses		**(23,931)**	(26,014)
Finance costs		**-**	(100)
PROFIT BEFORE TAX	*6*	**24,007**	23,773

CONDENSED CONSOLIDATED INCOME STATEMENT *(continued)*

	Notes	For the six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
PROFIT BEFORE TAX	*6*	**24,007**	23,773
Income tax expense	*7*	**(2,128)**	(2,481)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**21,879**	21,292
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*	**HK cents**	HK cents
Basic		**9.10**	8.83
Diluted		**9.04**	8.74

Details of the dividends proposed for the period are disclosed in note 8 to the announcement.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**21,879**	21,292
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
Items that may be subsequently reclassified to profit or loss:		
Available-for sale investments:		
Changes in fair value	**(936)**	-
Exchange differences on translation of foreign operations	**717**	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(219)**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**21,660**	21,292

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2013 (Unaudited) *HK$'000***	31 December 2012 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**5,522**	5,880
Investment properties		**50,140**	47,582
Goodwill	*10*	**29,211**	25,813
Available-for-sale investments	*11*	**19,310**	2,100
Financial assets at fair value through profit or loss	*13*	**8,462**	8,555
Total non-current assets		**112,645**	89,930
CURRENT ASSETS			
Inventories		**7,308**	11,300
Trade and bills receivables	*12*	**45,450**	27,263
Prepayments, deposits and other receivables		**6,918**	6,042
Due from contract customers		**3,406**	3,351
Available-for-sale investments	*11*	**30,125**	-
Financial assets at fair value through profit or loss	*13*	**15,170**	17,487
Tax recoverable		**3,782**	3,803
Pledged bank deposits		**23,908**	60,097
Cash and cash equivalents		**257,277**	274,806
Total current assets		**393,344**	404,149
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*14*	**(62,999)**	(69,715)
Due to contract customers		**(4,015)**	(2,511)
Deferred revenue		**(29,823)**	(12,419)
Tax payable		**(9,274)**	(8,144)
Total current liabilities		**(106,111)**	(92,789)
NET CURRENT ASSETS		**287,233**	311,360
TOTAL ASSETS LESS CURRENT LIABILITES		**399,878**	401,290
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**(1,135)**	(1,045)
Net assets		**398,743**	400,245

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

		30 June 2013	31 December 2012
		(Unaudited)	(Audited)
	Notes	***HK$'000***	*HK$'000*
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**24,419**	24,529
Reserves		**374,324**	354,050
Proposed final and special dividends		**-**	21,666
Total equity		**398,743**	400,245

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent											
	Issued capital	Share premium account	Contributed surplus	Shares held under the restricted share award scheme	Share-based payment reserve	Goodwill reserve	Available-for-sale investment revaluation reserve	Reserve funds	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2012	24,604	38,493	104,770	(5,176)	2,704	(7,227)	840	733	4,305	205,217	16,895	386,158
Profit for the period	–	–	–	–	–	–	–	–	–	21,292	–	21,292
Purchase of shares held under the restricted share award scheme	–	–	–	(1,372)	–	–	–	–	–	–	–	(1,372)
Share award arrangements	–	–	–	–	359	–	–	–	–	–	–	359
Vesting of shares held under the restricted share award scheme	–	–	–	884	(884)	–	–	–	–	–	–	–
2011 final dividend declared	–	–	27	–	–	–	–	–	–	–	(16,895)	(16,868)
At 30 June 2012	24,604	38,493	104,797	(5,664)	2,179	(7,227)	840	733	4,305	226,509	–	389,569

	Attributable to owners of the parent											
	Issued capital	Share premium account	Contributed surplus	Shares held under the restricted share award scheme	Share-based payment reserve	Goodwill reserve	Available-for-sale investment revaluation reserve	Reserve funds	Exchange fluctuation reserve	Retained profits	Proposed final and special dividends	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	24,529	38,493*	67,458*	(5,590)*	2,379*	(7,227)*	940*	733*	4,645*	252,219*	21,666	400,245
Profit for the period	–	–	–	–	–	–	–	–	–	21,879	–	21,879
Other comprehensive income for the period:												
Changes in fair value of available-for-sale investments, net of tax	–	–	–	–	–	–	(936)	–	–	–	–	(936)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	717	–	–	717
Total comprehensive income for the period	–	–	–	–	–	–	(936)	–	717	21,879	–	21,660
Repurchase of shares	(110)	–	(1,854)	–	–	–	–	–	–	–	–	(1,964)
Share award arrangements	–	–	–	–	387	–	–	–	–	–	–	387
Vesting of shares held under the restricted share award scheme	–	–	–	781	(781)	–	–	–	–	–	–	–
2012 final and special dividends declared	–	–	81	–	–	–	–	–	–	–	(21,666)	(21,585)
At 30 June 2013	24,419	38,493*	65,685*	(4,809)*	1,985*	(7,227)*	4*	733*	5,362*	274,098*	–	398,743

* *These reserve accounts comprise the consolidated reserves of HK$374,324,000 (31 December 2012: HK$354,050,000) in the condensed consolidated statement of financial position.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
NET CASH FLOWS FROM OPERATING ACTIVITIES	**11,006**	1,039
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(25,452)**	(33,227)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(23,549)**	(40,766)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(37,995)**	(72,954)
Cash and cash equivalents at beginning of period	**277,028**	305,609
Effect of foreign exchange rate changes, net	**748**	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**239,781**	232,655
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	**257,277**	305,069
Pledged deposit for banking facility granted by a bank with original maturity less than three months	**14,012**	-
Non-pledged time deposits with original maturity of more than three months when acquired	**(31,508)**	(72,414)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**239,781**	232,655

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 period, 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

This unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2013 has been prepared in accordance with the applicable provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

3.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also included HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period's financial statements.

3.2 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First Time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	*Consolidated financial statements, joint arrangements and disclosure of interest in other entities: Transaction guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of items of other comprehensive income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 cycle	Amendments to a number of HKFRSs issued in June 2012

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed financial statements except as below:

(a) Amendments to HKAS 1 "Presentation of Financial Statements – *Presentation of items of other comprehensive income*"

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (i) items that will not be reclassified subsequently to profit or loss; and (ii) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments have been applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

4. OPERATING SEGMENT INFORMATION

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 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 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 engages in various types of investing activities including, inter alia, property investment for rental income and treasury investment in listed debt and equity 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 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 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 period.

4. OPERATING SEGMENT INFORMATION *(continued)*

(a) Operating segments

Group

	Integration and Solutions Services		Application Services		Investments		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**49,014**	70,358	**39,591**	39,152	**1,595**	892	**90,200***	110,402*
Other income and gains, net	**2,253**	49	**(29)**	6	**721**	(1,271)	**2,945^**	(1,216)^
Total	**51,267**	70,407	**39,562**	39,158	**2,316**	(379)	**93,145**	109,186
Segment results	**8,332**	41	**15,674**	11,977	**4,626**	16,436	**28,632**	28,454
Reconciliation:								
Unallocated interest income							**4,205^**	4,629^
Unallocated other income and gains, net							**1,026^**	188^
Corporate and other unallocated depreciation							**(87)**	(93)
Corporate and other unallocated expenses							**(9,769)**	(9,305)
Finance costs							**-**	(100)
Profit before tax							**24,007**	23,773

	Integration and Solutions Services		Application Services		Investments		Total	
	30 June 2013	31 December 2012	**30 June 2013**	31 December 2012	**30 June 2013**	31 December 2012	**30 June 2013**	31 December 2012
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**50,327**	41,561	**40,338**	33,931	**126,818**	79,539	**217,483**	155,031
Reconciliation:								
Corporate and other unallocated assets							**288,506**	339,048
Total assets							**505,989**	494,079
Segment liabilities	**52,272**	49,347	**42,949**	32,673	**610**	609	**95,831**	82,629
Reconciliation:								
Corporate and other unallocated liabilities							**11,415**	11,205
Total liabilities							**107,246**	93,834

* *This represents the consolidated revenue of HK$90,200,000 (2012: HK$110,402,000) in the condensed consolidated income statement.*

^ *These comprise the consolidated other income and gains, net, of HK$8,176,000 (2012: HK$3,601,000) in the condensed consolidated income statement.*

4. OPERATING SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

Group

	Integration and Solutions Services		Application Services		Investments		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	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	–	–	–	–	**2,558**	13,556	**2,558**	13,556
Net fair value gains/(losses) on financial assets at fair value through profit or loss	–	–	–	–	**(505)**	3,607	**(505)**	3,607
Depreciation	**273**	495	**231**	302	**47**	47	**551**	844
Corporate and other unallocated depreciation							**87**	93
							638	937
Other material non-cash income items, net*	**343**	**–**	**30**	20	**–**	–	**373**	20
Capital expenditure**	**202**	863	**37**	504	**–**	–	**239**	1,367
Corporate and other unallocated capital expenditure							**33**	40
							272	1,407

* *Including impairment losses recognised in the condensed consolidated income statement attributable to the application services segment of HK$76,000 (2012: HK$36,000) and the reversal of impairment losses and reversal of the written off in the condensed consolidated income statement attributable to the integration and solutions services segment and the application services segment of HK$343,000 (2012: Nil) and HK$106,000 (2012: HK$56,000), respectively.*

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

4. **OPERATING SEGMENT INFORMATION** *(continued)*

(b) Geographical information

Group

	Hong Kong		**Mainland China**		**Consolidated**	
	2013	2012	**2013**	2012	**2013**	2012
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(i) ***Revenue from external customers***						
Segment revenue:						
Sales to external customers	**72,023**	77,994	**18,177**	32,408	**90,200**	110,402

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

(ii) ***Non-current assets***	**Consolidated**	
	30 June 2013	31 December 2012
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Hong Kong	**75,242**	69,803
Mainland China	**9,631**	9,472
	84,873	79,275

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

(c) Information about major customers

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

For the period ended 30 June 2013, revenues from two major customers of HK$23,077,000 and HK$9,601,000, individually amounting to 10% or more of the Group's total revenue, were derived from the integration and solutions services segment.

For the period ended 30 June 2012, revenue from a customer of HK$27,482,000, individually amounting to 10% or more of the Group's total revenue, was derived from the integration and solutions services segment.

5. REVENUE, OTHER INCOME AND GAINS, NET

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 period.

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

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sale of computer networks and system platforms, and the provision of system and network integration, IT solutions development and implementation, and related maintenance services	**49,014**	70,358
Provision of enterprise software applications and related operation outsourcing, business process outsourcing and e-business, and related maintenance services	**39,591**	39,152
Gross rental income from investment properties and interest income from treasury investments	**1,595**	892
	90,200	110,402
Other income and gains, net		
Bank interest income	**4,205**	4,629
Dividend income from listed investments	**312**	453
Fair value gain on derivative financial instruments - transactions not qualifying as hedges	**-**	130
Gain/(loss) on disposal of financial assets at fair value through profit or loss	**162**	(1,724)
Foreign exchange differences, net	**3,447**	38
Others	**50**	75
	8,176	3,601

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**638**	937
Equity-settled share-based payment expense	**387**	359
Impairment of trade receivables	**76**	36
Reversal of impairment of trade receivables and trade receivables written off	**(31)**	(56)
Reversal of impairment of amounts due from contract customers and amount due from contract customers written off	**(418)**	-
Bank interest income	**(4,205)**	(4,629)
Foreign exchange differences, net	**(3,447)**	(38)

7. INCOME TAX

Hong Kong profits tax has been provided at the applicable rate of 16.5% (six months ended 30 June 2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the period	**2,029**	1,367
Current – Elsewhere		
Charge for the period	**104**	1,470
Overprovision in prior years	**(95)**	(420)
Deferred	**90**	64
Total tax charge for the period	**2,128**	2,481

8. DIVIDENDS

a. Subsequent to the end of the interim period, the Board has determined that an interim dividend of 6 HK cents (2012: 6 HK cents) in cash per share should be paid to the shareholders of the Company whose names appear in the Register of Members on 28 August 2013.

b. Dividends attributable to the previous financial year, approved and paid during the interim period.

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Final and special dividends in respect of the previous financial year, approved and paid during the interim period of HK$0.09 (2012: Final dividend of HK$0.07) per ordinary share	**21,978**	17,223
Less: Dividend for shares held under the Company's restricted share award scheme	**(393)**	(355)
	21,585	16,868

9. 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 period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 240,304,518 (2012: 241,195,605) in issue during the period, 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 period 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 period, 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.

	Number of shares	
	2013	2012
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**240,304,518**	241,195,605
Effect of dilution – weighted average number of ordinary shares:		
Restricted shares awarded under the Company's restricted share award scheme	**1,837,314**	2,286,331
	242,141,832	243,481,936

10. GOODWILL

Group

	HK$'000
Cost and carrying amount at 1 January 2012, 31 December 2012 and 1 January 2013	25,813
Acquisition of a subsidiary (note 15)	3,398
Cost and carrying amount at 30 June 2013	29,211

11. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
Listed debt investments, at fair value	**47,335**	-
Club membership debenture, at fair value	**2,100**	2,100
	49,435	2,100
Portion classified as current assets	**(30,125)**	-
Portion classified as no-current assets	**19,310**	2,100

During the period, the gross loss in respect of the Group's available-for-sale investments recognized in other comprehensive income amounted to HK$936,000 (2012: Nil).

12. TRADE AND BILLS RECEIVABLES

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

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
Within 1 month	**33,114**	17,432
1 to 3 months	**8,319**	6,932
4 to 6 months	**924**	2,031
More than 6 months	**3,093**	868
	45,450	27,263

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 and bills receivables are non-interest-bearing.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
Listed debt investments, at market value	**11,013**	11,109
Listed equity investments in Hong Kong, at market value	**12,619**	14,933
	23,632	26,042
Portion classified as current assets	**(15,170)**	(17,487)
Portion classified as non-current assets	**8,462**	8,555

The listed debt investments were designated upon initial recognition as financial assets at fair value through profit or loss as they are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the investments is provided on that basis to the Group's key management personnel. Listed debt investments classified as current assets at 30 June 2013 and 31 December 2012 are listed debts with maturity date fall within one year from the end of the reporting period.

The listed equity investments included under current assets at 30 June 2013 and 31 December 2012 were classified as held for trading.

14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
Trade payables	**27,564**	33,037
Other payables	**25,530**	24,191
Accruals	**9,905**	12,487
	62,999	69,715

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

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
Current	**24,125**	29,405
1 to 3 months	**2,152**	3,020
4 to 6 months	**247**	109
Over 6 months	**1,040**	503
	27,564	33,037

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

15. BUSINESS COMBINATION

The Group acquired the entire interest in Vitova Limited ("Vitova") on 31 May 2013. Vitova is engaged in the provision of enterprise software applications and related operation. The acquisition was made as part of the Group's strategy to expand the Group's Application Services business and to extend the existing product offering. The purchase consideration for the acquisition was in the form of cash, with HK$1 million paid at the acquisition date and the remaining payment not exceeding HK$0.6 million, subject to the subsequent settlement pattern of accounts receivables and accounts payables of Vitova, to be paid on or before 30 November 2013.

The fair values of the identifiable assets and liabilities of Vitova as at the date of acquisition were as follows:

	Fair value recognised on acquisition *HK$'000*
Property, plant and equipment	23
Cash and bank balances	1,037
Trade receivables	1,497
Prepayments and other receivables	801
Trade payables, other payables and accruals	(1,944)
Due to contract customers	(111)
Deferred revenue	(3,101)
Total identifiable net liabilities at fair value	(1,798)
Goodwill on acquisition (note 10)	3,398
Total cost of the business combination	1,600
Satisfied by:	
Cash	1,000
Acquisition consideration payable	600
Total cost of the business combination	1,600

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK$1,497,000 and HK$801,000 respectively. The gross contractual amounts of trade receivables and other receivables were HK$2,203,000 and HK$801,000 respectively, of which trade receivables of HK$706,000 are expected to be uncollectible.

The goodwill of approximately HK$3,398,000 comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purpose. At the end of the reporting period, the allocation of the cost of acquisition to the identifiable assets and liabilities is pending the finalisation of certain valuations. Accordingly, the above goodwill arising on the acquisition is a provisional amount and may change upon the completion of the valuations.

Since the acquisition, Vitova contributed HK$469,000 and HK$110,000 respectively to the Group's turnover and consolidated profit for the period ended 30 June 2013.

16. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to two years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 June 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2013 (Unaudited) ***HK$'000***	31 December 2012 (Audited) *HK$'000*
Within one year	**1,713**	1,829
In the second to fifth years, inclusive	**389**	1,181
	2,102	3,010

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

At 30 June 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) ***HK$'000***	31 December 2012 (Audited) *HK$'000*
Within one year	**4,868**	5,305
In the second to fifth years, inclusive	**150**	2,196
	5,018	7,501

17. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 12 August 2013.

CHAIRMAN'S STATEMENT

Dear Shareholders,

OVERVIEW

On behalf of the board of directors (the "Board") of Computer And Technologies Holdings Limited (the "Company"), I am glad to present the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six-month ended 30 June 2013. The Group's consolidated net profit attributable to shareholders for the reporting period increased by 2.8% to HK$21.9 million (2012: HK$21.3 million). The basic earnings per share, after taken into account of the repurchase of 1.1 million shares during the period, was 9.10 HK cents (2012: 8.83 HK cents) or an increase of 3.1% compared with the same period last year.

During the period under review, the gross profit of the Group rose by HK$5.6 million or 12.4% to HK$51.1 million despite the turnover dropped by 18.3% to HK$90.2 million. As mentioned in 2012 results announcement, the decrease in turnover is one of the foreseen short-term outcomes of the business transformation as the Group is gradually reducing the sales of low profit margin third parties hardware products. As a result of this transformation, the Group's gross profit margin was significantly improved to 56.6% and in the absence of significant revaluation gain on investment properties reported last year, the profit for the period moderately increased by 2.8% to HK$21.9 million.

During the period, the Group generated HK$11.0 million cash inflow from its operating activities and has been maintaining robust liquidity position with more than HK$257 million cash on hand as at the end of June 2013, irrespective of the payments of HK$21.6 million and HK$2 million for the 2012 final and special dividends and the repurchase of shares respectively. In view of the sustained healthy financial position, the Board recommended the distribution of an interim dividend of 6 HK cents (2012: 6 HK cents).

BUSINESS REVIEW

<u>Application Software</u>

During the period under review, the Group's Application Software [1] business continue to generate increasing recurring income and expand its customer base on both its Human Resources Management[1] ("HRM") and Enterprise Procurement Management[1] ("EPM") software products.

The Group's new HRM software product suite has not only been well received by the market but also won a number of prestigious recognitions. Just after winning the COSPA award[2] for the second time in early 2013, the Group's HRM product has gained further accolades by sweeping both the Gold Award of the Shenzhen/Hong Kong/Macau IT Award 「2013 深港澳信息科技獎 – 最具競爭力產品獎金獎」and the China National Software and IT Services Annual Award「2012-2013 中國軟件和信息服務業年度獎 – 最具競爭力產品獎」, the first of its kind for a Hong Kong HRM product. The management believes that these awards will well position its product as one of the preferred HRM solutions in PRC and Asia.

On top of securing new customers on its HRM products, the Group's EPM product also garnered a multi-million milestone contract with multiple-year maintenance services from a transportation authority in Hong Kong SAR. The management foresees that the demand for its HRM and EPM products will remain strong in the coming years.

To speed up the business growth of the Group's software business, the Group has been gradually extending its product offerings and business reach to a wide diversity of aspects. In May 2013, the Group has taken a further step to expand its Application Software business by acquiring the entire issued shares of a well-established document imaging and management software product company in Hong Kong, Vitova Limited ("Vitova"). This acquisition will not only increase the Group's software revenue with enlarged customer base but also enrich the Group's product portfolio to cover the area of Enterprise Information Management (EIM)[1].

BUSINESS REVIEW (CONTINUED)

As a long-term business strategy, the Group will continue to put in more resources in expanding its software business and further explore related acquisition opportunities. The management is optimistic that the enhanced software product portfolio and enlarged customer base will enable the Group to grow at a higher rate. .

e-Service and related business

Although the revenue of the Group's GETS[3] business dropped moderately due to the sluggish import and export trading activities in Hong Kong and the intensive competition from other operators, its profit contribution remain unchanged as the management has been implementing effective cost control and operation efficiency enhancement measures. During the reporting period, the Group has strengthen the promotion on value added services based on GETS's existing platform and customers and management expects to see enhanced revenue streams from the value-added services in long run.

Solutions Services

Leveraging from its multi-year service agreements with the Hong Kong SAR Government ("the Government") and various commercial enterprises, the Group's Solutions Services[4] business continue to generate stable income during the reporting period. In addition to numerous new IT services projects awarded from various departments of the Government, the Group also won several new projects from commercial sector based on new technologies in the area of mobile and cloud computing.

In July 2013, the Group successfully renewed three categories of its Standing Offer Agreements for Quality Professional Services 3[5] ("SOA-QPS3") with the Government. The management considers the renewal a major achievement to ascertain stable orders for Solution Services business from the Government in the years to come.

Integration Services

The strategy of transforming its System Integration[6] business in Mainland China from a hardware driven business to a service and solution driven business had inevitably reduced the overall turnover of such operation. On the other hand, the business has gradually established its foothold from the new orders and multi-year service contract from a multi-national bank with over a hundred branches in Mainland China.

Investments

Without the similar magnitude in revaluation gains on investment properties recorded same period last period, the profit of the Group's investments segment fell to HK$4.6 million (2012: HK$16.4 million). On the contrary, the segment revenue increased to HK$1.6 million (2012: HK$0.9 million) as the Group has increased the investment in debt securities and that gained higher interest incomes. The management foresees this segment will continue generating stable rental and interest incomes but takes a cautious view on the investments' short-term price fluctuations.

PROSPECT

The economic outlook of Mainland China and Hong Kong is anticipated to remain challenging with uncertainties on the global fiscal and monetary policies. The timing of the exit of the United States from quantitative easing monetary policies and the persisting European debts issues continued to cast volatilities on the global economic conditions. In view of the foregoing, the Group will continue to adopt prudent risk and capital management to face the challenges ahead.

Looking ahead, the Group's Application Services and Solutions Services business will continue to be the key business drivers in the foreseeable future. The well established customer base and enriched products and services offering will continue to provide the Group with stable income stream. Together with its strong cash position, the Group will continue to pursue new acquisition opportunities to enlarge its software product portfolio and market coverage.

PROSPECT (CONTINUED)

Footnotes:

[1] The Group's Application Services business engages in the provision of application softwares and e-business services for enterprises including (i) the provision of enterprise application software with implementation and ongoing support services for Human Resource Management ("HRM"), Enterprise Procurement Management ("EPM", a product suite evolved from the Group's Electronics Tendering and Procurement System "ETPS") and Enterprise Information Management ("EIM") (collectively the "Application Software"); and (ii) the Government Electronic Trading Services ("GETS"), cloud services, business process outsourcing ("BPO") services and other related value added services (collectively the "e-Service and related business").

[2] China Outstanding Software Product Award ("COSPA") is the largest annual award event in the ICT industry of PRC organized by the nation-wide China Software Industry Association, which is also actively supported by its founder, Ministry of Industry and Information Technology of PRC.

[3] Since 2004, the Group has been granted a license (the "GETS License") from the Government for the provision of front-end Government Electronics Trading Services 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.

[4] The Group's Solution Services business includes (i) Development Services for the provision of IT solutions implementation and application software development; and (ii) Managed Services for the provision of IT and related operation / infrastructure outsourcing services.

[5] The Standing Offer Agreement for Quality Professional Services 3 (SOA-QPS3) is part of the Government's IT outsourcing strategy aiming to enlarge the delivery capacity for IT services and accelerate the delivery of IT solutions to support the next generation of e-government services. It also aims to provide business opportunities for the IT sector and helps further the development of the local IT industry. The total contract value for the scheme, according to the Government, is estimated to be over HK$1 billion over the contract period of four years till July 2017.

The Group was awarded as one of the selected services providers for SOA-QPS3 contracts from the Government in July 2013. These contracts will cover three different types of IT professional services, namely (Service Category 2) on-going services; (Service Category 3) implementation & combined system development services; and (Service Category 4) information security and independent testing services on an as and when required basis. All the related IT professional services of various government departments under these 3 categories will be awarded to the selected services providers under the relevant category.

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

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 18.3% to HK$90.2 million (2012: HK$110.4 million) when compared with the same period last year. The decline was largely due to the decrease in revenue contributed by the Integration business as the Group keeps gradually decoupling from the sales of the low profit margin third parties hardware products during the period.

FINANCIAL REVIEW (CONTINUED)

Gross profit

The Group's gross profit for the period was HK$51.1 million, representing an increase of 12.4% as compared with the amount of HK$45.4 million same period last year and the overall gross profit margin improved significantly to 56.6% (2012: 41.1%). The increment was the combined results of the increasing contributions from higher margin Solutions and Application Services, and the decrease in reselling of low profit margin third party hardware products and the reduction in implementation costs leveraging on its better established software and service platform.

Other income and gains, net (including fair value gains/losses)

Other income and gains, net (including the fair value gains or losses) recorded a dramatic fall of 50.7% to HK$10.2 million (2012: HK$20.8 million). The fall was mainly due to the mixed results of the followings.

a. HK$2.6 million, or a decrease of 81.1% in fair value gain on investment properties (2012: HK$13.6 million);

b. HK$4.2 million, or a decrease of 9.2% in bank interest income (2012: HK$4.6 million) as the Group had allocated more surplus cash to acquire debt securities during the period to enhance the overall interest yield;

c. HK$0.3 million net realized and unrealized loss on the Hong Kong listed equity securities investments (2012: gain of HK$1.9 million) as a result of the downturn of Hong Kong stock market in June 2013; and

d. HK$3.4 million foreign exchange gain (2012: HK$0.04 million) recognized due to the appreciation of the RMB against HKD during the period.

Expenses

Selling and distribution expenses decreased by 18.2% to HK$13.3 million (2012: HK$16.3 million). The decrease was mainly attributable to the significant drop in sales expenses incurred by the Integration business.

General and administrative expenses dropped by 8.0% to HK$23.9 million (2012: HK$26.0 million) as less administrative overhead was incurred by the Integration business compared with the same period last year.

Income tax expense

Income tax expense decreased by 14.2% to HK$2.1 million as the Group's assessable profits generated from the PRC dropped significantly during the period. The tax charge at the Group's effective tax rate was around 8.9% in first half of 2013, comparing with 10.4% in 2012. The effective tax rate was lower than the Hong Kong statutory profits tax rate because part of the incomes and gains, including bank and bond interest income generated in Hong Kong and fair value gain arising from the revaluation of investment properties located in Hong Kong and exchange gain of a capital nature, were not subject to the Hong Kong profits tax.

Net profit

Combining the foregoing factors, profit for the period attributable to shareholders increased 2.8% to HK$21.9 million (2012: HK$21.3 million) while the net profit margin (profit for the period attributable to shareholders divided by revenue) was increased to 24.3% from 19.3% in same period last year. The increase in net profit margin was in line with the improvement in gross profit and gross profit margin as discussed.

FINANCIAL REVIEW (CONTINUED)

Non-Current Assets

The Group's non-current assets as at 30 June 2013 increased to HK$112.6 million from HK$89.9 million as at 31 December 2012. The increase was due to (i) HK$17 million debt securities newly acquired in 2013 and being classified as non-current available-for-sale investments; (ii) around HK$2.6 million appreciation in market value of investment properties held; and (iii) HK$3.4 million goodwill arising from the acquisition of Vitova in May 2013.

The Group considered no impairment indication to the carrying value of goodwill during the period under review.

Current Assets

The Group's current assets as at 30 June 2013 decreased slightly to HK$393.3 million from HK$404.1 million as at 31 December 2012. The decrease was mainly related to the payment of HK$21.6 million for 2012 final and special dividends in June 2013.

The Group maintains strict control over its outstanding trade receivables and considers that trade receivables (net of impairment provision) are all recoverable in the foreseeable future.

Current Liabilities

The Group's current liabilities as at 30 June 2013 increased to HK$106.0 million from HK$92.8 million as at 31 December 2012. The increase was primarily due to the recognition of deferred income arising from various maintenance services to be provided by the Group.

Segment Assets and Liabilities

Segment assets of Integration and Solutions Services business and Application Services business increased in line with the increase in the accounts receivables of Solutions Services and Application Software business.

Segment liabilities of Application Services business increased due to the recognition of deferred income arising from various maintenance services to be provided.

Segment assets of Investments business increased significantly to HK$126.8 million from HK$79.5 million as at 31 December 2012. The increase was mainly due to the acquisition of HK$48 million debt securities in 2013. Consistent with those reported in 2012, the Investments segment of the Group mainly comprised (i) investment properties located in Hong Kong, Guangzhou and Nanjing for rental purpose and (ii) debt and equity securities listed for trading in Hong Kong.

Equity

Total equity as at 30 June 2013 decreased slightly by 0.4% to HK$398.7 million compared with HK$400.2 million as at 31 December 2012. During the period, the Group repurchased approximately 1.1 million shares at an average price of HK$1.8 per share.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2013, the Group had pledged an investment property with a fair value of HK$45.0 million (31 December 2012: HK$42.8 million), listed debt and equity securities of HK$67.9 million (31 December 2012: HK$22.6 million) and bank balances of HK$23.9 million (31 December 2012: HK$60.1 million) to secure certain general bank facilities including guarantee/performance bonds facilities granted to the Group in aggregate of HK$128.3 million (31 December 2012: HK$128.6 million) of which HK$6.1 million (31 December 2012: HK$5.4 million) have been utilised as at 30 June 2013.

FINANCIAL RESOURCES AND LIQUIDITY

The Group maintains a prudent treasury management policy and is in a strong liquidity position for its daily operations and future development demands.

As at 30 June 2013, the Group's bank balances and cash (excluded pledged bank deposit of HK$23.9 million) was HK$257.3 million (31 December 2012: HK$274.8 million).

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

The Group's current ratio representing current assets divided by current liability was 3.7 (31 December 2012: 4.4) and the gearing ratio, representing total liabilities divided by total assets, was 21.2% (31 December 2012: 19.0%).

REMUNERATION POLICY AND NUMBER OF EMPLOYEES

The Group remunerates its employees based on their performance, working experience and prevailing market conditions.

The remuneration policies adopted for the six months ended 30 June 2013 are consistent with those disclosed in the Group's 2012 Annual Report. As at 30 June 2013, the Group employed approximately 272 full time employees and 4 contract-based employees.

As at 30 June 2013, the Company operates a share option scheme and a share award scheme for the purpose of providing incentives and rewards to the employees who contribute to the success of the Group's operations.

SIGNIFICANT INVESTMENTS

Save as disclosed in the announcement, the Group has no significant investments held as at 30 June 2013.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in note 15 regarding an acquisition of a subsidiary, the Group did not have any material acquisition or disposal of subsidiaries during the period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2013.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK6 cents (30 June 2012: HK6 cents) per share for the six months ended 30 June 2013. The interim dividend will be distributed on or about 6 September 2013 to shareholders whose names appear on the Register of Members of the Company on 28 August 2013.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 27 August 2013 to 28 August 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the interim 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30p.m. on 26 August 2013.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period ended 30 June 2013, 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
April 2013	1,094,000	1.80	1.78	1,964

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$110,000. The premium paid on the repurchase of the shares of HK$1,854,000 was charged to the contributed surplus.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the reporting period.

CODE ON CORPORATE GOVERNANCE PRACTICE

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 (the "Listing Rules") during the reporting period.

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

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company. The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited interim financial information for the six months ended 30 June 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company website (www.ctil.com). The 2013 interim 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.

APPRECIATIONS

On behalf of the Group and the Board, I would like to extend my sincere thanks and appreciations to our shareholders, customers, suppliers, business partners and all the employees for their continuous supports and trusts to the Group during the period.

By Order of the Board
Computer And Technologies Holdings Limited
Ng Cheung Shing
Chairman

Hong Kong, 12 August 2013

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.