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 2015

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 2015, together with the comparative amounts. These condensed consolidated interim financial results have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	5	**106,762**	103,853
Cost of sales and services		**(48,912)**	(47,725)
Gross profit		**57,850**	56,128
Other income and gains, net	5	**5,569**	5,308
Foreign exchange differences, net		**(8)**	(5,355)
Fair value gains/(losses), net:			
Financial assets at fair value through profit or loss		**518**	(488)
Investment properties		**2,200**	7,112
Selling and distribution expenses		**(13,574)**	(13,333)
General and administrative expenses		**(26,033)**	(24,482)
PROFIT BEFORE TAX	6	**26,522**	24,890

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(continued)*

		For the six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
PROFIT BEFORE TAX	*6*	**26,522**	24,890
Income tax expense	*7*	**(3,255)**	(2,339)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**23,267**	22,551
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*	**HK cents**	HK cents
Basic		**9.64**	9.37
Diluted		**9.60**	9.32

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	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**23,267**	22,551
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**16**	197
Reclassification adjustments for gains included in the condensed consolidated statement of profit or loss		
- gain on disposal	**(107)**	-
	(91)	197
Exchange differences on translation of foreign operations	**5**	(1,221)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(86)**	(1,024)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Gain on property revaluation	**2,630**	-
Income tax effect	**(658)**	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**1,972**	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**1,886**	(1,024)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**25,153**	21,527

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2015 (Unaudited) HK$'000	31 December 2014 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**7,311**	10,742
Investment properties	*11*	**65,665**	58,265
Goodwill	*12*	**44,575**	29,211
Other intangible assets	*13*	**6,791**	-
Available-for-sale investments	*14*	**1,900**	6,705
Financial assets at fair value through profit or loss	*16*	**4,085**	1,573
Total non-current assets		**130,327**	106,496
CURRENT ASSETS			
Inventories		**365**	712
Trade and bills receivables	*15*	**49,220**	34,142
Prepayments, deposits and other receivables		**6,975**	5,429
Due from contract customers		**3,738**	3,870
Available-for-sale investments	*14*	**5,031**	5,075
Financial assets at fair value through profit or loss	*16*	**9,838**	9,299
Tax recoverable		**11,036**	8,030
Pledged bank deposits		**12,755**	6,943
Cash and cash equivalents		**325,814**	342,644
Total current assets		**424,772**	416,144
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*17*	**(59,033)**	(57,811)
Due to contract customers		**(10,875)**	(7,407)
Deferred revenue		**(40,210)**	(22,069)
Tax payable		**(15,363)**	(11,320)
Total current liabilities		**(125,481)**	(98,607)
NET CURRENT ASSETS		**299,291**	317,537
TOTAL ASSETS LESS CURRENT LIABILITES		**429,618**	424,033
NON-CURRENT LIABILITIES			
Deferred tax liabilities	*18*	**(2,994)**	(1,216)
Net assets		**426,624**	422,817

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**24,419**	24,419
Share premium account	**38,493**	38,493
Shares held under the restricted share award scheme	**(3,297)**	(3,731)
Other reserves	**367,009**	341,928
Proposed final and special dividends	**-**	21,708
Total equity	**426,624**	422,817

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent												
					Other reserves								
	Issued capital	Share premium account	Contributed surplus	Shares held under the restricted share award scheme	Share-based payment reserve	Goodwill reserve	Property revaluation 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*	*HK$'000*
At 1 January 2014	24,419	38,493	29,619	(4,735)	2,367	(7,227)	–	637	733	6,106	300,365	21,641	412,418
Profit for the period	–	–	–	–	–	–	–	–	–	–	22,551	–	22,551
Other comprehensive income for the period:													
Changes in fair value of available-for-sale investments	–	–	–	–	–	–	–	197	–	–	–	–	197
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	(1,221)	–	–	(1,221)
Total comprehensive income for the period	–	–	–	–	–	–	–	197	–	(1,221)	22,551	–	21,527
Vesting of shares held under the restricted share award scheme	–	–	–	640	(640)	–	–	–	–	–	–	–	–
Share award arrangements	–	–	–	–	544	–	–	–	–	–	–	–	544
Final and special 2013 dividends declared	–	–	(26)	–	–	–	–	–	–	–	–	(21,641)	(21,667)
At 30 June 2014	24,419	38,493	29,593	(4,095)	2,271	(7,227)	–	834	733	4,885	322,916	–	412,822

	Attributable to owners of the parent												
					Other reserves								
	Issued capital	Share premium account	Contributed surplus	Shares held under the restricted share award scheme	Share-based payment reserve	Goodwill reserve	Property revaluation 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*	*HK$'000*
At 1 January 2015	**24,419**	**38,493**	**–**	**(3,731)**	**2,428**	**(7,227)**	**–**	**525**	**733**	**5,297**	**340,172**	**21,708**	**422,817**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23,267**	**–**	**23,267**
Other comprehensive income for the period:													
Changes in fair value of available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(91)**	**–**	**–**	**–**	**–**	**(91)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5**	**–**	**–**	**5**
Fair value gain on revaluation of a building upon transfer to investment property	**–**	**–**	**–**	**–**	**–**	**–**	**1,972**	**–**	**–**	**–**	**–**	**–**	**1,972**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**1,972**	**(91)**	**–**	**5**	**23,267**	**–**	**25,153**
Vesting of shares held under the restricted share award scheme	**–**	**–**	**–**	**434**	**(434)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Share award arrangements	**–**	**–**	**–**	**–**	**382**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**382**
Final and special 2014 dividends declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20)**	**(21,708)**	**(21,728)**
At 30 June 2015	**24,419**	**38,493**	**–**	**(3,297)**	**2,376**	**(7,227)**	**1,972**	**434**	**733**	**5,302**	**363,419**	**–**	**426,624**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		For the six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**26,522**	24,890
Adjustments for:			
Bank interest income	*5*	**(4,972)**	(5,396)
Dividend income from listed investments	*5*	**(309)**	(296)
Gain on disposal of items of property, plant and equipment	*5*	**(128)**	(1)
Loss on disposal of financial assets at fair value through profit or loss	*5*	**-**	607
Fair value losses/(gains), net:			
Available-for-sale investments (transfer from equity on disposal)	*5*	**(107)**	-
Financial assets at fair value through profit or loss		**(518)**	488
Investment properties		**(2,200)**	(7,112)
Depreciation	*6*	**1,299**	608
Impairment of trade receivables	*6*	**189**	299
Reversal of impairment of trade receivables	*6*	**(233)**	(196)
Amortisation of other intangible assets	*6*	**373**	-
Equity-settled share-based payment expenses	*6*	**382**	544
		20,298	14,435
Decrease in inventories		**347**	5,414
Increase in trade and bills receivables		**(12,715)**	(22,855)
Decrease/(increase) in amounts due from contract customers		**132**	(117)
Increase in prepayments, deposits and other receivables		**(1,151)**	(2,705)
Decrease in trade payables, other payables and accruals		**(9,719)**	(6,197)
Increase/(decrease) in amounts due to contract customers		**3,468**	(57)
Increase in deferred revenue		**14,415**	14,305
Cash generated from operations		**15,075**	2,223
Hong Kong profits tax paid		**(2,353)**	(2,260)
Overseas taxes paid		**(111)**	(33)
Net cash flows from/(used in) operating activities		**12,611**	(70)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

	Notes	For the six months ended 30 June 2015 (Unaudited) HK$'000	2014 (Unaudited) HK$'000
Net cash flows from/(used in) operating activities		**12,611**	(70)
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received		**4,972**	5,396
Dividends received from listed investments		**309**	296
Purchases of items of property, plant and equipment		**(591)**	(5,556)
Purchases of listed investments		**(2,533)**	(3,000)
Acquisition of subsidiaries	*19*	**(9,252)**	-
Proceeds from disposal of items of property, plant and equipment		**324**	1
Proceeds from disposal of financial assets at fair value through profit or loss		**-**	3,018
Proceeds from disposal of available-for-sale investments		**4,865**	22,041
Decrease in pledged bank deposits		**1,310**	52
(Increase)/decrease in non-pledged bank deposits with original maturity of more than three months when acquired		**(8,219)**	15,609
Net cash flows from/(used in) investing activities		**(8,815)**	37,857
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(21,728)**	(21,667)
Net cash flows used in financing activities		**(21,728)**	(21,667)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(17,932)**	16,120
Cash and cash equivalents at beginning of period		**291,891**	258,962
Effect of foreign exchange rate changes, net		**5**	(1,277)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**273,964**	273,805
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the condensed consolidated statement of financial position		**325,814**	301,214
Pledged deposits for banking facilities granted by a bank with original maturity of less than three months when acquired		**9,144**	8,872
Non-pledged time deposits with original maturity of more than three months when acquired		**(60,994)**	(36,281)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows		**273,964**	273,805

NOTES TO FINANCIAL STATEMENTS:

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 Level 10, Cyberport 2, 100 Cyberport Road, Hong Kong.

During the period, the Group was involved in the following principal activities:

- provision of enterprise applications software and related services, business process outsourcing, e-business, and related maintenance services;
- provision of system and network integration, information technology ("IT") solutions development and implementation, 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 2015 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 2014.

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 2014, 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 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current period's financial statements.

Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs

The adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial period. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

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

(b) the integration and solutions services segment that primarily 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; and

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

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, unallocated foreign exchange differences, net, corporate and other unallocated depreciation, corporate and other unallocated expenses 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

	Application Services		Integration and Solutions Services		Investments		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	(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	**46,804**	46,962	**58,446**	54,431	**1,512**	2,460	**106,762***	103,853*
Other income and gains, net	**52**	28	**130**	-	**415**	(311)	**597^**	(283)^
Total	**46,856**	46,990	**58,576**	54,431	**1,927**	2,149	**107,359**	103,570
Segment results	**18,375**	19,147	**11,906**	9,685	**4,523**	8,867	**34,804**	37,699
Reconciliation:								
Unallocated interest income							**4,972^**	5,396^
Unallocated other income and gains, net							**-^**	195^
Unallocated foreign exchange differences, net							**(8)**	(5,355)
Corporate and other unallocated depreciation							**(918)**	(120)
Corporate and other unallocated expenses							**(12,328)**	(12,925)
Profit before tax							**26,522**	24,890

	Application Services		Integration and Solutions Services		Investments		Total	
	30 June 2015	31 December 2014	**30 June 2015**	31 December 2014	**30 June 2015**	31 December 2014	**30 June 2015**	31 December 2014
	(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	**66,639**	42,973	**43,151**	28,643	**87,515**	84,526	**197,305**	156,142
Reconciliation:								
Corporate and other unallocated assets							**357,794**	366,498
Total assets							**555,099**	522,640
Segment liabilities	**58,191**	42,855	**48,072**	37,453	**859**	820	**107,122**	81,128
Reconciliation:								
Corporate and other unallocated liabilities							**21,353**	18,695
Total liabilities							**128,475**	99,823

* *This represents the consolidated revenue of HK$106,762,000 (2014: HK$103,853,000) in the condensed consolidated statement of profit or loss.*

^ *These comprise the consolidated other income and gains, net, of HK$5,569,000 (2014: HK$5,308,000).*

4. OPERATING SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

Group

	Application Services		Integration and Solutions Services		Investments		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	(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	**–**	–	**–**	–	**2,200**	7,112	**2,200**	7,112
Net fair value gain/(losses) on financial assets at fair value through profit or loss	**–**	–	**–**	–	**518**	(488)	**518**	(488)
Amortisation of other intangible assets	**373**	–	**–**	–	**–**	–	**373**	–
Depreciation	**170**	191	**169**	250	**42**	47	**381**	488
Corporate and other unallocated depreciation							**918**	120
							1,299	608
Impairment losses recognised/(reversed) in the condensed consolidated statement of profit or loss, net*	**140**	70	**(184)**	33	**–**	–	**(44)**	103
Capital expenditure**	**152**	149	**288**	49	**–**	–	**440**	198
Corporate and other unallocated capital expenditure**							**194**	6,558
							634	6,756

* *Including impairment losses recognised in the condensed consolidated statement of profit or loss attributable to the application services segment and the integration and solutions services segment of HK$189,000 (2014: HK$91,000) and nil (2014: HK$208,000), respectively, and impairment losses reversed in the condensed consolidated statement of profit or loss attributable to the application services segment and the integration and solutions services segment of HK$49,000 (2014: HK$21,000) and HK$184,000 (2014: HK$175,000), respectively.*

** *Capital expenditure consists of additions to property, plant and equipment and including property, plant and equipment from the acquisition of subsidiaries.*

4. OPERATING SEGMENT INFORMATION *(continued)*

(b) Geographical information

Group

	Hong Kong		Mainland China		Total	
	2015	2014	**2015**	2014	**2015**	2014
	(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	**101,034**	88,382	**5,728**	15,471	**106,762**	103,853

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

(ii) Non-current assets

	30 June 2015	31 December 2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Hong Kong	**114,981**	88,729
Mainland China	**9,361**	9,489
	124,342	98,218

The non-current asset information is based on the locations 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 2015, revenues from two major customers of HK$26,519,000 and HK$17,868,000 were derived from the integration and solutions services segment.

For the period ended 30 June 2014, revenue from a major customer of HK$29,881,000 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 enterprise applications software, related operation outsourcing, business process outsourcing, e-business, system and network integration, IT solutions development and implementation 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	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Provision of enterprise applications software and related operation outsourcing, business process outsourcing and e-business, and related maintenance services	**46,804**	46,962
Sales of computer networks and system platforms, and the provision of system and network integration, IT solutions development and implementation, and related maintenance services	**58,446**	54,431
Gross rental income from investment properties and interest income from treasury investments	**1,512**	2,460
	106,762	103,853
Other income and gains, net		
Bank interest income	**4,972**	5,396
Dividend income from listed investments	**309**	296
Fair value gain, net:		
Available-for-sale investments (transfer from equity on disposal)	**107**	-
Loss on disposal of financial assets at fair value through profit or loss	**-**	(607)
Gain on disposal of items of property, plant and equipment	**128**	1
Others	**53**	222
	5,569	5,308

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**1,299**	608
Amortisation of other intangible assets	**373**	-
Equity-settled share-based payment expense	**382**	544
Impairment of trade receivables	**189**	299
Reversal of impairment of trade receivables	**(233)**	(196)
Foreign exchange differences, net	**8**	5,355

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2014: 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	
	2015	2014
	(Unaudited)	(Unaudited)
Group:	***HK$'000***	*HK$'000*
Current – Hong Kong		
Charge for the period	**3,314**	2,084
Current – Elsewhere		
Charge for the period	**3**	227
Deferred (note 18)	**(62)**	28
Total tax charge for the period	**3,255**	2,339

During the prior period, the Hong Kong Inland Revenue Department (the "IRD") has issued a protective assessment ("first protective assessment") to a subsidiary of the Company demanding tax of approximately HK$2,260,000 for the year of assessment 2007/08. An enquiry letter was issued to that subsidiary on the same day regarding, inter alia, the nature and the deductibility of certain expenditure/expenses. The subsidiary has objected to the first protective assessment and a written notice of objection has been filed to the IRD, at the same time, the subsidiary has purchased a tax reserve certificate at the request of the IRD.

On 12 March 2015, the IRD has further issued a protective assessment ("second protective assessment") to that subsidiary of the Company demanding tax of approximately HK$2,354,000 for the year of assessment 2008/09. A further enquiry letter was also issued to that subsidiary to request for additional information and documents regarding the nature and the deductibility of those abovementioned expenditure/expenses. The subsidiary has also objected to the second protective assessment and a written notice of objection has been filed to the IRD in March 2015. The subsidiary has purchased a tax reserve certificate at the request of the IRD and is in the process of gathering the additional information and documents requested in support of the deduction claim.

In the opinion of the directors of the Company, it is not practicable at this early stage to estimate reliably the outcome of the deduction claim and therefore, the financial effect (including the amount or timing thereof, if any) of the foregoing enquiry. However, the directors believe that except for certain insignificant tax adjustments, the effect of which has been reflected in the prior year's profit or loss of the Group, and subject to availability of the required evidence, the subsidiary has valid grounds to support the deductibility of those expenditure/expenses. Accordingly, no further provision for Hong Kong profits tax is considered necessary at this stage.

8. DIVIDENDS

a. Subsequent to the end of the interim period, the Board has determined that an interim dividend of 7 HK cents (2014: 7 HK cents) in cash per ordinary share should be paid to the shareholders of the Company whose names appear in the Register of Members on Monday, 7 September 2015.

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

	For the six months ended 30 June	
	2015	2014
	(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 (2014: HK$0.09) per ordinary share	**21,978**	22,003
Less: Dividend for shares held under the Company's restricted share award scheme	**(250)**	(336)
	21,728	21,667

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 241,275,535 (2014: 240,555,491) 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 scheme 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	
	2015	2014
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**241,275,535**	240,555,491
Effect of dilution – weighted average number of ordinary shares:		
Restricted shares awarded under the Company's restricted share award scheme	**1,121,697**	1,292,788
	242,397,232	241,848,279

10. PROPERTY, PLANT AND EQUIPMENT

Group

	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Net book value, as at 1 January	**10,742**	5,244
Additions	**591**	7,512
Disposals (net book value)	**(196)**	(27)
Transfer to investment properties	**(2,570)**	–
Acquisition of subsidiaries (note 19)	**43**	–
Depreciation provided during the period	**(1,299)**	(1,963)
Exchange realignment	**-**	(24)
Net book value, as at 30 June / 31 December	**7,311**	10,742

11. INVESTMENT PROPERTIES

Group

	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Carrying amount at 1 January	**58,265**	50,140
Net gain from a fair value adjustment	**2,200**	8,125
Transfer from owner-occupied property	**5,200**	-
Carrying amount, as at 30 June / 31 December	**65,665**	58,265

12. GOODWILL

Group

	HK$'000
At 31 December 2014	
Cost and carrying amount at 1 January 2014 and 31 December 2014	29,211
At 30 June 2015	
Cost and carrying amount at 1 January 2015	29,211
Acquisition of subsidiaries (note 19)	15,364
Carrying amount at 30 June 2015	44,575

13. OTHER INTANGIBLE ASSETS

Group

At 31 December 2014	Customer relationships *HK$'000*	Deferred development costs *HK$'000*	Total *HK$'000*
Cost and carrying amount at 1 January 2014 and 31 December 2014	-	-	-

At 30 June 2015	Customer relationships *HK$'000*	Deferred development costs *HK$'000*	Total *HK$'000*
Cost and carrying amount at 1 January 2015	**-**	**-**	**-**
Acquisition of subsidiaries (note 19)	**7,164**	**-**	**7,164**
Amortisation during the period	**(373)**	**-**	**(373)**
Net carrying amount	**6,791**	**-**	**6,791**

14. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Debt investments, at fair value	**5,031**	9,880
Club membership debenture, at fair value	**1,900**	1,900
	6,931	11,780
Portion classified as current assets	**(5,031)**	(5,075)
Portion classified as non-current assets	**1,900**	6,705

During the period, the net loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$91,000 (2014: net gain of HK$197,000).

15. 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:

	Group	
	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Within 1 month	**43,764**	20,856
1 to 3 months	**2,947**	9,572
4 to 6 months	**1,738**	3,698
More than 6 months	**771**	16
	49,220	34,142

For system integration projects and the provision of maintenance services and software development services, the Group's trading terms with its customers vary from contract to contract or depending on the specific arrangements with individual customers, and may include cash on delivery, advance payment and on credit. For those customers who trade on credit, the overall credit period is generally within 120 days, except for certain projects with longer implementation schedules where the period may extend beyond 120 days, or may be extended for major or specific customers. The Group seeks to maintain strict control over its outstanding trade receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Debt investments, at market value	**4,085**	1,573
Listed equity investments in Hong Kong, at market value	**9,838**	9,299
	13,923	10,872
Portion classified as current assets	**(9,838)**	(9,299)
Portion classified as non-current assets	**4,085**	1,573

The debt investments were designated upon initial recognition as financial assets at fair value through profit or loss as they are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the investments is provided internally on that basis to the Group's key management personnel. Debt investment classified as a current asset at 30 June 2015 and 31 December 2014 was a debt with maturity date falls within one year from the end of the reporting period.

The listed equity investments were all included under current assets at 30 June 2015 and 31 December 2014 and were classified as held for trading.

17. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	Group	
	30 June	31 December
	2015	2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade payables	**17,008**	21,276
Other payables	**23,231**	23,376
Accruals	**9,616**	13,159
Consideration payable on acquisition of subsidiaries (note 19)	**9,178**	-
	59,033	57,811

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

	Group	
	30 June	31 December
	2015	2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 1 months	**15,070**	18,480
1 to 3 months	**411**	2,035
4 to 6 months	**914**	178
Over 6 months	**613**	583
	17,008	21,276

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

18. DEFERRED TAX

The movements in deferred tax liabilities during the period are as follows:

Deferred tax liabilities

Group

		2015		
	Revaluation of properties	**Fair value adjustments arising from acquisition of subsidiaries**	**Withholding taxes**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 1 January 2015	**720**	**-**	**496**	**1,216**
Acquisition from subsidiaries (note 19)	**-**	**1,182**	**-**	**1,182**
Deferred tax charged to equity	**658**	**-**	**-**	**658**
Deferred tax credited to the condensed consolidated statement of profit or loss during the period (note 7)	**-**	**(62)**	**-**	**(62)**
At 30 June 2015	**1,378**	**1,120**	**496**	**2,994**

18. DEFERRED TAX *(continued)*

	2014			
	Revaluation of properties *HK$'000*	Fair value adjustments arising from acquisition of subsidiaries *HK$'000*	Withholding taxes *HK$'000*	Total *HK$'000*
At 1 January 2014	639	-	496	1,135
Deferred tax charged to the condensed consolidated statement of profit or loss during the period	81	-	-	81
At 31 December 2014	720	-	496	1,216

19. BUSINESS COMBINATION

On 6 February 2015, the Group acquired the entire equity interest in Sanyo Extended System Services Limited ("Sanyo Extended"). Sanyo Extended and its subsidiary (collectively "Sanyo Extended Group") are engaged in the provision of a range of software, solutions and related services to the retailers for the point-of-sale (POS) and related management. The Group has acquired Sanyo Extended Group to further expand its application services business and to extend the existing product offering. The purchase consideration of approximately HK$22,944,000 for the acquisition was payable in three tranches in the form of cash.

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

	Fair value recognised on acquisition *HK$'000*
Property, plant and equipment (note 10)	43
Cash and bank balances	4,514
Trade receivables	2,319
Prepayments, deposits and other receivables	395
Other payables and accruals	(1,763)
Deferred revenue	(3,726)
Tax payable	(184)
Total identifiable net assets at fair value	1,598
Goodwill on acquisition (note 12)	15,364
Other intangible assets arising from the acquisition (note 13)	7,164
Deferred tax liabilities arising from the acquisition (note 18)	(1,182)
Total cost of the business combination	22,944
Satisfied by:	
Cash	13,766
Acquisition consideration payable (note 17)	9,178
Total cost of the business combination	22,944

19. BUSINESS COMBINATION *(continued)*

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK$2,319,000 and HK$395,000, respectively. The gross contractual amounts of trade receivables and other receivables were HK$2,369,000 and HK$395,000 respectively, of which trade receivables of HK$50,000 were expected to be uncollectible.

Included in the goodwill of HK$15,364,000 recognised above was the value of expected synergies arising from combining operations of the Group and Sanyo Extended Group. None of the goodwill recognised was expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	HK$'000
Cash consideration paid	(13,766)
Cash and bank balances acquired	4,514
Net outflow of cash and cash equivalents included in cash flows from investing activities	(9,252)

Since the acquisition, Sanyo Extended Group contributed HK$5,492,000 to the Group's turnover and HK$1,333,000 to the consolidated profit for the period ended 30 June 2015.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period would have been HK$108,136,000 and HK$23,841,000, respectively.

20. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 11) 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 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	30 June 2015 (Unaudited) ***HK$'000***	31 December 2014 (Audited) *HK$'000*
Within one year	**2,341**	2,128
In the second to fifth years, inclusive	**675**	1,379
	3,016	3,507

20. OPERATING LEASE ARRANGEMENTS *(continued)*

(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 four years.

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	30 June 2015 (Unaudited) ***HK$'000***	31 December 2014 (Audited) *HK$'000*
Within one year	**4,464**	3,919
In the second to fifth years, inclusive	**8,933**	11,146
	13,397	15,065

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 18 August 2015.

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 2015. The Group's consolidated net profit attributable to shareholders for the reporting period increased by 3.2% to HK$23.3 million (2014: HK$22.6 million). The basic earnings per share was 9.64 HK cents (2014: 9.37 HK cents) or an increase of 2.9% compared with the same period last year.

The Group's overall revenue was HK$106.8 million (2014: HK$103.9 million), representing a growth of 2.8% over the same period last year and the overall gross profit also increased by 3.1% to HK$57.9 million.

During the reporting period, the Group generated net cash inflows of HK$12.6 million from its operating activities and continuously maintained robust liquidity position. In view of the sustained healthy financial position, the Board recommended the distribution of an interim dividend of 7 HK cents (2014: 7 HK cents).

BUSINESS REVIEW

Application Software

Building on existing customer base with recurring business and ongoing maintenance and service incomes, the Group's Application Software[1] business managed to deliver a steady performance in the first half of 2015. In order to accelerate the future growth, the Group had been deployed increasing resources in research and development ("R&D") for software products enhancement and platforms integration during the reporting period. While the increased R&D costs had adversely impacted the profit contributions of the related businesses, the management believes that the enriched products features and integrated platforms will contribute to the long-term profit growth.

While the revenue contributions of the Group's HRM[1], EIM[1] and EPM[1] businesses were stably maintained during the reporting period, the Group continued to expand its customer base with prestigious clients in various industries, such as a major property developer in the region, a five-star hotel group and an organization providing clearing and settlements services to major financial institutions in Hong Kong.

On top of organic growth, in February 2015, the Group had taken steps forward to expand its Application Software business by acquiring the entire issued shares of Sanyo Extended System Services Limited ("Sanyo Extended"), a well-established ERM[1] solutions company in Hong Kong who is specialised in point-of-sale and related software and services. The acquisition strengthened both the resources and product offerings of the Group. The management is also contented to see the smooth integrations of the teams and foreseen more synergy effects would be generated.

The management forecasted the market demands for the Group's software products will be strong in the foreseeable future. The Group had been developing its next generation enterprise application platform that allows various product suites to be integrated and configured to cater for different customers' requirements, to cope with multiple-user interfaces including mobile devices and to be delivered on-premises and on cloud. The management envisaged that solutions built on such platform would meet the upcoming market demands and provide further expansion opportunities to the Group.

e-Service and related business

The expiration of the partnership agreements with some trade associations for paper-to-electronic conversion service ("PCS") last year had caused a material decrease in revenue of the Group's GETS[2] business during the reporting period. Despite the downturn of revenue, the Group's establishment of the 12 PCS outlets through a partnership with a locally listed printing business group had functioned well and became one of the major income sources of PCS revenue. In addition, the Group had also launched more customer-oriented services plans and enhanced its online services to cater for the users with diverse preferences.

BUSINESS REVIEW *(continued)*

e-Service and related business *(continued)*
The Group's BPO[3] business remained stable during the reporting period. The management is delighted to see the Group had secured to renew a multi-year BPO contract with a leading trade promotion organization in Hong Kong.

Solutions and Integration Services
Leveraged on improved domain expertise and delivery proficiency, the Group's Solutions Services[4] business managed to deliver a result with double-digit growth in the first half of 2015.

The business continued receiving material IT solutions and service orders from various government departments of HKSAR and commercial conglomerates. The management expected the market demands for solution services based on the latest technologies in the area of mobility and cloud computing will be solid for the rest of the year.

Building on a streamline structure, the Group's Integration Services[5] business managed to deliver an improved result during the period under review.

Investments
The Group's investments segment recorded a segment result of HK$4.5 million (2014: HK$8.9 million). The decreased segment result is mainly caused by the decrement of fair value gain of the investment properties held.

PROSPECT

The management is cautiously optimistic on the Group's overall performance for the remaining year. Building on top of its strong customer base which will continue to generate recurring businesses and ongoing services incomes, the Group will continue to invest in the software product R&D and expand the related markets. Last but not least, the Group will not slow down in searching for any suitable acquisition opportunity in the region to accelerate the business development.

Footnotes:

[1] The Group's Application Services business engages in the provision of application software 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"), Enterprise Information Management ("EIM") and Enterprise Retail Management ("ERM") (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] Since 2004, the Group has been granted a license (the "GETS License") from the Government for the provision of front-end Government Electronic Trading Services for processing certain official trade-related documents. The Group's GETS License was renewed in 2009 for operation of additional seven years until the end of 2016.

[3] The Group's BPO business comprises the provision of services for the operations and support of specific business functions or processes of customers.

[4] The Group's Solutions 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 Group's Integration Services 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 turnover for the reporting period slightly increased by 2.8% to HK$106.8 million (2014: HK$103.9 million). The increase in revenue was mainly due to the contribution from the Group's Solutions Services business during the reporting period.

Gross profit

The Group's gross profit for the reporting period increased by 3.1% to HK$57.9 million (2014: HK$56.1 million) while the overall gross profit margin was stably maintained at 54.2% (2014: 54.0%).

Non-operating incomes and gains, net (included other incomes and gains, net, foreign exchange differences, net and fair value gains/(losses), net)

Non-operating incomes and gains (included other incomes and gains, net, foreign exchange differences, net, and fair value gains/(losses), net) recorded an increase of 25.9% to HK$8.3 million (2014: HK$6.6 million). The increase was mainly due to a mixed result of the followings.

Foreign exchange differences, net

The foreign exchange loss was significantly reduced to HK$8,000 (2014: HK$5.4 million) as the exchange rate of Renminbi was less fluctuated during the reporting period.

Fair value gain on investment properties

The continuous appreciation in the investment properties held by the Group attributed to the fair value gain of HK$2.2 million on the investment properties, however the gain was 69.1% or HK$4.9 million lower than the same period last year.

Expenses

The Group's selling and distribution expenses kept constant from same period last year.

The Group's general and administrative expenses increased due to the consolidation of expenses of newly acquired ERM business from February 2015.

Income tax expense

Income tax expense increased by 39.2% to HK$3.3 million as the assessable profits subject to Hong Kong profits tax had been increased in current reporting period. The tax charge at the Group's effective tax rate was around 12.3% in 2015, comparing with 9.4% in 2014. The effective tax rate was lower than the Hong Kong statutory profits tax rate because part of the income and gains, including dividend, bank interest incomes generated in Hong Kong and fair value gain arising from the revaluation of investment properties located in Hong Kong, were not subject to the Hong Kong profits tax.

Net profit

Profit for the period attributable to shareholders increased 3.2% to HK$23.3 million (2014: HK$22.6 million) while the net profit margin (profit for the period attributable to shareholders divided by revenue) was maintained at 21.8% (2014: 21.7%).

Non-Current Assets

The Group's non-current assets as at 30 June 2015 went up to HK$130.3 million from HK$106.5 million as at 31 December 2014. The change was mainly attributable to the recognition of a goodwill and an intangible asset arising from the acquisition of Sanyo Extended in early 2015.

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

FINANCIAL REVIEW *(continued)*

Current Assets
The Group's current assets as at 30 June 2015 increased slightly to HK$424.8 million from HK$416.1 million as at 31 December 2014. The change represented the net results of (i) the decrease in cash and cash equivalents due to the distribution of 2014 special and final dividends and progress payment for the acquisition of Sanyo Extended; (ii) the increase in trade receivables due to a multi-million billing issued to a government department of HKSAR in late June for some ongoing maintenance services to be provided.

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

Current Liabilities
The Group's current liabilities as at 30 June 2015 increased to HK$125.5 million from HK$98.6 million as at 31 December 2014. 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 increased in line with the increase in the trade receivables of Solutions Services business incurred by a billing issued to a government department of HKSAR as previously mentioned.

Segment liabilities of Integration and Solutions Services business increased due to the recognition of deferred income arising from various maintenance services to be provided by the Solution Services business.

Segment assets and segment liabilities of Applications Services business increased mainly due to the acquisition of Sanyo Extended in early 2015.

Segment assets of Investments business increased slightly due to the net effect of (i) the appreciation in value of investment properties held and (ii) the decrease in investments held under available-for-sale investments and financial assets at fair value through profit or loss.

Equity
Total equity as at 30 June 2015 slightly increased by 0.9% to HK$426.6 million (31 December 2014: HK$422.8 million). The change was mainly a result of the retention of the net profit earned in first half of 2015, partially offset by the reclassification of 2014 final and special dividends to current liability upon the approval of the dividends at the annual general meeting held in June 2015.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES
As at 30 June 2015, the Group had pledged an investment property with a fair value of HK$55.0 million (31 December 2014: HK$52.8 million), listed debt and equity securities of HK$13.9 million (31 December 2014: HK$10.9 million) and bank balances of HK$12.8 million (31 December 2014: HK$6.9 million) to secure certain general bank facilities including guarantee/performance bonds facilities granted to the Group in aggregate of HK$134.0 million (31 December 2014: HK$134.0 million) of which HK$5.7 million (31 December 2014: HK$5.4 million) have been utilised as at 30 June 2015.

FINANCIAL RESOURCES AND LIQUIDITY
As at 30 June 2015, the Group's bank balances and cash (excluded pledged bank deposit of HK$12.8 million) was HK$325.8 million (31 December 2014: HK$342.6 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 relatively low exchange fluctuation risks. Nevertheless, the Group monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure to minimise exchange risk should the need arise.

FINANCIAL RESOURCES AND LIQUIDITY *(continued)*

As at 30 June 2015, the Group had no bank borrowings (31 December 2014: Nil). The Group's current ratio representing current assets divided by current liability was 3.4 (31 December 2014: 4.2) and the gearing ratio, representing total liabilities divided by total assets, was 23.1% (31 December 2014: 19.1%).

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 2015 are consistent with those disclosed in the Group's 2014 Annual Report. As at 30 June 2015, the Group employed 263 full time employees and 2 contract-based employees (31 December 2014, 270 full time employees and 4 contract-based employees).

As at 30 June 2015, 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 2015.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in note 19 regarding an acquisition of subsidiaries, the Group did not have any material acquisition or disposal of subsidiaries during the reporting period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2015.

CONTINGENT LIABILITIES

Save as disclosed in the announcement, the Group has no material contingent liabilities as at 30 June 2015.

CHANGES SINCE 30 JUNE 2015

There were no other significant changes in the Group's financial position or from the information disclosed under management discussion and analysis in the announcement for the period ended 30 June 2015.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of 7 HK cents (2014: 7 HK cents) per share for the six months ended 30 June 2015. The interim dividend will be distributed on or about Thursday, 17, September 2015 to shareholders whose names appear on the Register of Members of the Company on Monday, 7 September 2015.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 4 September 2015 to Monday, 7 September 2015, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30p.m. on Thursday, 3 September 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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 Company is committed to maintaining high standard of corporate governance within a sensible framework with an emphasis on the principles of integrity, transparency and accountability. The board of directors of the Company (the "Board") believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders' value.

The Board opined that the Company has complied with the code provision set out in the Corporate Governance Code (the "CG code") as stipulated in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the reporting period except on the deviations noted below.

The CG code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. Mr. Cheung Wai Lam has been appointed as an executive director of the Company and the deputy CEO of the Group since 2013. Deputy CEO mainly focuses on certain business operations and administrative functions of the Group, assists the Board to formulate strategies for the Group and to make sure they are implemented successfully. With the present board structure and scope of business, the Board considers that there is no imminent need to appoint CEO. However, the Board will continue to review the effectiveness of the Group's corporate governance structure and will consider whether any changes, including the appointment of CEO, are necessary.

The Company considers that sufficient measures have been taken to ensure that its corporate governance practices are similar to those provided in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

To comply with CG Code A.5.4, the Company has also adopted the Model Code as its code of conduct for dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

AUDIT COMMITTEE

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 and one executive director 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 2015.

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 2015 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 Board and the management, I would like to express our sincere thanks to all employees, shareholders, customers and business partners for their supports to the Group during the reporting period.

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

Hong Kong, 18 August 2015

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