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computer technologies

COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00046)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

GROUP RESULTS

The Board of Directors (the “Board”) of Computer And Technologies Holdings Limited (the “Company”) herein presents the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 together with comparative figures for the corresponding period in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
REVENUE	5	261,076	257,504
Cost of sales and services		<u>(117,890)</u>	<u>(121,663)</u>
Gross profit		143,186	135,841
Other income and gains	5	16,086	16,271
Foreign exchange differences, net		555	2
Fair value losses, net:			
Financial assets at fair value through profit or loss		(280)	(1,219)
Investment properties		(5,000)	(1,872)
Selling and distribution expenses		(37,659)	(34,423)
General and administrative expenses, net		(60,930)	(62,906)
Finance cost		(1,088)	(469)
Other expenses		<u>(15,542)</u>	<u>(13,442)</u>
PROFIT BEFORE TAX	6	<u>39,328</u>	<u>37,783</u>

continued/...

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(continued)*

Year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PROFIT BEFORE TAX	6	39,328	37,783
Income tax expense	7	<u>(10,432)</u>	<u>(4,540)</u>
PROFIT FOR THE YEAR		<u>28,896</u>	<u>33,243</u>
ATTRIBUTABLE TO:			
Owners of the parent		29,065	33,350
Non-controlling interests		<u>(169)</u>	<u>(107)</u>
		<u>28,896</u>	<u>33,243</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9	HK cents	HK cents
Basic		<u>11.95</u>	<u>13.50</u>
Diluted		<u>11.90</u>	<u>13.44</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>28,896</u>	<u>33,243</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(1,167)</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>27,729</u>	<u>33,270</u>
ATTRIBUTABLE TO:		
Owners of the parent	27,898	33,377
Non-controlling interests	<u>(169)</u>	<u>(107)</u>
	<u>27,729</u>	<u>33,270</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		6,123	1,031
Investment properties		57,000	64,838
Right-of-use assets		18,306	7,986
Goodwill		135,001	135,001
Other intangible assets		16,857	32,292
Financial assets at fair value through profit or loss - debt investment		2,100	2,100
Deposits		1,845	657
Deferred tax assets		773	2,715
Total non-current assets		238,005	246,620
CURRENT ASSETS			
Inventories		11	14
Trade receivables	<i>10</i>	39,514	36,705
Contract assets		37,064	29,338
Prepayments, deposits and other receivables		15,296	14,929
Tax recoverable		9,393	8,085
Financial assets at fair value through profit or loss - listed equity investments		1,926	2,206
Pledged bank deposits		202,491	466
Cash and cash equivalents		128,907	316,145
Total current assets		434,602	407,888
CURRENT LIABILITIES			
Trade payables, other payables and accruals	<i>11</i>	(70,474)	(68,657)
Contract liabilities		(60,208)	(52,143)
Lease liabilities		(4,286)	(6,267)
Tax payable		(15,170)	(9,468)
Total current liabilities		(150,138)	(136,535)
NET CURRENT ASSETS		284,464	271,353
TOTAL ASSETS LESS CURRENT LIABILITIES		522,469	517,973

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Provision	<i>11</i>	(795)	—
Contract liabilities		(894)	(1,397)
Lease liabilities		(15,009)	(2,889)
Deferred tax liabilities		(3,511)	(7,688)
Total non-current liabilities		(20,209)	(11,974)
Net assets		502,260	505,999
EQUITY			
Equity attributable to owners of the parent			
Issued capital		24,433	24,702
Share premium account		41,410	47,147
Shares held under the restricted share award scheme		(3,872)	(5,454)
Other reserves		425,770	424,776
Proposed final dividend	<i>8</i>	13,353	13,493
		501,094	504,664
Non-controlling interests		1,166	1,335
Total equity		502,260	505,999

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 18th Floor, Viva Place, No. 36 Heung Yip Road, Wong Chuk Hang, Hong Kong.

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

- provision of enterprise application software and e-business services for enterprises including the provision of enterprise application software (including Software as a Services (“SaaS”) product offering) with implementation and ongoing support services, the Government Electronic Trading Services (“GETS”), cloud services and other related value-added services;
- provision of information technology (“IT”) solutions implementation and application software development (including SaaS product offering), provision of IT and related operation/infrastructure outsourcing services, and provision of IT systems and network infrastructure with related design, implementation and ongoing support services; and
- property and treasury investments.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's 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 application software and e-business services for enterprises including the provision of enterprise application software (including SaaS product offering) with implementation and ongoing support services, the GETS, cloud services and other related value-added services;
- (b) the solutions and integration services segment that primarily engages in the provision of IT solutions implementation and application software development (including SaaS product offering), provision of IT and related operation/infrastructure outsourcing services, and provision of IT systems and network infrastructure with related design, implementation and ongoing support 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/or for capital appreciation.

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

Segment assets exclude deferred tax assets, tax recoverable, pledged bank deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments

	Application Services		Solutions and Integration Services		Investments		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
Sales to external customers (note 5)	143,358	152,781	116,096	102,834	1,622	1,889	261,076*	257,504*
Intersegment sales	2,116	60	13,916	9,257	–	–	16,032	9,317
Other income and gains	1,334	1,367	64	10	195	292	1,593^	1,669^
Total segment revenue	146,808	154,208	130,076	112,101	1,817	2,181	278,701	268,490
<i>Reconciliation:</i>								
Elimination of intersegment sales							(16,032)	(9,317)
							262,669	259,173
Segment results	28,671	34,700	31,433	24,927	(3,504)	(1,001)	56,600	58,626
<i>Reconciliation:</i>								
Unallocated interest income							14,493^	14,602^
Unallocated foreign exchange differences, net							555	2
Corporate and other unallocated depreciation							(394)	(207)
Corporate and other unallocated expenses							(31,926)	(35,240)
Profit before tax							39,328	37,783

* This represents the consolidated revenue of HK\$261,076,000 (2023: HK\$257,504,000) in the consolidated statement of profit or loss.

^ These comprise the consolidated other income and gains, of HK\$16,086,000 (2023: HK\$16,271,000) in the consolidated statement of profit or loss.

4. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Application Services		Solutions and Integration Services		Investments		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	185,835	198,776	63,512	54,952	61,172	69,292	310,519	323,020
<i>Reconciliation:</i>								
Elimination of intersegment receivables							(2,093)	–
Corporate and other unallocated assets							<u>364,181</u>	<u>331,488</u>
Total assets							<u>672,607</u>	<u>654,508</u>
Segment liabilities	94,138	95,769	34,423	22,404	608	653	129,169	118,826
<i>Reconciliation:</i>								
Elimination of intersegment payables							(2,093)	–
Corporate and other unallocated liabilities							<u>43,271</u>	<u>29,683</u>
Total liabilities							<u>170,347</u>	<u>148,509</u>
Other segment information:								
Net fair value losses on investment properties	–	–	–	–	(5,000)	(1,872)	(5,000)	(1,872)
Net fair value losses on financial assets at fair value through profit or loss	–	–	–	–	(280)	(1,219)	(280)	(1,219)
Amortisation of other intangible assets	7,752	5,673	7,790	7,769	–	–	15,542	13,442
Depreciation	2,228	2,324	1,046	1,020	–	–	3,274	3,344
Corporate and other unallocated depreciation							<u>3,764</u>	<u>4,836</u>
							<u>7,038</u>	<u>8,180</u>
Impairment of trade receivables, net*	580	827	213	239	–	–	793	1,066
Capital expenditure**	162	78	391	202	–	–	553	280
Corporate and other unallocated capital expenditure**							<u>5,394</u>	<u>143</u>
							<u>5,947</u>	<u>423</u>

* Including impairment of trade receivables attributable to the application services segment of HK\$1,192,000 (2023: HK\$1,311,000) and the solutions and integration services segment of HK\$634,000 (2023: HK\$422,000), respectively, and reversal of impairment of trade receivables attributable to the application services segment of HK\$612,000 (2023: HK\$484,000) and the solutions and integration services segment of HK\$421,000 (2023: HK\$183,000), respectively.

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

4. OPERATING SEGMENT INFORMATION *(continued)*

(b) Geographical information

(i) Revenue from external customers

	Hong Kong and other countries/regions		Mainland China		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Sales to external customers	218,306	209,320	42,770	48,184	261,076	257,504

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

(ii) Non-current assets

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	134,477	132,042
Mainland China	98,810	109,106
	233,287	241,148

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

(c) Information about a major customer

Revenue from transactions with an external customer amounting to 10% or more of the Group's total revenue:

For the year ended 31 December 2024, revenue from a major customer of HK\$85,966,000 (2023: HK\$78,048,000) was derived from transactions with the customer reported in the application services segment and the solutions and integration services segment.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers	259,454	255,615
Revenue from other sources		
Gross rental income from investment properties	<u>1,622</u>	<u>1,889</u>
	<u>261,076</u>	<u>257,504</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

	Application Services HK\$'000	Solutions and Integration Services HK\$'000	Total HK\$'000
For the year ended 31 December 2024			
<i>Segments</i>			
Types of goods or services			
Sale of goods and provision of software, and GETS services	25,179	5,915	31,094
Provision of software implementation and related services, and IT solutions implementation and related services	38,363	55,054	93,417
Provision of SaaS product offering and maintenance services	<u>79,816</u>	<u>55,127</u>	<u>134,943</u>
Total revenue from contracts with customers	<u>143,358</u>	<u>116,096</u>	<u>259,454</u>
Geographical markets			
Hong Kong and others	104,102	112,601	216,703
Mainland China	<u>39,256</u>	<u>3,495</u>	<u>42,751</u>
Total revenue from contracts with customers	<u>143,358</u>	<u>116,096</u>	<u>259,454</u>
Timing of revenue recognition			
Goods and services transferred at a point in time	25,179	5,915	31,094
Services transferred over time	<u>118,179</u>	<u>110,181</u>	<u>228,360</u>
Total revenue from contracts with customers	<u>143,358</u>	<u>116,096</u>	<u>259,454</u>

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

	Application Services <i>HK\$'000</i>	Solutions and Integration Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2023			
<i>Segments</i>			
Types of goods or services			
Sale of goods and provision of software, and GETS services	27,183	4,514	31,697
Provision of software implementation and related services, and IT solutions implementation and related services	48,181	50,049	98,230
Provision of SaaS product offering and maintenance services	<u>77,417</u>	<u>48,271</u>	<u>125,688</u>
Total revenue from contracts with customers	<u>152,781</u>	<u>102,834</u>	<u>255,615</u>
Geographical markets			
Hong Kong and others	108,286	99,364	207,650
Mainland China	<u>44,495</u>	<u>3,470</u>	<u>47,965</u>
Total revenue from contracts with customers	<u>152,781</u>	<u>102,834</u>	<u>255,615</u>
Timing of revenue recognition			
Goods and services transferred at a point in time	27,183	4,514	31,697
Services transferred over time	<u>125,598</u>	<u>98,320</u>	<u>223,918</u>
Total revenue from contracts with customers	<u>152,781</u>	<u>102,834</u>	<u>255,615</u>

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods and provision of software and GETS services

The performance obligation is generally satisfied upon product/service delivery, where payment in advance is normally required, and the balance is generally due within 30 to 60 days from the date of delivery.

Provision of software implementation and related services

The performance obligation is generally satisfied over time as services are rendered and payment is generally due within 30 to 60 days from the date of billing.

Provision of IT solutions implementation and related services

The performance obligation is generally satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. Generally, a certain percentage of payment is retained by respective customers as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the respective contracts.

Provision of SaaS product offering and maintenance services

The performance obligation is generally satisfied over time as services are rendered and payments in advance are normally required before rendering the services.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024 HK\$'000	2023 HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	60,208	52,143
After one year	894	1,397
	<u>61,102</u>	<u>53,540</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to maintenance services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2024 HK\$'000	2023 HK\$'000
Other income and gains		
Bank interest income	14,495	14,604
Value-added tax refund received	388	981
Dividend income from listed investments at fair value		
through profit or loss	195	284
Gain on disposal of items of property, plant and equipment, net	—	6
Gain on lease modifications	409	—
Others	599	396
	<u>16,086</u>	<u>16,271</u>

6. PROFIT BEFORE TAX

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

	2024 HK\$'000	2023 HK\$'000
Depreciation of property, plant and equipment*	842	640
Depreciation of right-of-use assets	6,196	7,540
Amortisation of other intangible assets**	15,542	13,442
Gain on disposal of items of property, plant and equipment, net	—	(6)
Impairment of trade receivables, net	793	1,066
Fair value losses, net:		
Financial assets at fair value through profit or loss	280	1,219
Investment properties	5,000	1,872

* Depreciation of property, plant and equipment for the year of HK\$15,000 (2023: HK\$60,000) is included in "Cost of sales and services" on the face of the consolidated statement of profit or loss.

** Amortisation of other intangible assets for the year of HK\$15,542,000 (2023: HK\$13,442,000) is included in "Other expenses" on the face of the consolidated statement of profit or loss.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2024 HK\$'000	2023 HK\$'000
Current - Hong Kong		
Charge for the year	8,441	7,864
Underprovision/(overprovision) in prior years	4,140	(211)
Current - Elsewhere		
Charge for the year	161	127
Overprovision in prior years	(3)	(311)
Deferred	(2,307)	(2,929)
Total tax charge for the year	10,432	4,540

7. INCOME TAX (continued)

In 2022, the Hong Kong Inland Revenue Department (the “IRD”) issued an enquiry letter (“1st IRD Enquiry”) to a subsidiary of the Company regarding the claim for enhanced deduction of certain research and development expenditures (“R&D Enhanced Deduction”). After providing the IRD with the available information and documents for the R&D Enhanced Deduction as requested in the 1st IRD Enquiry, the subsidiary received the assessor’s comments in October 2023. The subsidiary holds a different view against the assessor’s position and submitted a reply in January 2024. As at the year-end date, the subsidiary has provided replies to 5 rounds of enquiries from the IRD. The latest enquiry from the IRD was issued on 28 February 2025. The subsidiary is in the process of reviewing the comments from the assessor and preparing a reply. The IRD has also issued protective assessment for the year of assessment 2018/19 to the subsidiary demanding tax of approximately HK\$700,000 on 28 February 2025. The subsidiary will lodge an objection against the protective assessment for the year of assessment 2018/19 within the objection period.

In March 2023 and January 2024, the IRD issued protective assessments for the years of assessment 2016/17 and 2017/18 to another two subsidiaries (the “Subsidiaries”) of the Company demanding tax of approximately HK\$805,000 for the year of assessment 2016/17 and HK\$960,000 for the year of assessment 2017/18 in aggregate. In March 2025, protective assessments for the year of assessment 2018/19 were issued to the Subsidiaries demanding tax of approximately HK\$640,000 and another two subsidiaries of the Company for the year of assessment 2018/19 demanding tax of approximately HK\$3,432,000 in total. Per discussion with the assessor-in-charge, the IRD is reviewing the tax affairs of the Subsidiaries for the years of assessment from 2016/17 onwards and the issuance of the protective assessments is merely for the purpose of keeping the relevant assessments open and not to become statutorily barred. During the discussion, the assessor-in-charge informed that the focus of the tax review is the nature and the deductibility of certain expenses of the Subsidiaries and the R&D Enhanced Deduction claimed by the other two subsidiaries engaged in R&D activities (“Deduction Claims”). The Subsidiaries have lodged objections against the protective assessments for the years of assessment 2016/17 and 2017/18 and have purchased tax reserve certificates of HK\$805,000 for the year of assessment 2016/17 and HK\$960,000 for the year of assessment 2017/18. Objection against the protective assessments for the year of assessment 2018/19 will be lodged before the deadline of objection.

The directors believe that the aforementioned subsidiaries have valid grounds to pursue the Deduction Claims (the “Tax Treatments”). However, there is uncertainty at this stage over whether the IRD will accept the Tax Treatments under tax law. Up to the date of approval of the financial statements, the directors consider that adequate tax provisions have been made in the financial statements in relation to certain expenses incurred by the above-mentioned subsidiaries, which are in discussion with the IRD whether to qualify for the R&D Enhanced Deduction.

8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim - HK\$0.055 (2023: HK\$0.055) per ordinary share	13,485	13,722
Less: Dividend for shares held under the Company's restricted share award scheme	(95)	(115)
Less: Attributable to shares purchased in May to August 2024	<u>(47)</u>	<u>–</u>
	<u>13,343</u>	<u>13,607</u>
Proposed final - HK\$0.055 (2023: HK\$0.055) per ordinary share	13,438	13,612
Less: Proposed final dividend for shares held under the Company's restricted share award scheme	<u>(85)</u>	<u>(119)</u>
	<u>13,353</u>	<u>13,493</u>
	<u>26,696</u>	<u>27,100</u>

The proposed final dividend for the year will be payable in cash and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 243,233,417 (2023: 246,998,085) outstanding during the year, as adjusted to exclude the shares held under the restricted share award scheme of the Company.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed vesting of all dilutive restricted shares of the Company awarded under the restricted share award scheme of the Company.

The calculations of basic and diluted earnings per share are based on:

Earnings

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

Shares

	Number of shares 2024	2023
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	243,233,417	246,998,085
Effect of dilution - weighted average number of ordinary shares:		
Restricted shares awarded under the Company's restricted share award scheme	<u>1,013,587</u>	<u>1,115,111</u>
Number of shares used in the diluted earnings per share calculation	<u>244,247,004</u>	<u>248,113,196</u>

10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	44,522	40,961
Impairment	<u>(5,008)</u>	<u>(4,256)</u>
	<u>39,514</u>	<u>36,705</u>

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 60 days, except for certain projects with longer implementation schedules or for major or specific customers, where the period may be extended. The Group seeks to maintain strict control over its outstanding trade receivables and overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	24,232	26,760
1 to 3 months	9,269	4,956
4 to 6 months	3,177	2,570
7 to 12 months	<u>2,836</u>	<u>2,419</u>
	<u>39,514</u>	<u>36,705</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of year	4,256	3,923
Impairment losses, net	793	1,066
Amount written off as uncollectable	–	(736)
Exchange realignment	<u>(41)</u>	<u>3</u>
At end of year	<u>5,008</u>	<u>4,256</u>

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2024 HK\$'000	2023 HK\$'000
Trade payables	12,176	11,174
Other payables	31,034	30,015
Accruals	27,264	27,468
Provision	795	—
	<u>71,269</u>	<u>68,657</u>
Portion classified as current liabilities	<u>(70,474)</u>	<u>(68,657)</u>
	<u>795</u>	<u>—</u>
Portion classified as non-current liabilities		

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

	2024 HK\$'000	2023 HK\$'000
Within 1 month	11,651	9,324
1 to 3 months	354	1,038
4 to 6 months	5	415
Over 6 months	166	397
	<u>12,176</u>	<u>11,174</u>

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

12. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities in connection with certain guarantees not provided for in the financial statements were as follows:

Guarantees have been given to certain banks by the Company for performance bonds/guarantees issued by the banks in relation to certain contracts undertaken by the Group amounting to HK\$31,700,000 as at 31 December 2024 (31 December 2023: HK\$31,700,000), of which HK\$22,168,000 (31 December 2023: HK\$20,656,000) was utilised as at 31 December 2024.

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 pleased to present the audited annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024.

During this reporting period, the Group recorded total revenue of HK\$261.1 million, reflecting a modest increase of 1.4% from HK\$257.5 million in the previous year. To enhance software product development and project delivery efficiency, the Group continued to scale up its software development resources in the Greater Bay Area of Mainland China. Consequently, the Group reduced the related costs and improved gross profit by HK\$7.3 million or 5.4%, totaling HK\$143.2 million (2023: HK\$135.8 million). This enhancement also contributed to an increase in the gross profit margin, which rose to 54.8% (2023: 52.8%).

In contrast, the Group's other income and gains experienced a slight decrease of HK\$0.2 million, reaching a total of HK\$16.1 million (2023: HK\$16.3 million). Furthermore, the Group encountered a valuation loss of HK\$5.3 million on its investment property and financial assets, compared with a loss of HK\$3.1 million in the preceding year, reflecting the prevailing market conditions.

Considering the launch of several new software products that received positive market feedback, the Group fully amortised the related remaining other intangible assets (including deferred development costs), resulting in an increase in other expenses by HK\$2.1 million, bringing the total to HK\$15.5 million (2023: HK\$13.4 million). Due to the increase in local assessable profits, the reduction of deferred tax assets and the additional tax provision related to the claim for an enhanced deduction of certain research and development expenditures in previous years^[1], the income tax expense surged by HK\$5.9 million to HK\$10.4 million (2023: HK\$4.5 million).

As a result, the consolidated net profit attributable to shareholders decreased by HK\$4.3 million, or 12.8%, to HK\$29.1 million (2023: HK\$33.4 million). Affected by share repurchases throughout the year, the basic earnings per share only dropped by 11.5% to 11.95 HK cents (2023: 13.50 HK cents).

Given the Group's robust financial position, the Board has declared a final dividend of 5.5 HK cents per ordinary share for the year ended 31 December 2024, same as the 5.5 HK cents paid in the previous year. With the previously declared interim dividend of 5.5 HK cents (2023: 5.5 HK cents) and the proposed final dividend, the total annual dividends for the Group will amount to 11 cents (2023: 11 HK cents) per ordinary share.

BUSINESS REVIEW

Application Software

The Group's Application Software^[2] business experienced mixed results among various product lines during the reporting year. On one hand, unfavorable market conditions prompted enterprise customers to slow down hiring or even reduce their workforce, resulting in a decline in license revenue for the Group's Human Resources Management Software ("HRMS"). Moreover, the transition from on-premises software licenses to Software as a Service ("SaaS") has also created a short-term negative impact on license income. On the other hand, a rising focus on environmental, social, and governance ("ESG") issues, particularly in corporate governance aspect, resulted in increased demand for the Group's Enterprise Procurement Management Software ("EPMS"). Despite the unfavorable market sentiment, the Application Software business as a whole managed to maintain a growing stream of recurring SaaS and maintenance incomes and stable modification request orders from its existing customer base.

BUSINESS REVIEW *(continued)*

Application Software *(continued)*

As mentioned in the interim results, the Group's HRMS business in the Hong Kong Special Administrative Region ("HKSAR") was affected by the weakened order pipeline carried over from the prior year, resulting in a decrease in revenue and profit contribution to the Group. The performance of the HRMS business in Mainland China also suffered due to weak market sentiment and keen competition, resulting in a decline in revenue compared to the prior year. Despite these challenges, the Group has continued to invest in product research and development, aiming to enhance its software portfolio with a cloud-native platform and new Artificial Intelligence ("AI") applications. The Pi-HCM, a Human Capital Management ("HCM") based on cloud-native technologies, was launched earlier this year and received positive market feedback. Several major deals, including a contract with one of the largest human resource service companies in the Mainland China, were concluded in this context. Management believes that the newly launched products will enable the Group to capitalise on additional business opportunities from both existing and new customers in the coming years.

The Group's enterprise software businesses achieved profit growth, driven by increased revenue and enhanced project delivery efficiency. Our flagship SaaS based EPMS product, Prosmart, has been receiving strong interests from organisations and enterprises aiming to enhance their corporate governance. During the reporting period, the business acquired several new customers, including an authority of the HKSAR Government, a statutory body for the promotion of trade, and various new customers in the education and commercial sectors. This has contributed to the Group's long term recurring SaaS revenue as well as ongoing services revenue for subsequent enhancements. As a result, the EPMS business showed revenue growth and made material profit contributions to the Group during the reporting year.

As indicated in the interim results, the stable recurring maintenance income and ongoing demand for digital transformation, secured information repositories, and compliance initiatives enabled the Enterprise Information Management Software ("EIMS") business to enhance its profit contribution to the Group. In contrast, the Enterprise Retail Management Software ("ERMS") business reported flat revenue compared to the previous year. Nevertheless, through focused management efforts to streamline operations, the ERMS business improved its profit contribution to the Group.

Utilising the expertise in AI and Natural Language Processing ("NLP") from CISC Limited, the Group secured a significant cyber-monitoring project from a law enforcement department of the HKSAR Government during the reporting period. Additionally, the rising interest in generative AI has led to more inquiries and opportunities for the Group's related technologies.

Solutions and Integration Services

The Group's Solutions and Integration Services^[3] business achieved double-digit revenue growth during the reporting period, with total revenue reaching HK\$116.1 million (2023: HK\$102.8 million). Moreover, due to improved operational efficiency, the relative increase in profit contribution outpaced revenue growth compared to last year.

The Customer Care and Billing System ("CCBS") project for the Water Supplies Department continued to generate substantial recurring revenue this year. Driven by new enhancements for CCBS and new business from other government organisations, the Managed Services^[3] of the Group's Solutions Services business recorded strong service revenue growth during the review period.

BUSINESS REVIEW *(continued)*

Solutions and Integration Services *(continued)*

Furthermore, sustainable professional service and maintenance orders were secured through ongoing engagement in the HKSAR Government's Standing Offer Agreement for Quality Professional Services ("SOA-QPS") and various agreements with key enterprise customers across finance, property management, transport and utility industries. Notably, the information security services team has established a solid foundation and technical expertise in security risk assessments and privacy impact reviews by participating in related projects in both public and private sectors. Management anticipates significant growth in this area, driven by rising concerns about cybersecurity and data privacy protection among organisations. Additionally, there is an increasing demand for independent testing projects, particularly for mission-critical and public-facing systems. Leveraging its technical expertise and project experience of the Group's Solutions Services team, the business successfully concluded several sizable independent testing projects for various HKSAR Government departments.

The performance of the Integration Services^[3] business in Mainland China also showed improvement compared to last year.

e-Service and related business

Benefit from increased import and export activities, the Group's GETS^[2] business recorded high single-digit growth in both revenue and profit contributions during the reporting period. The business also expanded its market share and is set to launch new value-added services designed to enhance user experience and strengthen customer loyalty.

Investments

The asset position of the Investment segment declined due to the Group selling office premises in the PRC to an independent third party for RMB2.6 million (approximately HK\$2.8 million) in early 2024. Additionally, unfavorable market conditions negatively impacted the valuations of the Group's remaining investment properties and financial assets, resulting in downward adjustments of HK\$5.3 million (2023: HK\$3.1 million). This also resulted in a loss of HK\$3.5 million for the Investments segment in the reporting year, compared to a loss of HK\$1.0 million in the previous year.

PROSPECT

The economies of the HKSAR and Mainland China are expected to continue their growth in 2025, but the pace may vary significantly across different sectors. There is also uncertainty on impact to government IT spending due to fiscal deficit in HKSAR. Along with evolving geopolitical dynamics that may impact trade and investment, the overall outlook remains uncertain.

In this complex operating environment, management anticipates that business momentum will be driven by cost effective operation and focused go-to-market initiatives. The Group is optimistic about enhancing its SaaS offerings, supported by an improved product portfolio characterised by cloud-native architecture, which is expected to bolster growth in recurring revenue streams.

Enabled by the Group's technical resource center in the Greater Bay Area, the Group's Solutions Services business aims to enhance its involvement in innovation, technology development, and smart city initiatives of the HKSAR government. The business will further strengthen its business development and consolidate resources in managed infrastructure, cloud, and security services, aiming to engage more key enterprises through our domains in digital transformation, automation, cybersecurity, cyber-monitoring, and AI.

To complement or expand its operations and market reach, the Group is actively exploring various joint ventures as well as merger and acquisition opportunities. These initiatives could provide improved economies of scale or new growth prospects. However, the Group remains committed to prudently evaluating these opportunities, balancing growth aspirations with financial returns.

Footnotes:

- [1] Please refer to note 7 to the announcements for details.
- [2] 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 (including SaaS product offering) with implementation and ongoing support services for Human Resource Management, Enterprise Procurement Management, Enterprise Information Management and Enterprise Retail Management (collectively the "Application Software"); and (ii) the Government Electronic Trading Services ("GETS"), cloud services and other related value added services (collectively the "e-Service and related business").
- [3] The Group's Solutions and Integration Services business includes (i) Development Services for the provision of IT solutions implementation and application software development (including SaaS product offering); (ii) Managed Services for the provision of IT and related operation/infrastructure outsourcing services; and (iii) Integration Services for the provision of IT systems and network infrastructure with related design, implementation and ongoing support services.

FINANCIAL REVIEW

Revenue and gross profit

The Group's total revenue exhibited a modest increase of HK\$3.6 million, or 1.4%, to HK\$261.1 million (2023: HK\$257.5 million) for the reporting year. This increase was primarily attributable to the growth in the Solutions Services business, which was partially offset by the decline in revenue from the Application Services business.

Conversely, the cost of sales and services experienced a decline of HK\$3.8 million, or 3.1%, totaling to HK\$117.9 million (2023: HK\$121.7 million), predominantly due to reduction in staff costs.

As a result of lower costs, the overall gross profit improved by HK\$7.3 million, or 5.4%, reaching HK\$143.2 million (2023: HK\$135.8 million). The gross profit margin also increased from 52.8% in the previous year to 54.8% in the current reporting year.

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

Other income and gains diminished by HK\$0.2 million, or 1.1%, to HK\$16.1 million (2023: HK\$16.3 million), primarily attributable to a decrease in the value-added tax refund received during the reporting year.

The Group encountered challenges stemming from unfavorable market sentiment, which adversely impacted the valuation of its investment properties and financial assets. Consequently, a downward fair value adjustment of HK\$5.3 million (2023: HK\$3.1 million) was recorded during the reporting year.

Operation expenses (including selling and distribution expenses, general and administrative expenses, net, finance cost and other expenses)

The enhancement of the sales and marketing team, along with increased go-to-market activities, resulted in a HK\$3.2 million, or 9.4%, rise in selling and distribution expenses, bringing the total to HK\$37.7 million (2023: HK\$34.4 million).

In contrast, general and administrative expenses (including finance costs) were optimised, yielding a reduction of HK\$1.4 million, or 2.1%, to HK\$62.0 million (2023: HK\$63.4 million).

Other expenses rose by HK\$2.1 million to HK\$15.5 million (2023: HK\$13.4 million), reflecting the increase in amortisation of other intangible assets.

Due to an increase in local assessable profits, a decrease in deferred tax assets resulting from a change in the applicable tax rate and additional tax provisions related to the claim for an enhanced deduction of certain research and development expenditures in previous years^[1], and the income tax expense increased by HK\$5.9 million to HK\$10.4 million (2023: HK\$4.5 million).

FINANCIAL REVIEW *(continued)*

Net profit

The profit attributable to the Company's shareholders exhibited a modest dip of HK\$4.3 million, or 12.8%, to HK\$29.1 million. The net profit margin, calculated by dividing the profit for the year attributable to shareholders by total revenue, also decreased to 11.1% (2023: 13.0%).

Non-current assets

Non-current assets registered a slight decline of HK\$8.6 million, or 3.5%, totalling HK\$238.0 million (31 December 2023: HK\$246.6 million). This change arose from several key factors: First, the ongoing amortisation of the Group's other intangible assets; Second, the disposal of certain investment properties and the downward adjustment in valuation of the remaining property; and Third, the Group entered into several new rental agreements, resulting in an increase in right-of-use assets.

Current assets

Current assets experienced a modest increase of HK\$26.7 million, or 6.5%, reaching HK\$434.6 million (31 December 2023: HK\$407.9 million). This growth was driven by a rise in trade receivables, contract assets, deposits paid, and an enhancement in cash and bank balances (including pledged bank deposits and cash equivalents).

Current liabilities and non-current liabilities

The Group's current and non-current liabilities rose by HK\$21.8 million, or 14.7%, to HK\$170.3 million (31 December 2023: HK\$148.5 million). This change was mainly driven by heightened trade payables, contract liabilities, tax payable and an incremental rise in lease liabilities linked to the Group's new rental agreements.

Segment assets and liabilities

The segment assets of the Applications Services business declined, primarily due to the amortisation of other intangible assets, along with reductions in contract assets and deposits. Correspondingly, the segment liabilities for the Applications Services business also decreased, reflecting the reduction in trade payables and lease liabilities.

Conversely, the segment assets of the Solutions and Integration Services business experienced an increase, driven by growth in trade receivables and contract assets. The segment liabilities for this business also rose, primarily due to increase in business provisions and contract liabilities.

In relation to the Investments segment, its asset position decreased as certain properties were sold and the valuations of the remaining properties were adjusted downward.

Equity attributable to owners of the parent

The Group's total equity attributable to owners of the parent was slightly dropped, holding a balance of HK\$501.1 million (31 December 2023: HK\$504.7 million). The variation was primarily the results of the profit generated in 2024, counterbalanced by the effects of share buybacks and the payment of the 2023 final dividend and the 2024 interim dividend.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PLEDGE OF ASSETS

As at 31 December 2024, the Group had pledged an investment property with a fair value of HK\$57.0 million (31 December 2023: HK\$62.0 million), listed equity securities of HK\$1.9 million (31 December 2023: HK\$2.2 million) and bank balances of HK\$202.5 million (31 December 2023: HK\$0.5 million) to secure certain general bank facilities including guarantee/performance bonds facilities granted to the Group/subsidiaries of the Company in aggregate of HK\$111.8 million (31 December 2023: HK\$111.9 million) of which HK\$22.3 million (31 December 2023: HK\$21.1 million) have been utilised as at 31 December 2024.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2024, the Group's cash and cash equivalents were HK\$128.9 million (31 December 2023: HK\$316.1 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 has been monitoring the foreign exchange exposures closely and might consider hedging any significant foreign currency exposure in order to minimise the foreign exchange risk should the needs arise.

As at 31 December 2024, the Group had no bank borrowings (31 December 2023: Nil). As at 31 December 2024, the Group's current ratio representing current assets divided by current liabilities was 2.9 (31 December 2023: 3.0) and its gearing ratio, representing total liabilities divided by total assets, was 25.3% (31 December 2023: 22.7%).

REMUNERATION POLICY AND NUMBER OF EMPLOYEES

The Group remunerates its employees based on their performance, working experience and prevailing market conditions. Apart from basic salary, discretionary bonus and other incentives are offered to employees of the Group to reward their performance and contributions.

As at 31 December 2024, the Group employed 337 full time employees and 10 part time employees (31 December 2023: 343 full time employees and 12 part time employees).

As at 31 December 2024, the Company operates 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 as well as to retain them for the continual development of the Group.

SIGNIFICANT INVESTMENTS

Save as disclosed in the announcement, the Group had no significant investments held as at 31 December 2024.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not have any material acquisition or disposal of subsidiaries during the reporting year and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the announcement, there was no specific plan for material investments or capital assets as at 31 December 2024.

CONTINGENT LIABILITIES

Save as disclosed in the announcement, the Group has no material contingent liabilities as at 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the announcement, there are no other material subsequent events undertaken by the Company or by the Group after 31 December 2024 and up to the date of this annual results announcement.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of 5.5 HK cents (2023: a final dividend of 5.5 HK cents) per ordinary share for the year ended 31 December 2024.

CLOSURE OF THE REGISTER OF MEMBERS

The Board has recommended a final dividend of 5.5 HK cents (2023: a final dividend of 5.5 HK cents) per ordinary share payable to shareholders whose names appear on the Register of Members of the Company on Wednesday, 11 June 2025. The Register of Members of the Company will be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the annual general meeting ("the AGM"). In order to be eligible to attend and vote at the AGM to be held on Tuesday, 3 June 2025, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 28 May 2025. In addition, the Register of Members of the Company will be closed from Monday, 9 June 2025 to Wednesday, 11 June 2025 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Friday, 6 June 2025. During such periods, no share transfer will be effected. The final dividend will be distributed on or about Tuesday, 24 June 2025 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 11 June 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, a subsidiary of the Company purchased 2,684,000 shares of the Company on The Stock Exchange of Hong Kong Limited for an aggregate consideration of HK\$6,006,000 and these shares were cancelled by the Company. The summary details of those transactions are as follows:

Month	Number of shares repurchased	Price per share		Total price paid HK\$'000
		Highest HK\$	Lowest HK\$	
January 2024	614,000	2.55	2.45	1,548
March 2024	612,000	2.25	2.16	1,356
April 2024	426,000	2.28	2.22	958
May 2024	184,000	2.22	2.22	409
June 2024	228,000	2.15	2.10	481
July 2024	306,000	2.10	2.10	642
August 2024	314,000	1.95	1.95	612
	<u>2,684,000</u>			<u>6,006</u>

The purchase of the Company's shares during the year was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

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

CORPORATE GOVERNANCE PRACTICES

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 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 C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the reporting year.

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 C3 of the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. Based on a specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code throughout the year.

RISK MANAGEMENT FRAMEWORK

The Group has established an effective risk governance and management framework in line with the requirements set out by the Listing Rules and other regulations. This framework was built around a structure that enables the Board and the management to discharge their risk management-related responsibilities with appropriate delegation as well as checks and balances. These responsibilities included defining risk appetite in accordance with the Group's business strategies and objectives, formulating risk policies that govern the execution of those strategies, and establishing procedures and limits for the approval, control, monitoring and remedy of risks.

The members of the Risk Management Committee positioned at the highest level of the Group's risk governance structure under the Board. As of 31 December 2024, members included three executive directors and one independent non-executive director. The Risk Management Committee had direct involvements in formulating the Group's risk appetite, and determined the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions and regulatory requirements.

The Risk Management Committee will continuously ensure the Group's risk appetite is realistically reflected in the policies and procedures that the management adopted in executing its business functions. The Risk Management Committee will regularly review the Group's risk management framework and ensure that all important risk-related tasks are performed according to established policies and with appropriate resources.

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, risk management and internal controls. As of 31 December 2024, the Audit Committee comprises three independent non-executive directors of the Company. The Audit Committee has reviewed with the management the Group's consolidated financial statements for the year ended 31 December 2024 and the accounting principles and practices adopted by the Group, and discussed risk management and internal controls and financial reporting matters related to the preparation of the annual results for the year ended 31 December 2024.

SCOPE OF WORK OF THE COMPANY'S AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company's auditors, Ernst & Young ("EY"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by EY on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.ctil.com). The 2024 annual report will be published on the Stock Exchange's website (www.hkexnews.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 year.

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

Hong Kong, 18 March 2025

As at the date of this announcement, the Board comprises Mr. Ng Cheung Shing, Mr. Cheung Wai Lam, Mr. Leung King San Sunny and Mr. Ng Kwok Keung as executive directors, and Ms. Chan Yuen Shan Clara, Mr. Poon Siu Hoi Casey and Mr. Ting Leung Huel Stephen as independent non-executive directors.