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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 2024

The Board of Directors (the “Board”) of Computer And Technologies Holdings Limited (the “Company”) herein presents the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 together with the comparative figures. These unaudited interim condensed consolidated results have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
REVENUE	5	127,567	128,102
Cost of sales and services		<u>(58,616)</u>	<u>(60,473)</u>
Gross profit		68,951	67,629
Other income and gains, net	5	7,644	8,066
Foreign exchange differences, net		403	(26)
Fair value losses, net:			
Financial assets at fair value through profit or loss		(243)	(501)
Investment property		(1,000)	-
Selling and distribution expenses		(17,555)	(16,232)
General and administrative expenses, net		(30,325)	(32,160)
Finance cost		(438)	(191)
Other expenses		<u>(6,673)</u>	<u>(6,726)</u>
PROFIT BEFORE TAX	6	<u>20,764</u>	<u>19,859</u>

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

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
PROFIT BEFORE TAX	6	20,764	19,859
Income tax expense	7	<u>(2,721)</u>	<u>(1,853)</u>
PROFIT FOR THE PERIOD		<u>18,043</u>	<u>18,006</u>
ATTRIBUTABLE TO:			
Owners of the parent		18,166	18,237
Non-controlling interests		<u>(123)</u>	<u>(231)</u>
		<u>18,043</u>	<u>18,006</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	9	HK cents	HK cents
Basic		<u>7.46</u>	<u>7.38</u>
Diluted		<u>7.42</u>	<u>7.35</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>18,043</u>	<u>18,006</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(1,081)</u>	<u>134</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>16,962</u>	<u>18,140</u>
ATTRIBUTABLE TO:		
Owners of the parent	17,085	18,371
Non-controlling interests	<u>(123)</u>	<u>(231)</u>
	<u>16,962</u>	<u>18,140</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2024 (Unaudited) <i>HK\$'000</i>	31 December 2023 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		1,264	1,031
Investment properties		61,000	64,838
Right-of-use assets		20,550	7,986
Goodwill		135,001	135,001
Other intangible assets		25,619	32,292
Financial assets at fair value through profit or loss – debt investment		2,100	2,100
Deposits		1,853	657
Deferred tax assets		<u>2,239</u>	<u>2,715</u>
 Total non-current assets		 <u>249,626</u>	 <u>246,620</u>
CURRENT ASSETS			
Inventories		12	14
Trade receivables	10	38,525	36,705
Contract assets		42,459	29,338
Prepayments, deposits and other receivables		18,519	14,929
Tax recoverable		8,918	8,085
Financial assets at fair value through profit or loss – listed equity investments		1,963	2,206
Pledged bank deposits		553	466
Cash and cash equivalents		<u>305,633</u>	<u>316,145</u>
 Total current assets		 <u>416,582</u>	 <u>407,888</u>
CURRENT LIABILITIES			
Trade payables, other payables and accruals	11	(67,119)	(68,657)
Contract liabilities		(51,696)	(52,143)
Lease liabilities		(4,600)	(6,267)
Tax payable		<u>(13,432)</u>	<u>(9,468)</u>
 Total current liabilities		 <u>(136,847)</u>	 <u>(136,535)</u>
 NET CURRENT ASSETS		 <u>279,735</u>	 <u>271,353</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		 <u>529,361</u>	 <u>517,973</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
NON-CURRENT LIABILITIES		
Contract liabilities	(863)	(1,397)
Lease liabilities	(17,045)	(2,889)
Deferred tax liabilities	<u>(5,968)</u>	<u>(7,688)</u>
Total non-current liabilities	<u>(23,876)</u>	<u>(11,974)</u>
Net assets	<u>505,485</u>	<u>505,999</u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	24,495	24,702
Share premium account	42,602	47,147
Shares held under the restricted share award scheme	(4,311)	(5,454)
Other reserves	441,487	424,776
Proposed final dividend	<u>-</u>	<u>13,493</u>
	504,273	504,664
Non-controlling interests	<u>1,212</u>	<u>1,335</u>
Total equity	<u>505,485</u>	<u>505,999</u>

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 during the reporting period was located at Level 10, Cyberport 2, 100 Cyberport Road, Hong Kong. Subsequent to the end of the reporting period, the principal place of business of the Company has been relocated to 18th Floor, Viva Place, No. 36 Heung Yip Road, Wong Chuk Hang, Hong Kong.

During the period, 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 interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 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 Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim condensed consolidated 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 consolidated financial statements for the year ended 31 December 2023.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

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 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. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

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 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 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 other income and gains, net, 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
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment revenue:								
Sales to external customers (note 5)	70,191	75,612	56,517	51,564	859	926	127,567*	128,102*
Intersegment sales	764	–	7,024	3,113	–	–	7,788	3,113
Other income and gains, net	254	1,021	57	7	98	146	409^	1,174^
Total segment revenue	71,209	76,633	63,598	54,684	957	1,072	135,764	132,389
<i>Reconciliation:</i>								
Elimination of intersegment sales							(7,788)	(3,113)
							127,976	129,276
Segment results	14,709	14,992	14,550	12,561	(356)	543	28,903	28,096
<i>Reconciliation:</i>								
Unallocated interest income							7,235^	6,892^
Unallocated foreign exchange differences, net							403	(26)
Corporate and other unallocated depreciation							(117)	(107)
Corporate and other unallocated expenses							(15,660)	(14,996)
Profit before tax							20,764	19,859

4. OPERATING SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

	Application Services		Solutions and Integration Services		Investments		Total	
	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Segment assets	191,561	198,776	74,190	54,952	65,224	69,292	330,975	323,020
<i>Reconciliation:</i>								
Elimination of intersegment receivables							(2,092)	-
Corporate and other unallocated assets							337,325	331,488
Total assets							<u>666,208</u>	<u>654,508</u>
Segment liabilities	93,347	95,769	29,019	22,404	614	653	122,980	118,826
<i>Reconciliation:</i>								
Elimination of intersegment payables							(2,092)	-
Corporate and other unallocated liabilities							39,835	29,683
Total liabilities							<u>160,723</u>	<u>148,509</u>

* This represents the consolidated revenue of HK\$127,567,000 (2023: HK\$128,102,000) in the condensed consolidated statement of profit or loss.

^ These comprise the consolidated other income and gains, net, of HK\$7,644,000 (2023: HK\$8,066,000) in the condensed 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
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Other segment information:								
Net fair value loss on investment property	-	-	-	-	(1,000)	-	(1,000)	-
Net fair value losses on financial assets at fair value through profit or loss	-	-	-	-	(243)	(501)	(243)	(501)
Amortisation of other intangible assets	2,799	2,874	3,874	3,852	-	-	6,673	6,726
Depreciation	1,162	1,178	578	501	-	-	1,740	1,679
Corporate and other unallocated depreciation							2,618	2,627
							<u>4,358</u>	<u>4,306</u>
Impairment of trade receivables recognised in the condensed consolidated statement of profit or loss, net*	362	847	32	55	-	-	394	902
Capital expenditure**	117	52	301	165	-	-	418	217
Corporate and other unallocated capital expenditure**							137	56
							<u>555</u>	<u>273</u>

* Including impairment of trade receivables recognised in the condensed consolidated statement of profit or loss attributable to the application services segment of HK\$844,000 (2023: HK\$1,262,000) and the solutions and integration services segment of HK\$454,000 (2023: HK\$238,000), respectively, and reversal of impairment of trade receivables recognised in the condensed consolidated statement of profit or loss attributable to the application services segment of HK\$482,000 (2023: HK\$415,000) and the solutions and integration services segment of HK\$422,000 (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
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
Segment revenue:						
Sales to external customers	104,680	103,213	22,887	24,889	127,567	128,102

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

(ii) Non-current assets

	30 June 2024 (Unaudited) <i>HK\$'000</i>	31 December 2023 (Audited) <i>HK\$'000</i>
Hong Kong	140,623	132,042
Mainland China	102,811	109,106
	243,434	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 period ended 30 June 2024, revenue from a major customer of HK\$40,664,000 (2023: HK\$38,557,000) 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, NET

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue from contracts with customers	126,708	127,176
Revenue from other sources		
Gross rental income from investment properties and interest income from treasury investments	<u>859</u>	<u>926</u>
Total	<u>127,567</u>	<u>128,102</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

	Application Services (Unaudited) HK\$'000	Solutions and Integration Services (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
For the six months ended 30 June 2024			
<i>Segments</i>			
Types of goods or services			
Sale of goods and provision of software and GETS services	11,523	3,400	14,923
Provision of software implementation and related services, and IT solutions implementation and related services	19,207	26,572	45,779
Provision of SaaS product offering and maintenance services	<u>39,461</u>	<u>26,545</u>	<u>66,006</u>
Total revenue from contracts with customers	<u>70,191</u>	<u>56,517</u>	<u>126,708</u>
Geographical markets			
Hong Kong and others	50,030	53,810	103,840
Mainland China	<u>20,161</u>	<u>2,707</u>	<u>22,868</u>
Total revenue from contracts with customers	<u>70,191</u>	<u>56,517</u>	<u>126,708</u>
Timing of revenue recognition			
Goods and services transferred at a point in time	11,523	3,400	14,923
Services transferred over time	<u>58,668</u>	<u>53,117</u>	<u>111,785</u>
Total revenue from contracts with customers	<u>70,191</u>	<u>56,517</u>	<u>126,708</u>

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

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

	Application Services (Unaudited) HK\$ '000	Solutions and Integration Services (Unaudited) HK\$ '000	Total (Unaudited) HK\$ '000
For the six months ended 30 June 2023			
<i>Segments</i>			
Types of goods or services			
Sale of goods and provision of software and GETS services	13,431	3,371	16,802
Provision of software implementation and related services, and IT solutions implementation and related services	23,634	24,881	48,515
Provision of SaaS product offering and maintenance services	<u>38,547</u>	<u>23,312</u>	<u>61,859</u>
Total revenue from contracts with customers	<u>75,612</u>	<u>51,564</u>	<u>127,176</u>
Geographical markets			
Hong Kong and others	52,795	49,603	102,398
Mainland China	<u>22,817</u>	<u>1,961</u>	<u>24,778</u>
Total revenue from contracts with customers	<u>75,612</u>	<u>51,564</u>	<u>127,176</u>
Timing of revenue recognition			
Goods and services transferred at a point in time	13,431	3,371	16,802
Services transferred over time	<u>62,181</u>	<u>48,193</u>	<u>110,374</u>
Total revenue from contracts with customers	<u>75,612</u>	<u>51,564</u>	<u>127,176</u>

(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.

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

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

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 30 June are as follows:

	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	51,696	53,636
After one year	<u>863</u>	<u>1,698</u>
	<u>52,559</u>	<u>55,334</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 three 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.

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Other income and gains, net		
Bank interest income	7,236	6,892
Value-added tax refund received	131	683
Dividend income from listed investments at fair value through profit or loss	98	142
Gain on disposal of items of property, plant and equipment, net	-	6
Gain on lease modifications	57	-
Others	<u>122</u>	<u>343</u>
	<u>7,644</u>	<u>8,066</u>

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Depreciation of property, plant and equipment [^]	313	348
Depreciation of right-of-use assets	4,045	3,958
Amortisation of other intangible assets**	6,673	6,726
Gain on disposal of items of property, plant and equipment, net	-	(6)
Impairment of trade receivables, net	<u>394</u>	<u>902</u>

[^] Depreciation of property, plant and equipment for the period of HK\$8,000 (2023: HK\$51,000) is included in "Cost of sales and services" on the face of the condensed consolidated statement of profit or loss.

** Amortisation of other intangible assets for the period of HK\$6,673,000 (2023: HK\$6,726,000) is included in "Other expenses" on the face of the condensed 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 period, 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.

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Current – Hong Kong		
Charge for the period	3,980	3,255
Overprovision in prior periods	(6)	-
Current – Elsewhere		
Charge for the period	45	84
Deferred	<u>(1,298)</u>	<u>(1,486)</u>
Total tax charge for the period	<u>2,721</u>	<u>1,853</u>

7. INCOME TAX *(continued)*

In 2022, the Hong Kong Inland Revenue Department (the “IRD”) issued an enquiry letter (“IRD Enquiry”) to a subsidiary of the Company regarding the claim for enhanced deduction of certain research and development expenditures (“R&D Enhanced Deduction”). The subsidiary had, based on the available information and documents, submitted 1st partial reply to the IRD Enquiry in February 2023. The subsidiary received the assessor’s comments on the 1st partial reply in October 2023 on the application of the Departmental Interpretation and Practice Note on R&D Enhanced Deduction (“DIPN”). The subsidiary holds a different view and submitted a reply in January 2024 and received response from the assessor in February 2024. The subsidiary is in the process of reviewing the response from the assessor and preparing the 2nd partial reply to the IRD Enquiry.

In the opinion of the directors of the Company, the major dispute with the IRD is the difference in views between the Company and the assessor about the application of the DIPN. It is not practicable at this stage to estimate reliably the outcome of the claim and, therefore, the financial effect (including the amount or timing thereof, if any) of the foregoing enquiry. However, the directors believe that, subject to availability of the required evidence, the subsidiary has valid grounds to pursue the claim for the R&D Enhanced Deduction. Accordingly, no further provision for Hong Kong profits tax is considered necessary at this stage.

In March 2023, the IRD issued protective assessments for the year of assessment 2016/17 to another two subsidiaries (the “Subsidiaries”) of the Company demanding tax of approximately HK\$805,000 in aggregate. Per preliminary 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 years of assessment open and not to become statutorily barred. During the discussion, the IRD informed that the focus of the tax review is the nature and the deductibility of certain expenditure/expenses (“Deduction Claims”). The Subsidiaries have lodged objections against the protective assessments and would provide relevant information and documents in support of the Deduction Claims once they are being requested by the IRD. In April 2023, the Subsidiaries have purchased tax reserve certificate of HK\$805,000 at the request of the IRD. In July 2023, the IRD replied that prompt actions will be taken to process the objections.

In January 2024, the IRD has issued protective assessments for the year of assessment 2017/18 to the Subsidiaries demanding tax of approximately HK\$960,000 in aggregate. The Subsidiaries have lodged objections against the protective assessments and would provide relevant information and documents in support of the Deduction Claims upon request by the IRD. In February 2024, the Subsidiaries have purchased tax reserve certificates of HK\$960,000 at the request of the IRD.

The IRD has not yet issued any enquiry letters to the Subsidiaries on the Deduction Claims. In the opinion of the directors of the Company, it is not practicable at this early stage to estimate reliably the outcome and the financial effect (including the amount or timing thereof, if any) of this tax review. However, the directors believe that the tax reporting of the Subsidiaries have all along been properly handled. Accordingly, no further provision for Hong Kong profits tax in respect thereof 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 HK\$0.055 (2023: an interim dividend of HK\$0.055) in cash per ordinary share should be paid to the shareholders of the Company whose names appear in the Register of Members on Thursday, 5 September 2024.
- b. Dividends attributable to the previous financial year approved during the interim period are as follow:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period of HK\$0.055 (2023: final dividend of HK\$0.075) per ordinary share	13,485	18,712
Less: Dividend for shares held under the Company's restricted share award scheme	<u>(119)</u>	<u>(166)</u>
	<u>13,366</u>	<u>18,546</u>
Special dividend in respect of the previous financial year, approved and paid during the interim period of Nil (2023: HK\$0.05) per ordinary share	-	12,474
Less: Dividend for shares held under the Company's restricted share award scheme	<u>-</u>	<u>(111)</u>
	<u>-</u>	<u>12,363</u>
	<u>13,366</u>	<u>30,909</u>

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 period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 243,670,021 (2023: 247,132,666) in issue during the period, 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 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 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 for the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	243,670,021	247,132,666
Effect of dilution – weighted average number of ordinary shares: Restricted shares awarded under the Company’s restricted share award scheme	<u>1,040,374</u>	<u>937,252</u>
Number of shares used in the diluted earnings per share calculation	<u>244,710,395</u>	<u>248,069,918</u>

10. TRADE RECEIVABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Trade receivables	43,142	40,961
Impairment	<u>(4,617)</u>	<u>(4,256)</u>
	<u>38,525</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:

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Within 1 month	25,913	26,760
1 to 3 months	7,693	4,956
4 to 6 months	2,657	2,570
7 to 12 months	<u>2,262</u>	<u>2,419</u>
	<u>38,525</u>	<u>36,705</u>

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

	2024 (Unaudited) HK\$'000	2023 (Audited) HK\$'000
At beginning of period/year	4,256	3,923
Impairment losses, net	394	1,066
Amount written off as uncollectable	-	(736)
Exchange realignment	<u>(33)</u>	<u>3</u>
At end of period/year	<u>4,617</u>	<u>4,256</u>

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Trade payables	14,579	11,174
Other payables	31,022	30,015
Accruals	<u>21,518</u>	<u>27,468</u>
	<u>67,119</u>	<u>68,657</u>

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

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Within 1 month	13,456	9,324
1 to 3 months	119	1,038
4 to 6 months	34	415
Over 6 months	<u>970</u>	<u>397</u>
	<u>14,579</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 30 June 2024 (31 December 2023: HK\$31,700,000), of which HK\$21,085,000 (31 December 2023: HK\$20,656,000) was utilised as at 30 June 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 unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2024.

During the reporting period, the Group maintained total revenue of HK\$127.6 million (2023: HK\$128.1 million) while the market sentiment remained subdued. Benefiting from migrating some of the development resources to the Mainland China with a more effective cost structure, gross profit improved by HK\$1.3 million, or 2.0%, to HK\$69.0 million (2023: HK\$67.6 million), and the gross profit margin improved to 54.1% (2023: 52.8%).

On the other hand, the Group's other income and gains decreased by HK\$0.4 million to HK\$7.6 million (2023: HK\$8.1 million), primarily due to a reduction in refunds of value-added tax ("VAT"). Additionally, the Group's investment property and financial assets recorded a valuation loss of HK\$1.2 million, compared with a HK\$0.5 million loss in the same period last year, reflecting the prevailing market conditions.

The Group's consolidated net profit attributable to shareholders was maintained at HK\$18.2 million (2023: HK\$18.2 million). Resulting from shares repurchased over the period, the basic earnings per share increased to 7.46 HK cents (2023: 7.38 HK cents).

Considering the Group's positive cash flows from operations and sustained healthy financial position, the Board has declared an interim dividend of 5.5 HK cents per ordinary share for the six months ended 30 June 2024, same as the 5.5 HK cents paid in the previous period.

BUSINESS REVIEW

Application Software

The unfavourable market condition causing enterprise customers to slowdown hiring or even reduce headcounts during the reporting period. As a result, the Group's Human Resources Management Software's ("HRMS") license income which is based on existing and increasing number of employees' payroll supported by the system was declined. In addition, the market shift from on premises software license to Software as a Services ("SaaS") also created a short term impact on license income. On the other hands, benefiting from the increasing concern on environmental, social, and governance ("ESG") especially in corporate governance, there was increasing demand for the Group's Enterprise Procurement Management Software ("EPMS") delivered in form of SaaS. In addition, the new wave in application of generative Artificial Intelligence ("AI") also created increasing enquiries and opportunities for the Group's related technologies.

The Group has been continuously investing into product research and development to rebuild its software products portfolio with cloud native platform and integration with new AI applications. Pi-HCM, a revolutionary Human Capital Management ("HCM") software based on cloud native platform, was launched earlier this year with strong positive feedback. While the Group's Application Software^[1] business maintains a steady stream of recurring revenue from software annuity within its existing customer base, the new product launched will help the Group to capture additional businesses from both existing and new customers in the region.

BUSINESS REVIEW *(continued)*

Application Software *(continued)*

The Group's HRMS business in Hong Kong Special Administrative Region (“HKSAR”) continued to capitalise on persistent demand from existing customers for version upgrades as well as additional software and services. However, the order pipeline from new customers that had carried over from the prior year declined, resulting in lower professional service revenue and an overall decrease in revenue and profit contribution to the Group during the reporting period. The performance of the HRMS business in Mainland China was also affected by the weak market sentiment, resulting in a revenue decline compared to the prior year. Nevertheless, the launch of the new HCM product will stimulate new market demand and version upgrades momentum from existing HRMS customers.

The Group's Enterprise Software (“ES”) businesses achieved material profit growth overall. Benefiting from the expedited efforts to improve project delivery effectiveness, the ES businesses continued to enhance performance in the first half of the year. In particular, the EPMS business showed double-digit revenue growth and made substantial profit contributions to the Group. The increasing focus of various enterprises on ESG initiatives has led to higher demand for governance, compliance and automation of procurement processes. During the reporting period, the EPMS business grew its recurring SaaS and maintenance income by more than 29% year-over-year. The business also acquired several material deals, including one of the largest HKSAR government authorities and various new customers in the education and commercial sectors.

The stable recurring maintenance income and continuous 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. On the other hand, the Enterprise Retail Management Software (“ERMS”) business reported lower revenue compared to the same period last year due to the weak market sentiment in the retail industry. However, through stepped-up management efforts to streamline the operation structure, the ERMS business managed to contribute improved profit to the Group.

As a new technology arm specialising in AI and Natural Language Processing (“NLP”), CISC Limited led the Group to win a significant cyber-monitoring solution project from the public sector during the reporting period. The Group is also actively exploring new application domains for AI and NLP technologies, not limited to the public sector but extending to areas such as procurement, finance, and construction.

Solutions and Integration Services

The Group's Solutions and Integration Services^[2] business delivered revenue growth during the reporting period, with total revenue reaching HK\$56.5 million (2023: HK\$51.6 million). This business has maintained stable recurring revenue and profit contributions to the Group. Moreover, it has demonstrated strong resilience to market conditions and achieved enhanced operational performance, as evidenced by the achievement of better results compared to the previous period.

The Customer Care and Billing System (“CCBS”) project of the Managed Services^[2] business continued to contribute good recurring revenue during the reporting period. Several new enhancement projects were signed with the CCBS during the first half of the year, which contributed additional revenue source to the business. Sustainable professional services and maintenance income continued to be generated from the Group's key enterprise customers, including several enterprise customers in the finance, property management, transport and utility industries as well as various government departments of the HKSAR.

BUSINESS REVIEW *(continued)*

Solutions and Integration Services *(continued)*

During the reporting period, the Group's Solutions business successfully secured several material new projects from various HKSAR government departments. The business team has also established a good foundation and technical expertise in the security risk and privacy impact review and assessment domains, through increasing participation in related projects in both the public and private sectors. The management expects this business opportunity to grow significantly, given the increasing concerns of various organisations around cybersecurity and data privacy protection issues.

The performance of the Integration Services^[2] business in Mainland China was also improved compared to the same period last year.

e-Service and related business

The GETS^[1] business of the Group experienced a single digit growth in revenue, with improved profit contribution to the Group's overall performance. The business effectively navigated the challenges presented by the market conditions and was able to increase its market share during the reporting period.

Investments

As for the Investments segment, its asset position decreased. This was because the Group had disposed of office premises in the PRC to an independent third party for a consideration of RMB2.6 million (equivalent to approximately HK\$2.8 million) in early 2024. Moreover, the unfavourable market conditions and high interest rate environment had a negative impact on the valuations of the Group's remaining investment property and financial assets, leading to downward adjustments of HK\$1.2 million (2023: HK\$0.5 million). As a result, the Investments segment recorded a loss of HK\$0.4 million for the reporting period, compared to a profit of HK\$0.5 million in the prior period.

PROSPECT

The economies of the HKSAR and Mainland China are anticipated to continue on a slow path of post-pandemic recovery in the second half of 2024, but the prospects remain highly uncertain due to the adverse impact of a prolonged high interest rate environment on business activities, as well as developments in the geopolitical situation.

Amidst this challenging operating environment, the management believes the business momentum will gradually accelerate with its strengthened go-to-market initiatives. Furthermore, with an enhanced software product portfolio featuring a cloud-native architecture, the Group is confident in bolstering its SaaS offerings and driving growth in recurring revenue.

The Group's Solutions business aims to increase its participation in innovation, technology development, and smart city initiatives of the HKSAR government, leveraging its technical expertise, project experience, and the flexible scaling of resources enabled by the Group's technical resource center in the Greater Bay Area. Additionally, by strengthening its business development and consolidating resources in managed infrastructure, cloud, and security services, the business also aims to penetrate more key enterprises, positioning itself as a trusted information technology partner in domains such as digital transformation, automation, cybersecurity, cyber-monitoring, and artificial intelligence.

The Group would also dedicate additional management attention to look into mergers and acquisitions opportunities that can complement or expand our existing operations, as well as further our market expansion beyond HKSAR and Mainland China (such as in ASEAN countries).

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 (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").
- [2] 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 was slightly reduced by HK\$0.5 million, or 0.4%, to HK\$127.6 million (2023: HK\$128.1 million) during the reporting period. This minor decrease was primarily caused by a reduction in the Application Services business, however the fall was partially recovered by a growth in the Solutions Services business.

The cost of sales and services decreased by HK\$1.9 million, or 3.1%, to HK\$58.6 million (2023: HK\$60.5 million). This reduction was mainly due to the saving in staff costs.

As a result of the lower operating costs, the overall gross profit improved by HK\$1.3 million, or 2.0%, to HK\$69.0 million (2023: HK\$67.6 million). The gross profit margin also improved from 52.8% in the prior period to 54.1% in the current reporting period.

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

The other income and gains, net dropped by HK\$0.4 million, or 5.2%, to HK\$7.6 million (2023: HK\$8.1 million). This decrease was mainly due to a reduction in the VAT refund during the reporting period.

The prolonged high interest rate environment and unfavourable market sentiments in the real estate and financial markets had turned the valuation of the Group's investment property and financial assets in a sinking condition. Consequently, a downward fair value adjustment of HK\$1.2 million (2023: HK\$0.5 million) was recorded during the reporting period.

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

The strengthening of the sales and marketing team and the increasing investment in the marketing activities led to a HK\$1.3 million, or 8.2%, increase in selling and distribution expenses to HK\$17.6 million (2023: HK\$16.2 million).

Relatively, the general and administrative expenses (including finance cost) were streamlined, resulting in saving of HK\$1.6 million, or 4.9%, to HK\$30.8 million (2023: HK\$32.4 million).

As the local assessable profits increased, the income tax expense also rose compared to the same period last year.

FINANCIAL REVIEW *(continued)*

Net profit

The profit attributable to the Company's shareholders remained stable at HK\$18.2 million, consistent with the prior period's figure. Additionally, the net profit margin, calculated as the profit for the period attributable to shareholders divided by total revenue, was also maintained at 14.2%, unchanged from the previous period.

Non-current assets

The non-current assets rose modestly by HK\$3.0 million, or 1.2%, reaching HK\$249.6 million (31 December 2023: HK\$246.6 million). This uptick was primarily attributable to the net effect of a few key factors. First, there was ongoing amortisation of the Group's other intangible assets. Second, some investment properties were disposed of and the valuation of on-hand properties were adjusted downward. Lastly, the Group entered into several new rental agreements, leading to a rise in right-of-use assets and deposits.

Current assets

The current assets slightly grew by HK\$8.7 million, or 2.1%, to HK\$416.6 million (31 December 2023: HK\$407.9 million). This change was the result of an increase in trade receivables, contract assets and deposits paid, offset by a decrease in cash and cash equivalents following the distribution of the 2023 final dividend in June.

Current liabilities and non-current liabilities

The Group's current and non-current liabilities climbed by HK\$12.2 million, or 8.2%, to HK\$160.7 million (31 December 2023: HK\$148.5 million). This change was largely attributable to the growth in lease liabilities arising from the Group's newly signed rental agreements and the tax payable resulting from the profits tax charged.

Segment assets and liabilities

The segment assets of the Applications Services business decreased. This was due to amortisation of other intangible assets as well as drops in trade receivables and contract assets. Correspondingly, the segment liabilities of Applications Services also declined, in line with the decrease in lease liabilities.

In contrast, the segment assets of the Solutions and Integration Services business increased, driven by growth in both trade receivables and contract assets. The segment liabilities for this business rose as well, primarily due to an increase in trade and other payables.

Regarding the Investments segment, its asset position dropped as some properties were disposed of and the deflated valuation of the on-hand property and financial assets further reduced the value.

Equity attributable to owners of the parent

The Group's total equity attributable to owners of the parent remained relatively stable, maintaining a balance of HK\$504.3 million (31 December 2023: HK\$504.7 million) without any material change.

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 30 June 2024, the Group had pledged an investment property with a fair value of HK\$61.0 million (31 December 2023: HK\$62.0 million), listed equity securities of HK\$2.0 million (31 December 2023: HK\$2.2 million) and bank balances of HK\$0.6 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\$21.5 million (31 December 2023: HK\$21.1 million) were utilised as at 30 June 2024.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2024, the Group's cash and cash equivalents were HK\$305.6 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 had been monitoring the foreign exchange exposures closely and hedging any significant foreign currency exposure in order to minimise the exchange risk should the needs arise.

As at 30 June 2024, the Group had no bank borrowings (31 December 2023: Nil). The Group's current ratio representing current assets divided by current liabilities was 3.0 (31 December 2023: 3.0) and the gearing ratio, representing total liabilities divided by total assets, was 24.1% (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.

The remuneration policies adopted for the six months ended 30 June 2024 are consistent with those disclosed in the Group's 2023 Annual Report. As at 30 June 2024, the Group employed 341 full time employees and 11 part time employees (31 December 2023: 343 full time employees and 12 part time employees).

As at 30 June 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 30 June 2024.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Saved as disclosed in the announcement, the Group did not have any material acquisition or disposal of subsidiaries during the period and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2024.

CONTINGENT LIABILITIES

Save as disclosed in the announcement, the Group has no material contingent liabilities as at 30 June 2024.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK\$0.055 (2023: an interim dividend of HK\$0.055) per ordinary share for the six months ended 30 June 2024.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 4 September 2024 to Thursday, 5 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 3 September 2024. The dividend will be distributed on or about Thursday, 19 September 2024 to shareholders whose names appear on the Register of Members of the Company on Thursday, 5 September 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period, a subsidiary of the Company purchased 2,064,000 shares on The Stock Exchange of Hong Kong Limited for an aggregate consideration of HK\$4,752,000 and these shares will be subsequently cancelled by the Company. The summary details of those transactions are as follows:

Month	Number of shares repurchased	Price per share		Total price paid <i>HK\$'000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
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
	<u>2,064,000</u>			<u>4,752</u>

The purchase of the Company's shares during the period 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 period.

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 period.

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 six months ended 30 June 2024.

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. 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 30 June 2024, the Audit Committee comprises three independent non-executive directors of the Company. The interim condensed consolidated financial statements for the six months ended 30 June 2024 have not been audited, but the Audit Committee has discussed with the management of the Company and the external auditors, Ernst & Young, on the appropriateness and consistency of the accounting policies that have been adopted by the Company. The Audit Committee has reviewed the interim results and the interim report of the Group for the six months ended 30 June 2024.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on The Stock Exchange of Hong Kong Limited's website (www.hkexnews.hk) and the Company's website (www.ctil.com). The 2024 interim report will be published on The Stock Exchange of Hong Kong Limited's website (www.hkexnews.hk) and the Company's website (www.ctil.com) and also to be despatched to the shareholders of the Company (upon requested) 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, 20 August 2024

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.