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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Board has noted the recent increases in the price and trading volume of the shares of the Company.

The Board confirms that the Company is in the process of considering a possible acquisition from a connected person (as defined in the Listing Rules) of the Company and a possible fund raising exercise which may involve the issue of new shares of the Company, which may or may not materialise.

Shareholders and potential investors in the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made at the request of the Stock Exchange.

The board of directors (the "Board") of Computer And Technologies Holdings Limited (the "Company") has noted the recent increases in the price and trading volume of the shares of the Company.

The Board confirms that the Company is in the process of considering a possible acquisition of an interest of a company, of which the business is complementary to the Company's business, from a connected person (as defined in the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company and a possible fund raising exercise which may involve the issue of new shares of the Company, which may or may not materialise.

The Board wishes to advise its shareholders and potential investors that the terms of the possible acquisition and the possible fund raising exercise (including the method of the possible fund raising exercise) are under discussions and have not been finalised and the discussions may or may not lead to any agreement. Should any agreement be reached as a result of the negotiations, the possible acquisition may result in a notifiable transaction for the Company under Chapter 14 of the Listing Rules. A further announcement will be made should there be any significant development of the negotiations as and when appropriate.

Save as disclosed herein, the Board is not aware of any other matter which is discloseable under paragraph 3 of the Listing Agreement or under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Shareholders and potential investors in the Company are advised to exercise caution when dealing in shares of the Company.

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

Hong Kong, 7th May, 2002

"Please also refer to the published version of this announcement in the Hong Kong i-Mail"