THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Computer And Technologies Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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computer technologies

COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF A SUBSIDIARY

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1 December 2008

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Agreement"	the agreement dated 10 November 2008 and entered into between the Vendor and the Purchaser in relation to the Disposal;
"Board"	the board of Directors;
"Business Day"	a day other than a Saturday or Sunday, on which banks in Hong Kong are open for business generally;
"Company"	Computer And Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
"Completion"	completion of the Agreement, which took place on 11 November 2008;
"connected person"	has the meaning as ascribed to under the Listing Rules;
"Consideration"	HK$1,215,450, being the sale price of the Maxfair BVI Shares;
"Directors"	the directors of the Company (including the independent non-executive directors of the Company);
"Disposal"	the disposal of the Maxfair BVI Shares and the liability under the Maxfair Debt by the Vendor to the Purchaser under and pursuant to the terms of the Agreement;
"Group"	the Company and its subsidiaries excluding the Maxfair Group after Completion;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;

"Latest Practicable Date"	26 November 2008, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Maxfair BVI"	Maxfair Technology Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirectly non-wholly owned subsidiary of the Company before Completion;
"Maxfair BVI Shares"	the 75 ordinary shares of Maxfair BVI to be disposed of by the Vendor pursuant to the terms of the Agreement;
"Maxfair Debt"	the total attributable outstanding liability owing by the Group to Maxfair Group in the sum of HK$1,215,450 as at 10 November 2008 to be assumed by the Purchaser pursuant to the terms of the Agreement;
"Maxfair Group"	collectively Maxfair BVI and Maxfair Taiwan;
"Maxfair Taiwan"	Maxfair Technology (Taiwan) Company Limited, a company established under the laws of Taiwan and a 70% owned subsidiary of Maxfair BVI;
"PRC"	the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan;
"Purchaser"	Kuo Chih Yung;
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Vendor"	Computer And Technologies Distribution (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; and
"%"	per cent

COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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Executive Directors:
Ng Cheung Shing *(Chairman)*
Leung King San, Sunny
Yan King Shun, Peter

Independent non-executive Directors:
Ha Shu Tong
Lee Kwok On, Matthew
Ting Leung Huel, Stephen

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and Principal place of business in Hong Kong:
30th Floor
Prosperity Millennia Plaza
663 King's Road
North Point
Hong Kong

1 December 2008

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF A SUBSIDIARY

INTRODUCTION

Reference is made to the announcement issued by the Company dated 10 November 2008 relating to the Disposal.

The purpose of this circular is to provide the Shareholders with information in relation to the Disposal in compliance with the Listing Rules.

THE AGREEMENT

Date

10 November 2008

Parties

The Vendor, an indirect wholly-owned subsidiary of the Company

The Purchaser, a connected person of the Company

The Purchaser, Kuo Chih Yung, is a merchant. He is a director of Maxfair Taiwan and holds 15% of its equity interests, and accordingly a connected person of the Company under Chapter 14A of the Listing Rules.

ASSETS TO BE DISPOSED OF BY THE GROUP

The Maxfair BVI Shares, representing 75% of the entire issued share capital of Maxfair BVI together with the disposal of the liability under the Maxfair Debt.

CONSIDERATION

The Consideration for the Maxfair BVI Shares is HK$1,215,450. It was arrived at after arm's length negotiations between the parties and with reference to a 25% discount of the Group's attributable interests in Maxfair Group based upon the unaudited consolidated net asset value of Maxfair BVI as at 30 September 2008.

The Board considers that in view of the current volatile and the impending downturn of the market, the Company should focus on its main business activities and trim down its non-core business activities regarding the distribution of digital media products by way of disposing of Maxfair Group when there is a willing buyer and the price is reasonable.

The Purchaser will assume the liability of the Vendor under the Maxfair Debt at its face value as at 10 November 2008. The Maxfair Debt was a prepayment made by Maxfair Group for and on behalf of the Group which is unsecured, interest free, and with no fixed term of repayment.

The Consideration for the Maxfair BVI Shares was paid and settled by the Purchaser by way of the Purchaser assuming the liability under the Maxfair Debt and set off against the Consideration on a dollar for dollar basis at Completion.

COMPLETION

Since the Agreement was not subject to any condition precedent, Completion had taken place within three Business Days after signing of the Agreement in accordance with the terms of the Agreement.

Upon Completion, the Group ceased to hold any interest in Maxfair BVI, and Maxfair BVI and Maxfair Taiwan both ceased to be subsidiaries of the Company.

There is no restriction as to any subsequent sale of any Maxfair BVI Shares by the Purchaser after Completion.

INFORMATION ABOUT MAXFAIR BVI

Maxfair BVI is an investment holding company and its sole investment comprises the 70% equity interests of Maxfair Taiwan. Maxfair Taiwan is principally engaged in the distribution of digital media products in Taiwan. The Company has been holding the Maxfair BVI Shares for more than twelve months before Completion.

Before Completion, the Group holds 75 ordinary shares of Maxfair BVI, representing 75% equity interests in Maxfair BVI, and Mr. Ma Mok Hoi holds the remaining 25 ordinary shares of Maxfair BVI, representing 25% equity interests in Maxfair BVI. Mr. Ma Mok Hoi is an ex-director of the Company who resigned on 28 July 2008.

Before Completion, Maxfair BVI holds 700,000 ordinary shares of Maxfair Taiwan, representing 70% equity interests in Maxfair Taiwan, and the Purchaser holds 150,000 ordinary shares of Maxfair Taiwan, representing 15% equity interests in Maxfair Taiwan. Six other shareholders hold in aggregate the remaining 150,000 ordinary shares of Maxfair Taiwan, representing 15% equity interests in Maxfair Taiwan.

Since Maxfair BVI is an investment holding company and its sole investment comprises the 70% equity interests of Maxfair Taiwan, the unaudited consolidated accounts of Maxfair BVI and the unaudited accounts of Maxfair Taiwan as at 30 September 2008 showed the net asset value of Maxfair Group amounted to approximately HK$3.1 million.

The consolidated net profits before and after taxation of Maxfair BVI for each of the two years ended 31 December 2007 and the six months ended 30 June 2008 are set out as follows:

	For the year ended 31 December		**For the six months ended 30 June**
	2006	**2007**	**2008**
	(audited)	(audited)	(unaudited)
	HK$'000	*HK$'000*	*HK$'000*
Profit before taxation	599	120	99
Profit after taxation	513	56	99

INFORMATION ABOUT THE GROUP

The Company was incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of system and network integration services, IT solutions implementation, application development services, enterprise applications, IT operation outsourcing services, provision of on-line e-Government and e-Business platforms and related business process outsourcing services.

REASONS FOR THE DISPOSAL

As disclosed in our previous financial reports, the Company has been actively exploring alternatives to improve the return on investment in the distribution business for which the business results have not been satisfactory in recent years. Despite repeated efforts, the Company has not been able to identify interested buyers for the sale of Maxfair Group. The Board considers that, in view of the current volatile and the impending downturn of the market, the Purchaser being the director of Maxfair Taiwan is the only viable willing buyer offering a reasonable price in the market.

The Directors (including the independent non-executive Directors) consider that the Disposal represented a good opportunity for the Group to dispose of the distribution business and the terms for the Disposal under the Agreement are of normal commercial terms and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

As at 30 September 2008, the unaudited net asset value of Maxfair Group was approximately HK$3.1 million. Upon Completion, the Group received the consideration of HK$1,215,450 by way of setting off its liability under the Maxfair Debt and is expected to recognize a loss on disposal of approximately HK$0.4 million (being the amount of the 25% discount of the Group's attributable interests in Maxfair Group) without taking into account the expenses to be incurred in connection with the Disposal.

Save for the above, it is expected that upon Completion, the Disposal will not have any material effect on the earnings, assets or liabilities of the Group.

Immediately after the Disposal, Maxfair BVI and Maxfair Taiwan ceased to be subsidiaries of the Company. The Company ceased to have any interest in Maxfair BVI and Maxfair Taiwan and will discontinue its distribution business being principally carried on by Maxfair Taiwan.

LISTING RULES IMPLICATION

Since the revenue ratio (as defined in the Listing Rules) is greater than 5% but less than 25%, the entering into of the Agreement constituted a discloseable transaction for the Company according to Rule 14.06(2) of the Listing Rules.

As each of the percentage ratios (other than the profits ratio) is less than 25% and the total consideration of the Disposal is less than HK$10,000,000, the Disposal constituted a connected transaction for the Company subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Rule 14A.32(2) of the Listing Rules.

The Group has not involved in any previous transaction with the Purchaser or any of its associates which would otherwise require aggregation with the Disposal pursuant to Rule 14.22 and Rule 14A.25 of the Listing Rules.

Details of the Disposal will be disclosed in the Company's published annual report and accounts for the financial year ending 31 December 2008 as required under Rule 14A.45 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
Computer And Technologies Holdings Limited
Ng Cheung Shing
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

DIRECTORS' DISCLOSURE OF INTERESTS

(a) Apart from the interests of the Directors in the share options of the Company which are separately disclosed in (b) below, as at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); or are required pursuant to section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies (together the "Discloseable Interest") are as follows:

Long positions in shares of the Company:

Name of Director	Number of Shares held	Capacity	Approximate percentage of issued share capital of the Company
Ng Cheung Shing	2,032,000	Beneficial owner	0.80%
Ng Cheung Shing *(note 1)*	110,000,000	Interest of a controlled corporation	43.33%
Ng Cheung Shing *(note 2)*	1,000,000	Interest in underlying shares granted under a restricted share award scheme	0.39%
Leung King San, Sunny	810,000	Beneficial owner	0.32%
Yan King Shun, Peter	112,000	Beneficial owner	0.04%
Yan King Shun, Peter *(note 2)*	1,000,000	Interest in underlying shares granted under a restricted share award scheme	0.39%

Long positions in shares of associated corporations of the Company:

Name of Director	Name of associated corporation	Relationship with the Company	Class of shares	Number of shares and capital and capacity: Beneficial owner	Number of shares and capital and capacity: Interest of a controlled corporation	Percentage of the associated corporation's issued share capital
Ng Cheung Shing	Computed And Technologies International Limited	Company's subsidiary	Non-voting deferred	1,750,000	3,250,000 *(note 3)*	N/A

Notes:

1. The 110,000,000 shares were held by Chao Lien Technologies Limited ("Chao Lien"). Mr. Ng Cheung Shing was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of C.S. (BVI) Limited which, in turn, was entitled to exercise or control the exercise of or control the exercise of one-third or more of the voting power at general meetings of Chao Lien. Accordingly, Mr. Ng Cheung Shing was deemed, under the SFO, to be interested in all shares held by Chao Lien.

2. The shares were granted under a restricted share award scheme (the "Scheme") adopted by the Company on 22 May 2008. According to the rules of the Scheme, Mr. Ng Cheung Shing and Mr. Yan King Shun, Peter were assigned with certain business objectives to be achieved. The vesting period of the shares was set between 30 June 2009 and 30 June 2015 and the vested shares will be transferred to Mr. Ng Cheung Shing and Mr. Yan King Shun, Peter at no cost.

3. The 3,250,000 non-voting deferred shares were held by Chao Lien.

(b) As at the Latest Practicable Date, the Directors had personal interests in share options granted under the Company's employee share option scheme as follows:

Directors	Number of share options and underlying shares of the Company	Exercise period	Exercise price	Percentage of issued share capital of the Company
Ng Cheung Shing	300,000	1 March 2005 to 31 August 2009	1.128	0.12%
Leung King San, Sunny	200,000	1 March 2005 to 31 August 2009	1.128	0.08%
Ha Shu Tong	100,000	1 March 2005 to 31 August 2009	1.128	0.04%
Lee Kwok On, Matthew	100,000	1 March 2005 to 31 August 2009	1.128	0.04%
Ting Leung Huel, Stephen	100,000	1 March 2005 to 31 August 2009	1.128	0.04%
Yan King Shun, Peter	76,000	1 March 2005 to 31 August 2009	1.128	0.03%

Save as disclosed in (a) and (b) above, as at the Latest Practicable Date, none of the Directors had any Discloseable Interest.

(c) Save as disclosed herein, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed in the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or their respective associates has any interest in a business apart from the Group's business which competes or likely to complete, either directly or indirectly, with the Group's business.

DIRECTORS' INTEREST IN ASSETS AND CONTRACTS

No contracts of significance or assets to which the Company or any member of its Group was a party and in which a Director had a material interest and which was significant to the Company business, whether directly or indirectly, subsisted at the Latest Practicable Date.

INTERESTS OF SHAREHOLDERS

Save as disclosed herein, as at the Latest Practicable Date, as far as is known to the Directors and the chief executive of the Company, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:–

Interest in the Company

Substantial Shareholders	**Capacity**	**Number of ordinary shares**	**Percentage of the issued share capital**
Chao Lien Technologies Limited	Beneficial owner	110,000,000 *(note 1)*	43.33%
C.S. (BVI) Limited	Interest of a controlled corporation	110,000,000 *(note 1)*	43.33%
Puttney Investments Limited ("PIL")	Beneficial owner	29,148,938 *(note 2)*	11.48%
Hutchison International Limited ("HIL")	Interest of a controlled corporation	29,148,938 *(note 2)*	11.48%
Hutchison Whampoa Limited ("HWL")	Interest of a controlled corporation	29,148,938 *(note 2)*	11.48%
Cheung Kong (Holdings) Limited ("CKH")	Interest of a controlled corporation	29,148,938 *(notes 2, 3)*	11.48%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Interest of a controlled corporation	29,148,938 *(notes 2, 3)*	11.48%

Substantial Shareholders	Capacity	Number of ordinary shares	Percentage of the issued share capital
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Interest of a controlled corporation	29,148,938 *(notes 2, 3)*	11.48%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Interest of a controlled corporation	29,148,938 *(notes 2, 3)*	11.48%
Li Ka-Shing	Interest of a controlled corporation	29,148,938 *(notes 2, 3)*	11.48%
Hui Yau Man	Beneficial owner	26,782,000	10.55%

Notes:

1. The interest was also disclosed as an interest of Mr. Ng. Cheung Shing in the section headed "Directors' disclosure of interest" in this Appendix to this circular.

2. PIL is a wholly-owned subsidiary of HIL, which in turn is a wholly-owned subsidiary of HWL. By virtue of the SFO, HWL and HIL were deemed to be interested in the 29,148,938 shares of the Company held by PIL.

3. Li Ka-Shing Unity Holdings Limited ("TUHL"), of which each of Li Ka-Shing, Li Tzar Kui, Victor and Li Tzar Kai, Richard, is interested in one-third of its entire issued share capital, owns the entire issued share capital of TUT1. TUT1 as trustee of The Li Ka-Shing Unity Trust, together with certain companies which TUT1 as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH. Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

   In addition, TUHL also owns the entire issued share capital of TDT1 as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and TDT2 as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust.

   By virtue of the SFO, each of Li Ka-Shing, being the settler and being regarded as a founder of DT1 and DT2, TDT1, TDT2, TUT1 and CKH were deemed to be interested in the 29,148,938 shares of the Company held by PIL.

Save as disclosed above, as at the Latest Practicable Date, no other person has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who is directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up.

DIRECTORS' SERVICE CONTRACTS

At the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

GENERAL

(i) The English language text of this document shall prevail over the Chinese language text.

(ii) The Secretary of the Company and the qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Mr. Ng Kwok Keung, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountant.

(iii) The Company's branch share registrar and transfer office is Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreement are available for inspection on working days, Monday to Friday during 1:00 p.m. to 4:00 p.m. at the Company's offices at 30th Floor, Prosperity Millennia Plaza, 663 King's Road, North Point, Hong Kong from the date of this circular to 15 December 2008.