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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF A SUBSIDIARY

The Vendor, being an indirect wholly-owned subsidiary of the Company, entered into the Agreement on 10 November 2008 for the disposal of the Maxfair BVI Shares and the novation of the Maxfair Debt to the Purchaser. The Consideration for the sale of the Maxfair BVI Shares is HK$1,215,450 and will be 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.

Maxfair BVI holds 70% equity interests in its non-wholly owned subsidiary Maxfair Taiwan. The Purchaser is a director of Maxfair Taiwan and holds 15% of its equity interests, and accordingly the Purchaser is a connected person of the Company under Chapter 14A of the Listing Rules.

The Disposal constituted a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules. The Disposal also 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. A circular giving details of the Disposal will be sent to shareholders as soon as practicable in accordance 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 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 30 September 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 will be 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 will take place within three Business Days after signing of the Agreement in accordance with the terms of the Agreement.

Upon Completion, the Group will cease to hold any interest in Maxfair BVI, and Maxfair BVI and Maxfair Taiwan will both cease 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 2006	**For the year ended 31 December 2007**	**For the six months ended 30 June 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 will receive 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.

Immediately after the Disposal, Maxfair BVI and Maxfair Taiwan will cease to be subsidiaries of the Company. The Company will cease 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.

A circular giving details of the Disposal will be sent to shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall 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
"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
"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 announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
"Purchaser"	Kuo Chih Yung

"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
"%"	per cent

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

Hong Kong, 10 November 2008

As at the date of this announcement, the Board comprises Mr. Ng Cheung Shing, Mr. Leung King San, Sunny and Mr. Yan King Shun, Peter as executive Directors, and Mr. Ha Shu Tong, Dr. Lee Kwok On, Matthew, and Mr. Ting Leung Huel, Stephen as independent non-executive Directors.

Website of the Company: http://www.ctil.com