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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTIONS

The Directors announce that (a) C&T advanced shareholders' loans in an aggregate amount of US$670,000 (approximately HK$5,226,000) to C&T Solutions at an interest rate of 3.875% per annum; and (b) C&T subscribed for, and C&T Solutions will allot and issue, an aggregate of 13,400,000 shares of US$0.0001 each in the capital of C&T Solutions (representing 1% of its issued share capital as enlarged by the Subscription) at par in cash.

Immediately before completion of the Subscription, C&T Solutions is owned (through C&T) as to 90% by the Company and as to 10% by HHR. As HHR is an indirect non wholly-owned subsidiary of Hutchison International Limited (which is a substantial shareholder of the Company), C&T Solutions is therefore a connected person of the Company for the purpose of the Listing Rules and, hence, each of the Advance and the Subscription constituted a connected transaction of the Company pursuant to paragraph 14.23(1) of the Listing Rules. As the transactions contemplated under the Advance and the Subscription fall within the de-minimis provision under paragraph 14.25(1) of the Listing Rules, these transactions are not subject to shareholders' approval, but details of which will be included in the Company's next annual report for the year ended 31st December, 2002.

Parties : C&T; and C&T Solutions, a subsidiary of the Company which is, immediately before completion of the Subscription, owned (through C&T) as to 90% by the Company and as to 10% by HHR

Advance of shareholders' loans and the Subscription : On 10th July, 2002:

(a) the board of directors of C&T Solutions approved and confirmed the advance by C&T of shareholders' loans in an aggregate amount of US$670,000 (approximately HK$5,226,000) to C&T Solutions at an interest rate of 3.875% per annum, being an interest rate equal to the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited on 8th July, 2002 less 1.25% per annum. Such shareholders' loans are intended to be used as working capital of C&T Solutions; and

(b) C&T subscribed for, and C&T Solutions will allot and issue, an aggregate of 13,400,000 shares of US$0.0001 each in the capital of C&T Solutions (representing 1% of its issued share capital as enlarged by the Subscription) at par in cash. Completion of the Subscription is conditional upon permission of the Bermuda Monetary Authority for the issue of shares under the Subscription being obtained.

Immediately following completion of the Subscription, C&T Solutions will be owned as to 91% by the Company and as to 9% by HHR.

The shareholders' loans of US$670,000 made by C&T pursuant to the Advance, together with the subscription monies of US$1,340 (approximately HK$10,452) under the Subscription, are payable by 10th July, 2002 and are funded out of the Company's internal resources.

The Company : Computer And Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, is principally engaged in the business of providing information technologies services, including systems integration service, solution development service, application service and distribution service.

C&T Solutions : Computer And Technologies Solutions Limited, a company incorporated in Bermuda with limited liability, is principally engaged in the business of software development and the provision of software system supports services.

C&T Solutions was only acquired by the Company in December, 2001. The unaudited net asset value of C&T Solutions as at 31st December, 2001 was approximately HK$3,480,000.

Reasons for the Advance and the Subscription : The Directors believe that the advance of the shareholders' loans of US$670,000, which are intended to be used as working capital of C&T Solutions, and the Subscription serves to provide funding for the development of the business of C&T Solutions, which, in turn, is beneficial to the Company, and is expected to enhance and consolidate the investment of the Company in C&T Solutions.

The Directors, including the independent non-executive Directors, consider that the Advance and the Subscription are carried out on normal commercial terms, are fair and reasonable so far as the Company and its shareholders are concerned, and are in the commercial interests of the Company.

Connected party relationship	:	Immediately before completion of the Subscription, C&T Solutions is owned (through C&T) as to 90% by the Company and as to 10% by HHR. As HHR is an indirect non wholly-owned subsidiary of Hutchison International Limited (which is a substantial shareholder of the Company), C&T Solutions is therefore a connected person of the Company for the purpose of the Listing Rules and, hence, each of the Advance and the Subscription constituted a connected transaction of the Company pursuant to paragraph 14.23(1) of the Listing Rules. As the transactions contemplated under the Advance and the Subscription fall within the de-minimis provision under paragraph 14.25(1) of the Listing Rules, the transactions are not subject to shareholders' approval, but details of which will be included in the Company's next annual report for the year ended 31st December, 2002.

DEFINITIONS

In this announcement, the terms "connected person", "subsidiary" and "substantial shareholder" shall have the meanings ascribed thereto under the Listing Rules, and unless the context otherwise requires, the following terms shall have the following meanings:

"Advance"	means the advance by C&T of shareholders' loans in an aggregate amount of US$670,000 (approximately HK$5,226,000) to C&T Solutions at an interest rate of 3.875% per annum;
"C&T"	means Anyway Technology Limited and Miletech Enterprises Limited, both of which are companies incorporated in the British Virgin Islands and are wholly-owned subsidiaries of the Company;
"C&T Solutions"	means Computer And Technologies Solutions Limited, a company incorporated in Bermuda with limited liability;
"Company"	means Computer And Technologies Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange;
"Directors"	means the directors of the Company;
"HHR"	means Hutchison Harbour Ring Technology Investments Limited, a company incorporated in the Cayman Islands, an indirect non wholly-owned subsidiary of Hutchison International Limited and a substantial shareholder of C&T Solutions immediately before completion of the Subscription;
"Listing Rules"	means The Rules Governing the Listing of Securities on the Stock Exchange;

"Stock Exchange"	means The Stock Exchange of Hong Kong Limited; and
"Subscription"	means the subscription by C&T for 13,400,000 shares of US$0.0001 each in the capital of C&T Solutions (representing 1% of its issued share capital as enlarged by such subscription) at par in cash.

In this announcement, except as otherwise indicated, US$ has been translated into HK$ at a rate of US$1.00 = HK$7.80 for reference purposes only.

By Order of the board of Directors
Ng Cheung Shing
Chairman

Hong Kong, 10th July, 2002

"Please also refer to the published version of this announcement in China Daily".