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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PROPOSAL FOR REDUCTION OF SHARE PREMIUM ACCOUNT

The Directors of the Company intend to put forward a proposal to the shareholders of the Company to partially reduce the Share Premium Account and apply the credit arising therefrom to eliminate the Loss in full.

The Proposal is conditional upon (i) the passing of a special resolution of the shareholders at the Annual General Meeting to be held on 30 May 2002 and (ii) the publication of a notice of the reduction of the Share Premium Account in an appointed newspaper in Bermuda.

THE PROPOSAL

The Directors of the Company intend to put forward a proposal to the shareholders of the Company to partially reduce the Share Premium Account (the "Proposal") pursuant to the law of Bermuda and the Company's Bye-laws. The amount standing to the credit of the Share Premium Account of the Company as at 31 December 2001 was HK$325,699,000. It is proposed that the Share Premium Account as at the Effective Date be reduced by an amount of HK$51,406,000 and that the credit arising therefrom be applied to eliminate the Loss (as defined below) in full.

REASONS FOR THE PROPOSAL

As at 31 December 2001, the Company recorded an accumulated loss of HK$51,406,000 (the "Loss") as a result of provision for diminution in value of the subsidiaries.

The Proposal will enable the Company to eliminate the Loss in full and, as a result, enable the Company to make distribution for payment of dividends from retained earnings account in future. It is considered to be in the best interest of the Company and its shareholders as a whole to implement the Proposal.

EFFECT OF THE PROPOSAL

The implementation of the Proposal will not affect the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the shareholders of the Company, other than as a result of the related professional fees, printing costs and postages of approximately $200,000. Save as the aforesaid expenses of the Share Premium Reduction, the Directors of the Company consider that the Proposal will not cause any loss in the shareholders' funds of the Company. The Directors of the Company consider that the Proposal will not have a material adverse effect on the financial position of the Company.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon, inter alia, the passing of a special resolution to approve the Proposal at the Annual General Meeting and the compliance with section 46 of the Companies Act 1981 of Bermuda, including the publication of a notice of the reduction of the Share Premium Account in an appointed newspaper in Bermuda.

GENERAL

Further information in relation to the Proposal and the notice convening the Annual General Meeting will be contained in a circular to be despatched to shareholders together with the Annual Report of the Company for the year ended 31 December 2001 as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the respective meanings set out opposite them:

"Annual General Meeting"	the next Annual General Meeting of the Company to be held on Thursday, 30 May 2002
"Company"	Computer And Technologies Holdings Limited
"Effective Date"	the date on which the Proposal shall become effective, which being date of the Annual General Meeting at which the relevant resolution approving the Proposal will be considered by shareholders
"Share Premium Account"	the share premium account of the Company

By Order of the Board
Ng Cheung Shing
Chairman

Hong Kong, 24 April 2002

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