The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 0046)

DISCLOSEABLE TRANSACTION

The Board herein announces that on 29 June 2006, the Company, the Vendor and the Purchaser entered into the Sale and Purchase Agreement for the acquisition of the Sale Shares by the Purchaser from the Vendor for the consideration of HK$23.4 million. The consideration will be paid in cash which will be funded by the Group's internal resources.

The Board believes the terms of the Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Board confirms that the Consideration has been determined after arm's length negotiations between the parties.

The transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular in connection with the Sale and Purchase Agreement will be dispatched to the Shareholders as soon as practicable.

THE SALE AND PURCHASE AGREEMENT

Date:	29 June 2006
Purchaser:	Jensco International Limited, a wholly-owned subsidiary of the Company
Vendor:	The China Fund, Inc.
Guarantor:	The Company

Pursuant to the Sale and Purchase Agreement, the Purchaser has purchased the Sale Share, representing the 20% of the issued share capital of Global e-Business and approximately 2% of the voting rights in the general meetings of Global e-Business, at a consideration of HK$23.4 million.

Since the Vendor was entitled to approximately 2% of the voting rights in the general meetings of Global e-Business, the Vendor was not a substantial shareholder (as defined in the Listing Rules) of Global e-Business and hence was not a connected person (as defined in the Listing Rules) of the Company. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Consideration and payment terms

The consideration payable by the Purchaser under the Sale and Purchase Agreement is HK$23.4 million, to be paid in cash in the following manner:

1. an amount of HK$11.7 million (equivalent to 50% of the Consideration) will be paid on a date falling one month after Completion; and
2. an amount of HK$11.7 million (equivalent to the remaining 50% of the Consideration) will be paid on a date falling two months after Completion.

The Consideration will be funded by the Group's internal resources.

The consideration for the Acquisition has been arrived at after arm's length negotiation between the parties taking into consideration the original consideration of HK$23,400,000 paid by the Vendor when it initially subscribed for the Sale Shares in 2004 and certain rights that the Vendor has under the Shareholders' Agreement as mentioned in the section headed "Reasons for the Acquisition" of this announcement.

Completion of the Sale and Purchase Agreement

Completion of the Sale and Purchase Agreement took place immediately after the signing of the Sale and Purchase Agreement on 29 June 2006.

INFORMATION ON GLOBAL E-BUSINESS

Global e-Business is a company incorporated in January 2000. Global e-Business and its subsidiaries, as members of the Group, are principally engaged in the business of providing on-line e-Government and e-business platforms and related business process outsourcing services ("e-Service"). Upon completion of the Acquisition, Global e-Business will become a wholly-owned subsidiary of the Company.

The audited consolidated net assets of Global e-Business as at 31 December 2004 and 31 December 2005, were approximately HK$31.98 million and HK$26.55 million, respectively.

The audited consolidated net loss (before and after taxation and extraordinary items) of Global e-Business for the financial year ended 31 December 2004 and 31 December 2005 were HK$10.26 million and HK$5.42 million respectively.

Prior to completion of the Acquisition, the shareholdings of Global e-Business are as follows:

Name of shareholder	No. and class of shares in Global e-Business	Percentage of issued share capital in Global e-Business	Percentage of voting right in Global e-Business
Computer And Technologies e-Services (BVI) Limited	160,000 Class A Shares	80%	98%
The China Fund, Inc.	40,000 Class B Shares	20%	2%

REASONS FOR THE ACQUISITION

In the views of the Directors, the Acquisition will provide more flexibility to the Group to vertically develop the e-Service business as the operation of e-Service business of Global e-Business will no longer be subject to the veto power of the Vendor. The Group will therefore be able to enjoy the potential synergy arising from such better utilisation of resources as well as better leverage of the complementary strengths of its subsidiaries. This will in turn create more value to the Shareholders.

Having considered the benefits to be derived from the Acquisition and certain rights, including but not limited to, the right to require the issue of additional shares by Global e-Business, exchangeable right for shares in the Company and certain veto rights, that the Vendor has under the Shareholders' Agreement, the Directors (including the independent non-executive Directors) also believe that the terms of the Acquisition, including the Consideration, are fair and reasonable and in the best interest of the Company and the Shareholders as whole.

INFORMATION ON THE GROUP

The Group is an information technology service provider involved in the design, delivery and operation of information technology solutions and services.

INFORMATION ON THE VENDOR

The Vendor is an investment fund principally engaged in the business of investment in companies with significant business interests in the Greater China to achieve long-term capital appreciation.

GENERAL

The transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular in connection with the Sale and Purchase Agreement will be dispatched to the Shareholders as soon as practicable.

TERMS USED IN THIS ANNOUNCEMENT

"Acquisition"	the acquisition of the Sale Shares from the Vendor
"Board"	the board of directors of the Company
"Class A Shares"	ordinary shares of US$0.01 each in the capital of Global e-Business designated as Class A Shares, which entitle the shareholders to have one vote in the general meeting for every Class A Share held
"Class B Shares"	shares of US$0.01 each in the capital of Global e-Business designated as Class B Shares, which entitle the shareholders to have one-tenth of a vote in the general meeting for every Class B Share held
"Company"	Computer And Technologies Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Shares which has already taken place on the date of the Sale and Purchase Agreement
"Consideration"	the total consideration for the Sale Shares, being HK$23.4 million
"Global e-Business"	Global e-Business Services (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Company whose issued share capital was owned as to 80% (which represented approximately 98% of the voting power) by the Company and 20% (which represented approximately 2% of the voting power) by the Vendor prior to Completion
"Group"	the Company and its subsidiaries
"Independent Third Party(ies)"	party(ies) who is/are independent of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries (other than Global e-Business) or any of their respective associates (as defined in the Listing Rules) and not connected person(s) (as defined in the Listing Rules) of the Company

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Purchaser"	Jensco International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Sale and Purchase Agreement"	the sale and purchase agreement dated 29 June 2006 between the Vendor, the Purchaser and the Company in relation to the Acquisition
"Sale Shares"	40,000 Class B Shares
"Shareholders"	shareholders of the Company
"Shareholders' Agreement"	a shareholders' agreement dated 18 June 2004 entered into between the Company, the Vendor, Computer And Technologies International Limited, Computer And Technologies e-Services (BVI) Limited and Global e-Business
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	The China Fund, Inc., a company incorporated in the State of Maryland, United States of America, whose shares are publicly quoted on the New York Stock Exchange, Inc. under the code of "CHN"

On behalf of the Board
Ng Cheung Shing
Chairman

Hong Kong, 29 June 2006

As at the date of this announcement, the executive Directors are Messrs. Ng Cheung Shing, Leung King San, Sunny and Ma Mok Hoi and the independent non-executive Directors are Messrs. Ha Shu Tong, Lee Kwok On, Mathew and Ting Leung Huel, Stephen.

Please also refer to the published version of this announcement in The Standard.