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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

DISCLOSEABLE TRANSACTION

The Board is pleased to announce the following transaction.

The Acquisition

On 24 November 2006, C&T Solutions, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors in relation to the acquisition of the entire issued share capital of Waywin at an initial consideration of approximately HK$2,355,000 and subject to the satisfaction of certain conditions as described in this announcement, an additional consideration of HK$4,675,000, the total consideration will in any event not exceed approximately HK$7,030,000.

The consideration will be paid in cash which will be funded by the Group's internal resources.

The Board (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, 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 Board is pleased to announce the following transaction.

THE ACQUISITION

Principal Terms of the Sale and Purchase Agreement

Date: 24 November 2006

Purchaser: C&T Solutions

Vendors: the several shareholders of Waywin

Pursuant to the Sale and Purchase Agreement, C&T Solutions has purchased the Sale Shares, representing the entire issued capital of Waywin, at a total consideration of not more than HK$7,030,000. The Sale Shares are not subject to any pre-emptive rights. Although the shares of Y&A consist certain pre-emptive rights, according to the articles of association of Y&A, the transfer of shares of its shareholders, i.e. Waywin, is not subject to such pre-emptive rights.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners are Independent Third Parties and there are no prior relationships or transactions between Waywin/Y&A and the Group.

Consideration and payment terms

The total maximum consideration payable by C&T Solutions under the Sale and Purchase Agreement is approximately HK$7,030,000, and such consideration has been paid or, subject to certain conditions as described below, will be paid in the following manner:

1. an amount of approximately HK$2,355,000 initial consideration was paid in cash to the Vendors at Completion; and
2. an additional consideration calculated in accordance with the formula specified below (subject to a maximum amount of HK$4.675 million), will be paid to the Individual Vendors in proportion to the Individual Share Proportions:–

additional consideration = Part One Sum + Part Two Sum, and

Part One Sum = 75% x (higher of (a) HK$0 or (b) ANPAT07 minus HK$1.1 million) (subject to a maximum amount of HK$675,000)

Part Two Sum = 40% x (higher of (a) NAV07 or (b) 5 x ANPAT07) (subject to a maximum amount of HK$4,000,000)

where:

(i) NAV07 is the net asset value of Y&A as reported in the 2007 Audited Accounts; and

(ii) ANPAT07 is the audited net profit after tax as reported in the 2007 Audited Accounts but before any provision and/or write-off against amounts due from affiliated companies of Y&A.

The payment of Part One Sum is subject to (a) all accounts receivables recorded in the 2007 Audited Accounts shall have been collected within 1 month after the date of issuance of the 2007 Audited Accounts; and (b) all members of the Management Team remain employed by Y&A or the Group on the 45th day following the date of issuance of the 2007 Audited Accounts and have not committed any breach of their respective Service Agreements, in each case.

Subject to the satisfaction of the conditions set out above, the Part One Sum shall be satisfied by C&T Solutions paying to the Individual Vendors, in proportion to their respective Individual Share Proportions, in cash a total sum equivalent to the Part One Sum on the 45th day following the date of issuance of the 2007 Audited Accounts.

The Part Two Sum shall be deemed satisfied by C&T Solutions, at its sole discretion, by either one of the following arrangements:

(A) paying in cash to each Individual Vendor a sum equivalent to the Part Two Sum multiplied by their respective Individual Share Proportions at the end of the third month after 2007 Audited Account has been issued; or

(B) transferring to the Individual Vendors 4,000 Shares at no cost to the Individual Vendors in proportion to the Individual Share Proportions at the end of the third month after 2007 Audited Account has been issued.

In the event the C&T Solutions exercises its discretion to satisfy the Part Two Sum by transferring to the Individual Vendors 4,000 Shares, the Company will become interested in 60% of the entire issued share capital of Waywin and after such transfer, Waywin and Y&A will continue be accounted for as a subsidiary of the Company and will continue be consolidated into the accounts of the Group.

The initial consideration and the additional consideration as described above (if any) will be funded by the Group's internal resources. The additional consideration as described above is one of the discretionary threshold arrived between C&T Solutions and the Vendors to measure the value of the business of Y&A. Since the consideration for the Sale Shares has been determined on the basis of the net asset value of Y&A, the mechanism involved in the additional consideration will allow the consideration to partly take into account the extra value of the business in the event Y&A is performing better than the expectation of C&T Solutions.

The consideration for the Acquisition has been arrived at after arm's length negotiation between the parties taking into consideration of the net asset value and the on-hand contracts together with the existing customer base of Y&A as at 30 September 2006. The on-hand contracts (including but not limited to contracts with certain Hong Kong Government departments and related bureau and reputable commercial organisations) as at 30 September 2006 was worth approximately HK$5.6 million.

Completion of the Acquisition

Completion of the Sale and Purchase Agreement took place immediately after the signing of the Sale and Purchase Agreement on 24 November 2006.

Upon completion of the Acquisition, Waywin and Y&A will be accounted for as a subsidiary of the Company and will be consolidated into the accounts of the Group.

INFORMATION ON WAYWIN AND Y&A

Waywin is a company incorporated in the British Virgin Islands on 12 October 2006. At present, the authorised share capital of Waywin is US$50,000 and its issued share capital is US$10,000. Waywin is interested in 99.993% of the entire issued share capital of Y&A. Apart from holding 99.993% of the entire issued share capital of Y&A, Waywin has no other business.

Y&A is a company incorporated in Hong Kong on 8 November 1994. At present, the authorised share capital of Y&A is HK$5,100,000 and its issued share capital is HK$2,168,500. The principal activities of Y&A are provision of information technology ("IT") solutions and consultation services in Hong Kong. Y&A's customers include certain Hong Kong Government departments and related bureau and reputable commercial organsations.

The unaudited and unconsolidated net assets of Waywin as at 23 November 2006 was HK$6.4 million and the unaudited and unconsolidated net profit before and after taxation and extraordinary items of Waywin for the period from its date of incorporation to 23 November 2006 was nil.

The audited net assets of Y&A as at 30 June 2005 and 30 June 2006, were approximately HK$5.4 million and HK$5.0 million, respectively.

The audited net profit before and after taxation and extraordinary items, of Y&A for the financial year ended 30 June 2005 were HK$1.0 million and HK$1.0 million respectively and the audited consolidated net loss before and after taxation and extraordinary items of Y&A for the financial year ended 30 June 2006 were HK$0.4 million and HK$0.4 million respectively.

The financial figures of Waywin and Y&A were prepared in accordance with HKGAAP.

REASONS FOR THE ACQUISITION

The Company considers the Acquisition is to enlarge the Group's IT solutions services business to achieve a better economies of scale.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is one of the leading IT service providers in the region involved in the design, delivery and operations of total IT solutions that meet customers' business requirements.

INFORMATION ON THE VENDORS

Each of the Vendors is an Independent Third Party and the Individual Vendors are currently the member of the Management Team who are in charge of the business development and delivery of IT solutions and consultation services.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Kay Power is an investment holding company with investment in Y&A and other private companies not related to the Group and each of the directors of Kay Power is an Independent Third Party.

GENERAL

The transaction contemplated under the Sale and Purchase Agreement constitutes 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

"2007 Audited Accounts"	Y&A's audited accounts for the financial year ending 30 June 2007 (which shall be prepared in accordance with HKGAAP)
"Acquisition"	the acquisition of the Sale Shares from the Vendors
"Board"	the board of directors of the Company
"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
"Group"	the Company and its subsidiaries
"C&T Solutions"	Computer And Technologies Solutions (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"HKGAAP"	the accounting principles generally accepted in Hong Kong and Hong Kong Financial Reporting Standards and its Interpretations issued by the Hong Kong Institute of Certified Public Accountants
"Independent Third Party(ies)"	party(ies) who is/are not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules) and not connected person(s) of the Company as defined in the Listing Rules
"Individual Share Proportions"	in respect of each of Individual Vendors, the proportion as equal the percentage which the number of Sale Shares to be sold by such Individual Vendor under the Sale and Purchase Agreement bears to the total number of Sale Shares to be sold by all the Individual Vendor under the Sale and Purchase Agreement
"Individual Vendors"	Cheung Wai Lam, Chow Chan Wai, Wong Ying Kit, and Chan Pak Kei, Bernard
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Management Team"	key management of Y&A, namely Cheung Wai Lam, Chow Chan Wai, Wong Ying Kit and Chan Pak Kei, Bernard
"Sale and Purchase Agreement"	the sale and purchase agreement dated 24 November 2006 between C&T Solutions and the Vendors in relation to the Acquisition
"Sale Shares"	the 10,000 issued ordinary shares of US$1.00 each in Waywin to be acquired by C&T Solutions under the Sale and Purchase Agreement
"Share"	the issued share of US$1.00 each in Waywin
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendors"	Individual Vendors and Kay Power Limited, a company incorporated in Hong Kong with limited liability
"Waywin"	Waywin Limited, a company incorporated in the British Virgin Islands with limited liability
"Y&A"	Y&A Professional Services Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Waywin

On behalf of the Board
Ng Cheung Shing
Chairman

Hong Kong, 24 November 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, Matthew and Ting Leung Huel, Stephen.

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