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If you have sold or transferred all your shares in **Computer And Technologies Holdings Limited** (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

(1) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND (2) AUTHORISATION TO THE BOARD TO FIX DIRECTORS' REMUNERATION

A notice convening the SGM to be held at 30th Floor, Prosperity Millennia Plaza, 663 King's Road North Point, Hong Kong on Monday, 19 November 2012 at 2:00 p.m. is set out on pages 20 to 21 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or adjournment thereof. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the meeting should you so wish.

31 October 2012

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	4
2. Proposed adoption of new share option scheme	4
3. Authorisation to the Board to fix Directors' remuneration	7
4. Special General Meeting and proxy arrangement	7
5. Recommendation	7
6. Responsibility statement	8
7. General information	8
Appendix I – Principal Terms of the New Scheme	9
Notice of Special General Meeting	20

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the New Scheme is conditionally adopted by an ordinary resolution of the Shareholders
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors of the Company, such committee or sub-committee or person(s) delegated with the power and authority by the board of Directors of the Company for the time being
“Business Associate”	any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group or any Invested Entity (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to the Group or any Invested Entity; any customer of the Group or any Invested Entity; or any holder of securities issued by any member of the Group or any Invested Entity
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Company”	Computer And Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company

DEFINITIONS

“Eligible Person(s)”	any Employee, Business Associate and any other person who, at the sole discretion of the Board, has contributed to the Group (the assessment criteria of which are (a) such person’s contribution to the development and performance of the Group; (b) the quality of work performed by such person for the Group; (c) the initiative and commitment of such person in performing his or her duties; and (d) the length of service or contribution of such person to the Group); and (e) such other factors as considered to be applicable by the Board and for the purposes of the New Scheme, the Options may be granted to any company wholly owned by one or more persons belonging to any of the above categories of Eligible Persons
“Employee”	any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group
“Grantee”	any Eligible Person who accepts the Offer in accordance with the terms of the New Scheme, or (where the context so permits) any person who is entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds an equity interest
“Latest Practicable Date”	31 October 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“New Scheme”	the new share option scheme proposed to be adopted by the Company at the SGM, a summary of the principal terms of which is set out in the Appendix I to this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Person pursuant to the New Scheme
“Old Scheme”	the expired share option scheme adopted by the Company on 30 May 2002
“Option(s)”	options granted or to be granted by the Company under the Old Scheme or the New Scheme
“Ordinary Resolutions”	the proposed ordinary resolutions as referred to in the notice of the SGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held on Monday, 19 November 2012 at 2:00 p.m.
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent



COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

Executive Directors:

Ng Cheung Shing (*Chairman*)
Leung King San, Sunny
Yan King Shun

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Ha Shu Tong
Lee Kwok On, Matthew
Ting Leung Huel, Stephen

Principal Place of Business in

Hong Kong:
30th Floor
Prosperity Millennia Plaza
663 King's Road
North Point
Hong Kong

31 October 2012

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
(2) AUTHORISATION TO THE BOARD TO FIX
DIRECTORS' REMUNERATION**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the Ordinary Resolutions to be proposed at the SGM for the approval of (i) the proposed adoption of new share option scheme and (ii) the authorisation to the Board to fix Directors' remuneration.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

As the Old Scheme is due to expire on 30 May 2012, the Company proposes to adopt the New Scheme and to continue to advance the interests of the Company and the Shareholders by enabling the Company to grant Options to attract, retain and reward the Eligible Persons and to provide the Eligible Persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to increase profits by encouraging capital accumulation and share ownership.

LETTER FROM THE BOARD

The terms of the New Scheme provide that in granting Options under the New Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The basis for determining the subscription price is also specified precisely in the rules of the New Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Persons to acquire proprietary interests in the Company. The Company does not at present intend to appoint a trustee to the New Scheme.

The Board at the moment does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, at the time of the grant of the Options, the Board may specify such minimum period or performance target and the terms of the New Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an Option.

A summary of the principal terms of the New Scheme is set out in the Appendix I to this circular. The terms of the New Scheme and the Old Scheme are broadly similar.

The Directors consider that it is not appropriate to disclose the value of all Options that may be granted pursuant to the New Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Options to be granted shall not be assignable, and no holder of the Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option. In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology which depends on a number of variables that cannot be ascertained at this stage, or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Such variables include, but are not limited to, the subscription price for the Shares to be issued upon the exercise of the Options, the period for which the Options can be exercised, and whether or not the Options granted will be exercised by the Grantees. As no Options had been granted as at the Latest Practicable Date under the New Scheme, certain variables are not available for calculating the value of the Options thereunder, the Directors believe that any calculation of the value of the Options under the New Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to Shareholders and the investors of the Company.

The Directors may not grant any Option to an Eligible Person during the periods or times in which directors of listed issuer are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

LETTER FROM THE BOARD

The New Scheme is conditional upon:

- (a) the passing of an ordinary resolution to approve the New Scheme by the Shareholders at the SGM and to authorise the Board to administer the New Scheme, to grant the Options hereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such number Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under the New Scheme.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the issued share capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Company) as at the date of approval of the New Scheme. The Board shall not grant any Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under the New Scheme and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

As at the Latest Practicable Date, no unexpired Options have been offered or granted under the Old Scheme. On the basis of 245,288,198 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or repurchased on or before the of approval of the New Scheme, the total amount of Shares that may fall to be allotted and issued upon exercise in full of the Options that may be granted after the resolution authorising the Directors to allot and issue up to 10% of the issued share capital of the Company has been passed at the SGM would be 24,528,819, which is still within the overall limit of 30% prescribed under Rule 17.03(3) of the Listing Rules.

None of the Directors is a trustee of the New Scheme nor has a direct or indirect interest in the trustees of the New Scheme (if any).

Copy of the New Scheme will be available for inspection during 10:00 a.m. to 4:00 p.m. (other than on Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at 30th Floor, Prosperity Millennia Plaza, 663 King's Road, North Point, Hong Kong from the date of this circular until the date of the SGM.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

LETTER FROM THE BOARD

AUTHORISATION TO THE BOARD TO FIX DIRECTORS' REMUNERATION

As announced by the Company on 15 May 2012, the Board considered it was inappropriate to put forward a resolution to authorize the board to fix the Directors' remuneration and to set a maximum number of Directors together and decided to withdraw the resolution at the annual general meeting of Company held on 17 May 2012.

The Board revised the proposal and put forward an ordinary resolution for Shareholders to authorize the Board to fix the Directors' remuneration in the SGM to be held.

SPECIAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Special General Meeting is set out on pages 20 to 21 of this circular. At the SGM, resolutions will be proposed to approve the adoption of a new share option scheme and the authorisation to the Board to fix directors' remuneration.

A form of proxy for use at the SGM is enclosed with this circular. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Tricor Tengis Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

RECOMMENDATION

The Directors consider that the proposed adoption of new share option scheme and authorisation to the Board to fix Directors' remuneration are in the interests of the Company. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the SGM shall be voted by poll.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement contained herein or this circular misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Principal Terms of the New Scheme) to this circular.

Yours faithfully,
For and on behalf of the Board
Computer And Technologies Holdings Limited
Ng Cheung Shing
Chairman

This Appendix summarise the principal terms of the New Scheme but does not form part of, nor was it intended to be, part of the New Scheme nor should it be taken as effecting the interpretation of the rules of the New Scheme.

1. PURPOSE OF THE NEW SCHEME

The purpose of the New Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant Options to attract, retain and reward the Eligible Persons and to provide the Eligible Persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to increase profits by encouraging capital accumulation and share ownership.

2. PARTICIPANTS OF THE NEW SCHEME AND ELIGIBILITY CRITERIA

The Eligible Persons of the New Scheme to whom Options may be granted by the Board shall include:

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group (collectively "Employee");
- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group or any Invested Entity (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/ or services to the Group or any Invested Entity; any customer of the Group or any Invested Entity; or any holder of securities issued by any member of the Group or any Invested Entity; (collectively "Business Associate"); and
- (iii) any other person who, at the sole discretion of the Board, has contributed to the Group (the assessment criteria of which are (a) such person's contribution to the development and performance of the Group; (b) the quality of work performed by such person for the Group; (c) the initiative and commitment of such person in performing his or her duties; and (d) the length of service or contribution of such person to the Group); and (e) such other factors as considered to be applicable by the Board.

The Board may in its absolute discretion specify such conditions as it thinks fit when granting an Option to an Eligible Person (including, without limitation, as to any minimum period an Option must have been held or the minimum period of service or relationship with any member of the Group to be achieved before an Option can be exercised (or any part thereof), to the extent of the Option which can be exercised at any material time, or any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its subsidiaries, before an Option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the New Scheme and the Listing Rules.

3. LIFE OF THE NEW SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Scheme and in such event no further Option will be offered or granted but in all other respects the provisions of the New Scheme shall remain in full force and effect and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

Subject to the aforesaid, the New Scheme shall be valid and effective for a period of ten (10) years commencing from the date of adoption, after which period no further Options will be offered or granted but the provisions of the New Scheme shall remain in full force and effect in all other respects with respect to Options granted during the life of the New Scheme.

4. SUBSCRIPTION PRICE

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to the terms of the New Scheme, be a price determined by the Board and notified to each Grantee and shall be at least the highest of:

- (a) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the Offer Date;
- (b) the average closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Offer Date; or
- (c) the nominal value of the Share.

5. ACCEPTANCE OF OFFERS

An Offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than ten (10) Business Days after the Offer Date by which the Eligible Person must accept the Offer or be deemed to have declined it, provided that no such Offer shall be open for acceptance after the tenth anniversary of the date of adoption of the New Scheme or after the New Scheme has been terminated in accordance with the provisions of the New Scheme. The amount payable by the Grantee to the Company on acceptance of the Offer is HK\$1.00.

6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Scheme unless the Company obtains a fresh approval from the Shareholders pursuant to paragraph 6(b) below.
- (b) The Company may seek approval of Shareholders in general meeting to renew the 10% limit set out in paragraph 6(a) above such that the total number of Shares in respect of which Options may be granted by the Board under the New Scheme and any other share option schemes of the Company in issue shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed limit.
- (c) The Company may grant Options to specified participant(s) beyond the 10% limit set out in paragraph 6(a) above provided that the Options granted in excess of such limit are specifically approved by the Shareholders in general meeting and the participants are specifically identified by the Company before such approval is sought. In seeking such approval, a circular must be sent to the Shareholders containing, *inter alia*, a generic description of the identified Eligible Person(s), the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Person(s), and how the terms of these Options serve such purpose in accordance with Chapter 17 of the Listing Rules.
- (d) Notwithstanding the foregoing and subject to the paragraph 7 below, the maximum number of Shares in respect of which Options may be granted under the New Scheme together with any options outstanding and yet to be exercised under the New Scheme and any other share option schemes of the Company in issue shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time.

7. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

The total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Person (including both exercised and outstanding Options under the New Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of Options to an Eligible Person would result in excess of such limit shall be subject to the approval of the Shareholders at general meeting with such Eligible Person and his associates abstaining from voting. In seeking such approval, a circular must be sent to the Shareholders disclosing, inter alia, the identity of the identified Eligible Person(s) as well as, the number and terms (including the Subscription Price) of the Options to be granted (and options previously granted to such Eligible Person), in accordance with Chapter 17 of the Listing Rules.

8. GRANTS OF OPTIONS TO CERTAIN CONNECTED PERSONS

- (a) Any grant of Options to a Connected Person or any of its associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is also the Grantee).
- (b) Where Options are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of Options will result in the total number of Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such grant of Options must be subject to the approval of the Shareholders at general meeting. The Connected Person involved in such proposed grant of Options and all other Connected Persons must abstain from voting in such general meeting (except that any Connected Person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the Shareholders). A circular must be sent to the Shareholders explaining the proposed grant of Option, disclosing the number and terms of the Option (including the Subscription Price) proposed to be granted and the recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option) as to voting. Any change in the terms of the Options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates must also be approved by the Shareholders in general meeting.

9. TIME OF EXERCISE OF OPTION

An Option may be exercised in accordance with the terms of the New Scheme at any time during a period to be notified by the Board to the Grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years from the date of the grant of the Option (subject to the provisions for early termination in accordance with the New Scheme) (the "Option Period").

10. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

11. RIGHTS ON CEASING EMPLOYMENT

In the case of the Grantee being an employee or a director of the Group leaves the services of the Group by reason other than death or on one or more of the grounds specified in paragraph 16(d), or because his employing company ceases to be a member of the Group, the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) three months (or such other period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with the Group whether salary is paid in lieu of notice or not or the last date of appointment as director of the Group, as the case may be, or (ii) the expiration of the relevant Option Period. Any Options not so exercised shall lapse and determine at the end of the said period provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

12. RIGHTS ON DEATH

In the case of the Grantee ceases to be an Eligible Person by reason of death, he or (as the case may be) his personal representatives may exercise all or part of his Options within a period being the earlier of (i) six months after he so ceases to be an Eligible Person or (ii) the expiration of the relevant Option Period. Any Options not so exercised shall lapse and determine at the end of the said period provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

13. RIGHTS ON A GENERAL OFFER

- (a) If, in consequences of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control (as defined in the Takeovers Code) of the Company, then the Directors shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee shall be entitled at any time before the earlier of (i) the expiry of the Option Period, and (ii) the 14th day following the date on which the general offer becomes or is declared unconditional to exercise any Option in whole or in part, and to the extent that it has not been so exercised, any Options shall upon the expiry of such period cease and determine provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of Shares and gives notice in writing to any holders of Shares that he intends to exercise such rights, Options shall be and remain exercisable until the earlier of (i) the expiry of the Option Period or (ii) the 14th day from the date of such notice and, to the extent that any Options which have not been exercised upon the expiry of such period, shall thereupon cease and determine.
- (b) If a general offer by way of a scheme of arrangement is made to all the Shareholders and the New Scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice.

14. RIGHTS ON WINDING UP

In the event that a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid which falls to be issued on such exercise and register the Grantee as holder thereof in the register of members of the Company in Hong Kong.

15. RIGHT ON A COMPROMISE OR SCHEME OF ARRANGEMENT

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may by notice in writing to the Company accompanied by the remittance for the aggregate Subscription Price in respect of the number of Option exercised under such notice (such notice to be received by the Company not later than two (2) Business Days prior to the proposed meeting) either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares credited as fully paid, to the Grantee which falls to be issued on such exercise and register the Grantee as holder thereof in the register of members of the Company in Hong Kong.

16. LAPSE OF OPTION

The right to exercise an Option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (a) subject to paragraphs 11-15, the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraphs 11-13;
- (c) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 15;
- (d) in the event that the Grantee is an employee or a director of the Group, the date on which the Grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or directorship or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or a company would be entitled to terminate his or her employment or directorship at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 16(d) shall be conclusive and binding on the Grantee;

- (e) the date on which the Grantee ceases to be an Eligible Person by reason of termination of his relationship (whether by appointment or otherwise) with the Group or on any one or more of the following grounds (other than by reason of death or on one or more of the grounds specified in sub-paragraph 16(d)) that he has become unable to pay his debts (within the meaning of the Bankruptcy Ordinance) or has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) has committed any act which is prejudicial to or not in the interests of the Company or any company in the Group. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship with a Grantee (other than an employee or a director of the Group) has or has not been terminated and as to the date of such termination shall be conclusive and binding on the Grantee;
- (f) subject to paragraph 14, the date of the commencement of the winding-up of the Company;
- (g) the date on which the Grantee commits a breach of paragraph 10; or
- (h) the date on which the Option is cancelled by the Board as provided in paragraph 20.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 16.

17. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be subject to the memorandum of association and Bye-laws of the Company and the laws of Bermuda for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment and issue, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed then the exercise of the Options shall become effective on the first Business Day on which the register of members of the Company in Hong Kong is re-opened.

18. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, arising from capitalization of profits or reserves, rights issue, consolidation, re-classification or subdivision of Share or reduction of the share capital of the Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, adjustment (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price for the Shares subject to the Option so far as unexercised; and/or
- (c) any combination thereof as the auditors or the independent financial adviser to the Company (acting as expert not arbitrator) must confirm to the Directors in writing that any adjustments required under Rule 17.03(13) satisfy the requirements set out in the note to Rule 17.03(13).

Any such adjustments must give a Grantee the same proportion of the equity capital of the Company as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the "Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule" attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial adviser to the Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or the independent financial adviser to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company. In addition, no adjustments shall be made to the exercise price or the number of Shares to the benefit of any Eligible Persons without the approval by ordinary resolution of the Shareholders.

19. ALTERATION TO THE NEW SCHEME AND THE TERMS OF OPTIONS GRANTED UNDER THE NEW SCHEME

The Board may from time to time in its absolute discretion waive or amend any terms of the New Scheme at such time and in such manner as it deems desirable to the extent permissible under the provisions of the Listing Rules in relation to the New Scheme and all applicable laws in respect thereof.

For the avoidance of doubt, except with the prior approval of the Shareholders in general meeting (with the Eligible Persons and their associates abstaining from voting), the Board may not amend:

- (a) any of the provisions of the New Scheme relating to matters contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Persons or Grantees;
- (b) any terms and conditions of the New Scheme which are of a material nature or any terms of Options granted except where such alteration take effect automatically under the existing terms of the New Scheme; and
- (c) any provisions on the authority of the Board in relation to any alteration to the terms of the New Scheme.

No such amendments shall be altered to the advantage of Grantees except with the prior approval of the Shareholders in general meeting (with Eligible Persons and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares, provided that this restriction should not apply to any amendment made by the Board at the request of the Stock Exchange or other regulatory body for the purpose of ensuring that the New Scheme complies with, among other applicable laws, the requirements of such exchange or other regulatory body on which the Shares are in the course of being listed or from time to time listed or which may have or exercise regulatory powers or jurisdiction in relation to the Company. Any amended terms of the New Scheme or Options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time) and shall automatically take effect on all outstanding Options.

20. CANCELLATION OF OPTIONS GRANTED

The Board may cancel an Option granted but not exercised with the approval of the Grantee of such Option.

21. TERMINATION

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Scheme and in such event no further Option will be offered but in all other respects the provisions of the New Scheme shall remain in full force and effect and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.



COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 46)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Special General Meeting of the Company will be held at 30th Floor, Prosperity Millennium Plaza, 663 King's Road, North Point, Hong Kong on Monday, 19 November 2012 at 2:00 p.m. for the following purposes:

1. To consider and, if thought fit, pass, as ordinary resolution:

“THAT:

- (a) conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the shares (the **“Shares”**) of the Company which may fall to be issued pursuant to the New Scheme (a copy of which is produced to the meeting marked **“A”** and signed by the Chairman of this meeting for the purpose of identification) (the **“Share Option Scheme”**, the principal terms of it are described in the Appendix I to the circular dated 31 October 2012 of the Company, a copy of which is produced to the meeting marked **“B”** and signed by the Chairman of this meeting for the purpose of identification), the New Scheme be and is hereby approved and adopted by the Company and the board of directors of the Company be and are hereby authorized to administer the New Scheme, to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme;
- (b) the aggregate nominal amount of share capital to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes as may from time to time be adopted by the Company, shall not exceed 10 per cent of the Shares in issue as at the date of the passing of this resolution.”

NOTICE OF SPECIAL GENERAL MEETING

2. To authorise the board of directors of the Company to fix the directors' remuneration.

On Behalf of the Board
Ng Cheung Shing
Chairman

Hong Kong, 31 October 2012

Notes:

1. The Register of Members of the Company will be closed from Friday, 16 November 2012 to Monday, 19 November 2012 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the SGM. In order to be eligible to attend and vote at the SGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 November 2012.
2. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxies (if such member is the holder of two or more shares of the Company) to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM.