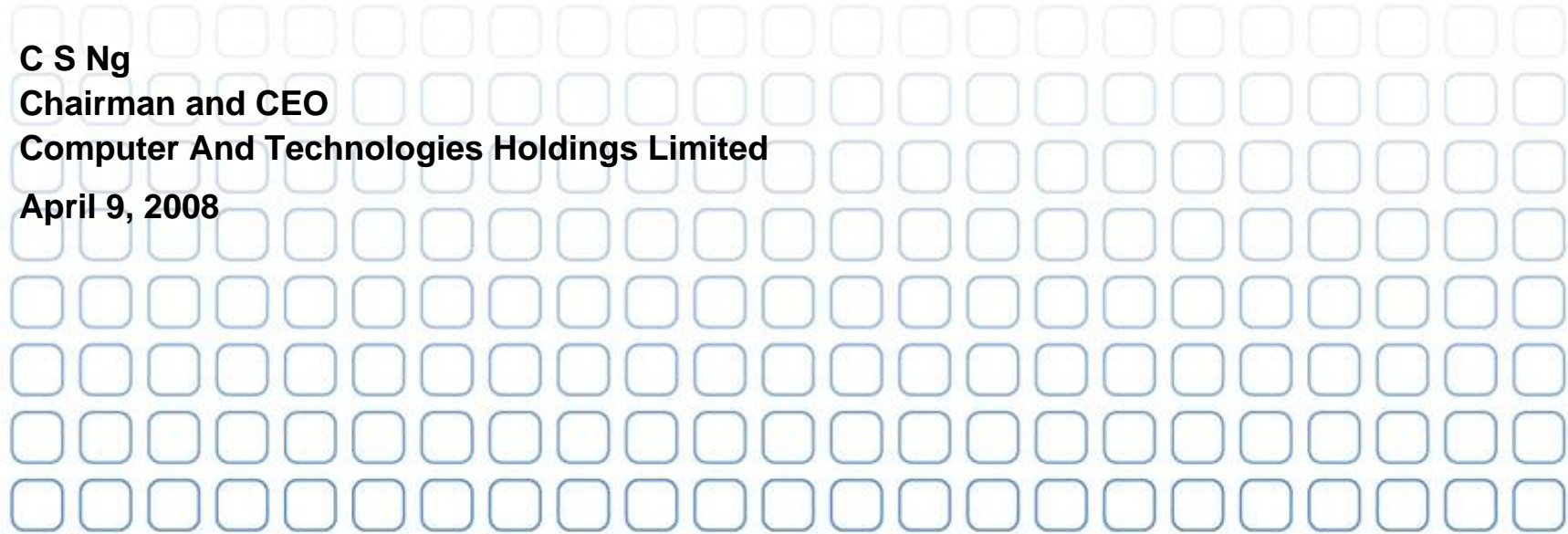


Excel Through Managing Change

Directors' Conference 2008

C S Ng
Chairman and CEO
Computer And Technologies Holdings Limited
April 9, 2008



Company Background (1)



April 9, 2008

Company Transformation

To achieved a more
balanced business model
with Sustainable Growth

Project Base with
maintenance income



Strategic partnership with
customers with long-term
outsourcing service engagement

Repeated sales of software
licenses with IP right plus
recurring maintenance income

Recurring transactions and
subscription income from
e-Business platform

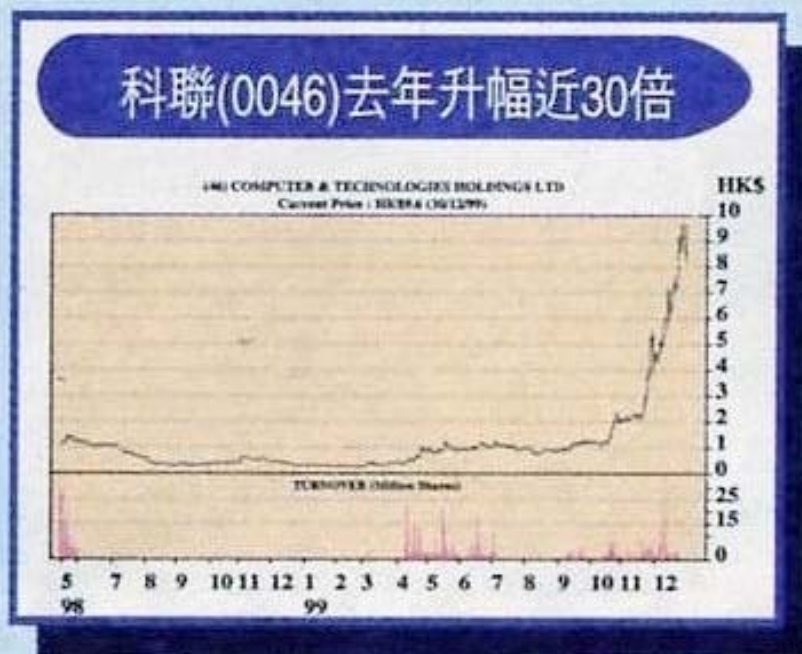
科聯才是九九年「股王」

其實，科聯系統一直是九九年升幅最大的股票，怎料金力國際（0603）年底突然公布成功賣殼，由日本光通信及盈動入股，股價狂升，才搶去升幅最大股票的地位。

縱觀去年十大上升股票，差不多全是經過賣殼，轉型高科技及改名的程序，未賣殼沒轉形的公司，就只有科聯及城市電訊（1137）。

科聯的管理層及業務一直無改變，只是過去不為投資者認識，到現在互聯網及電子商貿的潮流熾熱，基金瘋狂搶入，才令股價急升。嚴格來

說，科聯才是九九年的「股王」。



12 April 2000

In-depth Report

Hong Kong
Internet Software & Services

Computer & Technologies Holdings

The Future "Gorilla" in E-commerce Enablement

BUY

Reason for Report: *Initial Opinion*

Long Term
BUY

Price: **HK\$12.95**

12 Month Price Objective: **HK\$31.50**

Estimates (Dec)	1998A	1999E	2000E	2001E
Net Income (HK\$mm):	3	14	8	18
FD EPS (HK\$):	0.015	0.061	0.055	0.090
P/E:	890x	212x	237x	144x
EPS Change (YoY):	-	320.3%	-10.5%	64.3%
Cash Flow/Share:	0.031	0.080	0.050	0.088
Price/Cash Flow:	415x	184x	297x	167x
Gross Dividend:	Nil	Nil	Nil	Nil
Gross Yield:	0%	0%	0%	0%

Opinion & Financial Data

Investment Opinion:	D-1-1-9
Mkt. Value / Shares Outstanding (mm):	HK\$3,020 / 233.2
Book Value/Share (Mar-1999):	HK\$1.44
Price/Book Ratio:	8.9x
ROE 99E Average:	12.2%
Net Debt/Net Equity:	Net Cash (HK\$148mm)
Est. 5 Year EPS Growth:	125%
2000E P/E Rel. to Home Mkt:	10x

Stock Data

Investment Highlights:

- We are initiating coverage of Computer & Technologies (C&T) with BUY/BUY ratings.
- We believe C&T is at the verge of becoming an industry "gorilla", as a result of its proven execution skill and landmark projects.
- We believe the limited amount of research on the company is one reason it trades at an unreasonably large discount to its peers.
- A potential alliance with Ariba, and a marketing campaign should help unleash hidden value.
- Our 12-month share price objective is HK\$31.5 (or 37x 03E; 22x 04E PER).

Fundamental Highlights:

- C&T is the key technology provider to the HK government's landmark e-commerce projects.

Global
Equity
Research

Computer & Tech (Reuters: 0046.HK)

Buy

Price: **HK\$7.00** (12-month range: **HK\$29.80 - 0.66**)

Price target: **HK\$10.00 (+43%)**

The share price of Computer & Technologies (C&T) has fallen to a level we now believe is attractive. Our target price of HK\$10.00 per share is broken down into HK\$4.20 for PRC systems integration and HK\$5.80 for the new e-enabling and ASP businesses.

HK\$m	Profitability			Pre-ex EPS		Value				
	EBIT	EBIT margin	Pre-ex PTP	(HK\$)	DPS (HK\$)	EV/Sales	EV/EBITDA	EV/EBIT	EV/OpFCF	P/E*
12/98	1.58	0.9%	3.58	0.01	0.10	0.58x	21.4x	67.0x	NM	>100x
12/99	11.54	3.3%	14.95	0.06	0.01	0.82x	19.1x	25.0x	NM	>100x
12/00E	19.74	4.0%	25.16	0.09	0.02	3.51x	72.8x	88.2x	>100x	75.0x
12/01E	43.54	6.7%	50.64	0.19	0.04	2.65x	35.6x	39.5x	50.9x	37.0x
12/02E	81.26	9.8%	91.73	0.34	0.09	2.00x	19.3x	20.5x	23.5x	20.3x

* P/E based on share price of HK\$7.00 on 26/05/00

Transformation into an e-commerce enabler

Change in Perception

**“King of stocks”
in 1999 ??**

**The Future
“Gorilla” in
e-commerce ??**



**Over invested in
various areas**

**Over expansion
causing loosen
cost control**

**The Board started to ask:
“Are we too conservative on what we are doing?”**

Computer & Technologies (0046.HK, 46 HK)

Not just hot air

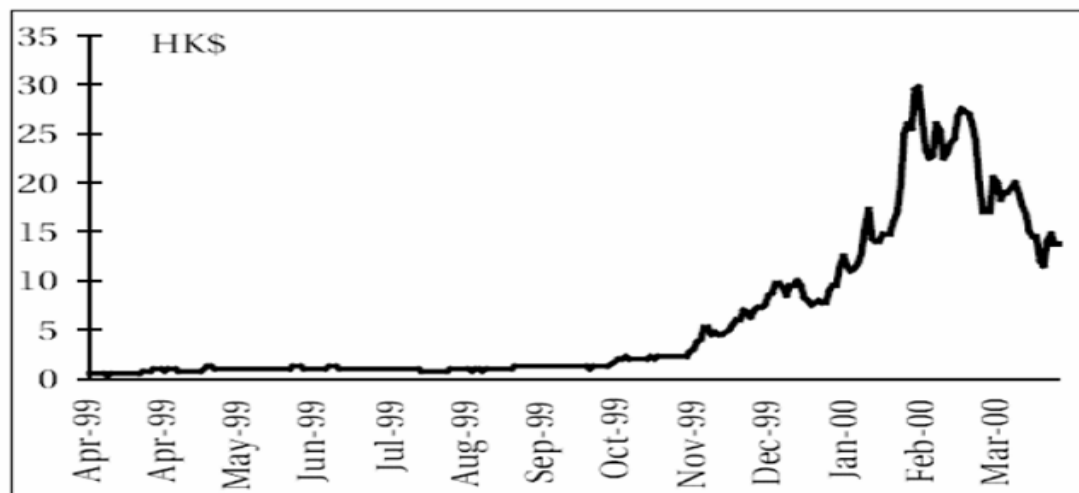
**Hong Kong
Technology**

HK\$12.9

Buy
From BUY

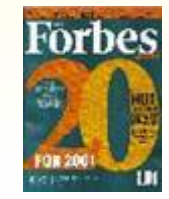
12 April 2000

- ▶ A B2B player that sets itself apart from the pack.
- ▶ Tie-up with US B2B king, Ariba, is imminent.
- ▶ Hutchison JV is progressing. Human resources 'bottle-neck' will postpone sales generation.
- ▶ Despite downward revision in US B2B benchmark, upside is significant. Price target HK\$24.1.



Techno1

Company Background (2)



April 9, 2008

Make Sure Moving in the Right Direction

**The Stock Price
is going
nowhere!!**

**The market is
no longer
interested in IT!!**



**Conclusion:
Learning from the
previous lesson,
we should
continue to do
what we do best**

**The Board start asking:
“Should we consider to move away from IT industry?”**