
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

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 Election Form to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00046)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL AND SPECIAL DIVIDENDS
FOR THE YEAR ENDED 31 DECEMBER 2017**

If you **DO NOT** wish to receive your Final and Special Dividends wholly in cash, you should complete the accompanying Election Form in accordance with the instructions printed thereon and return it to the Company’s Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 27 June 2018. If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning in force at or at any time prior to 4:30 p.m. on Wednesday, 27 June 2018, the deadline for return of the Election Form will be changed. Further information is set out in the paragraph headed “Election Form” in the section headed “Letter from the Board” of this circular.

12 June 2018

DEFINITIONS

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

“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;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“Company”	Computer And Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Election Form(s)”	the form(s) of election in relation to the Scrip Dividend Scheme;
“Final Dividend”	A final dividend of HK\$0.07 per Share for the year ended 31 December 2017 to be paid to the Shareholders whose names appear on the register of members of the Company as at the Record Date;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	6 June 2018, 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;
“New Share(s)”	New Share(s) to be allotted, issued and credited as fully paid under the Scrip Dividend Scheme;
“Record Date”	Wednesday, 30 May 2018 being the record date for ascertaining entitlements of the Shareholders to the Final and Special Dividends;

DEFINITIONS

“Scrip Dividend Scheme”	the scheme proposed by the Board on 13 March 2018 under which eligible Shareholders may elect to receive the Final and Special Dividends wholly or partly by the allotment of New Shares credited as fully paid in lieu of cash;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary 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 issued Share(s);
“Special Dividend”	A special dividend of HK\$0.05 per Share for the year ended 31 December 2017 to be paid to the Shareholders whose names appear on the register of members of the Company as at the Record Date; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

EXPECTED TIMETABLE

The expected timetable summarising the events in relation to the Final and Special Dividends are set out below:

Event	Date
Date of annual general meeting	Wednesday, 23 May 2018
Announcement on poll results of the annual general meeting.	Wednesday, 23 May 2018
Last day of dealing in Shares on a cum-entitlement basis.	Thursday, 24 May 2018
First day of dealing in Shares on an ex-entitlement basis	Friday, 25 May 2018
Latest time for lodging transfer of shares for registration in order to qualify for the Final and Special Dividends	4:30 p.m. on Monday, 28 May 2018
Closure of the Company's register of member for the purpose of ascertaining Shareholders' entitlements for the Final and Special Dividends	Tuesday, 29 May 2018 to Wednesday, 30 May 2018 (both dates inclusive)
Record Date for the Final and Special Dividends.	Wednesday, 30 May 2018
Latest time for return of the Election Forms.	4:30 p.m. on Wednesday, 27 June 2018
Despatch of share certificates for New Shares and/or dividend cheques to Shareholders	Wednesday, 11 July 2018
Expected first day of dealings in New Shares.	9:00 a.m. on Thursday, 12 July 2018 (subject to the proper receipt of definitive certificates for the New Shares by the relevant Shareholders)

Notes:

1. All times and dates in this circular refer to Hong Kong local time and dates.
2. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force or at any time prior to 4:30 p.m. on Wednesday, 27 June 2018, the deadline for return of the Election Form will be changed. Further information is set out in the paragraph headed "Election Form" in the section headed "Letter from the Board" of this circular.



COMPUTER AND TECHNOLOGIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00046)

Executive Directors:

Ng Cheung Shing (*Chairman*)
Cheung Wai Lam (*Chief Executive Officer*)
Leung King San, Sunny
Ng Kwok Keung

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:*

Level 10
Cyberport 2
100 Cyberport Road
Hong Kong

12 June 2018

To the Shareholders

Dear Sir/Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL AND SPECIAL DIVIDENDS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. INTRODUCTION

On 13 March 2018, the Board recommended the payment of the Final Dividend of HK\$0.07 per Share and the Special Dividend of HK\$0.05 per Share for year ended 31 December 2017. The Final and Special dividends for the year ended 31 December 2017 have been proposed and approved by the Shareholders at the annual general meeting of the Company held on 23 May 2018, and the Final and Special Dividends shall be payable to the Shareholders whose names appear on the register of members of the Company on the Record Date. Eligible Shareholders may elect to receive the Final and Special Dividends in cash, or in form of fully paid New Shares in lieu of cash, or partly in cash and partly in form of fully paid New Shares under the Scrip Dividend Scheme.

LETTER FROM THE BOARD

For the purpose of determining Shareholders' entitlements to the Final and Special Dividends, the Company's register of members was closed from Tuesday, 29 May 2018 to Wednesday, 30 May 2018 (both dates inclusive). The latest time by which transfers were accepted for registration for entitlement to the Final and Special Dividends was 4:30 p.m. on Monday, 28 May 2018.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action(s) which should be taken by the Shareholders in relation thereto.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

2.1 Options Available to Eligible Shareholders

Under the Scrip Dividend Scheme, eligible Shareholders may elect to receive the Final and Special Dividends in one of the following ways:

- (a) Cash of HK\$0.12 for each Share held on the Record Date; or
- (b) By way of an allotment and issue of such number of New Shares at an issue price of HK\$2.86 for each New Share (as calculated below) equal to, save for adjustment for fractions, the total amount of the Final and Special Dividends that such eligible Shareholder would otherwise be entitled to receive in cash; or
- (c) Partly in cash and partly by way of allotment and issue of New Shares.

All cash payment of the Final and Special Dividends will be paid out in Hong Kong dollars regardless of the registered address of the Shareholders as at the Record Date.

For the purpose of calculating the number of New Shares to be allotted under 2.1(b) and 2.1(c) above, the issue price of each New Share is determined by reference to the average of the closing price of the Share as quoted on the Stock Exchange for the five (5) consecutive trading days from 16 May 2018 to 23 May 2018 (both dates inclusive) (the "Average Closing Price") less a discount of four per cent. of such Average Closing Price. The issue price of each New Share has been fixed at HK\$2.86.

2.2 Basis of Allotment of New Shares

Accordingly, the number of New Shares which an eligible Shareholder will receive in respect of the existing Shares registered in his/her/its name as at the Record Date under the Scrip Dividend Scheme is calculated as follows:

$$\begin{array}{rcl} \text{Number of New Shares to be received} & & \\ \text{(rounded down to the nearest whole number)} & = & \text{Number of existing registered Shares held on Record Date for which election for New Shares is made} \times \frac{\text{HK\$0.12 (Final and Special Dividends per Share)}}{\text{HK\$2.98 (Average Closing Price)}} \times \frac{96}{100} \end{array}$$

LETTER FROM THE BOARD

The number of New Shares to be allotted to each Shareholder will be rounded down to the nearest whole number of the New Shares. Fractional entitlements to the New Shares in respect of alternatives 2.1(b) and 2.1(c) above will not be issued and the residual dividend entitlement, if any, will be paid in cash to the relevant Shareholders. The New Shares will rank *pari passu* in all respects with the existing issued Shares, except that they shall not be entitled to the Final and Special Dividends.

If all eligible Shareholders elect to receive their entitlement to the Final and Special Dividends in form of New Shares, based on 244,194,198 Shares in issue on the Record Date, not more than 10,245,910 New Shares will be issued under the Scrip Dividend Scheme, representing approximately 4.20% of the existing issued share capital of the Company as at the Record Date and approximately 4.03% of the issued share capital of the Company as enlarged by the allotment and issue of 10,245,910 New Shares. On the other hand, if all eligible Shareholders elect to receive their entitlements to the Final and Special Dividends in cash, based on 244,194,198 Shares in issue on the Record Date, the total cash dividend payable by the Company would be approximately HK\$29,303,304.

New Shares to be issued to the Shareholders pursuant to an election to receive some or all of their Final and Special Dividends in form of New Shares may be allotted in odd lots (of less than a board lot of 2,000 Shares). Shareholders should be aware that odd lots usually trade at a discount to the price of the whole board lots. Taking into account that the reason behind the Scrip Dividend Scheme is for the Shareholders to increase their investment in the Company at a discount to market value without incurring brokerage fees, stamp duty and related dealing costs rather than encouraging the Shareholders to sell the New Shares immediately after its distribution, no special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the New Shares issued in odd lots. Furthermore, considering the administrative cost and time to be incurred for the provision of matching service for sale and purchase of odd lots of New Shares where successful matching is not guaranteed, the Board is of the view that the putting of special dealing arrangements to facilitate the trading or disposal of the New Shares may not be in the interests of the Company and the Shareholders as a whole.

Whether or not it is the Shareholders' advantage to receive cash or the New Shares, in whole or in part, in respect of the Final and Special Dividends will depend upon their own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If the Shareholders are in doubt as to what to do, they should consult their professional advisers.

Shareholders who elect to receive their entitlement to the Final and Special Dividends wholly or partly in form of New Shares will receive one share certificate (posted by ordinary mail) for the New Shares.

LETTER FROM THE BOARD

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme which offers Shareholders an option to elect to receive the Final and Special Dividends in form of New Shares instead of cash provides the eligible Shareholders with an opportunity to increase their investment in the Company at a discount to market value without incurring brokerage fees, stamp duty and related dealing costs should they so wish. The Scrip Dividend Scheme will also benefit the Company to the extent that such cash which would otherwise have been paid to the eligible Shareholders who elect to receive cash dividend, will be retained for use as working capital by the Company. Taking into account the aforesaid, the Board considers the Scrip Dividend Scheme is in the interests of the Company and the Shareholders as a whole.

4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the New Shares to be issued in respect of the Final and Special Dividends under the Scrip Dividend scheme.

If this condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Form will be void. The Final and Special Dividends will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Shareholders should note that any receipt of the New Shares by them may give rise to disclosure requirements under part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

6. ELECTION FORM

An Election Form is enclosed with this circular for use by the eligible Shareholders who wish to receive the Final and Special Dividends wholly or partly in form of New Shares in lieu of cash. If you DO NOT wish to receive your Final and Special Dividends wholly in cash, you should complete the Election Form in accordance with the instruction(s) printed on it and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Wednesday, 27 June 2018. No acknowledgement of receipt of the Election Form will be issued.

Any eligible Shareholder who does not complete and return the Election Form by 4:30 p.m. on Wednesday, 27 June 2018, will receive the Final and Special Dividends wholly in cash.

LETTER FROM THE BOARD

(a) To receive cash only

If you wish to receive the Final and Special Dividends in cash only, you DO NOT need to take any action. Therefore, please DO NOT return the Election Form.

(b) To receive New Shares only

If you wish to receive the Final and Special Dividends in New Shares only, please just SIGN, DATE and RETURN the Election Form.

(c) To receive partly in cash and partly in form of New Shares

If you wish to receive the Final and Special Dividends partly in cash and partly in form of New Shares, please fill in Box C of the Election Form the number of Shares registered in your name on the Record Date for which you wish the Final and Special Dividends to be paid to you in form of New Shares. Then, please SIGN, DATE and RETURN the Election Form.

If you do not specify the number of Share(s) for which you wish to receive the Final and Special Dividends in form of New Shares or if your specified number is greater than your registered holding on the Record Date in your signed and returned Election Form, you will be deemed to have elected to receive New Shares only in respect of ALL the Shares registered in your name on the Record Date.

The Election Form should be completed in accordance with instructions thereon and returned, so that they are received by the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 27 June 2018.

The latest time and date for return of the Election Form will be extended, as the case may be, in accordance with (a) or (b) below if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (a) In force in Hong Kong at any local time at or before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 27 June 2018. In such case, the latest time for return of the Election Form will be 5:00 p.m. on the same business day, i.e. Wednesday, 27 June 2018; or
- (b) In force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 27 June 2018. In such case, the latest time for the return of the Election Form will be extended to 4:30 p.m. on the next business day where none of the above warnings is in force at any time between 9:00 a.m. and 4:00 p.m. i.e. Thursday, 28 June 2018.

LETTER FROM THE BOARD

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Shareholder's Final and Special Dividends being paid wholly in form of cash. No elections in respect of the Final and Special Dividends may, after the relevant Election Forms are signed and returned to the Company's Branch Share Registrar in Hong Kong, be in any way withdrawn, revoked, superseded or altered.

7. SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Based on the register of members of the Company as at the Record Date, no Shareholder had a registered address outside Hong Kong. Accordingly, the Company is not aware of any Shareholder who shall be excluded from the receipt of the New Shares. None of this circular, the Election Form nor the New Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction outside Hong Kong. It is the responsibility of any Shareholder wishing to receive New Shares under the Scrip Dividend Scheme to satisfy himself/herself/itself as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. In this respect, Shareholders should consult their professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the New Shares under the Scrip Dividend Scheme. No person resident in any territory outside Hong Kong and no person receiving in any territory outside Hong Kong a copy of this circular and/or the Election Form may treat the same as an invitation to him/her/it to elect for the New Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without having to comply with any unfulfilled registration or other legal requirements.

8. LISTING AND DEALINGS

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. Subject to the said permission being granted by the Stock Exchange, it is expected that dividend warrants and/or share certificates for the New Shares (non-renounceable) will be despatched by ordinary mail to those entitled thereto at their own risk on Wednesday, 11 July 2018. Subject to the proper receipt of definitive certificates for the New Shares by the relevant Shareholders, dealings in the New Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 12 July 2018 after despatch to the Shareholders of the certificates for New Shares.

The Shares are listed, and dealt in, on the Stock Exchange. There is no other stock exchange on which the Shares are listed or dealt in or on which listing or permission to deal in is being or proposed to be sought.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbrokers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

9. CHANGES IN SHAREHOLDING STRUCTURE

For illustrative purpose only, assuming that (i) all Directors and substantial Shareholders (as defined in the Listing Rules) elect to receive all of their entitlement to the Final and Special Dividends in form of New Shares while all other Shareholders elect to receive their entitlement to the Final and Special Dividends in cash; (ii) there is no further change in the shareholdings of the Directors and substantial Shareholders; and (iii) there is no further change in the issued share capital of the Company, the changes in the shareholding structure of the Company will be as follows:

	As at the Latest Practicable Date		Immediately after the allotment and issue of the New Shares	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
<i>Directors and/or substantial Shareholders</i>				
Ng Cheung Shing (<i>Note 1</i>)	113,050,000	46.30%	117,793,356	46.86%
Cheung Wai Lam	550,000	0.22%	573,076	0.23%
Leung King San, Sunny	1,010,000	0.41%	1,052,377	0.42%
Ng Kwok Keung	222,000	0.09%	231,314	0.09%
CK Hutchison Holdings Limited (<i>Note 2</i>)	29,148,938	11.94%	30,371,970	12.08%
Hui Yau Man	26,782,000	10.97%	27,905,720	11.10%
Sub-total	170,762,938	69.93%	177,927,813	70.78%
Public Shareholders	73,431,260	30.07%	73,431,260	29.22%
Total	244,194,198	100.00%	251,359,073	100.00%

LETTER FROM THE BOARD

Notes:

1. As at the Latest Practicable Date, 110,000,000 shares were held by Chao Lien Technologies Limited (“**Chao Lien**”), a wholly-owned subsidiary of C.S. (BVI) Limited. Mr. Ng Cheung Shing was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of C.S. (BVI) Limited, which in turn was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Chao Lien. Accordingly, Mr. Ng Cheung Shing was deemed to be interested in all shares held by Chao Lien under the SFO.
2. As at the Latest Practicable Date, Puttney Investments Limited (“**PIL**”) is a wholly-owned subsidiary of Hutchison International Limited (“**HIL**”), which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited (“**HWL**”). Cheung Kong (Holdings) Limited (“**CKH**”) is a wholly-owned subsidiary of CK Hutchison Holdings Limited (“**CKHH**”) and subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL. By virtue of the SFO, CKHH, CKH, HWL and HIL were deemed to be interested in the 29,148,938 shares of the Company held by PIL.
3. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

10. GENERAL

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, in respect of the Final and Special Dividends depend upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder.

If you are in doubt as to what to do, you should consult your professional advisers. Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

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