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## **Computech Holdings Limited**

**駿科網絡訊息有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

### **DISCLOSEABLE TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES**

On 14 May, 2003, the Company entered into a conditional subscription agreement with the Subscriber whereby the Company shall issue and the Subscriber shall subscribe for, 13,000,000 New Shares, representing approximately 5.42% of the Company's existing issued share capital and approximately 5.14% of the issued share capital of the Company as enlarged by the Subscription. The subscription price of the New Shares is HK\$0.30 per Share. The net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$3.8 million, all of which will be used as general working capital of the Group.

The proceeds from the Subscription represent approximately 26.33% of the net tangible assets of the Group as at 31 December, 2002 as adjusted by the unaudited loss attributable to the Shareholders as shown in the quarterly results of the Group for the three months ended 31 March, 2003. Pursuant to the GEM Listing Rules, the Subscription will constitute a discloseable transaction for the Company.

A circular containing further details of the Subscription will be despatched to the Shareholders as soon as possible.

At the request of the Company, trading in the Shares on GEM has been suspended with effect from 2:30 p.m. on 14 May, 2003. Application has been made to the Stock Exchange to resume trading in the Shares on GEM from 9:30 a.m. on 15 May, 2003.

# **SUBSCRIPTION AGREEMENT DATED 14 MAY, 2003**

## **Parties**

Subscriber: Mr. Tang Guang Min, an independent third party, not connected with any of the Company, the Directors, chief executive, substantial shareholders or management shareholders of the Company and its subsidiaries or any of their respective associates

Issuer: The Company

## **Number of New Shares**

13,000,000 New Shares, representing approximately 5.42% of the Company's existing issued share capital and approximately 5.14% of the issued share capital of the Company as enlarged by the Subscription.

## **Subscription price**

HK\$0.30 per New Share to be paid by the Subscriber in cash upon Completion. The subscription price was arrived at after arm's length negotiation between the relevant parties thereto, taking into account, inter alia, the recent market price of the Shares and the Subscriber's perception of the future prospects of the Group and the PRC software market in which the Group operates. The subscription price represents a premium of 50% over the closing price of the Shares of HK\$0.20 as quoted on the Stock Exchange on 14 May, 2003, and a premium of 50% over the average closing price of the Shares of HK\$0.20 as quoted on the Stock Exchange over the ten consecutive trading days up to and including 14 May, 2003.

## **Use of proceeds**

The net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$3.8 million, all of which will be used as general working capital of the Group.

## **Ranking of New Shares**

New Shares will upon issue rank pari passu in all respects with the existing Shares together with all rights and entitlements accruing after the date of Completion.

## **Application for listing**

Application will be made to the Stock Exchange for granting or agreeing to grant the listing of, and permission to deal in, the New Shares on GEM.

## Condition

Completion of the Subscription Agreement is conditional on the GEM Listing Committee of the Stock Exchange granting (subject only to allotment) the listing of, and permission to deal in, the New Shares.

The Company shall use its best endeavours to procure the fulfillment of the condition on or before 31 July, 2003 (or such other date as the parties to the Subscription Agreement may agree in writing). In the event that the above condition shall not have been fulfilled on or before 31 July, 2003, then the Subscription Agreement shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Subscription Agreement.

## Completion

Completion of the Subscription Agreement shall take place on the third business day following the satisfaction of the above condition (or such other date as the Company and the Subscriber may agree in writing).

At Completion, the Board shall convene a board meeting to appoint the Subscriber as a new Director, subject to the approval of the Stock Exchange.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company immediately before and after Completion:

Shareholders	Existing shareholding structure		Immediately after Completion	
	No. of Shares	%	No. of Shares	%
Hitachi, Ltd.	60,000,000	25.00	60,000,000	23.72
CL Strategic Holdings Limited	55,860,000	23.27	55,860,000	22.08
Brilliant Time Limited	55,860,000	23.27	55,860,000	22.08
Mr. Yip Tai Chee, Alick	1,000,000	0.42	1,000,000	0.39
Mr. Tang Chi Lap	280,000	0.12	280,000	0.11
The Subscriber	–	–	13,000,000	5.14
The Public	67,000,000	27.92	67,000,000	26.48
	<u>240,000,000</u>	<u>100</u>	<u>253,000,000</u>	<u>100</u>

## **INFORMATION ON THE SUBSCRIBER**

The Subscriber is an independent third party, not connected with any of the Company, the Directors, chief executive, substantial shareholders or management shareholders of the Company and its subsidiaries or any of their respective associates.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in research, development and sales of banking packaged software products, the provision of software and related consultancy and technical services and system integration services primarily in the PRC.

## **REASONS FOR THE SUBSCRIPTION**

The Board believes that the Subscription is beneficial to the Company as it can increase the equity capital of the Company and also broaden its shareholders base. The Directors believe that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GENERAL**

The proceeds from the Subscription represent approximately 26.33% of the net tangible assets of the Group as at 31 December, 2002 as adjusted by the unaudited loss attributable to the Shareholders as shown in the quarterly results of the Group for the three months ended 31 March, 2003. Pursuant to the GEM Listing Rules, the Subscription will constitute a discloseable transaction for the Company. A circular containing further details of the Subscription will be despatched to the Shareholders as soon as possible.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on GEM has been suspended with effect from 2:30 p.m. on 14 May, 2003. Application has been made to the Stock Exchange to resume trading in the Shares on GEM from 9:30 a.m. on 15 May, 2003.

## **DEFINITIONS**

“associate”	has the meaning as defined in the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM;
“Completion”	completion of the Subscription;
“Directors”	directors of the Company;

“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“New Shares”	13,000,000 new Shares to be issued and allotted under the Subscription;
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Mr. Tang Guang Min, an independent third party, not connected with any of the Company, the Directors, chief executive, substantial shareholders or management shareholders of the Company and its subsidiaries or any of their respective associates;
“Subscription”	the subscription of 13,000,000 New Shares by the Subscriber as contemplated under the Subscription Agreement; and
“Subscription Agreement”	the conditional agreement relating to the Subscription by the Subscriber of the New Shares entered into between the Company and the Subscriber on 14 May, 2003.

By order of the board of  
**Computech Holdings Limited**  
**Lee Man Lung, Vincent**  
*Chairman*

Hong Kong, 14 May, 2003

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its publication and on the website of the Company at [www.computech.com.hk](http://www.computech.com.hk).*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*