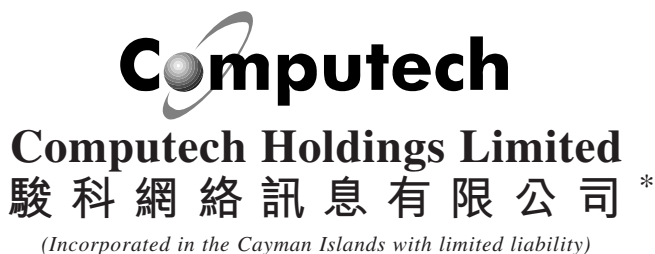

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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Computech Holdings Limited, you should at once hand this circular 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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**DISCLOSEABLE TRANSACTION INVOLVING
SUBSCRIPTION OF NEW SHARES**

This circular 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.

* For identification purposes only

2 June 2003

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	completion of the Subscription
“Directors”	the 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	29 May 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“New Shares”	the 13,000,000 new Shares to be issued and allotted under the Subscription
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“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
“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



Computech Holdings Limited
駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Lee Man Lung, Vincent (*Chairman*)
Yip Tai Chee, Alick
Tang Chi Lap

Non-executive Directors:

Fung Pak Chuen, Alphonso
Lo, Richard
Hiroyuki Taniguchi
Toshio Sugii – alternate to Hiroyuki Taniguchi

Independent non-executive Directors:

Lee Sai Yeung
Tsang Link Carl, Brian

Registered office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Head office and

principal place of business:
6/F., G.D. Real Estate Tower
143 Connaught Road Central
Sheung Wan
Hong Kong

2 June 2003

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION INVOLVING
SUBSCRIPTION OF NEW SHARES**

INTRODUCTION

The Board announced on 14 May 2003 that the Company had 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.

The Subscription constitutes a discloseable transaction for the Company under the GEM Listing Rules.

* For identification purposes only

LETTER FROM THE BOARD

SUBSCRIPTION AGREEMENT

Date of the Subscription Agreement

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:

- (i) 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, being the date of announcement of the Subscription;
- (ii) 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;
- (iii) a premium of 50% over the closing price of the Shares of HK\$0.20 as quoted on the Stock Exchange on the Latest Practicable Date; and
- (iv) 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 the Latest Practicable Date.

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.

LETTER FROM THE BOARD

Ranking of New Shares

The 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 has been made to the Stock Exchange for the granting or agreeing to grant the listing of, and permission to deal in, the New Shares on GEM. Dealings in the Shares will be settled through CCASS.

Condition

Completion 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 thereto 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 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) and an announcement will be published on the GEM Website.

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	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
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>100.00</u>	<u>253,000,000</u>	<u>100.00</u>

There will not be any change in the controlling Shareholder as a result of the Subscription.

LETTER FROM THE BOARD

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 the research, development and sales of banking packaged software, and 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 constitutes a discloseable transaction for the Company.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the Appendix hereto.

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

1. RESPONSIBILITY STATEMENT

This circular, 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:

- (i) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (ii) there are no other matters the omission of which would make any statement in this circular misleading; and
- (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATION(S)

The interests and short positions of the Directors in the securities of the Company and its associated corporation(s) (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they are deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange as at the Latest Practicable Date were as follows:

Long positions in Shares:

Name of Director	Capacity in which such interests were held	Number of Shares	Percentage of nominal value of issued share capital
Mr. Lee Man Lung, Vincent (<i>Note 1</i>)	Interests of corporation controlled by him	55,860,000	23.27%
Mr. Fung Pak Chuen, Alphonso (<i>Note 2</i>)	Interests of spouse	55,860,000	23.27%
Mr. Lo, Richard (<i>Note 3</i>)	Interests of spouse and child under 18	55,860,000	23.27%
Mr. Yip Tai Chee, Alick	Beneficial owner	1,000,000	0.42%
Mr. Tang Chi Lap	Beneficial owner	280,000	0.11%

Notes:

1. As Mr. Lee Man Lung, Vincent is interested in 100% of the issued share capital of Brilliant Time Limited, he is taken to have an interest in the 55,860,000 Shares held by Brilliant Time Limited.
2. CL Investments Limited (“CL Investments”) has a 50% interest in the issued share capital of CL Strategic Holdings Limited (“CLSH”) and is accordingly taken to have an interest in the 55,860,000 Shares in which CLSH is interested under the SFO.

Gumpton Investments Limited (“Gumpton”), which holds 75% of the issued share capital of CL Investments, is taken to have an interest in the 55,860,000 Shares in which CL Investments is interested under the SFO.

As 50% of the issued share capital of Gumpton is held by AFS Holdings Limited (“AFS”), AFS is taken to have an interest in the 55,860,000 Shares in which Gumpton is interested under the SFO.

AFS is wholly-owned by The General Trust Co. Ltd. (“General Trust”). General Trust is the trustee of AFS Trust, one of the beneficiaries of which is the wife of Mr. Fung Pak Chuen, Alphonso. Mr. Fung Pak Chuen, Alphonso is taken to have an interest in the same 55,860,000 Shares by virtue of his spouse’s interest under the SFO.

3. Ardian Holdings Limited (“Ardian”) has a 50% interest in the issued share capital of Gumpton and is accordingly taken to have an interest in the 55,860,000 Shares in which Gumpton is interested under the SFO.

Ardian is wholly-owned by General Trust. General Trust is the trustee of Ardian Trust, the beneficiaries of which include the wife and a child (who is under 18 years of age) of Mr. Lo, Richard. Mr. Lo, Richard is taken to have an interest in the same 55,860,000 Shares by virtue of his spouse’s and his child’s (who is under 18 years of age) interest under the SFO.

3. PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

Save as disclosed below, as at the Latest Practicable Date, as far as is known to the Directors, no other person (other than a Director whose interests and short positions are disclosed above) had, or was deemed or taken to have an interest or short position in the securities of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in Shares

Name of Shareholder	Capacity in which such interests were held	Number of Shares	Percentage of nominal value of issued share capital
Hitachi, Ltd.	Beneficial owner	60,000,000	25.00%
CLSH	Beneficial owner	55,860,000	23.27%
Anstalt Pacific Techvest Inc. (“Anstalt”) (<i>Note 1</i>)	Interests of corporation controlled by it	55,860,000	23.27%
Lam Soon (Hong Kong) Limited (“Lam Soon”) (<i>Note 2</i>)	Interests of corporation controlled by it	55,860,000	23.27%

Name of Shareholder	Capacity in which such interests were held	Number of Shares	Percentage of nominal value of issued share capital
CL Investments (<i>Note 3</i>)	Interests of corporation controlled by it	55,860,000	23.27%
Gumpton (<i>Note 4</i>)	Interests of corporation controlled by it	55,860,000	23.27%
AFS (<i>Note 5</i>)	Interests of corporation controlled by it	55,860,000	23.27%
Ardian (<i>Note 5</i>)	Interests of corporation controlled by it	55,860,000	23.27%
General Trust (<i>Note 6</i>)	Interests of corporation controlled by it	55,860,000	23.27%
Mrs. Fung, Pui Lan Angela (<i>Note 7</i>)	Beneficiary of trust	55,860,000	23.27%
Mrs. Lo, Lilian (<i>Note 8</i>)	Beneficiary of trust	55,860,000	23.27%
Mr. Theodore Lo (<i>Note 8</i>)	Beneficiary of trust	55,860,000	23.27%
Brilliant Time Limited (<i>Note 9</i>)	Beneficial owner	55,860,000	23.27%

Notes:

- Anstalt has a 50% interest in the issued share capital of CLSH and is accordingly taken to have an interest in the 55,860,000 Shares in which CLSH is interested under the SFO.
- Anstalt is a wholly-owned subsidiary of Lam Soon and Lam Soon is accordingly taken to have an interest in the 55,860,000 Shares in which Anstalt is interested under the SFO.
- CL Investments has a 50% interest in the issued share capital of CLSH and is accordingly taken to have an interest in the 55,860,000 Shares in which CLSH is interested under the SFO.
- Gumpton, which holds 75% of the issued share capital of CL Investments, is taken to have an interest in the 55,860,000 Shares in which CL Investments is interested under the SFO.
- Gumpton is owned as to 50% by AFS and 50% by Ardian. Accordingly, AFS and Ardian are each taken to have an interest in the 55,860,000 Shares in which Gumpton is interested under the SFO.
- AFS and Ardian are in turn wholly-owned by General Trust. Therefore, General Trust is taken to have an interest in the 55,860,000 Shares in which AFS and Ardian are interested under the SFO.
- General Trust is the trustee of AFS Trust. Being a beneficiary of AFS Trust, Mrs. Fung, Pui Lan Angela is taken to have an interest in the 55,860,000 Shares in which General Trust is interested under the SFO.
- General Trust is also the trustee of Ardian Trust. Mrs. Lo, Lilian and Mr. Theodore Lo are beneficiaries of Ardian Trust and therefore are taken to have an interest in the 55,860,000 Shares in which General Trust is interested under the SFO.
- Brilliant Time Limited is beneficially and wholly-owned by Mr. Lee Man Lung, Vincent.

4. SUBSTANTIAL SHAREHOLDERS OF OTHER MEMBERS OF THE GROUP

As far as is known to the Directors, as at the Latest Practicable Date, no person was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or has any option in respect of such capital.

5. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

6. SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 1 June 2000 and will continue thereafter on an annual basis until terminated by not less than three months' notice in writing served by either party. Each of the executive Directors will receive a salary which is subject to the annual review by the Board. The executive Directors may receive a discretionary bonus determined by the Board for an amount not exceeding 10% of the audited consolidated net profit of the Group (after tax and minority interests but before extraordinary items and payment of such bonus) in respect of that financial year of the Group.

Save as disclosed above, as at the Latest Practicable Date, there were no existing or proposed directors' service contracts with any member of the Group, excluding contracts determinable within one year without payment of compensation (other than statutory compensation).

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or management shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective associates had any business or interest that directly or indirectly competes or may compete with the business of the Group or had or might have any other conflict of interest.

8. GENERAL

- (i) The registered office of the Company is situated at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman, British West Indies.
- (ii) The principal place of business of the Company in Hong Kong is at 6/F., G.D. Real Estate Tower, 143 Connaught Road Central, Sheung Wan, Hong Kong.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (iv) The company secretary and qualified accountant of the Company is Mr. Chow Chi Wah, Vincent. He is an associate member of both Association of Chartered Certified Accountants and Hong Kong Society of Accountants.
- (v) The compliance officer of the Company is Mr. Lee Man Lung, Vincent.
- (vi) The Company has established an audit committee with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control procedures of the Group. The audit committee has three members comprising Mr. Lee Sai Yeung, Mr. Tsang Link Carl, Brian and Mr. Lee Man Lung, Vincent, further details of whom are set out below:

Mr. Lee Sai Yeung, aged 51, was the executive director of several companies listed on the Stock Exchange from 1996 to 1998. Mr. Lee obtained both his master and bachelor degrees in business administration (with honours) from the University of Texas at Austin. He has more than 16 years' experience in the securities business and extensive experience in corporate finance and investment banking. From 1981 to 1998, Mr. Lee had been registered as a dealing director, investment adviser and held position as senior executive in several major regional and European securities firms in Hong Kong. He was appointed as an independent non-executive Director in June 2000.

Mr. Tsang Link Carl, Brian, aged 39, is a practicing solicitor in Hong Kong. He is a partner of a Hong Kong law firm, Iu, Lai & Li. He graduated from King's College, London with an LL.B. degree in 1985. He is also admitted to practise law in England & Wales, Singapore, New South Wales, Queensland and the Australian Capital Territories. He is also a non-executive director of several other public companies listed on the Stock Exchange, namely CITIC Resources Holdings Limited, Dong Fang Gas Holdings Limited, Hanny Holdings Limited and Shang Hua Holdings Limited. He was appointed as an independent non-executive Director in June 2000.

Mr. Lee Man Lung, Vincent, aged 44, is an executive Director and the Chief Executive Officer of the Group. He is responsible for the corporate planning as well as the daily operation of the Group. He has been working in the information technology industry for over 19 years. Mr. Lee started his career in NCR after graduation in 1983. He has been responsible for the sales and marketing of computer system to various industries including financial, manufacturing and retail. Prior to joining the Group, he has worked for another technology firm specialised in securities dealing system. He holds a bachelor degree in business administration from the Chinese University of Hong Kong.

- (vii) The authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.10 each. As at the Latest Practicable Date, the issued share capital of the Company was HK\$24,000,000 divided into 240,000,000 Shares of HK\$0.10 each.