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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)

**UPDATE ON THE STATUS OF
THE SUBSCRIPTION AGREEMENT DATED 14 MAY 2003**

The Board would like to announce that, since the Subscriber had failed to complete the Subscription in accordance with the terms of the Subscription Agreement, the Company has instructed its legal advisers to send a demand letter to the Subscriber requesting the Subscriber to perform his obligations under the Subscription Agreement.

The Directors are of the view that the failure to complete the Subscription would not have any material adverse effect on the Group's operation and financial conditions as the Company originally only intended to use the proceeds from the Subscription as general working capital of the Group. The Directors confirm that the Group has sufficient working capital for its present requirements and there is no other fund raising plan contemplated by the Company at the date of this announcement.

Shareholders and investors are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement issued by the Company on 14 May 2003 and the circular dated 2 June 2003 (the "Circular"). Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

According to the Subscription Agreement, completion of the Subscription should take place on the third business day following the satisfaction of the condition precedent or such other date as the parties thereto may agree in writing. The Company confirms that it had on 12 June 2003 received a letter issued by the GEM Listing Committee of the Stock Exchange granting conditionally the listing of, and permission to deal in, the New Shares and the condition precedent to the Subscription Agreement was accordingly fulfilled on that day. Pursuant to the terms of the Subscription Agreement, Completion should have taken place on 17 June 2003 (the "original Completion Date") but the Subscriber did not perform his obligations thereunder. The Company accordingly exercised its right under the Subscription Agreement to extend the date of Completion to 28 July 2003, being the 28th business day after the original Completion Date. Despite such extension, the Subscriber still did not complete the Subscription in

* For identification purpose only

accordance with the terms of the Subscription Agreement. The Company therefore instructed its legal advisers to send a demand letter to the Subscriber requesting the Subscriber to perform his obligations under the Subscription Agreement. If, after taking all necessary actions, the Subscription still cannot be completed on or before 30 September 2003, the Company would exercise its right under the Subscription Agreement to rescind the Subscription Agreement. Further announcement in this respect will be made as and when necessary.

The Directors are of the view that the failure to complete the Subscription would not have any material adverse effect on the Group's operation and financial conditions as the Company originally only intended to use the proceeds from the Subscription as general working capital of the Group. The Directors confirm that the Group has sufficient working capital for its present requirements and there is no other fund raising plan contemplated by the Company at the date of this announcement.

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

Hong Kong, 1 August 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.

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.