



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

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

(Stock Code: 8081)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2005**

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

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\* For identification purpose only

## HIGHLIGHTS

- Turnover was approximately HK\$60,284,000 for the nine months ended 30 September 2005.
- The Group recorded a net profit attributable to shareholders of approximately HK\$11,820,000, representing an improvement as compared with the net loss of approximately HK\$9,223,000 of the same period last year.
- The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2005.

## RESULTS

The board (the “Board”) of directors (the “Directors”) of Computech Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the nine months ended 30 September 2005 and the three months ended 30 September 2005 together with the comparative unaudited consolidated figures for the corresponding period in 2004 as follows:

		For the nine months ended 30 September		For the three months ended 30 September	
		2005	2004	2005	2004
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	<b>60,284</b>	17,313	<b>19,292</b>	7,795
Cost of sales		<b>(42,329)</b>	(14,807)	<b>(13,826)</b>	(6,266)
Gross profit		<b>17,955</b>	2,506	<b>5,466</b>	1,529
Other income		<b>155</b>	5	<b>33</b>	2
Bad debts		–	(6,081)	–	(1,911)
Selling and distribution expenses		<b>(987)</b>	(284)	<b>(395)</b>	(88)
Administrative expenses		<b>(14,630)</b>	(5,352)	<b>(4,688)</b>	(2,000)
Operating profit/(loss)		<b>2,493</b>	(9,206)	<b>416</b>	(2,468)
Finance costs		<b>(37)</b>	(17)	<b>(9)</b>	(4)
Gain on disposal of subsidiaries		<b>9,767</b>	–	<b>9,767</b>	–
Profit/(loss) before income tax		<b>12,223</b>	(9,223)	<b>10,174</b>	(2,472)
Income tax expense	3	<b>(403)</b>	–	<b>(40)</b>	–
Profit/(loss) for the period		<b><u>11,820</u></b>	<b><u>(9,223)</u></b>	<b><u>10,134</u></b>	<b><u>(2,472)</u></b>
Earnings/(loss) per share					
–Basic (HK cents)	4	<b><u>2.94</u></b>	<b><u>(3.16)</u></b>	<b><u>2.11</u></b>	<b><u>(0.85)</u></b>

Notes:

**1. Basis of preparation**

The unaudited consolidated results are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The accounting policies and basis of preparation used in preparing the unaudited consolidated results are consistent with those used in the audited financial statements for the year ended 31 December 2004.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“HKAS”) (collectively referred to as “new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005. The Group has adopted the new HKFRSs in the current period. However, the adoption of these new HKFRSs has no material effect on how the results of operations and financial position of the Group are prepared and presented for the current and prior periods. Accordingly, no prior period adjustment is required.

**2. Turnover**

Turnover represents the invoiced value of packaged software products sold, IT services rendered and provision of supply chain solutions net of discounts, value-added tax and business tax.

**3. Income tax expense**

Income tax represents the provision for Hong Kong profits tax, which is calculated at the tax rate of 17.5% on the estimated assessable profits for the period.

No provision for PRC income tax has been made in this income statement as the Company’s subsidiary operating in PRC sustained losses for tax purpose during the period.

**4. Earnings/(loss) per share**

The calculation of basic earnings/(loss) per share for the periods presented is based on the following data:

	<b>For the nine months ended 30 September</b>		<b>For the three months ended 30 September</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>	<b>HK\$’000</b>	<b>HK\$’000</b>
Earnings/(loss)				
Earnings/(loss) for the period used in the calculation of basic earnings/(loss) per share	<u><b>11,820</b></u>	<u>(9,223)</u>	<u><b>10,134</b></u>	<u>(2,472)</u>
Shares		(Restated)		(Restated)
Weighted average number of shares in issue for the purpose of calculation of basic earnings/(loss) per share	<u><b>401,396,251</b></u>	<u>291,764,706</u>	<u><b>480,000,000</b></u>	<u>291,764,706</u>

The Company completed a rights issue exercise in May 2005 on the basis of one rights share for every one ordinary share held at an issue price of HK\$0.02 per rights share. As such, the comparative figures of basic earnings per share for three months and nine months ended 30 September 2004 were re-calculated based on the adjusted weighted average of 291,764,706 shares, as adjusted to reflect the rights issue deemed to be in issue during the period.

## 5. Movement in reserves

	<b>Share premium HK\$'000</b>	<b>Exchange reserve HK\$'000</b>	<b>Accumulated losses HK\$'000</b>	<b>Total HK\$'000</b>
At 1 January 2004 (Audited)	19,030	100	(42,901)	(23,771)
Loss for the period	—	—	(9,223)	(9,223)
At 30 September 2004 (Unaudited)	<u>19,030</u>	<u>100</u>	<u>(52,124)</u>	<u>(32,994)</u>
At 1 January 2005 (Audited)	19,030	100	(54,742)	(35,612)
Capital reorganisation	(19,030)	—	40,630	21,600
Issue of shares	2,400	—	—	2,400
Share issuing expenses	(520)	—	—	(520)
Realisation of exchange reserve upon disposal of foreign subsidiary	—	(100)	—	(100)
Exchange difference arising from translation of foreign subsidiary	—	9	—	9
Profit for the period	—	—	11,820	11,820
At 30 September 2005 (Unaudited)	<u>1,880</u>	<u>9</u>	<u>(2,292)</u>	<u>(403)</u>

The Group undertook a capital reorganisation exercise in January 2005 which involved:

- (i) to reduce the share capital of the Company by canceling issued and paid up capital to the extent of HK\$0.09 on each of shares in issue and by reducing the nominal value of all issued and unissued shares from HK\$0.10 each to HK\$0.01 each;
- (ii) to cancel the share premium account;
- (iii) to apply the credit arising from the capital reduction and cancellation of the share premium account to set off in full the accumulated losses of the Company, which amounted to approximately HK\$45,642,000 as shown in the audited financial statements of the Company for the year ended 31 December 2004; and
- (iv) to cancel 684,000,000 unissued share of HK\$0.10 each in the share capital of the Company and each remaining unissued shares of HK\$0.10 each in the share capital of the Company be subdivided into 10 unissued new shares of HK\$0.01 each.

After the capital reduction became effective, the authorised share capital of the Company became HK\$10,000,000 divided into 1,000,000,000 new shares of HK\$0.01 each, of which 240,000,000 new shares of HK\$0.01 each were in issue.

## 6. Segment information

Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

### (a) Business segments

The Group principally operates in three segments, (i) sales of packaged banking software, (ii) provision of IT services and (iii) provision of supply chain solutions.

	IT services		Supply chain solutions		Banking software		Consolidated	
	For the nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September	
	2005	2004	2005	2004	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>39,904</u>	<u>506</u>	<u>19,509</u>	<u>5,974</u>	<u>871</u>	<u>10,833</u>	<u>60,284</u>	<u>17,313</u>
<b>RESULTS</b>								
Segment results	2,951	10	645	472	(70)	(8,864)	3,526	(8,382)
Unallocated expenses							(1,188)	(829)
Other income	25	–	8	–	9,889	5	9,922	5
Finance costs	(13)	–	(21)	–	(3)	(17)	(37)	(17)
Income tax expense	(357)	–	(46)	–	–	–	(403)	–
Profit/(loss) attributable to shareholders	<u>2,606</u>	<u>10</u>	<u>586</u>	<u>472</u>	<u>9,816</u>	<u>(8,876)</u>	<u>11,820</u>	<u>(9,223)</u>
<b>SEGMENT ASSETS</b>								
Segment assets	9,131	300	8,204	6,370	–	5,175	17,335	11,845
Unallocated assets							425	657
Total assets							<u>17,760</u>	<u>12,502</u>
<b>SEGMENT LIABILITIES</b>								
Segment liabilities	(4,106)	(9)	(6,386)	(5,997)	–	(13,647)	(10,492)	(19,653)
Unallocated liabilities							(2,868)	(1,832)
Total liabilities							<u>(13,360)</u>	<u>(21,485)</u>
<b>OTHER INFORMATION</b>								
Depreciation and amortisation	<u>29</u>	<u>–</u>	<u>47</u>	<u>–</u>	<u>–</u>	<u>985</u>	<u>76</u>	<u>985</u>
Bad debts	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>6,081</u>	<u>–</u>	<u>6,081</u>
Capital expenditure incurred during the year	<u>647</u>	<u>–</u>	<u>301</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>948</u>	<u>–</u>

(b) **Geographical segments**

The following table presents revenue, segment assets and expenditure information for the Group's geographical segments.

	<b>Hong Kong</b>		<b>PRC</b>		<b>Consolidated</b>	
	<b>For the nine months</b>		<b>For the nine months</b>		<b>For the nine months</b>	
	<b>Ended 30 September</b>		<b>Ended 30 September</b>		<b>Ended 30 September</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue from external customers	<b><u>58,431</u></b>	<u>6,480</u>	<b><u>1,853</u></b>	<u>10,833</u>	<b><u>60,284</u></b>	<u>17,313</u>
<b>SEGMENT ASSETS</b>						
Segment assets	<b><u>15,972</u></b>	<u>7,809</u>	<b><u>1,788</u></b>	<u>4,693</u>	<b><u>17,760</u></b>	<u>12,502</u>
Capital expenditure incurred during the year	<b><u>748</u></b>	<u>–</u>	<b><u>200</u></b>	<u>–</u>	<b><u>948</u></b>	<u>–</u>

**INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2005 (2004: Nil).

**BUSINESS REVIEW AND OUTLOOK**

**Review**

The Group recorded a consolidated turnover of approximately HK\$60,284,000 for the nine months ended 30 September 2005, representing an increase of approximately 248% as compared with the corresponding period in 2004. The unaudited net profit attributable to shareholders amounted to approximately HK\$11,820,000, representing a significant improvement as compared with the net loss of approximately HK\$9,223,000 in the same period last year. The earnings per share for the nine months ended 30 September 2005 was HK2.94 cents. For the three months ended 30 September 2005, turnover was approximately HK\$19,292,000, representing an increase of approximately 147% as compared with the same period last year. The net profit attributable to shareholders for the three months ended 30 September 2005 amounted to approximately HK\$10,134,000. The improvement in the financial results of the Group was mainly due to the contribution from the business segments of IT services and supply chain solutions as well as the disposal of subsidiaries during the period, which resulted in an exceptional gain on disposal of approximately HK\$9,767,000.

## Outlook

With the enlargement of business scope in IT services and supply chain solutions sectors as well as the disposal of loss making subsidiaries, we are pleased to see a significant improvement of the financial performance of the Group. In view of the growth trend of the outsourcing of IT services among governmental and large commercial institutions, we believe that there is still room for growth in this business sector. Meanwhile, the growth in demand for automated data collection hardware as well as distribution and logistics management software in the PRC also offer good opportunities for the Group's supply chain solutions business. As such, we are cautiously optimistic that the financial performance of the Group will progressively improve. To strive for sustainable growth, the Group, leveraging on its existing core competencies, is actively looking for viable new business opportunities.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 2005, the interests and short positions of the Directors in the securities of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange were as follows:

### Long positions in shares of the Company

Name of director	Capacity in which such interests were held	Number of shares	Percentage of nominal value of share capital
Mr. Fung Pak Chuen, Alphonso ("Mr. Fung") (Note 1)	Interests of spouse	320,124,011	66.69%
Mr. Lo, Richard ("Mr. Lo") (Note 2)	Interests of spouse	320,124,011	66.69%

### Notes:

1. Win Plus Group Limited ("Win Plus") holds 84% interest in the issued share capital of Aplus Worldwide Limited ("Aplus") and is accordingly taken to have an interest in the 77,724,011 shares in which Aplus is interested under the SFO. Win Plus also holds approximately 46.2% indirectly in the issued share capital of CL International Holdings Limited ("CLIH") and is accordingly taken to have an interest in the 242,400,000 shares in which CLIH is interested under the SFO. Win Plus is accordingly taken to have an interest in the 320,124,011 shares in total under the SFO.

Gumpton Investments Limited (“Gumpton”), which holds 100% of the issued share capital of Win Plus, is taken to have an interest in the 320,124,011 shares in which Win Plus is interested under the SFO.

Both Mr. Fung and Mr. Lo are directors of Aplus, CLIH, Win Plus and Gumpton.

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 320,124,011 shares in which Gumpton is interested under the SFO. Mr. Fung is a director of AFS.

AFS is wholly-owned by The General Trust Co. Ltd. (“General Trust”). General Trust is the trustee of AFS Trust, in which one of the beneficiaries is the spouse of Mr. Fung. Mr. Fung is taken to have an interest in the same 320,124,011 shares by virtue of his spouse’s interest under the SFO.

2. 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 320,124,011 shares in which Gumpton is interested under the SFO. Mr. Lo is a director of Ardian.

Ardian is wholly-owned by General Trust. General Trust is the trustee of Ardian Trust, in which one of the beneficiaries is the spouse of Mr. Lo. Mr. Lo is taken to have an interest in the same 320,124,011 shares by virtue of his spouse’s interest under the SFO.

Save as disclosed above, as at 30 September 2005, none of the Directors of the Company has any interests and short positions in the shares, equity derivatives, underlying shares and debentures of the Company and its associated corporations (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 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.



## SUBSTANTIAL SHAREHOLDERS

As at 30 September 2005, so far as was known to any Director of the Company, persons who have an interest or a short position in the shares, equity derivatives, underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company pursuant to section 336 of the SFO were as follows:

### Long positions in shares of the Company

<b>Name of shareholder</b>	<b>Capacity in which such interests were held</b>	<b>Number of shares</b>	<b>Percentage of nominal value of share capital</b>
Hitachi, Ltd.	Beneficial owner	60,000,000	12.50%
Aplus	Beneficial owner	77,724,011	16.19%
CLIH	Beneficial owner	242,400,000	50.50%
Adwin Investments Limited ( <i>Note 1</i> )	Interest of a controlled corporation	242,400,000	50.50%
Win Plus ( <i>Note 2</i> )	Interest of a controlled corporation	320,124,011	66.69%
Gumpton ( <i>Note 3</i> )	Interest of a controlled corporation	320,124,011	66.69%
AFS ( <i>Note 4</i> )	Interest of a controlled corporation	320,124,011	66.69%
Ardian ( <i>Note 4</i> )	Interest of a controlled corporation	320,124,011	66.69%
General Trust ( <i>Note 5</i> )	Interest of a controlled corporation	320,124,011	66.69%
Mrs. Fung, Pui Lan, Angela ( <i>Note 6</i> )	Beneficiary of trust	320,124,011	66.69%
Mrs. Lo, Lilian ( <i>Note 7</i> )	Beneficiary of trust	320,124,011	66.69%

#### Notes:

1. Adwin Investments Limited (“Adwin”) holds approximately 62.6% interest in the issued share capital of CLIH and is accordingly taken to have an interest in the 242,400,000 shares in which CLIH is interested under the SFO.
2. Win Plus holds 84% interest in the issued share capital of Aplus as well as approximately 73.8% interest in the issued share capital of Adwin and is accordingly taken to have an interest in the 320,124,011 shares in total under the SFO.

3. Gumpton, which holds 100% of the issued share capital of Win Plus, is taken to have an interest in the 320,124,011 shares in which Win Plus is interested under the SFO.
4. 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 320,124,011 shares in which Gumpton is interested under the SFO.
5. AFS and Ardian are in turn wholly-owned by General Trust. Therefore, General Trust is taken to have an interest in the 320,124,011 shares in which AFS and Ardian are interested under the SFO.
6. General Trust is the trustee of AFS Trust. Mrs. Fung, Pui Lan, Angela, being the spouse of Mr. Fung, is one of the beneficiaries of AFS Trust and therefore is taken to have an interest in the 320,124,011 shares in which General Trust is interested under the SFO.
7. General Trust is also the trustee of Ardian Trust. Mrs. Lo, Lilian, being the spouse of Mr. Lo, is one of the beneficiaries of Ardian Trust and therefore is taken to have an interest in the 320,124,011 shares in which General Trust is interested under the SFO.

Save as disclosed above, as at 30 September 2005 so far as was known to any Director of the Company, no other persons had an interest or a short position in the shares, equity derivatives, underlying shares or debenture of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

#### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

As at 30 September 2005, there were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

#### **COMPETING INTERESTS**

As at 30 September 2005, the Directors are not aware of any business or interest of the directors, the initial management shareholders of the Company and their respective associates, that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

#### **AUDIT COMMITTEE**

As required by rules 5.28 to 5.29 of the GEM Listing Rules, 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 Group's unaudited consolidated results for the nine months ended 30 September 2005 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

By order of the Board  
**Computech Holdings Limited**  
**Fung Pak Chuen, Alphonso**  
*Chairman*

Hong Kong, 11 November 2005

*As at the date of this announcement, the executive Directors are Mr. Fung Pak Chuen, Alphonso and Mr. Lo, Richard. The non-executive Director is Mr. Yukitaka Kaneda and the independent non-executive Directors are Mr. Lee Sai Yeung, Mr. Chung Kong Fei, Stephen and Mr. Ng Chik Sum, Jackson.*

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