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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)
(Stock Code: 8081)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES LIMITED

On 6 August 2010 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which, the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 100,000,000 Placing Shares, to not fewer than six Placees at a price of HK\$0.20 per Placing Share.

The Placing Shares will be issued under the General Mandate and the Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

6 August 2010 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent, Kingston Securities Limited, has conditionally agreed to place a maximum of 100,000,000 Placing Shares on a best effort basis.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company or any Director, chief executive, management shareholders, controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of any member of the Group or any associate of them or any connected persons of the Company.

Placing commission

The Placing Agent will receive a placing commission of 2.0% of the aggregate Placing Price received for the Placing. The placing commission was determined by reference to the range of market norms for commissions for this type of transaction. The Directors are of the view that the placing commission is fair and reasonable.

Placees

The Placing Agent agreed to place the Placing Shares on a best effort basis, to not fewer than six Placees, who are independent institutional, professional and/or other investors and whose ultimate beneficial owners are third parties independent of and not connected with the Company or any director, chief executive, management shareholders, controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of any member of the Group or any associate of them or any connected persons of the Company. It is expected that none of the Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company immediately after the Placing. If any of the Placees will become a substantial shareholder of the Company after the Completion, further announcement will be made by the Company.

Placing Shares

As at the date of this announcement, the Company has 789,146,990 Shares in issue. The maximum of 100,000,000 Placing Shares under the Placing represent (i) approximately 12.67% of the existing issued share capital of the Company as at the date hereof; and (ii) approximately 11.25% of the issued share capital of the Company as enlarged by the Placing. The aggregate nominal value of the maximum number of 100,000,000 Placing

Shares under the Placing is HK\$1,000,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.20 represents:

- (i) a discount of approximately 16.32% to the closing price of HK\$0.239 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 18.96% to the average closing price per Share of approximately HK\$0.2468 for the five consecutive trading days immediately preceding the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing is conditional upon:-

- (a) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of and permission to deal in all of the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provisions regarding force majeure event.

If the above conditions are not fulfilled on or prior to 5:00 p.m. on the Long Stop Date, the Placing will be terminated and the Placing will not be proceeded and all obligations and liabilities of the parties to the Placing Agreement will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches hereof).

Termination

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 10:00 a.m. on the date of completion of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation, suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 10:00 a.m. on the date of completion of the Placing:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent

under the Placing Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

Completion of the Placing

Completion of the Placing, in any event, will take place within the fourth business days after the fulfilment of the conditions as set out in the Placing Agreement but not later than the Long Stop Date.

General Mandate to issue new Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 157,829,398 Shares. From the date of the AGM to the date of this announcement, no new Share has been issued under the General Mandate.

Application for listing

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING

The principal activity of the Company is investment holding. The Group is principally engaged in provision of information technology services including consultancy, technical support and systems integration, development and sales of relevant hardware and software products in the PRC and Hong Kong. Moreover, as disclosed in the Company's announcement dated 28 July 2010, the Company entered into, on 2 June 2010, a legally binding agreement (the "**Acquisition Agreement**") for the proposed acquisition of a minerals mining business in the PRC. After completion of such acquisition, the Group will be engaged in mineral mining business in the PRC, in addition to its current business.

Pursuant to the Acquisition Agreement, part of the consideration for the acquisition will be funded by cash raised in the placing of Shares or other securities of the Company. However, the purpose of the Placing is not for raising the necessary funds for payment of consideration to the vendors under the Acquisition Agreement. Instead, the Placing is carried out to raise funds for the general working capital of the Group's current information technology business operations. The Placing will strengthen the Group's financial position, and enlarge the shareholders' base of the Company which may in turn enhance the liquidity of the Shares.] The Directors consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The maximum gross proceeds from the Placing will be approximately HK\$20.0 million. The maximum net proceeds (after deducting the placing commission, professional fees and

other expenses incidental to the Placing) are estimated to be approximately HK\$19.5 million, representing a net issue price of approximately HK\$0.195 per Placing Share. The Directors intend to apply the net proceeds as general working capital of the Group's current information technology business operations.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

On 14 January 2010, the Company entered into a placing agreement with a financial institution pursuant to which, the Company conditionally agreed to place, through the financial institution, on a best effort basis, a maximum of 100,000,000 Shares, to not fewer than six investors at a price of HK\$0.30 per Share. However, such placing agreement was not completed and was lapsed on 31 March 2010. Hence, no funds was raised therefrom by the Company. For details, please refer to the Company's announcement dated 14 January 2010 and 1 April 2010.

Save as aforesaid, the Company has not conducted any equity fund raising activity in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company immediately before and after the Placing (assuming that there are no other changes in the issued share capital of the Company) are set out below:

	As at the date of this announcement		Immediately after the Placing	
	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
Aplus Worldwide Limited (<i>Note 1</i>)	73,782,000	9.35	73,782,000	8.30
New Brilliant Investments Limited (<i>Note 2</i>)	78,000,000	9.88	78,000,000	8.77
Asia Financing Limited (<i>Note 3</i>)	78,000,000	9.88	78,000,000	8.77
Legend Wisdom Limited (<i>Note 4</i>)	75,000,000	9.50	75,000,000	8.44
Public				
The Placees	-	-	100,000,000	11.25
Other public Shareholders	484,364,990	61.38	484,364,990	54.48
Total	789,146,990	100.00	889,146,990	100.00

Notes:

1. Aplus Worldwide Limited is beneficially owned as to 42% by Mr. Fung Pak Chuen, Alphonso, a non-executive Director.
2. New Brilliant Investments Limited is wholly owned by Mr. Chui Bing Sun.

3. Asia Financing Limited is wholly owned by Mr. Cheung Siu Wing.
4. Legend Wisdom Limited is wholly owned by Mr. Chan Hon Ping.

GENERAL

The Placing is not subject to Shareholders' approval, as the Placing Shares will be issued under the General Mandate.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 3 May 2010
“Board”	the board of Directors from time to time
“Company”	Computech Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“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
“General Mandate”	the mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM, pursuant to which a maximum of 157,829,398 new Shares might fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	6 August 2010, being the last trading day for the Shares prior to this announcement
“Long Stop Date”	6 October 2010 (or such later date as agreed between the Company and the Placing Agent)

“Placee(s)”	any professional, institutional or other investors or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in types 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 6 August 2010 in relation to the Placing
“Placing Price”	HK\$0.20 per Placing Share for all tranches
“Placing Share(s)”	a maximum of 100,000,000 new Share(s) to be placed under the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	Per cent.

By order of the Board
Computech Holdings Limited
Mak Kwong Yiu
Executive Director

Hong Kong, 6 August 2010

** for identification purpose only*

As at the date of this announcement, the executive Director is Mr. Mak Kwong Yiu. The non executive Director is Mr. Fung Pak Chuen, Alphonso. The independent non-executive Directors are Mr. Pang Wing Kin, Patrick, Mr. Chung Kong Fei, Stephen and Mr. Ng Chik Sum, Jackson.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be available on the Company’s website at www.computeck.com.hk