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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)

DISCLOSEABLE AND CONNECTED TRANSACTION

**DISPOSAL OF INTEREST IN
AUTOMATED LOGISTICS SOLUTION LIMITED**

The Board announces that, on 3 October 2007, CL Solutions, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement pursuant to which, inter alia, CL Solutions agreed to sell, or procure the sale of, and the Purchaser agreed to purchase from CL Solutions, the 100 ordinary shares in the existing share capital of ALSL and the shareholder's loan in the sum of HK\$300,000.00 of ALSL at the Consideration of HK\$340,000.00. The Consideration was determined on an arm's length basis after taking into account the historical operating performance and the net liabilities position of the Disposal Company.

Pursuant to the Sale and Purchase Agreement, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and should be disclosed by way of an announcement and sending a circular to the Shareholders. As the Purchaser is an associate of a substantial shareholder of CL Logistics, a subsidiary of the Company, the Purchaser is a connected person of the Company under the GEM Listing Rules and the Disposal also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. As the relevant percentage ratios (as defined under the GEM Listing Rules) are greater than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000.00, the Disposal is only subject to the reporting and announcement requirements of the GEM Listing Rules and is exempted from the independent Shareholders' approval requirements.

A circular containing, among other things, details of the proposed Disposal will be dispatched to the Shareholders as soon as practicable.

The Directors are pleased to announce that on 3 October 2007, CL Solutions, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with further details set out as below:

I. The Sale and Purchase Agreement

Date

3 October 2007

Parties

Vendor: (1) CL Solutions, a wholly-owned subsidiary of the Company; and
(2) Titron, a third party independent of the Company who holds one hundred (100) Shares and two (2) Class A shares of the Disposal Company which represent an approximately 50.5% interest in the Disposal Company.

Purchaser: LIU Si Ca, an associate of a substantial shareholder of CL Logistics, a subsidiary of the Company and thus a connected person of the Company.

Asset to be disposed

The Sale Shares, being the one hundred (100) shares of the Disposal Company and the Shareholder's Loan.

Consideration and payment term

The Consideration shall be HK\$340,000.00.

The Shareholder's Loan will be assigned to the Purchaser at Completion at nil consideration.

The Consideration was determined on an arm's length basis after taking into account:

- (a) the historical operating performance of the Disposal Company where it has recorded operating losses in the past financial year; and
- (b) the net liabilities position of the Disposal Company as at 31 December 2006.

The Board (including the independent non-executive Directors) believes that the Disposal and the terms of the Sale and Purchase Agreement, which were negotiated at arm's length basis and are on normal commercial terms, are fair and reasonable and in the interests of the Shareholders as a whole.

The Purchaser had paid to the Vendor's solicitors as stakeholder the Consideration upon signing of the Sale and Purchase Agreement. The Vendor's solicitors shall release the Consideration stakeheld to CL Solutions at Completion.

The Consideration will be used as working capital of the Company.

Conditions precedent and Completion

Completion is conditional upon fulfillment of the following conditions:

- (a) the Vendor complying with and/or procuring the Company to comply with all applicable laws, regulations and rules in Hong Kong or elsewhere including but not limited to those under the GEM Listing Rules and the requirements, instructions and indications, etc. of the Stock Exchange in relation to the Sale and Purchase Agreement, the transactions contemplated herein and the discloseable and connected transaction for the Company; and
- (b) the Purchaser having paid to the Vendor's solicitors as stakeholder the Consideration upon signing of the Sale and Purchase Agreement.

If any of the above conditions are not satisfied or waived on or before Completion Date, through no fault of the Vendor or the Purchaser, the Sale and Purchase Agreement shall terminate, then all payments received by the Vendor's solicitors shall be automatically refunded without interest to the Purchaser forthwith and all liabilities of the parties in the Sale and Purchase Agreement shall cease and no party shall have any claim against the other but without prejudice to the right of either party against the other party for any antecedent breach prior thereto.

Completion shall take place on the Completion Date at the office of Vendor's solicitors or at such other place and time as shall be mutually agreed in writing.

II. Information on the Disposal Company

ALSL is an information technology company engaged in logistic automated solutions and specializes in developing supply chain software.

The audited net loss (before and after tax) of ALSL for the financial year ended 31 December 2006 were approximately HK\$1,232,000.00 and HK\$1,224,000.00 respectively and the audited net gain (before and after tax) of ALSL for the financial year ended 31 December 2005 were approximately HK\$1,373,000.00 and HK\$1,135,000.00 respectively.

The audited total net liabilities of ALSL as at 31 December 2006 was approximately HK\$47,000.00. The major asset of ALSL was trade debtors of approximately HK\$614,000.00, representing approximately 25% of the audited total assets of approximately HK\$2,465,000.00 of ALSL as at 31 December 2006. The major liability of ALSL was amount received in advance from customers of approximately HK\$1,385,000.00, representing approximately 55% of the audited total liabilities of approximately HK\$2,512,000.00 of ALSL as at 31 December 2006.

The financial figures have been prepared in accordance with the Hong Kong Financial Reporting Standards.

III. Reasons for the Disposal and Benefits to the Company

The Group is principally engaged in the provision of IT services and supply chain solutions, including consultancy, technical support, systems integration, development and sales of relevant software products, in the People's Republic of China and Hong Kong. As stated in the Annual Report 2006 of the Company, there was a significant loss in ALSL that overshadowed the increase in profit in the supply chain solutions business unit of the Group. Since then, the business and financial performance of ALSL have not improved. Following internal reviews by the Board and the management of the Company, they believe that the Group should focus its resources on and further develop the core businesses of the Group which are profitable. The Disposal is therefore part of the Group's business reengineering process with a view to enhance its competitiveness and financial performance. The Board (including the independent non-executive Directors) believes that the Disposal and the terms of the Sale and Purchase Agreement, which were negotiated at arm's length basis and are on normal commercial terms, are fair and reasonable and in the interests of the Shareholders as a whole.

Upon Completion, the Disposal Company will cease to be an associate company of the Company. The Group is expected to record a gain of approximately HK\$219,000.00 as a result of the Disposal, which have taken into account the (i) Consideration; (ii) the release of the Company the combined total net liabilities of the Disposal Company of approximately HK\$47,000.00 as at 31 December 2006; (iii) the waiver by the Company of the obligation of the Disposal Company to repay a total of HK\$300,000.00 advanced by the Company to ALSL; and (iv) the operating results during the past six months up to and including 30 June 2007. Nonetheless, such gain is subject to audit by the auditors of the Company.

IV. General

Pursuant to the Sale and Purchase Agreement, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and should be disclosed by way of an announcement and sending a circular to the Shareholders. As the Purchaser is an associate of a substantial shareholder of CL Logistics, a subsidiary of the Company, the Purchaser is a connected person of the Company under the GEM Listing Rules and the Disposal also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. As the relevant percentage ratios (as defined under the GEM Listing Rules) are greater than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000.00, the Disposal is only subject to the reporting and announcement requirements of the GEM Listing Rules and is exempted from the independent Shareholders' approval requirements.

A circular containing, among other things, details of the proposed Disposal will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“ALSL”	Automated Logistics Solutions Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company
“associate”	has the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“CL Logistics”	CL Logistics Solutions Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company
“CL Solutions”	CL Solutions Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	the completion of the sale and purchase of the Sale Shares and the Shareholder’s Loan as set out in the Sale and Purchase Agreement
“Completion Date”	3 October 2007; or such other date as the parties may agree in writing prior to Completion
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“Consideration”	HK\$340,000.00, being the total amount payable by the Purchaser to CL Solutions for the purchase of the Sale Shares and the Shareholder’s Loan
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Share and the Shareholder’s Loan
“Disposal Company”	ALSL
“GEM”	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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Purchaser”	LIU Si Ca of Room D, 56th Floor, Block 1, Sky Tower, 38 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3 October 2007 entered into between the Vendor and the Purchaser pursuant to which, inter alia, the Vendor agreed to sell, or procure the sale of, and the Purchaser agreed to purchase the entire issued share capital of ALSL and the shareholders’ loans of the Vendors
“Sale Shares”	one hundred (100) Shares which represent an approximately 49.5% interest in the Disposal Company held by CL Solutions
“Share(s)”	ordinary shares of HK\$1.00 each in the existing share capital of ALSL
“Shareholders”	the shareholders of the Company
“Shareholder’s Loan”	the shareholder’s loan provided by CL Solutions to ALSL in the total sum of HK\$300,000.00 which was still owing and outstanding as on the date of the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Titron”	Titron Group Holdings Limited, a company incorporated in British Virgin Islands with limited liability
“Vendor”	CL Solutions and Titron
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

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

Hong Kong, 3 October, 2007

* *For identification only*

As at the date of this announcement, the executive Directors are Mr. Fung Pak Chuen, Alphonso and Mr. Lo, Richard. The independent non-executive Directors are Mr. Lee Sai Yeung, 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: (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.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting.