

# 2008

INTERIM REPORT

The logo for Computech features the word "Computech" in a bold, blue, sans-serif font. A stylized blue swoosh or arc is positioned above the letter 'o' in "Computech".

**Computech**

**Computech Holdings Limited**

**駿科網絡訊息有限公司\***

(Incorporated in the Cayman Islands with limited liability)

\* For identification purpose only

Stock Code: 8081

## 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 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.**

*The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of this report. This report, for which the directors (the “Director”) of Computech Holdings Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## INTERIM RESULTS

The board (the "Board") of Directors of Computech Holdings Limited (the "Company") is pleased to announce the condensed consolidated interim financial statements ("Interim Accounts") of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2008 together with the comparative unaudited consolidated figures for the corresponding period of 2007. The Interim Report have not been audited, but have been reviewed by the Company's audit committee.

### Condensed Consolidated Income Statement

*For the six months ended 30 June 2008*

	Notes	For the six months ended 30 June		For the three months ended 30 June	
		2008 HK\$'000	2007 HK\$'000 (re-present)	2008 HK\$'000	2007 HK\$'000 (re-present)
<b>Continuing Operations:</b>					
Turnover	2	<b>19,689</b>	17,649	<b>9,462</b>	8,569
Cost of sales		<b>(15,598)</b>	(14,125)	<b>(7,388)</b>	(6,982)
Gross profit		<b>4,091</b>	3,524	<b>2,074</b>	1,587
Other income		<b>315</b>	2	<b>289</b>	-
Gain on disposals of subsidiaries		<b>103</b>	-	<b>103</b>	-
Selling and distribution expenses		<b>(40)</b>	(96)	-	(39)
Administrative expenses		<b>(4,691)</b>	(3,898)	<b>(2,737)</b>	(2,040)
Operating profit/(loss)		<b>(222)</b>	(468)	<b>(271)</b>	(492)
Finance costs		-	-	-	-
Profit/(loss) before income tax	3	<b>(222)</b>	(468)	<b>(271)</b>	(492)
Income tax expense	4	<b>(62)</b>	(22)	<b>(40)</b>	18
Profit/(loss) from Continuing Operations		<b>(284)</b>	(490)	<b>(311)</b>	(474)
<b>Discontinued Operations:</b>					
Profit from discontinued operations	5	<b>1,005</b>	1,056	<b>443</b>	734
Profits for the period		<b>721</b>	566	<b>132</b>	260
Earnings/(loss) per share					
- Basic (HK cents)	6	<b>0.69</b>	0.54	<b>0.13</b>	0.25

## Condensed Consolidated Balance Sheet

At 30 June 2008

	Notes	At 30 June 2008 (Unaudited) HK\$'000	At 31 December 2007 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Fixed assets		<b>439</b>	768
Interests in associates		<b>3</b>	3
		<b>442</b>	771
<b>CURRENT ASSETS</b>			
Inventories		<b>1,613</b>	3,576
Debtors, deposits and prepayments	7	<b>2,166</b>	8,221
Amount due from related companies	8	<b>4,982</b>	2,466
Income tax recoverable		<b>23</b>	147
Cash and bank balances		<b>4,795</b>	3,124
		<b>13,579</b>	17,534
<b>DEDUCT:</b>			
<b>CURRENT LIABILITIES</b>			
Creditors, accruals and deposits	9	<b>4,487</b>	6,969
Amount due to related company		<b>4</b>	-
Amount due to a shareholder		<b>-</b>	15
Income tax payable		<b>62</b>	107
		<b>4,553</b>	7,091

	Notes	<b>At 30 June 2008 (Unaudited) HK\$'000</b>	At 31 December 2007 (Audited) HK\$'000
NET CURRENT ASSETS		<b>9,026</b>	10,443
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>9,468</b>	11,214
NON-CURRENT LIABILITY			
Loans from directors	10	-	(2,256)
NET ASSETS		<b>9,468</b>	8,958
REPRESENTING:			
SHARE CAPITAL		<b>5,240</b>	5,240
RESERVES		<b>4,228</b>	3,703
EQUITY ATTRIBUTABLE TO SHAREHOLDERS' OF THE COMPANY		<b>9,468</b>	8,943
MINORITY INTERESTS		-	15
TOTAL EQUITY		<b>9,468</b>	8,958

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2008

	Share Capital	Share premium	Translation reserve	(Accumulated loss)/ retained profit	Sub-Total	Minority Interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1.1.2007 (Audited)	5,240	3,465	80	(1,639)	7,146	-	7,146
Exchange reserve arising on translation of a PRC subsidiary	-	-	61	-	61	-	61
Profit for the period	-	-	-	566	566	-	566
At 30.6.2007 (Unaudited)	5,240	3,465	141	(1,073)	7,773	-	7,773
At 1.1.2008 (Audited)	5,240	3,465	196	42	8,943	15	8,958
Profit for the period	-	-	(196)	721	525	(15)	510
At 30.6.2008 (Unaudited)	5,240	3,465	-	763	9,468	-	9,468

## Condensed Consolidated Cash flow Statement

*For the six months ended 30 June 2008*

	<b>For the six months ended 30 June</b>	
	<b>2008</b> <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Net Cash inflow/(outflow) from operating activities	<b>2,368</b>	914
Net Cash inflow/(outflow) from investing activities	<b>1,770</b>	(134)
Net cash inflow/(outflow) from financing activities	<b>(2,271)</b>	-
Net increase/(decrease) in cash and cash equivalent	<b>1,867</b>	780
Cash and cash equivalents		
At beginning of the period	<b>3,124</b>	2,087
Effects of foreign exchange rate changes	<b>(196)</b>	14
Cash and cash equivalents at end of the period	<b>4,795</b>	2,881
Analysis of cash and cash equivalents		
Cash and bank balances	<b>4,795</b>	2,881

**Notes:**

**1. Basis of preparation**

The Interim Accounts are prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules.

The accounting policies and basis of preparation used in preparing the Interim Results are consistent with those used in the audited financial statements for the year ended 31 December 2007.

**2. Turnover**

Turnover represents the net invoiced value of goods sold and related computer services rendered. An analysis of the Group's turnover is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Provision of IT services	<b>19,689</b>	17,649

**3. Profit/(loss) before income tax**

(Loss)/profit before income tax is arrived at after charging:-

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Depreciation	<b>74</b>	119
Directors' remuneration	<b>872</b>	855
Other staff salaries and benefits	<b>9,188</b>	8,147
Retirement scheme contributions	<b>563</b>	455

**4. Income tax expense**

Income tax represents the provision for Hong Kong profits tax, which is calculated at the tax rate of 16.5% (2007: 17.5%) on the estimated assessable profits for the period.



**5. Profit from discontinued operations**

On 25 April 2008, the group entered into an agreement to sell its entire interest in its supply chain solutions business for a consideration of HK\$6.06 million. Results of supply chain solutions business were presented as discontinued operations in accordance with HKFRS 5 "Non-current assets held for sales and discontinued operations". The presentation of comparative figures in respect of the six months ended 30 June 2007 was previously reported in the 2007 interim accounts has been amended to conform with the requirements of HKFRS 5.

The group completed the transaction and received the full amount consideration of HK\$6.06 million on 13 June 2008.

An analysis of the result of the discontinued operations is as follows:

	<b>Period ended</b> <b>13 June 2008</b> <b>HK\$'000</b>	Six months ended 30 June 2007 HK\$'000
Turnover	<b>10,731</b>	10,715
Cost of Sales	<b>(6,337)</b>	(5,984)
Gross Profits	<b>4,394</b>	4,731
Other Income	<b>16</b>	39
Depreciation	<b>(90)</b>	(91)
Staff costs	<b>(1,169)</b>	(1,437)
Other operating expenses	<b>(1,973)</b>	(1,841)
Shares operating loss from an associate	<b>-</b>	(157)
Profit before income tax	<b>1,178</b>	1,244
Income tax expense	<b>(173)</b>	(188)
Profit from discontinued operations	<b>1,005</b>	1,056
Earnings per share – Basic (HK cents)	<b>0.96</b>	1.01

Cash flow from discontinued operations:

	<b>Period ended</b>	Six months ended
	<b>13 June 2008</b>	30 June 2007
	<b>HK\$'000</b>	HK\$'000
Net Cash inflow/(outflow) from operating activities	<b>2,337</b>	972
Net cash inflow/(outflow) from investing activities	<b>(29)</b>	(53)
Net cash inflow/(outflow) from financing activities	<b>-</b>	-
Net cash inflow/(outflow)	<b>2,308</b>	919

**6. Earnings/(Loss) per share**

The calculation of basic earnings/(loss) per share for the six months and three months ended 30 June 2008 was based on the Group's net profit of approximately HK\$721,000 (for the six months ended 30 June 2007: net profit of approximately HK\$566,000) and the net profit of approximately HK\$132,000 (for the three months ended 30 June 2007: net profit of approximately HK\$260,000) respectively.

The basic earnings/(loss) per share was based on the weighted average number of 104,802,000 (2007: 104,802,000) and 104,802,000 (2007: 104,802,000) ordinary shares in issue during the six months and three months ended 30 June 2008 respectively.

The Company did not have dilutive potential shares for the six months and three months ended 30 June 2008 (2007: Nil).

**7. Debtors, deposits and prepayments**

	<b>At</b>	<b>At</b>
	<b>30 June</b>	31 December
	<b>2008</b>	2007
	<b>HK\$'000</b>	<b>HK\$'000</b>
Debtors, deposits and prepayments comprise:		
Trade debtors	<b>1,749</b>	7,816
Other debtors, deposits and prepayments	<b>417</b>	405
	<b>2,166</b>	8,221

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically. The following is an aging analysis of trade debtors.

	<b>At</b>	<b>At</b>
	<b>30 June</b>	31 December
	<b>2008</b>	2007
	<b>HK\$'000</b>	<b>HK\$'000</b>
0 – 3 months	<b>803</b>	6,448
4 – 6 months	<b>716</b>	1,301
7 – 12 months	<b>230</b>	67
	<b>1,749</b>	7,816

**8. Amounts due from related companies**

The amount is trade related which has arisen in the ordinary and usual course of business of the Group and is on normal commercial terms. The directors consider the carrying amount due from related companies approximates their fair value.

9. Creditors, accruals and deposits

	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Creditors, accruals and deposits comprise:		
Trade creditors	<b>1,199</b>	2,584
Other creditors, accruals and deposits	<b>2,816</b>	2,658
Deferred revenue	<b>468</b>	1,112
Deposits received	<b>4</b>	615
	<b>4,487</b>	6,969

The following is an aging analysis of trade creditors:

	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Within 3 months	<b>1,083</b>	2,417
4 – 6 months	<b>6</b>	167
Over 6 months	<b>110</b>	–
	<b>1,199</b>	2,584

10. Loans from directors

The loan was unsecured, non-interest bearing and fully repaid during the period (2007: HK\$2,256,000).

**11. Connected and related party transactions**

- (a) During the period, the Group had the following transactions with CL International Holdings Limited ("CLIH") and its subsidiaries. CLIH is the controlling shareholder of the Company.

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Provision of IT services to subsidiaries of CLIH	<b>15,997</b>	14,388
Purchases from subsidiaries of CLIH	<b>6,079</b>	5,587

The above transactions were entered into with reference to market price of goods sold or services rendered.

- (b) Key management compensation

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Directors Fees	<b>90</b>	90
Salaries, allowances and other benefits in kind	<b>1,698</b>	1,528
Retirement scheme contributions	<b>78</b>	77
	<b>1,866</b>	1,695

## 12. 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 two segments, (i) provision of IT services and (ii) supply chain solutions.

	IT Services		Supply chain solutions (Discontinued Operation)		Unallocated items		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<b>19,689</b>	17,649	<b>10,731</b>	10,715	-	-	<b>30,420</b>	28,364
<b>RESULTS</b>								
Segment results	<b>372</b>	(249)	<b>1,173</b>	1,362	<b>(700)</b>	(221)	<b>845</b>	892
Interest income	<b>2</b>	1	<b>5</b>	39	<b>1</b>	1	<b>8</b>	41
Gain on disposal of Subsidiaries	-	-	-	-	<b>103</b>	-	<b>103</b>	-
Finance costs	-	-	-	-	-	-	-	-
Share of net loss of an associate	-	-	-	(157)	-	-	-	(157)
Profit/(loss) before income tax	<b>374</b>	(248)	<b>1,178</b>	1,244	<b>(596)</b>	(220)	<b>956</b>	776
Income tax expense	<b>(62)</b>	(15)	<b>(173)</b>	(188)	-	(7)	<b>(235)</b>	(210)
Profit/(loss) attributable to shareholders	<b>312</b>	(263)	<b>1,005</b>	1,056	<b>(596)</b>	(227)	<b>721</b>	566
<b>SEGMENT ASSETS</b>								
Segment assets	<b>10,088</b>	8,739	-	7,465	<b>3,933</b>	421	<b>14,021</b>	16,625
<b>SEGMENT LIABILITIES</b>								
Segment liabilities	<b>(3,760)</b>	(2,897)	-	(3,259)	<b>(793)</b>	(2,696)	<b>(4,553)</b>	(8,852)
<b>OTHER INFORMATION</b>								
Depreciation and amortisation	<b>68</b>	114	<b>90</b>	91	<b>6</b>	5	<b>164</b>	210
Capital expenditure incurred during the year	<b>129</b>	211	<b>29</b>	53	<b>7</b>	-	<b>165</b>	264

**COMPUTECH HOLDINGS LIMITED**  
**INTERIM REPORT 2008**

- (i) Unallocated expenses include administrative expenses incurred by the Company and certain non-operating subsidiaries.
- (ii) Unallocated assets consist of deposits and prepayments and cash and bank balances of the Company and certain non-operating subsidiaries.
- (iii) Unallocated liabilities represent accruals and loans from directors owed by the Company and certain non-operating subsidiaries.

(b) *Geographical segments*

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

	Hong Kong		PRC		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Revenue from external customers	29,100	27,018	1,320	1,346	30,420	28,364
Segment assets	10,088	13,624	-	3,001	14,021	16,625
Capital expenditure incurred during the year	129	208	29	56	165	264

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2008 (2007 Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial review

The Group recorded an unaudited consolidated turnover of approximately HK\$19,689,000 (for the six months ended 30 June 2007: HK\$17,649,000) for the six months ended 30 June 2008, representing an increase of approximately 11% compared with the corresponding period last year. The unaudited net profit attributable to shareholders amounted to approximately HK\$721,000 (for the six months ended 30 June 2007: net profit of approximately HK\$566,000). The earning per share for the six months ended 30 June 2008 was HK0.69 cents.

The increase in turnover and net profits was mainly due to renewal of certain IT services with new pricing basis. It was also attributable to the fulfillment of certain sizeable orders for RFID systems and mobile computing equipment which were confirmed last year.

### Financial resources and liquidity

As at 30 June 2008, the total assets of the Group were approximately HK\$14,021,000 (at 31 December 2007: HK\$18,305,000) including cash and bank deposits of approximately HK\$4,795,000 (at 31 December 2007: HK\$3,124,000) and debtors, deposits and prepayments of approximately HK\$2,166,000 (at 31 December 2007: HK\$8,221,000).

The Group's current assets were approximately 3.0 times (at 31 December 2007: 2.5 times) over its current liabilities. The Group's non-current loan was fully repaid for the period (at 31 December 2007: HK\$2,256,000). Save as disclosed above, the Group did not have any other borrowings during the period under review.

### Capital structure

There was no change in the capital structure of the Group for the period ended 30 June 2008.



**Foreign exchange**

The Group's foreign exchange risk is primarily attributable to its debtors. The foreign exchange risk is minimal as most of the trade debtors are denominated in Hong Kong dollar ("HK\$") or United States dollar ("US\$"). The foreign exchange risk in the transaction of US\$ to HK\$ is limited as HK\$ are being pegged to US\$.

**Significant investments and acquisitions**

There was no material acquisition of subsidiaries and affiliated companies of the Group during the period ended 30 June 2008.

**Charge on the Group's assets**

There was no charge on the Group's assets as at 30 June 2008 (at 31 December 2007: Nil).

**Capital commitments**

As at 30 June 2008, the Group did not have any future plans for material investment.

**Contingent liabilities**

As at 30 June 2008, the Group did not have any material contingent liabilities.

**Employees and remuneration policies**

As at 30 June 2008, the Group had 132 employees (at 31 December 2007: 132). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees in Hong Kong and the statutory central pension schemes to its employees in the PRC.

## Prospects

The IT services business is highly competitive with many challenges as well as opportunities. Call center services and manpower outsourcing services are the two business lines in the Group which present potential for future growth, whereas warranty service outsourcing continues to suffer low profit margin. We will continue to monitor the progress of these business units and make necessary adjustments to our overall business strategy as and when necessary.

The Group will also continue to explore new business opportunities and seek partnership collaboration in areas of its core competency and beyond. We recognize the need for vigilance on costs and will continue to exercise strict cost control.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2008, 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)	Interest of a controlled corporation	70,024,802	66.82%
Mr. Lo, Richard ("Mr. Lo") (Note 2)	Interest of a controlled corporation	70,024,802	66.82%

*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 32,337,600 shares of the Company in which Aplus is interested under the SFO. Win Plus also holds approximately 50.1% indirectly in the issued share capital of CL International Holdings Limited ("CLIH") and is accordingly taken to have an interest in the 37,687,202 shares of the Company in which CLIH is interested under the SFO. Win Plus is accordingly taken to have an interest in the 70,024,802 shares of the Company in total under the SFO.

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

As 50% of the issued share capital of Win Plus is held by AFS Holdings Limited ("AFS"), AFS is taken to have an interest in the 70,024,802 shares of the Company under the SFO. AFS is wholly – owned by Mr. Fung.

2. As 50% of the issued share capital of Win Plus is held by Ardian Holdings Limited ("Ardian"). Ardian is taken to have an interest in the 70,024,802 shares of the Company under the SFO. Ardian is wholly – owned by Mr. Lo.

Save as disclosed above, as at 30 June 2008, 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 June 2008, 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>
Aplus	Beneficial owner	32,337,600	30.86%
CLIH	Beneficial owner	37,687,202	35.96%
Adwin Investments Limited (Note 1)	Interest of a controlled corporation	37,687,202	35.96%
Win Plus (Note 2)	Interest of a controlled corporation	70,024,802	66.82%
AFS (Note 3)	Interest of a controlled corporation	70,024,802	66.82%
Ardian (Note 3)	Interest of a controlled corporation	70,024,802	66.82%
Mrs. Fung, Pui Lan, Angela (Note 4)	Interest of spouse	70,024,802	66.82%
Mrs. Lo, Lilian (Note 5)	Interest of spouse	70,024,802	66.82%

*Notes:*

1. Adwin Investments Limited ("Adwin") holds approximately 67.9% interest in the issued share capital of CLIH and is accordingly taken to have an interest in the 37,687,202 shares of the Company 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 70,024,802 shares of the Company in total under the SFO.
3. Win Plus is owned as to 50% by AFS and 50% by Ardian. Accordingly, AFS and Ardian are each taken to have an interest in the 70,024,802 shares of the Company in which Win Plus is interested under the SFO.
4. AFS is wholly owned by Mr. Fung, Mrs. Fung, Poi Lan, Angela, being the spouse of Mr. Fung, is therefore taken to have an interest in the 70,024,802 shares of the Company under the SFO.
5. Ardian is wholly owned by Mr. Lo, Mrs. Lo, Lilian, being the spouse of Mr. Lo, is therefore taken to have an interest in the 70,024,802 shares of the Company under the SFO.

Save as disclosed above, as at 30 June 2008 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**

There were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the period ended 30 June 2008.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the period ended 30 June 2008, the Company had adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding directors' securities transactions.

## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in Appendix 15 of the GEM Listing Rules (the "Code") throughout the period ended 30 June 2008, except for the following deviation:

Under the code provision B.1.1 of the Code, company should establish a remuneration committee with specific written terms of reference that deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

The Company does not establish a remuneration committee, which constitutes a deviation from code provision B.1.1 of the Code. The Board is in the opinion that establishment of a remuneration committee does not really benefit to the Group after due consideration of the size of the Group and the associated costs involved. According to the current practice of the Company, remuneration of directors are reviewed and approved at regular Board meetings, which have the presence of the independent non-executive directors. In addition, the director will abstain from voting on the relevant board resolution in which he has interest.

## AUDIT COMMITTEE

Pursuant to 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 six months ended 30 June 2008 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, 4 August 2008

*As at the date of this report, the executive Directors are Mr. Fung Pak Chuen, Alphonso, Mr. Lo, Richard and Mr. Mak Kwong Yiu, Mark. The independent non-executive Directors are Mr. Lee Sai Yeung, Mr. Chung Kong Fei, Stephen and Mr. Ng Chik Sum, Jackson.*