



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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

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

CHAIRMAN'S STATEMENT

I am pleased to present the results of Computech Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31st December, 2008.

The Group's IT services operation recorded marginal growth in both revenue and net profit compared with the previous financial year. Under the current unstable economic climate, cost cutting and reduced capital investment by corporations in the commercial sector have slowed down the Group's planned expansion in 2008.

The Group disposed of its supply chain solutions operation in 2008 to focus on its core business, IT services. As a result, the Group recorded a decrease in total revenue as compared with 2007.

During the year, the Group has undertaken a number of corporate exercises. The related professional fees have led to a substantial increase in administrative expenses incurred by the Group. Included in current year's administrative expenses were also certain non-cash expenses for the issuance of employee share options and warrants.

Operating Results

For the year under review, the Group recorded an overall turnover of approximately HK\$49 million, representing a decrease of approximately 18% compared with last year. The audited net loss attributable to shareholders amounted to approximately HK\$0.97 million, compared with a net profit of approximately HK\$1.67 million in 2007. The loss per share for the year ended 31st December, 2008 was HK\$0.93 cents.

Market Overview

The Group's multi-vendor repair and maintenance business was not immediately affected by the economic downturn which started at the beginning of 2008. However, systems roll-out projects slowed down substantially due to fewer new major implementation engagements as cost cutting took place in commercial institutions. Our call center's business remained stable. We are expecting some growth in this area as the technical and linguistic skills of our staff improve. Manpower outsourcing business experienced decreased gross margin in 2008. We expect this trend to continue in 2009 as demand for technical personnel weakens.

Operating Overview

We continued to work closely with our major business partners such as HP, Symantec and PCCW on all fronts of our IT services operation including on-site and carry-in PC warranty and maintenance services, hot-line and technical support services, and placement of technical personnel.

Appointment of Consultant

In 2008, the Group appointed Mr. CHUI Bing Sun, a successful entrepreneur and investment consultant with good track record, to help it identify new business opportunities and raise capital if and when necessary. The board will report the progress to our shareholders when worthwhile business opportunity is identified.

Prospects and Appreciation

Under the current uncertain economic conditions, the Group's priority is to remain focused on its IT services business and to exercise strict control on spending. However, it is not uncommon that good business opportunities will present themselves in adverse market conditions. The Group will continue to look out for possible diversification potentials.

Finally, I would like to take this opportunity to express my appreciation to our employees, shareholders, board members, customers, and business partners for their support and contribution to the Group in 2008.

Fung Pak Chuen, Alphonso

Chairman

Hong Kong, 26th March, 2009

AUDITED CONSOLIDATED RESULTS

The board (the “Board”) of directors (the “Directors”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31st December, 2008 together with the comparative audited consolidated results for the year ended 31st December, 2007 as follows:

	<i>Note</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Turnover	2	38,758	36,353
Cost of sales		<u>(30,197)</u>	<u>(29,126)</u>
Gross profit		8,561	7,227
Other income		322	18
Selling and distribution expenses		(47)	(195)
Administrative expenses		<u>(10,920)</u>	<u>(7,268)</u>
Operating loss		(2,084)	(218)
Share of net losses of an associate		<u>(1)</u>	<u>(4)</u>
Loss before income tax	3	(2,085)	(222)
Income tax credit/(expense)	4	<u>1</u>	<u>(9)</u>
Loss from continuing operations		(2,084)	(231)
Discontinued operations	9		
Profit from discontinued operations		<u>1,108</u>	<u>1,907</u>
(Loss)/profit for the year		<u>(976)</u>	<u>1,676</u>
Attributable to:–			
Shareholders of the Company		(976)	1,681
Minority interests		<u>–</u>	<u>(5)</u>
(Loss)/profit for the year		<u>(976)</u>	<u>1,676</u>
(Loss)/earnings per share – Basic (HK cents)	5		
From continuing and discontinued operations (HK cents)		<u>(0.93)</u>	<u>1.60</u>
From continuing operations (HK cents)		<u>(1.99)</u>	<u>(0.22)</u>
From discontinued operations (HK cents)		<u>1.06</u>	<u>1.82</u>

CONSOLIDATED BALANCE SHEET

At 31st December, 2008

	Note	2008 HK\$'000	2007 HK\$'000
NON-CURRENT ASSETS			
Plant and equipment		417	768
Interests in associates		4	3
		<u>421</u>	<u>771</u>
CURRENT ASSETS			
Inventories		1,824	3,576
Debtors, deposits and prepayments	6	2,010	8,221
Amount due from a shareholder		23	–
Amounts due from related companies		6,045	2,466
Income tax recoverable		23	147
Cash and bank balances		3,063	3,124
		<u>12,988</u>	<u>17,534</u>
DEDUCT:			
CURRENT LIABILITIES			
Creditors, accruals and deposits received	7	4,585	6,969
Amount due to a shareholder		–	15
Income tax payable		–	107
		<u>4,585</u>	<u>7,091</u>
NET CURRENT ASSETS		<u>8,403</u>	<u>10,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,824	11,214
NON-CURRENT LIABILITY			
Loans from directors		–	(2,256)
NET ASSETS		<u>8,824</u>	<u>8,958</u>
REPRESENTING:			
SHARE CAPITAL		5,240	5,240
RESERVES		<u>3,584</u>	<u>3,703</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		8,824	8,943
MINORITY INTERESTS		–	15
TOTAL EQUITY		<u>8,824</u>	<u>8,958</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2008

	Attributable to shareholders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share options reserve HK\$'000	Warrants reserve HK\$'000	(Accumulated losses)/ profits retained HK\$'000	Sub-total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1.1.2007	5,240	3,465	80	-	-	(1,639)	7,146	-	7,146
Issue of shares	-	-	-	-	-	-	-	20	20
Translation of financial statements of a PRC subsidiary and an associate	-	-	116	-	-	-	116	-	116
Profit for the year	-	-	-	-	-	1,681	1,681	(5)	1,676
At 31.12.2007 and 1.1.2008	5,240	3,465	196	-	-	42	8,943	15	8,958
Disposal of a subsidiary with a minority shareholder	-	-	-	-	-	-	-	(15)	(15)
Disposal of a PRC subsidiary	-	-	(196)	-	-	-	(196)	-	(196)
Share-based payments	-	-	-	28	1,025	-	1,053	-	1,053
Loss for the year	-	-	-	-	-	(976)	(976)	-	(976)
At 31.12.2008	5,240	3,465	-	28	1,025	(934)	8,824	-	8,824

1. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations (“HK(IFRIC)-Int”) issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as “Hong Kong Financial Reporting Standards”).

(b) Initial application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following new and revised Hong Kong Financial Reporting Standards:–

Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets – Effective Date and Transition
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The initial application of these Hong Kong Financial Reporting Standards does not necessitate material changes in the Group’s accounting policies or retrospective adjustments of the comparatives presented, except that reclassification of certain held-for-trading financial assets is now permitted by Amendments to HKAS 39 and HKFRS 7.

2. TURNOVER AND REVENUE

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

2008

	Continuing operations HK\$'000	Discontinued operations HK\$'000	Total HK\$'000
Sales	686	9,042	9,728
Service income	<u>38,072</u>	<u>1,689</u>	<u>39,761</u>
Turnover	38,758	10,731	49,489
Interest income	<u>6</u>	<u>4</u>	<u>10</u>
Total revenue	<u><u>38,764</u></u>	<u><u>10,735</u></u>	<u><u>49,499</u></u>

2007

	Continuing operations HK\$'000	Discontinued operations HK\$'000	Total HK\$'000
Sales	256	20,072	20,328
Service income	<u>36,097</u>	<u>4,073</u>	<u>40,170</u>
Turnover	36,353	24,145	60,498
Interest income	<u>14</u>	<u>32</u>	<u>46</u>
Total revenue	<u><u>36,367</u></u>	<u><u>24,177</u></u>	<u><u>60,544</u></u>

3. LOSS BEFORE INCOME TAX

Continuing operations:–

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Loss before income tax is arrived at after charging/(crediting):–		
Cost of inventories expensed	3,868	3,556
Minimum lease payments paid under operating leases	1,748	1,908
Auditor's remuneration	226	230
Depreciation	375	467
Directors' remuneration	1,828	1,143
Other staff salaries and benefits	17,097	18,250
Retirement scheme contributions	652	196
Exchange (gain)/loss	(1)	21
Loss on disposal of plant and equipment	4	–
	<u>4</u>	<u>–</u>

Discontinued operations:–

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Profit before income tax is arrived at after charging/(crediting):–		
Cost of inventories expensed	3,939	9,467
Minimum lease payments paid under operating leases	135	438
Auditor's remuneration	38	49
Bad debts recovered	–	(170)
Depreciation	78	164
Directors' remuneration	–	767
Other staff salaries and benefits	1,163	3,508
Retirement scheme contributions	6	217
Exchange loss, net	6	–
Gain on disposal of discontinued operation	103	–
Loss on disposal of plant and equipment	–	37
Gain on disposal of interest in an associate	–	(63)
	<u>–</u>	<u>(63)</u>

4. INCOME TAX (CREDIT)/EXPENSE

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current income tax – Hong Kong Profits Tax		
– Provision for the year	163	295
– Over-provision in respect of prior year	<u>(6)</u>	<u>–</u>
	157	295
Current income tax – PRC enterprise income tax		
– Provision for the year	<u>15</u>	<u>57</u>
	172	352
Income tax (credit)/expense contributable to continuing operations	<u>(1)</u>	<u>9</u>
Income tax expense contributable to discontinued operations	<u>173</u>	<u>343</u>

The provision for Hong Kong Profits Tax for 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year. Overseas taxation represents the income tax of a branch in the People's Republic of China which is subject to the Income Tax Law of the PRC for Enterprises with Foreign Investment. The provision for PRC enterprise income tax for 2008 is calculated at 25% (2007: 33%) of the estimated assessable profits for the year.

- (a) The income tax expense for the year can be reconciled to the (loss)/profit per income statement as follows:–

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
(Loss)/profit before income tax		
– from continuing operations	(2,085)	(222)
– from discontinued operations	<u>1,178</u>	<u>2,250</u>
	(907)	2,028
Tax effect at Hong Kong profits tax rate of 16.5% (2007: 17.5%)	(150)	355
PRC and Hong Kong tax rates differential	38	43
Tax effect of income that is not taxable	(1,056)	(103)
Tax effect of expenses that are not deductible	994	20
Tax effect of unrecognised (decelerated)/accelerated depreciation allowances	(24)	50
Tax effect of tax loss not recognised	383	44
Utilisation of previously recognised tax losses	(7)	(57)
Over-provision in respect of prior year	<u>(6)</u>	<u>–</u>
Income tax expense	172	352

4. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

(b) The components of unrecognised deductible/(taxable) temporary differences are as follows:–

	2008 HK\$'000	2007 HK\$'000
Deductible/(taxable) temporary differences		
Unutilised tax losses (<i>Note 4(b)(i)</i>)	2,660	340
Accelerated depreciation allowances	<u>(701)</u>	<u>(557)</u>
Net deductible/(taxable) temporary difference	<u><u>1,959</u></u>	<u><u>(217)</u></u>

(i) *Unutilised tax losses have not been recognised owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the unutilised tax losses. The unutilised tax losses accumulated in the Hong Kong subsidiaries amounted to HK\$2,660,000 (2007: HK\$340,000) can be carried forward indefinitely.*

5. (LOSS)/EARNINGS PER SHARE

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

	2008 HK\$'000	2007 HK\$'000
(Loss)/profit attributable to shareholders of the Company for the year	<u><u>(976)</u></u>	<u><u>1,681</u></u>
Attributable to:		
Continuing operations	<u><u>(2,084)</u></u>	<u><u>(231)</u></u>
Discontinued operations	<u><u>1,108</u></u>	<u><u>1,912</u></u>
Shares		
Weighted average number of ordinary shares in issue	<u><u>104,802,000</u></u>	<u><u>104,802,000</u></u>

Diluted earnings per share is not presented as there were no dilutive potential shares outstanding at anytime during the year.

6. DEBTORS, DEPOSITS AND PREPAYMENTS

	2008 HK\$'000	2007 HK\$'000
Debtors, deposits and prepayments comprise:–		
Trade debtors	1,746	7,816
Other debtors, deposits and prepayments	<u>264</u>	<u>405</u>
	<u><u>2,010</u></u>	<u><u>8,221</u></u>

6. DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

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 associate with trade debtors, credit evaluations of customers are performed periodically. The credit period given to trade debtors ranged from 30 days to 60 days. The following is an aging analysis of trade debtors.

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Within 3 months	1,635	6,448
4 – 6 months	96	1,301
7 – 12 months	15	67
	<u>1,746</u>	<u>7,816</u>

7. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Creditors, accruals and deposits comprise:		
Trade creditors	2,500	2,584
Other creditors, accruals and deposits	1,820	2,658
Deferred revenue	115	1,112
Deposits received	150	615
	<u>4,585</u>	<u>6,969</u>

The following is an aging analysis of trade creditors:–

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Within 3 months	2,247	2,417
4 – 6 months	89	167
7 – 12 months	1	–
Over 1 year but within 2 years	163	–
	<u>2,500</u>	<u>2,584</u>

8. SEGMENT INFORMATION

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

(a) Business segments

The Group principally operates in two business segments, (i) provision of IT services, and (ii) supply chain solutions.

	Continuing operations – IT services		Discontinued operations – Supply chain solutions		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	38,758	36,353	10,731	24,145	-	-	49,489	60,498
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	<u>38,758</u>	<u>36,353</u>	<u>10,731</u>	<u>24,145</u>	<u>-</u>	<u>-</u>	<u>49,489</u>	<u>60,498</u>
RESULTS								
Segment results	213	68	1,174	2,357	(2,200)	(502)	(813)	1,923
Interest income	6	15	4	30	-	1	10	46
Gain on disposal of an associate	-	-	-	63	-	-	-	63
Share of net losses of associates	(1)	-	-	(4)	-	-	(1)	(4)
Profit/(loss) before income tax	<u>218</u>	<u>83</u>	<u>1,178</u>	<u>2,446</u>	<u>(2,200)</u>	<u>(501)</u>	<u>(804)</u>	2,028
Income tax expense							(172)	(352)
(Loss)/profit for the year							<u>(976)</u>	<u>1,676</u>
SEGMENT ASSETS								
Segment assets	10,396	5,556	-	12,458	3,009	288	13,405	18,302
Associate	-	3	-	-	4	-	4	3
Total segment assets	<u>10,396</u>	<u>5,559</u>	<u>-</u>	<u>12,458</u>	<u>3,013</u>	<u>288</u>	<u>13,409</u>	<u>18,305</u>
SEGMENT LIABILITIES								
Segment liabilities	<u>(3,132)</u>	<u>(1,009)</u>	<u>-</u>	<u>(6,963)</u>	<u>(1,453)</u>	<u>(1,375)</u>	<u>(4,585)</u>	<u>(9,347)</u>
OTHER INFORMATION								
Depreciation	<u>365</u>	<u>487</u>	<u>78</u>	<u>144</u>	<u>10</u>	<u>-</u>	<u>453</u>	<u>631</u>
Capital expenditure	<u>262</u>	<u>251</u>	<u>12</u>	<u>79</u>	<u>15</u>	<u>1</u>	<u>289</u>	<u>331</u>

8. SEGMENT INFORMATION (CONTINUED)

(b) Geographical segments

The Group's two divisions operate in two principal geographical areas - the People's Republic of China (excluding Hong Kong) (the "PRC") and Hong Kong. The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical markets, irrespective of the origin of the goods and services:-

	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	<u>48,169</u>	<u>54,216</u>	<u>1,320</u>	<u>6,282</u>	<u>49,489</u>	<u>60,498</u>
Segment assets	<u>13,409</u>	<u>10,783</u>	<u>-</u>	<u>7,522</u>	<u>13,409</u>	<u>18,305</u>
Capital expenditure incurred during the year	<u>277</u>	<u>322</u>	<u>12</u>	<u>9</u>	<u>289</u>	<u>331</u>

9. DISCONTINUED OPERATIONS

On 25th April, 2008, the Group entered into an agreement to sell its entire interest in its supply chain solutions business for a consideration of HK\$6,060,000. The Group completed the transaction and received the full amount consideration of HK\$6,060,000 on 13th June, 2008. The disposal has resulted in a net gain of HK\$103,400 and is included in the year ended 31st December, 2008.

(a) The results of the discontinued operations for the year ended 31st December, 2007 and up to the date of disposal on 12th June, 2008 were as follows:-

	Period ended 12.6.2008 HK\$'000	Year ended 31.12.2007 HK\$'000
Turnover	10,731	24,145
Cost of sales	<u>(6,337)</u>	<u>(14,193)</u>
Gross profit	4,394	9,952
Other income	16	268
Selling and distribution expenses	(286)	(1,235)
Administrative expenses	<u>(2,946)</u>	<u>(6,735)</u>
Profit before income tax	1,178	2,250
Income tax expense	<u>(173)</u>	<u>(343)</u>
Profit from discontinued operations	1,005	1,907
Gain on disposal of discontinued operations	<u>103</u>	<u>-</u>
	<u>1,108</u>	<u>1,907</u>

9. DISCONTINUED OPERATIONS (CONTINUED)

(b) The net assets of the discontinued operations as at the date of disposal were as follows:–

	<i>HK\$'000</i>
Property, plant and equipment	183
Inventories	944
Trade receivables	3,654
Prepaid tax	46
Amount due from related companies	3,561
Cash and bank deposits	3,980
Creditors, accruals and deposits received	<u>(6,200)</u>
Net assets	6,168
Release of exchange reserve upon disposal	(196)
Minority interests	<u>(15)</u>
	<u><u>5,957</u></u>

(c) The cash flows of the discontinued operations for the year ended 31st December, 2007 and up to the date of disposal on 12th June, 2008 were as follows:–

	Period ended 12.6.2008 <i>HK\$'000</i>	Year ended 31.12.2007 <i>HK\$'000</i>
Net cash generated from operating activities	2,337	658
Net cash (used in)/generated from investing activities	(29)	335
Net cash generated from financing activities	<u>–</u>	<u>20</u>
	<u>2,308</u>	<u>1,013</u>

10. FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31st December, 2008 (2007: Nil).

BUSINESS REVIEW

Turnover of the IT services business unit increased by approximately 6.6% for the year 2008, which was due to an increase in maintenance services income. The gross profits margin also increased as compared with year of 2007. As a result, the segment result of IT services recorded a slight profit growth in 2008 compared with the previous year.

The Group disposed of its supply chain solutions operation in 2008. Consequently, total turnover of the Group decreased substantially as compared with 2007.

FINANCIAL REVIEW

For the year under review, the IT services business unit of the Group recorded a turnover of approximately HK\$38,758,000, representing an increase of approximately 6.6% compared with last year. The audited net loss attributable to shareholders amounted to approximately HK\$976,000. Loss per share for the year ended 31st December, 2008 was HK\$0.93 cents.

The turnover of the IT services business unit increased by approximately 6.6% compared with 2007 due to the increase in maintenance services income. The amount of gross profit was approximately HK\$8,561,000, which represents an increase of approximately 18.5% compared with last year. The segment result of IT services recorded a net profit of approximately HK\$218,000.

During the year 2008, administrative expenses was approximately HK\$10,920,000. As a result, the Group recorded a net loss attributable to shareholders of HK\$976,000 in 2008.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31st December, 2008, the total assets of the Group were approximately HK\$13,409,000 (2007: HK\$18,305,000), including cash and bank deposits of approximately HK\$3,063,000 (2007: HK\$3,124,000) and debtors, deposits and prepayments of approximately HK\$2,010,000 (2007: HK\$8,221,000).

The Group's current assets are approximately 2.8 times (2007: 2.5 time) over its current liabilities whereas the gearing ratio, representing non-current liabilities over total assets, was nil (2007: 0.12). The Group's non-current liabilities, being non-current loans from directors, were nil (2007: HK\$2,256,000). Saved as disclosed herein, the Group did not have any other long-term borrowings during the year under review.

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 for the year ended 31st December, 2008.

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 year ended 31st December, 2008, except for the following deviation:

The Code A.2.1 stipulates that the role of Chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not at present have any office with the title “chief executive officer”. The general manager of each business unit of the Company undertakes the day-to-day management of the Company’s business, whereas the Chairman is responsible for management of the Board and strategic planning of the Group. The Board believes that the balance of power and authority is adequately ensured under the existing arrangement and the operations of the Board which comprises experienced and high calibre individuals with a substantial number thereof being independent non-executive directors.

Code B.1.1 stipulates that company should establish a remuneration committee with specific written terms of reference which 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 as required by this 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

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 Audit Committee comprises three independent non-executive Directors, namely Mr. Ng Chik Sum, Jackson, Mr. Lee Sai Yeung and Mr. Chung Kong Fei, Stephen. Mr. Lee Sai Yeung resigned as an independent non-executive Director and member of the Audit Committee on 26th March, 2009. Mr. Pang Wing Kin, Patrick was appointed as the independent non-executive Director and member of the Audit Committee of the Company on 26th March, 2009. The Audit Committee held four meetings for the year ended 31st December, 2008 and has reviewed the Company’s annual, interim and quarterly financial reports, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. The Audit Committee also met with the external auditors to discuss auditing, internal control, statutory compliance and financial reporting matters before recommending the annual financial reports to the Board for approval.

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

Hong Kong, 26th March, 2009

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

This announcement will remain on the GEM website on the “Latest Company Announcements” page for 7 days from the date of its posting. This announcement will also be available on the Company’s website at www.computech.com.hk.