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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  
AND  
RESUMPTION OF TRADING**

**Placing Agent**



**United Simsen Securities Limited**

**A member of UNITED SIMSEN FINANCIAL GROUP**

On 14 January 2010, 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 by a maximum of two tranches (the number of Placing Shares in each tranche shall not be less than 50,000,000 Placing Shares except where the tranche comprised of the remaining number of Placing Shares), to not fewer than six Placees at a price of HK\$0.30 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.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:47 a.m. on 14 January 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 January 2010.

## **THE PLACING AGREEMENT**

### **Date**

14 January 2010

### **Issuer**

The Company

### **Placing Agent**

The Placing Agent, United Simsen Securities Limited, has conditionally agreed to place a maximum of 100,000,000 Placing Shares by a maximum of two tranches (the number of Placing Shares in each tranche shall not be less than 50,000,000 Placing Shares except where the tranche comprised of the remaining number of 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 of the Placing Shares for each tranche of 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 individual 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\$0.30 represents:

- (i) a discount of approximately 18.92% to the closing price of HK\$0.370 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 9.37% to the average closing price per Share of approximately HK\$0.331 for the five consecutive trading days up to and including 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 each tranche 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 the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement 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 10:00 a.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 each tranche of the Placing, if in the reasonable 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 reasonable 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 which may, in the reasonable 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 by 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 reasonable 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 each tranche 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 any announcements or circulars 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 each tranche of the Placing, in any event, will take place within five 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 EGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the EGM. Under the General Mandate, the Company is authorized to issue up to 157,829,398 Shares. From the date of the EGM 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, systems integration, development and sales of relevant hardware and software products in the PRC and Hong Kong.

In view of the current market conditions, the Directors consider that the Placing represents an opportunity to raise fund for the general working capital of the Group. The Placing will also 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\$30.0 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\$29.3 million, representing a net issue price of approximately HK\$0.293 per Placing Share. The Directors intend to apply the net proceeds as general working capital of the Group.

## FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activity in the twelve months immediately before the date of this announcement.

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
8 April 2009	Open offer on the basis of one offer shares for every two shares held	Approximately HK\$7.3 million	General working capital of the Group	Approximately HK\$2.9 million has been used and the remaining will be utilized in the future as general working capital of the Group

## 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	<u>484,364,990</u>	<u>61.39</u>	<u>484,364,990</u>	<u>54.47</u>
Total	<u><u>789,146,990</u></u>	<u><u>100.00</u></u>	<u><u>889,146,990</u></u>	<u><u>100.00</u></u>

*Notes:*

1. Aplus Worldwide Limited is owned 42% interest in the issued share capital 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.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:47 a.m. on 14 January 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 January 2010.

## **DEFINITIONS**

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

“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
“EGM”	the extraordinary general meeting of the Company held on 3 December 2009
“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 EGM, 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”	13 January 2010, being the last trading day for the Shares prior to this announcement
“Long Stop Date”	31 March 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”	United Simsen Securities Limited, a licensed corporation to carry on business in types 1 (dealing in securities), 2 (dealing in futures contracts) and 4 (advising on 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 14 January 2010 in relation to the Placing
“Placing Price”	HK\$0.30 per Placing Share for all tranches
“Placing Share(s)”	a maximum of 100,000,000 new Share(s) (divided into a maximum of two tranches and the number of Placing Shares in each tranche shall not be less than 50,000,000 new Shares) 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, 14 January 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 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 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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://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.computech.com.hk](http://www.computech.com.hk)*