

# **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Computech Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This document, for which the directors (the “Directors”) of the Company 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 document 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 document misleading; and (3) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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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)

### **GENERAL MANDATES TO REPURCHASE SHARES, TO ISSUE SHARES AND RE-ELECTION OF RETIRING DIRECTORS**

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A notice convening the AGM of Company to be held at 10/F., Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong at 10:00 a.m. on Friday, 25th April, 2008 is contained in the Annual Report of the Company. If you are not able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at 10/F., Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting (as the case may be) should you so wish.

This circular and the form of proxy for the AGM will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

28th March, 2008

\* For identification purpose only

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## CHARACTERISTICS OF GEM

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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 of the Stock Exchange 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 Stock 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.

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## DEFINITIONS

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*In this document, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at 10/F, Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong at 10:00 a.m. on Friday, 25th April, 2008
“Annual Report”	the annual report of the Company for the year ended 31st December, 2007
“Aplus”	Aplus Worldwide Limited, the controlling Shareholder, beneficially owns 32,337,600 Shares representing approximately 30.86% of the issued share capital of the Company
“Articles of Association”	the articles of association of the Company
“Board”	the board of the Directors
“CLIH”	CL International Holdings Limited, the controlling Shareholder, beneficially owns 37,687,202 Shares representing approximately 35.96% of the issued share capital of the Company
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and listed on the 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 the GEM
“Group”	The Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Resolution”	the proposed ordinary resolution no. 4 as referred to in the notice of the AGM
“Latest Practicable Date”	20th March, 2008, being the latest practicable date prior to the printing of this document

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## DEFINITIONS

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“Shares Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period as set out in Issue Resolution up to a maximum of 20% of issued share capital of the Company as at the date of passing the Issue Resolution.
“Shares Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares during the period as set out in the Repurchase Resolution up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution no. 5 as referred to in the notice of the AGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	fully paid-up share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



**Computech Holdings Limited**

**駿科網絡訊息有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 8081)

**Directors:**

*Executive Directors:*

Fung Pak Chuen, Alphonso

Lo, Richard

*Independent Non-Executive Directors:*

Lee Sai Yeung

Chung Kong Fei, Stephen

Ng Chik Sum, Jackson

**Address:**

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal  
place of business:*

10/F., Westlands Centre

20 Westlands Road

Quarry Bay

Hong Kong

28th March, 2008

*To Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES,  
TO ISSUE SHARES, AND  
RE-ELECTION OF RETIRING DIRECTOR**

**GENERAL MANDATE TO REPURCHASE SHARES**

Pursuant to the resolution of the Shareholders passed on 23rd April, 2007, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares of the Company. Such mandate will lapse at the conclusion of the AGM. The Directors propose to seek your approval of the Shares Repurchase Mandate to be proposed at the AGM. An explanatory statement as required under the GEM Listing Rules to provide the requisite information of the Shares Repurchase Mandate is set out in the appendix hereto.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

Pursuant to the resolution of the Shareholders passed on 23rd April, 2007, a general mandate was given to the Directors to exercise the powers of the Company to allot, issue, and deal with unissued shares of the Company. Such mandate will lapse at the conclusion of the AGM. The Directors proposed at the AGM two ordinary resolutions respectively granting to the Directors the Shares Issue Mandate and to extend the Shares Issue Mandate by adding to the Shares Issue Mandate the aggregate nominal amount of the Shares repurchased by the Company after the granting of the Shares Repurchase Mandate to repurchase up to a maximum of 10% of the Shares at the date of passing the Repurchase Resolution.

### ANNUAL GENERAL MEETING

Set out on pages 57 to 60 of the Annual Report is the notice convening the AGM at which the following ordinary resolutions in respect of approving the Shares Issue Mandate, the Shares Repurchase Mandate and the extension of the Shares Issue Mandate will be proposed:–

- 1 to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10% of the Shares as at the date of the Repurchase Resolution during the period from the date of passing the Repurchase Resolution up to (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the Repurchase Resolution, whichever occurs first;
- 2 to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with unissued shares capital of the Company not exceeding 20% of the Shares as at the date of such resolution; and
- 3 to extend the Shares Issue Mandate which will be granted to the Directors to issue, allot and deal with additional unissued shares by adding to the Shares Issue Mandate the aggregate nominal amount of the Shares repurchased under the Shares Repurchase Mandate up to a maximum of 10% of the Shares after the granting of the Shares Repurchase Mandate.

### RE-ELECTION OF RETIRING DIRECTOR

Pursuant to the Articles of Association, Mr. Lo, Richard (“Mr. Lo”) and Mr. Lee Sai Yeung (“Mr. Lee”) shall retire and, being eligible, offer themselves for re-election at the AGM.

The biographical details, interests in the Shares and the service contracts of Mr. Lo and Mr. Lee are set out in the appendix II of this circular.

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## LETTER FROM THE BOARD

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### PROCEDURE BY WHICH A POLL MAY BE DEMANDED

Under the Articles of Association, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the general meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the general meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the general meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the general meeting being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right.

In addition, under the GEM Listing Rules, if the chairman of the general meeting and/or the Directors individually or collectively hold(s) proxies in respect of Shares holding 5% or more of the total voting rights of the Company at a particular general meeting, and if the votes cast on a show of hands are in the opposite manner to that instructed in those proxies, then the chairman shall demand a poll. However, if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then the chairman shall not be required to demand a poll.

### RECOMMENDATION

The Directors believe that the Shares Repurchase Mandate, the Shares Issue Mandate, the extension of Shares Issue Mandate and the re-election of the retiring directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders should vote in favour of the aforesaid resolutions to be proposed at the AGM.

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

This appendix serves as an explanatory statement, pursuant to the GEM Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the Shares as at the date of passing the Repurchase Resolution.

## **1. GEM LISTING RULES**

The GEM Listing Rules permit companies with a primary listing on GEM to repurchase their securities on GEM subject to certain restrictions.

Any securities buyback programme is required to be suspended after the directors have made any decision in respect of a price sensitive development or a price sensitive development has occurred until the price sensitive information has been publicly announced. In particular, during the period of one month immediately preceding either the preliminary announcement of annual results or the publication of quarterly report or interim report, a company may not purchase its shares on GEM, unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to suspend a securities repurchase programme on GEM if the company has breached the GEM Listing Rules.

A company shall not knowingly repurchase its shares from a connected person (as defined in the GEM Listing Rules), and such a connected person shall not knowingly sell his shares to the company on GEM.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the Shares comprised 104,802,000 shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 10,480,200 Shares representing not exceeding, 10% of the Shares at the Latest Practicable Date.

## **3. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders.

## **4. FUNDING OF REPURCHASE**

In repurchasing securities, the Company may only apply funds legally available for such purchase in accordance with its Memorandum and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. Under Cayman Islands law, any repurchases by



a company may only be paid out of the profits or the proceeds of a fresh issue made for the purpose or if authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. The Directors propose that any repurchase of Shares under the Shares Repurchase Mandate will be financed by the retained profits of the Company.

The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the latest published accounts in the Annual Report in the event that the power to repurchase Shares pursuant to the Shares Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Shares Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2007</b>		
March	0.250	0.189
April	0.400	0.250
May	0.490	0.315
June	0.520	0.410
July	0.560	0.370
August	0.850	0.400
September	0.490	0.410
October	0.460	0.410
November	0.510	0.450
December	0.500	0.350
<b>2008</b>		
January	0.380	0.325
February	0.350	0.315
March (Up to and including the Latest Practicable Date)	0.355	0.315

**6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Shares Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands in which the Company is incorporated.

**7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their associates (as defined in the GEM Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Shares Repurchase Mandate if such is approved by the shareholders.

No other connected persons of the Company (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Shares Repurchase Mandate is approved by the shareholders.

**8. TAKEOVER CODE**

If on the exercise of the power to repurchase Shares pursuant to the Shares Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. As a result, a shareholder, or a group of shareholders acting in concert (as defined under the Takeover Code), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with terms of the Shares Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the interest of Aplus and CLIH in the Company would be increased to approximately 34.28% and 39.96% of the issued share capital of the Company respectively. As both Aplus and CLIH are controlled by Mr. Fung Pak Chuen Alphonso, Mr. Lo Richard and Mr. Yap Fat Suan Henry, who are acting in concert with each other, this would not give rise to an obligation on the part of Aplus and CLIH to make a mandatory offer under Rule 26 of the Takeover Code.

**9. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*The details of the retiring directors proposed to be re-elected at the AGM are set out as follows:*

**LO, Richard**

Mr. Lo, aged 56, is an Executive Director of the Company. He was appointed as Non-Executive Director of the Company in March 2000 and re-designated as Executive Director on 13th February, 2004. Mr. Lo is responsible for corporate strategy of the Group. Prior to co-founding the CL Group, a group of IT companies operating in the PRC, Hong Kong and South-East Asia, in 1979, he worked in marketing department of IBM in Hong Kong. Mr. Lo holds a bachelor degree in Mathematics from Syracuse University, New York and a Master degree in Business Administration from the University of California at Los Angeles.

There is no service contract entered into between the Company and Mr. Lo. He is not appointed for a specific term except that he is subject to retirement by rotation and re-election at least once every three years pursuant to the Articles of Association. There will be no benefits provided to Mr. Lo for his directorship in the Company.

Mr. Lo holds 84% interest in the issued share capital of Aplus and approximately 47.3% interest in the issued share capital of CLIH respectively and is therefore taken to have an interest in 70,024,802 Shares representing approximately 66.82% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lo is one of the directors of Aplus, CLIH and all the subsidiaries of the Company. Save as disclosed herein, Mr. Lo does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Lo has not held any directorships in other listed public companies in Hong Kong in the last three years.

The Board confirms that there are no other matters that need to be brought to the attention of the shareholders of the Company in respect of the appointment of Mr. Lo.

Save as disclosed above, there is no other information relating to Mr. Lo that need to be disclosed pursuant to the requirements of Rule 17.50(2) (h) to (v) of the GEM Listing Rules.

**LEE Sai Yeung**

Mr. Lee, aged 56, was appointed as an independent non-executive Director of the Company in June 2000. He was previously the executive director of several companies listed on the Stock Exchange of Hong Kong Limited during the 1990s. He has extensive experience in the securities business, corporate finance and investment banking. Mr. Lee had been registered as a dealing director, investment adviser and held position as senior executive in several major regional and European securities firms in Hong Kong for many years. Mr. Lee obtained both a Master and a bachelor degree in Business Administration (with honours) from the University of Texas at Austin.

There is no service contract entered into between the Company and Mr. Lee. He is not appointed for a specific term except that he is subject to retirement by rotation and re-election at least once every three years pursuant to the Articles of Association. The emolument for Mr. Lee is HK\$60,000 per annum, which is determined by the Board with reference to his duties and responsibility. Save as disclosed herein, except for the directors' emoluments, there will be no other benefits provided to Mr. Lee for his directorship in the Company.

Save as disclosed above, Mr. Lee does not hold any other positions in the Company or any of its subsidiaries. Mr. Lee does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lee has not held any directorships in other listed public companies in the last three years.

The Board confirms that there are no other matters that need to be brought to the attention of the shareholders of the Company in respect of the appointment of Mr. Lee.

Save as disclosed above, there is no other information relating to Mr. Lee that need to be disclosed pursuant to the requirements of Rule 17.50(2) (h) to (v) of the GEM Listing Rules.