



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8081)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. 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.

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*This announcement, for which the directors (the "**Directors**") of Computech Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* For identification purposes only

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company announces the unaudited condensed consolidated interim results (“**Interim Results**”) of the Company and its subsidiaries (together the “**Group**”) for the six months and three months ended 30 June 2012, together with the unaudited comparative figures for the corresponding period of 2011 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months and three months ended 30 June 2012

	Notes	For the six months ended 30 June		For the three months ended 30 June	
		2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Turnover	3	20,117	12,582	17,312	6,547
Cost of sales		(17,371)	(9,910)	(15,958)	(4,959)
Gross profit		2,746	2,672	1,354	1,588
Other income		214	1	27	—
Selling and distribution expenses		—	(29)	—	(29)
Administrative expenses		(10,652)	(13,711)	(5,068)	(3,940)
Finance costs		(1,320)	(15)	(1,027)	(15)
Loss before income tax	4	(9,012)	(11,082)	(4,714)	(2,396)
Income tax expenses	5	—	—	—	—
Loss for the period		(9,012)	(11,082)	(4,714)	(2,396)
Other comprehensive loss		—	—	—	—
Total comprehensive loss for the period		(9,012)	(11,082)	(4,714)	(2,396)
Attributable to:					
— Owners of the Company		(9,012)	(11,082)	(4,714)	(2,396)
Basic loss per share (HK cents)	7	(0.71)	(1.21)	(0.36)	(0.26)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

		(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,124	6,281
Goodwill		97	97
Loan receivables	11	3,636	349
Investment in fish breeding business	9	15,500	—
		<u>25,357</u>	<u>6,727</u>
CURRENT ASSETS			
Inventories		—	68
Debtors, deposits and prepayments	10	7,775	2,441
Loan receivables	11	14,850	10,045
Held-for-trading investments		7,200	—
Cash and bank balances		32,634	11,789
		<u>62,459</u>	<u>24,343</u>
CURRENT LIABILITIES			
Creditors, accruals and other payables	12	5,344	6,251
		<u>5,344</u>	<u>6,251</u>
NET CURRENT ASSETS		<u>57,115</u>	<u>18,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>82,472</u>	<u>24,819</u>
NON-CURRENT LIABILITIES			
Convertible notes	13	37,511	—
		<u>37,511</u>	<u>—</u>
NET ASSETS		<u>44,961</u>	<u>24,819</u>
CAPITAL AND RESERVES			
Share capital	14	13,942	12,142
Share premium and reserves		31,019	12,677
SHAREHOLDERS' FUND		<u>44,961</u>	<u>24,819</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to owners of the Company						
	Share capital	Share premium	Share options reserve	Warrants reserve	Convertible Notes reserve	Accumulated losses	Total
	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000
At 1/1/2011	9,193	29,634	—	843	—	(20,261)	19,409
Share-based payments	—	—	171	—	—	—	171
Total comprehensive loss for the period	—	—	—	—	—	(11,082)	(11,082)
At 30/6/2011	9,193	29,634	171	843	—	(31,343)	8,498
At 1/1/2012	12,142	58,180	855	—	—	(46,358)	24,819
Issue of shares	1,800	12,861	—	—	—	—	14,661
Share-based payments	—	—	684	—	—	—	684
Issue of convertible notes	—	—	—	—	13,809	—	13,809
Total comprehensive loss for the period	—	—	—	—	—	(9,012)	(9,012)
At 30/6/2012	13,942	71,041	1,539	—	13,809	(55,370)	44,961

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Net Cash used in operating activities	(20,570)	(15,848)
Net Cash used in investing activities	(23,246)	(26)
Net cash inflow from financing activities	64,661	585
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Net increase/(decrease) in cash and cash equivalent	20,845	(15,289)
Cash and cash equivalents at beginning of the period	11,789	21,289
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	32,634	6,000
	<hr/>	<hr/>
Analysis of cash and cash equivalents		
Cash and bank balances	32,634	6,000
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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENTS

1. BASIS OF PREPARATION

The Interim Results are prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKFRSs”) and the disclosure requirements of the GEM Listing Rules.

The Interim Results have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value. The principal accounting policies used in the preparation of the Interim Results are consistent with those applied in the Company’s annual financial statements for the year ended 31 December 2011, except for the adoption of new and revised HKFRSs which are effective for the Group’s financial year beginning on 1 January 2012. The adoption of these new standards, amendments or interpretations has no material effect on the Interim Results.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective.

2. SEGMENT INFORMATION

The Group determines its operating segment based on the internal reports that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

- (i) IT business — the provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products in Hong Kong; and
- (ii) Money lending business in Hong Kong.

Segment revenue and results for the six months ended 30 June 2012 and 2011 are reported below:

	IT business		Money lending business		Total	
	2012	2011	2012	2011	2012	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
External customers	18,148	12,582	1,969	—	20,117	12,582
Reportable segments profit/(loss)	158	14	(1,486)	—	(1,328)	14
Unallocated head office and corporate expenses					(6,364)	(11,081)
Finance costs					(1,320)	(15)
Loss before income tax					(9,012)	(11,082)
Income tax expenses					—	—
Loss for the period					(9,012)	(11,082)

3. TURNOVER

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

	(Unaudited) For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Services income	764	11,766
Sales	17,384	816
Loans interest and related income	1,969	—
	<hr/>	<hr/>
	20,117	12,582
	<hr/>	<hr/>

4. LOSS BEFORE INCOME TAX

Loss before income tax was arrived at after charging

	(Unaudited) For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Cost of inventories expensed	17,142	901
Depreciation	186	45
Directors' remuneration	180	1,451
Other staff salaries and benefits	2,837	8,122
Retirement scheme contributions	51	366
Finance costs	1,320	15
Minimum lease payments paid under operating leases	378	819
Impairment loss on trade debtors	—	29
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5. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made for the period ended 30 June 2012 as there was no estimated assessable profits for the period (2011: Nil).

6. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2012 (2011 Nil).

7. BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	(Unaudited)			
	For the six months ended 30 June		For the three months ended 30 June	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss attributable to owners of the Company	<u>(9,012)</u>	<u>(11,082)</u>	<u>(4,714)</u>	<u>(2,396)</u>
	Number of shares			
Weighted average number of ordinary shares in issue	<u>1,260,732,842</u>	<u>919,296,469</u>	<u>1,307,216,359</u>	<u>919,296,469</u>

Diluted loss per share is not presented for the six months and three months ended 30 June 2012 as the potential ordinary shares of the Company in respect of outstanding share options and convertible notes are anti-dilutive (2011: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, additional to property, plant and equipment amounted to HK\$28,000.

9. INVESTMENT IN FISH BREEDING BUSINESS

On 25 April, 2012, the Group entered into an Investment Agreement with the Enrich Marine Sdn. Bhd., (the "**Target Company**"), pursuant to which the Group agreed to invest up to HK\$15,500,000 in the Target Company in relation to the fish farm business for a term of 20 calendar months from the date of the Investment.

Target Company has guaranteed to the Group that the Net Profit derived from the sale of the fishes upon the end of the Period shall be not less than HK\$1,550,000. In the event that the guaranteed amount is not met, the Target Company has undertaken to pay to the Group the difference between the guaranteed amount and actual Net Profit.

As at 30 June 2012, the Group has invested HK\$15,500,000 in the Target Company, the Investment Amount has been applied to purchase of fish fry and fish feed for the sole purpose of fish breeding at the Fish Farm.

The Investment constitutes a discloseable transaction under the GEM Listing Rules. Details of the information were set out in the Company's announcements dated 25 April 2012, 30 April 2012 and 2 May 2012 respectively.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
Trade debtors	5,389	376
Other debtors, deposits and prepayments	1,515	1,704
Loans interest receivable	871	361
	<hr/> 7,775 <hr/>	<hr/> 2,441 <hr/>

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 credit period given to trade debtors ranged from 30 days to 60 days and the following is an aging analysis of trade debtors.

	(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
Within 3 months	5,360	347
Over 3 months	29	29
	<hr/> 5,389 <hr/>	<hr/> 376 <hr/>

11. LOAN RECEIVABLES

	(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
Loans to customers-secured	10,486	1,349
Loans to customers-unsecured	8,000	9,045
Less: current portion included under current assets	(14,850)	(10,045)
	<hr/> 3,636 <hr/>	<hr/> 349 <hr/>
Non-current portion included under non-current assets		

The credit period given to customers ranged from one month to seven years, and the following is an aging analysis of loan receivables.

	(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
current year	14,850	10,045
1 to 3 years	2,500	—
over 3 years	1,136	349
	18,486	10,394

12. CREDITORS, ACCRUALS AND OTHER PAYABLES

	(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
Trade creditors	—	34
Accruals and other creditors	5,222	6,117
Deferred revenue	—	15
Deposits received	122	85
	5,344	6,251

The following is an aging analysis of trade creditors:

	(Unaudited) At 30 June 2012 HK\$'000	(Audited) At 31 December 2011 HK\$'000
Within 3 months	—	34
	—	34

13. CONVERTIBLE NOTES

On 6 March 2012, the Company issued the zero coupon Convertible Notes (the “Notes”) in the principal amount of HK\$50 million due 2015 and the maturity date of 5 March 2015. The holders of the Notes can be able to convert the outstanding principal amount of Notes into ordinary share of the Company at initial conversion price of HK\$0.05 per share (subject to adjustment) at any time from one year after the date of issue of the Notes.

The fair value of the liability component and equity component are determined at the issuance of the Notes. The fair value of the liability component is included in the non-current liabilities. The effective interest rate of the liability component is 11.38% and the interest expenses will be charged to income statement over the Notes periods. The fair value of equity component is included in the owner’s equity and denoted as convertible notes reserve.

The movement of the principal amount, liability component and equity component of the Notes are as follows:

	<i>HK\$’000</i>
Principal amount of the Notes	50,000
Equity component	(13,809)
Liability component	36,191
Interest expenses	1,320
	<hr/>
At 30 June 2012	37,511
	<hr/>

14. SHARE CAPITAL

	Number of share	<i>HK\$’000</i>
Authorized:		
Ordinary shares of HK\$0.01 each at 31 December 2011 and 30 June 2012	10,000,000,000	100,000
	<hr/>	<hr/>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 31 December 2011	1,214,249,326	12,142
Issue of new shares under share placing (<i>note</i>)	180,000,000	1,800
	<hr/>	<hr/>
As at 30 June 2012	1,394,249,326	13,942
	<hr/>	<hr/>

Note: On 15 May 2012, a total of 180,000,000 shares of the Company were issued to placees at a price of HK\$0.084 per placing share.

15. CONNECTED AND RELATED PARTY TRANSACTIONS

- (a) During the period 2011, the Group had the following transactions with CL International Holdings Limited ("CLIH") and its subsidiaries. CLIH is a connected associate of the Company according to the GEM Listing Rules.

	(Unaudited)	
	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Provision of IT services to subsidiaries of CLIH	—	9,842
Purchases from subsidiaries of CLIH	—	452
	<hr/>	<hr/>

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

- (b) **Key management personnel remuneration**

	(Unaudited)	
	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Fees for key management personnel	180	251
Salaries, allowances and other benefits in kind	—	2,142
Retirement scheme contributions	—	45
	<hr/>	<hr/>
	180	2,438
	<hr/>	<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged two business segments (i) IT business which provides consultancy, technical support, system integration, development and sales of relevant hardware and software products in Hong Kong; and (ii) Money lending business in Hong Kong. During the six months ended 30 June 2012 under review, the Group recorded a turnover of approximately HK\$20,117,000 (2011: HK\$12,582,000), an increase of 59.9% compared with the corresponding last period.

IT business

The turnover of IT business for the six months period was approximately HK\$18,148,000 (2011: HK\$12,582,000). During the period, the IT business broadened its customer base and expanded its sales of IT products as a result of increase in turnover of 44.2% compared with the corresponding last period. This segment recorded a profit of approximately HK\$158,000 (2011: HK\$14,000).

Money lending business

The Group commenced the money lending business in the third quarter of 2011 and intends to expand the loan portfolios. As at 30 June 2012, the loan receivables were approximately HK\$18,486,000, an increase 77.9% compared with the balances of HK\$10,394,000 at 31 December 2011, of which the secured and unsecured loan receivables were approximately HK\$10,486,000 and HK\$8,000,000 respectively. During the periods under review, the revenue from loan interest income was approximately HK\$1,969,000 and the average interest rate per annum was 34.8%. Customers base include individuals and corporations and the credit terms granted to customers ranged from one month to seven years. This segment recorded a loss of approximately HK\$1,486,000.

At 30 June 2012, the Company had held-for-trading investments in the listed equity securities in Hong Kong of approximately HK\$7,200,000. During the six months period, the held-for-trading investments recorded a fair value loss of approximately HK\$484,000.

The administrative expenses of the Group for the six months period were approximately HK\$10,652,000 (2011: HK\$13,711,000), which mainly comprised staff costs, operating lease rentals, professional fee, share-based payments and fair value loss of held-for-trading investments. During the period, the Group recorded an increase in finance costs of approximately HK\$1,320,000 (2011: HK\$15,000) for the imputed interest expenses on the zero coupon convertible notes due 2015 in the principal amount of HK\$50 million.

The loss for the six months period ended 30 June 2012 attributable to owners of the Company amounted to approximately HK\$9,012,000, compared with approximately HK\$11,082,000 in the same period in 2011. The loss per share was HK\$0.71 cents (2011: HK\$1.21 cents).

Financial resources and liquidity

As at 30 June 2012, the total assets of the Group were approximately HK\$87,816,000 (31 December 2011: HK\$31,070,000) including cash and bank balances of approximately HK\$32,634,000 (31 December 2011: HK\$11,789,000). The net current assets of the Group was approximately HK\$57,115,000 (31 December 2011: 18,092,000) and the Group's current ratio, current assets over its current liabilities, was approximately 11.7 times (31 December 2011: 3.9 times).

Capital structure

On 6 March 2012, the Company issued the zero coupon Convertible Notes (the "**Notes**") in the principal amount of HK\$50 million due 2015 and the maturity date of 5 March 2015. The holders of the Notes can be able to convert the outstanding principal amount of Notes into ordinary share of the Company at initial conversion price of HK\$0.05 per share (subject to adjustment) at any time from one year after the date of issue of the Notes. Details of information were set out in the Company's circular dated 2 February 2012 and announcement dated 6 March 2012.

On 30 April 2012, the Company and Kingston Securities Limited (the "**Placing Agent**") entered into the placing agreement, pursuant to which the Company had conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 180,000,000 new shares at HK\$0.084 per placing share (the "**Placing**"). The net proceeds of approximately HK\$14,661,000 from the Placing were intended to be used as to approximately HK\$10 million for the general working capital and/or future investments for the IT business as and when opportunities arise, and as to approximately HK\$5 million for possible investments in properties. The Placing was completed on 15 May 2012. Details of Placing were set out in the Company's announcements dated 30 April 2012 and 15 May 2012 respectively.

Foreign exchange

The Group's foreign exchange risk is primarily attributable to its creditors. The Group's purchase principally denominated in Hong Kong Dollars, United States Dollars and Renminbi and considers that the impact of foreign exchange exposure of the Group is minimal.

Charge on the Group's assets

As at 30 June 2012, there was no charge on the Group's assets (31 December 2011: Nil).

Capital commitments

As at 30 June 2012, the Group did not have undertaken any material capital commitments (31 December 2011: Nil).

Contingent liabilities

As at 30 June 2012, the Group did not have any material contingent liabilities (31 December 2011: Nil).

Employees and remuneration policies

As at 30 June 2012, the Group had 16 employees (31 December 2011: 16). 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 and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to our employees.

Prospects

The Group is devoted to explore and broaden the existing businesses in order to strengthen our competitiveness and provide business growth potential. The Company is seeking opportunities to engage in the property activities and will continue to explore other investment opportunities for diversifying its business portfolios with the aim of enhancing shareholders' wealth.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2012, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were 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 were 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 were 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	Approximate %	
		Number of shares held	to the issued share capital
Mr. Yang Yue Zhou	Beneficial owner	268,453,158	19.25%

Save as disclosed above, as at 30 June 2012, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 were 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 were 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.

SHARE OPTIONS SCHEME

Under the terms of a share option scheme (the “**Scheme**”) adopted by the Company on 12 November 2010, the Board may, at its absolute discretion, grant options to eligible participants including any employee, contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Group (including any Director, whether executive or non-executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Group at the time when an option is granted to such employee, or any person who, in the sole discretion of the Board, have contributed or may contribute to the Group.

The purpose of the Scheme is to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Company.

On 17 May 2011, the Company granted a total of 36,400,000 share options to subscribe for a total of 36,400,000 new ordinary shares of HK\$0.01 each in the share capital of the Company, to four eligible participants who are consultants of the Company, namely Mr. Chui Bing Sun, Mr. Chui Tak Keung, Duncan, Ms. Ma Pun Sai, Betsy and Mr. Law Yee Man under which 9,100,000 share options were granted to the each of the eligible participant.

The details of the share options granted by the Company for the period and the outstanding of share option granted as at 30 June 2012 were as follows:

Category	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1 January 2012	Granted during the period	Exercised during the period	Outstanding as at 30 June 2012
Consultants	17 May 2011	\$0.144	17 May 2011 to 16 May 2014	36,400,000	—	—	36,400,000

Under the period of review, there were no share options cancelled, lapsed or forfeited and exercised during the six months ended 30 June 2012.

The fair value of 36,400,000 share options granted during the period are measured based on Black-Scholes option pricing model with following assumptions:

Fair value at date of grant	HK\$0.0438
Closing share price at the date of grant	HK\$0.144
Exercise price	HK\$0.144
Expected volatility	66.11 %
Expected average share option life	2 years
Expected annual dividend yield	Nil
Risk-free interest rate per annum	0.34 %

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST

As at 30 June 2012, so far as was known to any Director of the Company, persons who have an interest or a short position in the shares, 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 and underlying shares of the Company

Name of shareholder	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate % to the issued share capital
Mr. Yang Yue Zhou	Beneficial owner	268,453,158	—	268,453,158	19.25%
Mr. Tam Siu Ki ("Mr. Tam")	Beneficial owner	19,980,000	880,000,000 (note 1)	899,980,000	64.55%
Ms. Hui Kwai Fong Simmi ("Ms. Hui")	Beneficial owner and interest of spouse	59,680,000	20,000,000 (note 2)	79,680,000	5.71%
Mr. Lo Hung ("Mr. Lo")	Beneficial owner and interest of spouse	59,680,000	20,000,000 (note 2)	79,680,000	5.71%

Notes:

1. These underlying shares represent the new shares to be issued upon conversion of the Notes due 2015 by Mr. Tam in the principal amount of HK\$440,000,000 at the initial conversion price of HK\$0.05 per share (subject to adjustment).
2. Ms. Hui is spouse of Mr. Lo. These underlying shares represent the new shares to be issued upon conversion of the Notes due 2015 by Mr. Lo in the principal amount of HK\$1,000,000 at the initial conversion price of HK\$0.05 per share (subject to adjustment).

Save as disclosed above, as at 30 June 2012 so far as was known to any Director of the Company, no other persons had an interest or a short position in the shares, 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 2012.

COMPETING INTERESTS

As at 30 June 2012, the Directors are not aware of any business or interest of the Directors, the initial management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules), that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

During the period ended 30 June 2012, 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.

CORPORATE GOVERNANCE CODE COMPLIANCE

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 2012, except for the following deviations:

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 have any offices with title of "chief executive officer". The executive Directors undertake 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 non-executive Directors.

The Code A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. All independent non-executive Directors ("**INEDs**") do not have specified length of service period and will be continuous to hold offices unless terminated by either party giving to the other not less than one month notice in writing. All INEDs are subject to the provisions of retirement by rotation at annual general meeting under the articles of association accomplishing the same objective as a specific term of appointment.

AUDIT COMMITTEE

The audit committee comprises three INEDs, namely Mr. Wong Siu Keung, Joe, being the chairman of the audit committee, Mr. Wong Ching Yip and Mr. Luk Chi Shing. The primary duties of the audit committee are 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 2012 have been reviewed by the audit committee, which is of the opinion that the preparation of such Results complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosure have been made.

By order of the Board
Computech Holdings Limited
Yang Yue Zhou
Chairman

Hong Kong, 6 August 2012

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Yang Yue Zhou, Mr. Mak Kwong Yiu and Mr. Jiang Tan Shan and (ii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company's website at <http://www.computech.com.hk>.