

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities of the Company.



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
AND
(3) PROPOSED OPEN OFFER ON THE BASIS OF
THREE OFFER SHARES FOR EVERY ONE
CONSOLIDATED SHARE HELD ON THE RECORD DATE**

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriter to the Open Offer



KINGSTON SECURITIES LTD.

* For identification purpose only

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares from 30,000 Existing Shares to 10,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

PROPOSED OPEN OFFER

Subject to the Share Consolidation becoming effective, the Company proposes to raise approximately HK\$83.7 million, before expenses, by way of the Open Offer of 418,274,796 Offer Shares at the Subscription Price of HK\$0.20 per Offer Share on the basis of three (3) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date and payable in full on application. The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. There will not be any arrangement for application of the Offer Shares by Qualifying Shareholders in excess of their entitlements. The Open Offer (other than the Offer Shares which will be provisionally allotted and taken up by Mr. Yang under the Irrevocably Undertaking) will be fully underwritten by the Underwriter.

The estimated net proceeds from the Open Offer will be approximately HK\$80.5 million. The Board intends to use the net proceeds from the Open Offer of approximately HK\$30 million and approximately HK\$50 million for general working capital for the money lending business and the property development project in the PRC (as detailed in the section headed “Reasons for the Open Offer and use of proceeds” below) respectively.

GENERAL

The Share Consolidation is subject to the Shareholders’ approval at the EGM at which no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

The Open Offer is subject to, among other things, the approval by the Independent Shareholders at the EGM.

The Company will establish an independent board committee to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and whether the Open Offer is in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of the independent financial adviser. In this connection, the Company will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

A circular containing, among other things, further details of the Share Consolidation, the change in board lot size, the Open Offer and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional, inter alia, upon the fulfillment of certain conditions set out below under the section headed “Conditions of the Open Offer”. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 10 October, 2012 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 7 November, 2012), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each. As at the date of this announcement, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 1,394,249,326 Existing Shares had been issued and were fully paid or credited as fully paid. Assuming that no further Existing Shares will be issued or repurchased from the date of this announcement up to the date on which the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.10 each, of which 139,424,932 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the Share Consolidation but before completion of the Open Offer. The Consolidated Shares will rank pari passu in all respects with each other.

Effects of the Share Consolidation

Upon the Share Consolidation becoming effective (assuming no further Existing Shares will be issued from the date of this announcement up to the date on which the Share Consolidation becoming effective), the effect on the share capital of the Company is summarised as follows:

| | Par value per Share (HK\$) | Authorised share capital (HK\$) | Issued share capital (Shares) | Unissued share capital (Shares) |
|-------------------------------------|---|--|--|--|
| As at the date of this announcement | 0.01 | 100,000,000 | 1,394,249,326 | 8,605,750,674 |
| After Share Consolidation | 0.1 | 100,000,000 | 139,424,932 | 860,575,068 |

The Consolidated Shares will rank pari passu in all respects with each other. Other than the expenses incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the relative interests or rights of the Shareholders, save that any fractional Consolidated Shares (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company.

Listing application

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Conditions of the Share Consolidation

The Share Consolidation will be conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue.

The Share Consolidation will become effective on the next Business Day immediately following fulfillment of the above conditions. The expected effective date of the Share Consolidation is Tuesday, 9 October 2012.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares, and is expected to bring about a corresponding increase in the trading price of the Consolidated Shares and enable the Company to comply with the trading requirements under the GEM Listing Rules. Accordingly, the Board is of the view that the Share Consolidation is in the interest of the Company and the Shareholders as a whole.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, on or after 9 October 2012 until 15 November 2012 (both days inclusive), submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Ltd. at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (on the basis of ten (10) Existing Shares for one (1) Consolidated Share). Thereafter, share certificates for Existing Shares will remain effective as documents of title but will be accepted for exchange only at any time on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each certificate issued or cancelled, whichever the number of certificates cancelled/issued is higher. Share certificates for the Existing Shares will cease to be accepted for delivery, trading and settlement purpose(s) after 13 November 2012.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares from 30,000 Existing Shares to 10,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective. Based on the closing price of HK\$0.11 per Existing Share as quoted on the Stock Exchange on the Last Trading Day, the prevailing market value per board lot of the Shares is HK\$3,300 in the board lot size of 30,000 Existing Shares and, based on the theoretical adjusted closing price of the Consolidated Shares of HK\$1.10 with reference to the closing price of HK\$0.11 per Existing Share on the Last Trading Day, the estimated board lot value would be HK\$11,000 in the new board lot size of 10,000 Consolidated Shares.

Arrangement on odd lot trading

To facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the change of board lot size, the Company has agreed to procure an agent to arrange for matching services regarding the sale and purchase of odd lots of Consolidated Shares on a best efforts basis, during the period from 24 October 2012 to 13 November 2012 (both days inclusive). Further details in respect of the odd lots trading arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

PROPOSED OPEN OFFER

Issue statistics

| | | |
|-------------------------|---|--|
| Basis of the Open Offer | : | three (3) Offer Shares for every one (1) Consolidated Share held on the Record Date and payable in full on application |
| Subscription Price | : | HK\$0.20 per Offer Share |

| | | |
|---|---|---|
| Number of Existing Shares in issue as at the date of this announcement | : | 1,394,249,326 Existing Shares |
| Number of Consolidated Shares in issue as at the Record Date | : | 139,424,932 Consolidated Shares (assuming no issue or repurchase of any Shares from the date of this announcement up to the Record Date) |
| Number of Offer Shares | : | 418,274,796 Offer Shares |
| Number of Offer Shares to be taken up by Mr. Yang pursuant to the Irrevocable Undertaking | : | 80,535,945 Offer Shares to be provisionally entitled to Mr. Yang under the Open Offer |
| Total number of Offer Shares to be underwritten by the Underwriter | : | 337,738,851 Offer Shares, being the total number of Offer Shares less the number of Offer Shares to be taken up by Mr. Yang pursuant to the Irrevocable Undertaking |
| Total number of Consolidated Shares in issue upon completion of the Open Offer | : | 557,699,728 Consolidated Shares |

As at the date of this announcement, the Company has Convertible Notes in the principal amount of approximately HK\$50 million carrying rights to convert into 1,000,000,000 Existing Shares at the conversion price of HK\$0.05 per Existing Share (subject to adjustment) starting from 6 March 2013, being the one year anniversary of the issue date of the Convertible Notes. Save for the Convertible Notes aforementioned, there are no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares as at the date of this announcement.

The total number of Offer Shares of 418,274,796 Shares represents:

- (i) approximately 300.0% of the Company's adjusted issued share capital immediately upon completion of the Share Consolidation; and
- (ii) approximately 75.0% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

Subscription Price

The Subscription Price of HK\$0.20 per Offer Share is payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 81.82% to the adjusted closing price of HK\$1.10 per Consolidated Share, based on the closing price of HK\$0.11 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (ii) a discount of approximately 81.13% to the adjusted average closing price of approximately HK\$1.06 per Consolidated Share, based on the average closing prices of Existing Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$0.106 per Existing Share and adjusted for the effect of the Share Consolidation; and
- (iii) a discount of approximately 52.94% to the theoretical ex-entitlement price of HK\$0.425 per Consolidated Share, based on the closing price of HK\$0.110 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation and the Open Offer.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the recent trading price performance and trading liquidities of the Shares and the prevailing market conditions. The net price to be raised upon completion of the Open Offer will be approximately HK\$0.1925 per Offer Share.

The Directors consider that the Subscription Price would encourage Shareholders to participate in the Open Offer and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Open Offer, the Directors, except the independent non-executive Directors who will form their views after taking into account the independent advice from the independent financial adviser to be appointed by the independent board committee of the Company, consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and will send the Prospectus (without the Application Form), for information only, to the Excluded Shareholders, on the Posting Date.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date, and not being an Excluded Shareholder. In order to be registered members of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Thursday, 11 October 2012.

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will ascertain whether there are any Overseas Shareholders on the Record Date. In determining whether there will be Excluded Shareholders, the Company will make enquiry regarding the legal restrictions

(if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Company's offering of the Offer Shares to the Overseas Shareholders in compliance with the GEM Listing Rules. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

Closure of register of members

The register of members of the Company is expected to be closed from Friday, 12 October 2012 to Tuesday, 16 October 2012, both dates inclusive, to determine entitlements to participate in the Open Offer. No transfer of shares will be registered during this period.

Fractions of Offer Shares

On the basis of provisional allotment of three (3) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

No application for excess Offer Shares

There will be no arrangement for application of Offer Shares by the Qualifying Shareholders in excess of their entitlements. Having considered that each Qualifying Shareholder will be given an equal and fair opportunity to participate in the Company's future development by subscribing for his/her/its assured entitlements under the Open Offer, the Company decided not to put in additional effort and costs to administer the excess application procedures. Any Untaken Shares will be underwritten by the Underwriter. In the view that the related administration costs would be lower, the Directors consider that the absence of application for excess Offer Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares, when allotted, fully paid and issued, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Share certificates for the Offer Shares

Subject to fulfillment of the conditions of the Open Offer as set out in the section headed "Conditions of the Open Offer" below, share certificates for the fully paid Offer Shares are expected to be posted on or before Monday, 12 November 2012 to those Qualifying Shareholders who have accepted and paid for the Offer Shares by ordinary post at their own risk.

Application for listing of the Offer Shares

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

UNDERWRITING ARRANGEMENT

Irrevocable undertaking

As at the date of the Underwriting Agreement, Mr. Yang is interested in 268,453,158 Existing Shares. Mr. Yang has given an Irrevocable Undertaking in favour of the Company and the Underwriter that (1) any Shares held by him as at the date of the Underwriting Agreement shall continue to be held by him at the Record Date; and (2) he will subscribe for or procure subscriptions for 80,535,945 Offer Shares to which he is entitled under the Open Offer.

The Underwriting Agreement

| | | |
|--|---|--|
| Date | : | 22 August 2012 (after trading hours) |
| Underwriter | : | Kingston Securities Limited |
| Number of Offer Shares to be underwritten by the Underwriter | : | 337,738,851 Underwritten Shares, being the total number of Offer Shares less the assured entitlement of Offer Shares to Mr. Yang to be taken up by him under the Irrevocable Undertaking |
| Commission | : | 2.5% of the aggregate Subscription Price in respect of the number of Underwritten Shares |

Pursuant to the Underwriting Agreement and subject to the terms and conditions thereof, the Open Offer (other than the Offer Shares which will be provisionally allotted and taken up by Mr. Yang under the Irrevocable Undertaking) will be fully underwritten by the Underwriter.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries. The Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter is not interested in any Existing Shares as at the date of this announcement.

Termination of the Underwriting Agreement

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if:

1. in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

- 1.1. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - 1.2. 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 or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
3. there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not *ejusdem generis* with any of the foregoing; or
6. any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer, the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

1. any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
2. any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Conditions of the Open Offer

The Open Offer is conditional upon the following:

- a. the Share Consolidation having become effective;
- b. the passing of the necessary resolution(s) by the Shareholders (where applicable, the Independent Shareholders) at the EGM to approve each of the (i) the Share Consolidation; (ii) the Open Offer, and the transactions contemplated thereunder;
- c. the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance respectively of one copy of each of the Prospectus Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance not later than the Posting Date;
- d. the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date;
- e. the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- f. the obligations of the Underwriter becoming unconditional and the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- g. there being no Specified Event occurred prior to the Latest Time for Termination; and
- h. compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement.

If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Underwriting Agreement shall be terminated accordingly and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in (i) the provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products; and (ii) money lending and (iii) property development business.

It is expected that the gross proceeds from the Open Offer will be approximately HK\$83.7 million and the net proceeds from the Open Offer will be approximately HK\$80.5 million. The Board intends to use the net proceeds from the Open Offer of approximately HK\$30 million and approximately HK\$50 million for general working capital for the money lending business and the property development project as mentioned below respectively. Should the property development project do not become materialized, the Board intends to retain the relevant proceeds for other property related activities when suitable opportunities arise.

In light of the nature of money lending business which is capital intensive, the Board considers there is significant demand and intends to utilize approximately HK\$30 million to expand its loan portfolio, in order to enhance the cost efficiency as well as the return of the segment.

In August 2012, the Group has acquired a wholly foreign-owned enterprise in the PRC which is licenced for property-related activities. It has entered into an agreement with Dabu County Land and Resources Bureau (大埔縣國土資源局) of the Guangdong Province, PRC in relation to a property development project involving the development of low density luxury villa in the region.

The overall development plan is subject to the approval of relevant regulators and authorities, as well as the negotiation between the relevant parties.

The Board considers that it is a good opportunity for the Group to enter into the PRC property market so as to diversify its business portfolio while maintaining its existing business. It needs funding as a proof of financial strength in negotiating.

The Board is of the view that the Open Offer will enable the Company to raise funds and provide the Company with financial flexibility necessary for the Group to capture development and investment opportunities on a timely manner. In addition, the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enable the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

Apart from the Open Offer, the Board has also considered other financing alternatives such as a rights issue which allows the Shareholders to trade their nil-paid entitlements in the market in nil-paid form. However, the Board views that such trading arrangements will increase the administrative works and expenses for the proposed fund raising exercise. The Board considers raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular in respect of the Open Offer, after taking into account the independent advice from an independent financial adviser) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholdings structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately upon the Share Consolidation becoming effective and the completion of the Open Offer are set out below for illustration purpose only:

| Shareholders | As at the date of this announcement | | Immediately after the Share Consolidation but before completion of the Open Offer | | Immediately after the completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders) | | Immediately after the completion of the Open Offer (assuming NO Offer Shares are subscribed for by the Qualifying Shareholders) (Note 2) | |
|---------------------------|--|------------------|---|------------------|--|------------------|---|------------------|
| | | | | | | | | |
| | Number of Existing Shares | Approximate % | Number of Consolidated Shares | Approximate % | Number of Consolidated Shares | Approximate % | Number of Consolidated Shares | Approximate % |
| Mr. Yang (Note 1) | 268,453,158 | 19.25 | 26,845,315 | 19.25 | 107,381,260 | 19.25 | 107,381,260 | 19.25 |
| Underwriter | — | — | — | — | — | — | 337,738,851 | 60.56 |
| Other public Shareholders | 1,125,796,168 | 80.75 | 112,579,617 | 80.75 | 450,318,468 | 80.75 | 112,579,617 | 20.19 |
| Total | 1,394,249,326 | 100.00 | 139,424,932 | 100.00 | 557,699,728 | 100.00 | 557,699,728 | 100.00 |

Notes:

- Mr. Yang, the executive Director and the Chairman of the Company, has given an Irrevocable Undertaking in favour of the Company and The Underwriter to subscribe for or procure subscriptions for 80,535,945 Offer Shares to which Mr. Yang is entitled under the Open Offer.
- This scenario is for illustrative purpose only and will never occur. Pursuant to the Underwriting Agreement, in the event the Underwriter being called upon to subscribe for or procure subscribers to subscribe for any of the Untaken Shares:
 - the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 29.9% of the voting rights of the Company upon completion of the Open Offer; and
 - the Underwriter shall use all reasonable endeavours to ensure that (i) each of the subscribers for the Untaken Shares procured by it or by the sub-underwriters shall be third party independent of, not acting in concert (within the meanings of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial Shareholders (as defined in the GEM Listing Rules) or any of their respective associates; and (ii) the public float requirements under Rule 11.23(7) of the GEM Listing Rules be fulfilled by the Company upon completion of the Open Offer.

With the underwriting arrangements above, the Board considers the public float requirement under Rule 11.23(7) of the GEM Listing Rules will continue to be complied with upon completion of the Open Offer.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Open Offer is set out below:

2012

| | |
|--|--|
| Despatch of circular and proxy form of EGM | On or before, Wednesday, 19 September |
| Latest time for return of proxy form of EGM (not less than 48 hours prior to time of EGM) | 11:00 a.m., Saturday, 6 October |
| Date and time of EGM. | 11:00 a.m., Monday, 8 October |
| Announcement of results of EGM | Monday, 8 October |
| Effective date of Share Consolidation. | Tuesday, 9 October |
| Commencement of dealings in the Consolidated Shares | 9:00 a.m., Tuesday, 9 October |
| Original counter for trading in Shares (in board lots of 30,000 Shares) to be closed | 9:00 a.m., Tuesday, 9 October |
| Temporary counter for trading in Consolidated Shares in board lots of 3,000 (in form of existing share certificates) to be opened. | 9:00 a.m., Tuesday, 9 October |
| First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares commences. | Tuesday, 9 October |
| Last day of dealing in the Consolidated Shares on a cum-entitlement basis. | Tuesday, 9 October |
| First day of dealing in the Consolidated Shares on an ex-entitlement basis | Wednesday, 10 October |
| Latest time for lodging transfers of Consolidated Shares in order to qualify for Open Offer. | 4:30 p.m., Thursday, 11 October |
| Register of members closes (both dates inclusive) | Friday, 12 October to Tuesday, 16 October |
| Record Date for Open Offer | Tuesday, 16 October |
| Register of members reopens. | Wednesday, 17 October |
| Prospectus Documents to be posted | Thursday, 18 October |

Original counter for trading in Consolidated Shares
in new board lots of 10,000 (in the form of
new share certificates) re-opens 9:00 a.m., Wednesday, 24 October

Parallel trading in Consolidated Shares (in form of
new and existing share certificates) begins 9:00 a.m., Wednesday, 24 October

Designated broker starts to stand in the market to
provide matching services for the sale and
purchase of odd lots of Consolidated Shares. 9:00 a.m., Wednesday, 24 October

Latest time for acceptance of, and payment
for the offer shares 4:00 p.m., Friday, 2 November

Open Offer expected to become unconditional. 4:00 p.m., Wednesday, 7 November

Announcement of the allotment results to be
posted on the Stock Exchange's website Friday, 9 November

Certificates for fully-paid Offer Shares and
refund cheques (if any) expected to be
despatched on or before. Monday, 12 November

First day of dealings in the fully-paid Offer Shares 9:00 a.m., Tuesday, 13 November

Parallel trading in Shares in the form of
new share certificates and existing
share certificates ends 4:00 p.m., Tuesday, 13 November

Temporary counter for trading in Shares
in board lot size of 3,000 Shares in the form of
existing share certificates closes 4:00 p.m., Tuesday, 13 November

Designated broker ceases to stand in the market
to purchase and sell odd lots of Shares 4:00 p.m., Tuesday, 13 November

Last day for free exchange of share certificates of
existing Shares for new share certificates for Shares Thursday, 15 November

Note: All times and dates in this announcement refer to Hong Kong times and dates.

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

PREVIOUS FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

Apart from the equity fund raising activities mentioned below, the Company has not carried out other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

| Date of initial announcement | Fund raising activity | Net proceeds (Approximately) | Intended use of proceeds | Actual use of proceeds (Approximately) |
|------------------------------|---|------------------------------|---|--|
| 8 December 2011 | Placing of zero coupon convertible notes due 2015 | HK\$48.75 million | For general working capital of the Group and/or for further investment | HK\$5 million has been utilized for IT business; HK\$15 million has been utilized for money lending business; and HK\$15.5 million has been utilized for investment in fish breeding and HK\$8 million has been utilized for investment in held-for-trading securities and the remainder has been retained for intended use. |
| 30 April 2012 | Placing of new shares | HK\$14.5 million | HK\$10 million for general working capital of the Group and/or further investment for IT business and HK\$5 million for possible investment in properties | HK\$2 million has been utilized for working capital and HK\$4 million has been utilized for the property activities and the remainder have been retained for intended use. |

ADJUSTMENTS IN RELATION TO THE CONVERTIBLE NOTES

The proposed Share Consolidation and Open Offer may lead to adjustments to the conversion price and/or the number of conversion Shares to be issued upon exercise of the conversion rights attached to the Convertible Notes pursuant to the relevant terms of the instrument constituting the Convertible Notes. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

GENERAL

The Share Consolidation is subject to the Shareholders' approval at the EGM at which no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

The Open Offer is subject to, among other things, the approval by the Independent Shareholders at the EGM. Pursuant to the GEM Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their

respective associates will abstain from voting in favour of the resolutions relating to the Open Offer. As at the date of this announcement, there is no controlling Shareholder. Accordingly, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions relating to the Open Offer at the EGM. Mr. Yang, an executive Director and the Chairman of the Company, who holds approximately 19.25% of the issued share capital of the Company as at the date of this announcement, will abstain from voting in favour of the resolutions relating to the Open Offer at the EGM.

The Company will establish an independent board committee to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and whether the Open Offer is in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of the independent financial adviser. In this connection, the Company will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

A circular containing, among other things, further details of the Share Consolidation, the change in board lot size, the Open Offer and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional, inter alia, upon the fulfillment of certain conditions set out below under the section headed “Conditions of the Open Offer”. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 10 October 2012 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 7 November 2012), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

DEFINITIONS

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

| | |
|------------------------------|---|
| “Application Form(s)” | the form(s) of application for use by the Qualifying Shareholders to apply for the Offer Shares |
| “associate(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Board” | the board of directors of the Company |
| “Business Day” | a day (other than a Saturday, Sunday or public holidays) on which banks are open for general banking business in Hong Kong |
| “Companies Ordinance” | Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time) |
| “Company” | Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued securities of which are listed on the GEM |
| “connected person(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Consolidated Share(s)” | share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective |
| “controlling Shareholder(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Convertible Notes” | the zero coupon HK\$50,000,000 convertible note due 2015 issued by the Company issued on 6 March 2012 |
| “Director(s)” | director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company for approving, inter alia, the Share Consolidation and the Open Offer |
| “Excluded Shareholder(s)” | the Overseas Shareholders at the Record Date where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restriction under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Shareholders |
| “Existing Share(s)” | the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company as at the date of this announcement |

| | |
|--------------------------------|---|
| “GEM” | The Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Committee” | has the meaning as defined in the GEM Listing Rules |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Shareholder(s)” | the Shareholder(s), other than the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates, who are not involved in, nor interested in, the Underwriting Agreement |
| “Independent Third Party(ies)” | independent third party(ies) who is (are) not connected person(s) of the Company and is (are) independent of and not connected with the Company and its connected persons |
| “Irrevocable Undertaking” | irrevocable undertaking given by Mr. Yang in favour of the Company and the Underwriter that, among other things, he will subscribe for or procure subscriptions for 80,535,945 Offer Shares to which he is entitled under the Open Offer |
| “Last Trading Day” | 22 August 2012, the last day on which the Existing Shares were traded on the Stock Exchange immediately preceding the publication of this announcement |
| “Latest Time for Acceptance” | being 4:00 p.m. on Friday, 2 November 2012 or such other date and/or time as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus |
| “Latest Time for Termination” | 4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such other time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement |
| “Mr. Yang” | Mr. Yang Yue Zhou, an executive Director, the Chairman and a substantial Shareholder of the Company |
| “Offer Shares” | 418,274,796 Consolidated Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of three (3) Offer Shares for one (1) Consolidated Share held on the Record Date pursuant to the Open Offer |

| | |
|---------------------------|---|
| “Open Offer” | the proposed issue of the Offer Shares by way of open offer to the Qualifying Shareholders for subscription pursuant to the terms and conditions to be set out in the Prospectus Documents |
| “Overseas Shareholders” | the Shareholders whose address on the register of members of the Company are outside Hong Kong |
| “Posting Date” | 18 October 2012 or such other day as may be agreed between the Company and the Underwriter for despatch of the Prospectus Documents |
| “PRC” | the People’s Republic of China |
| “Prospectus” | the prospectus to be issued by the Company in relation to the Open Offer on the Posting Date as may be agreed between the Company and the Underwriter |
| “Prospectus Documents” | the Prospectus and the Application Form |
| “Qualifying Shareholders” | the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders |
| “Record Date” | 16 October 2012 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer |
| “Registrar” | Hong Kong Registrars Ltd. at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong |
| “Share(s)” | Existing Share(s) or Consolidated Share(s), as the case may be |
| “Share Consolidation” | the proposed consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.10 each |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Specified Event” | an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

| | |
|--------------------------|---|
| “Subscription Price” | the subscription price of HK\$0.20 per Offer Share |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Underwriter” | Kingston Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Underwriting Agreement” | the underwriting agreement dated 22 August 2012 in relation to the Open Offer entered into between the Company and the Underwriter |
| “Underwritten Shares” | 337,738,851 Offer Shares underwritten by the Underwriter |
| “Untaken Shares” | those (if any) of the Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance which shall be not more than 418,274,796 Offer Shares |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

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

Hong Kong, 22 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, 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 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.

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>.