

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Computech Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, 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 circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any 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;
(3) PROPOSED OPEN OFFER ON THE BASIS OF
THREE OFFER SHARES FOR EVERY ONE
CONSOLIDATED SHARE HELD ON THE RECORD DATE;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriter to the Open Offer



KINGSTON SECURITIES LTD.

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Independent Board Committee is set out on page 30 of this circular. A letter from Celestial Capital containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 54 of this circular.

A notice convening the EGM of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on 31 October 2012 at 12:00 noon or any adjournment thereof is set out on pages 71 to 73 of this circular. A form of proxy for use by the Shareholders at the EGM is accompanied herein. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's 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, as soon as possible but in any event not later than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

The Open Offer is subject to the satisfaction of certain conditions as described under the section headed "Conditions of the Open Offer". In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed "Termination of the Underwriting Agreement" herein) on or before the Latest Time for Termination. Accordingly, the Open Offer may or may not become unconditional and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealings in the Existing Shares or Consolidated Shares up to the date when the conditions of the Open Offer are fulfilled.

This circular 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>.

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

TERMINATION OF UNDERWRITING AGREEMENT

Shareholders should note that the Underwriting Agreement contains provisions entitling the Underwriter, 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

TERMINATION OF UNDERWRITING AGREEMENT

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 the Announcements or this circular 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 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.

CONTENTS

	<i>Page</i>
Definitions	1
Expected timetable	6
Letter from the Board	9
Letter from the Independent Board Committee	30
Letter from Celestial Capital	31
Appendix I — Financial information of the Group	55
Appendix II — Unaudited pro forma financial information of the Group	58
Appendix III — General information	61
Notice of EGM	71

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 22 August 2012 and 23 August 2012 in relation to, among other things, the Share Consolidation, change in board lot size and the Open Offer
“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 to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on 31 October 2012 at 12:00 noon

DEFINITIONS

“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 of 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 Latest Practicable Date
“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 Financial Adviser” or “Celestial Capital”	Celestial Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Independent Shareholders in relation to the Open Offer
“Independent Board Committee”	the independent board committee of the Broad comprising all the independent non-executive Directors, who have no direct or indirect interest in the Open Offer established to advise the Independent Shareholders regarding the Open Offer
“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

DEFINITIONS

“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 the announcement of the Company dated 22 August 2012
“Latest Practicable Date”	8 October 2012, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Latest Time for Acceptance”	being 4:00 p.m. on Monday, 26 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”	12 November 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

DEFINITIONS

“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”	8 November 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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of 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” or “Kingston Securities”	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

DEFINITIONS

“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

EXPECTED TIMETABLE

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

2012

Latest time for return of proxy forms for the EGM (not less than 48 hours prior to time of EGM)	12:00 noon on Monday, 29 October
Date and time of EGM	12:00 noon on Wednesday, 31 October
Announcement of results of the EGM	Wednesday, 31 October
Effective date of the Share Consolidation	Thursday, 1 November
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Thursday, 1 November
Original counter for trading in Existing Shares (in board lots of 30,000 Existing Shares) to be closed	9:00 a.m. on Thursday, 1 November
Temporary counter for trading in Consolidated Shares in board lots of 3,000 (in the form of existing share certificates) to be opened	9:00 a.m. on Thursday, 1 November
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares commences	Thursday, 1 November
Last day of dealings in the Consolidated Shares on a cum-entitlement basis	Thursday, 1 November
First day of dealings in the Consolidated Shares on an ex-entitlement basis	Friday, 2 November
Latest time for lodging transfer of Consolidated Shares in order to qualify for the Open Offer	4:30 p.m. on Monday, 5 November
Register of members closes (both days inclusive)	Tuesday, 6 November to Thursday, 8 November
Record Date for Open Offer	Thursday, 8 November

EXPECTED TIMETABLE

2012

Register of members re-opens	Friday, 9 November
Prospectus Documents to be posted	Monday, 12 November
Original counter for trading in Consolidated Shares in new board lots of 6,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 15 November
Parallel trading in Consolidated Shares (in form of new and existing share certificates) begins	9:00 a.m. on Thursday, 15 November
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Thursday, 15 November
Latest time for acceptance of, and payment for the Offer Shares	4:00 p.m. on Monday, 26 November
Open Offer expected to become unconditional	4:00 p.m. on Thursday, 29 November
Announcement of the allotment results to be posted on the Stock Exchange's website	Monday, 3 December
Certificates for fully-paid Offer Shares and refund cheques (if any) expected to be despatched on or before	Tuesday, 4 December
First day of dealings in the fully-paid Offer Shares	9:00 a.m. on Wednesday, 5 December
Parallel trading in Shares in the form of new share certificates and existing share certificates ends	4:00 p.m. on Wednesday, 5 December
Temporary counter for trading in Shares in board lots of 3,000 Shares in the form of existing share certificates closes	4:00 p.m. on Wednesday, 5 December

EXPECTED TIMETABLE

2012

Designated broker ceases to stand in the market to purchase
and sell odd lots of Shares 4:00 p.m. on
Wednesday, 5 December

Last day for free exchange of existing share certificates
for new share certificates for Shares Friday, 7 December

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

Dates or deadlines specified in this circular 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.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR OFFER SHARES

The latest time for acceptance of and payment for Offer Shares will not take place if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Monday, 26 November 2012. Instead the latest time of acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 26 November 2012. Instead the latest time of acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on Monday, 26 November 2012, the dates mentioned in the section headed “Expected Timetable” may be affected. An announcement will be made by the Company in such event as soon as practicable.



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

Executive Directors:

Mr. Yang Yue Zhou
Mr. Mak Kwong Yiu
Mr. Jiang Tan Shan

Independent non-executive Directors:

Mr. Wong Siu Keung, Joe
Mr. Wong Ching Yip
Mr. Luk Chi Shing

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 1604, 16/F.
West Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

12 October 2012

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcements in which the Company proposed to, among other things:

- (i) 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;

* For identification purpose only

LETTER FROM THE BOARD

- (ii) change the board lot size for trading in the Shares of the Company from 30,000 Existing Shares to 6,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective;
- (iii) 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 subject to the Share Consolidation becoming effective.

The purpose of this circular is to provide you with further information regarding, among other things, the Share Consolidation, change of board lot size and the Open Offer, the recommendation of the Independent Board Committee to the Independent Shareholders as regards the Open Offer, the advice from Celestial Capital to the Independent Board Committee and Independent Shareholders in respect of the Open Offer and to give you the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving, among other things, the matters aforesaid.

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 Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each. Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.10 each. As at the Latest Practicable Date, there are 1,394,249,326 Existing Shares in issue which are fully paid or credited as fully paid. On the basis of such issued share capital, there will be 139,424,932 Consolidated Shares of HK\$0.10 each 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 Latest Practicable Date 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 Latest Practicable Date	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

LETTER FROM THE BOARD

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 Thursday, 1 November 2012.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares and also reduce the total number of Shares currently in issue, and is expected to bring about a corresponding upward adjustment 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 1 November 2012 until 7 December 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

LETTER FROM THE BOARD

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 5 December 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 6,000 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 HK\$1.10 per Consolidated Share with reference to the closing price of HK\$0.11 per Existing Share on the Last Trading Day, the estimated market value per board lot of the Shares would be HK\$6,600 in the new board lot size of 6,000 Consolidated Shares.

TRADING ARRANGEMENTS FOR CONSOLIDATED SHARES

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) as a result of the Share Consolidation and the change of board lot size, the Company has appointed Kingston Securities as an agent to match, on a “best effort” basis, the sale and purchase of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation and change of board lot size from Thursday, 15 November 2012 up to and including Wednesday, 5 December 2012 (both days inclusive). Such arrangement is to facilitate the Shareholders who wish to dispose of or top up their odd lots of Consolidated Shares. Shareholders who wish to take advantage of this facility should contact Ms. Rosita Kiu at telephone number (852) 2298-6215 or by fax at (852) 2298-0682 during the period. Shareholders should note that the matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.

Shareholders are recommended to consult their licensed securities dealers, bank managers, solicitors, professional accountants or other professional advisers if they are in any doubt about the facility described above.

DEALINGS IN THE CONSOLIDATED SHARES

Subject to the granting of the listing of, and permission to deal in the Consolidated Shares, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Consolidated Shares may be settled through CCASS. You should seek advice of your stock broker or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

LETTER FROM THE BOARD

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 Latest Practicable Date	:	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 Latest Practicable Date 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 Latest Practicable Date, 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 Latest Practicable Date.

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

LETTER FROM THE BOARD

- (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;
- (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; and
- (iv) a discount of approximately 47.37% to the closing price of HK\$0.38 per Consolidated Share, based on the closing price of HK\$0.038 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation.

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 consulting the independent financial adviser 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.

LETTER FROM THE BOARD

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 Company's Registrar by 4:30 p.m. (Hong Kong time) on Monday, 5 November 2012.

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Excluded Shareholders

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.

The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send any Application Form for Offer Shares to Excluded Shareholders. The Excluded Shareholders, if any, will be entitled to vote at the EGM to consider, among others, the Open Offer.

Closure of register of members

The register of members of the Company is expected to be closed from Tuesday, 6 November 2012 to Thursday, 8 November 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.

LETTER FROM THE BOARD

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 equal and fair opportunities 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 of 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 all fully paid Offer Shares are expected to be posted on or before Tuesday, 4 December 2012 to those Qualifying Shareholders who have accepted and paid for the Offer Shares by ordinary post at their own risk.

Application for listing and dealings 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.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of the HKSCC, the Offer Shares will be accepted as eligible securities by the HKSCC for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by the HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in the CCASS on the second trading day thereafter. All activities under the CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Dealings in the Offer Shares will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

With the change in board lot size (as detailed under the section headed “Proposed change in board lot size” on page 12 in this circular) becoming effective on Thursday, 15 November 2012, the board lot size of trading of the Offer Shares will be 6,000 Shares.

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 Latest Practicable Date.

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

LETTER FROM THE BOARD

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 the Announcements or this circular or the Prospectus Documents or other announcements or circulars in

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

- 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; (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. The Company's main focus area will be secondary mortgage and personal loan for customers with good credit records in Hong Kong. More information of the Company's money lending business is set out in the section "INFORMATION ON THE MONEY LENDING BUSINESS" below.

In August 2012, Enrich Fortune Development Limited, an indirect wholly-owned subsidiary of the Company, has entered into an agreement with vendors, who are independent third parties of the Company, to acquire the entire issued capital of Feng Tai Shun Cultural Travel Limited ("FTS"), a limited liability company incorporated in Hong Kong, and a vendor's loan to FTS, for an aggregate consideration of HK\$3.5 million. FTS holds 100% of the equity interest in Meizhou City Hang Fung Tai Cultural Travel Development Company Limited* (梅州市恆豐泰旅遊文化開發有限公司) ("HFT"), a wholly foreign-owned enterprise in the PRC which is licensed for property related activities in PRC. HFT has entered into an agreement with Dabu County Land and Resources Bureau (大埔縣國土資源局) of Guangdong Province, PRC, which involves property development in the region. The Directors intends to develop low density luxury villas for residential use.

The overall development plan is subject to the approval of relevant regulators and authorities as well as the negotiation between the relevant parties. As at the Latest Practicable Date, the matters that are still subject to negotiation/approval include but not limited to the overall design and planning of the development project, environmental protection measures, land costs and terms of payment for consideration. At the preliminary negotiating and planning stage, the Directors estimate that it will take about six months for the Company to negotiate

LETTER FROM THE BOARD

and finalize the terms and conditions of the project with the relevant authorities and to appoint relevant professionals and contractors for project design and planning. Should the terms be finalized and the relevant approvals be granted as scheduled, the Board intends to complete the whole project by three phases of development and sales in 5 years time and each phase is estimated to take about 18 months. Regarding the first development and sales phase, it is expected that the number of villas to be built will be finalized upon completion of the preliminary negotiating and planning stage. Based on the proposed land area of approximately 132,000 square meters which is still under negotiation and the local market conditions of Meizhou City, Guangdong Province, the PRC, the Directors estimate the total development fund required would amount to approximately RMB200 million and plan to employ approximately HK\$60 million for the preliminary negotiating and planning stage as well as the first development and sales phase. For risk control purpose, the Directors propose to develop the whole project in a step-by-step manner in the way that the Company will review and take into consideration of the progress of development and sales of the preceding stage, the then sales performance and internal funding generation capability and the market condition at that particular time before proceeding to the next phase. Subject to successful negotiation with the relevant parties and having taken into consideration the current market condition of and the prevailing demand of the property market in Meizhou, the Directors will retain approximately HK\$10 million raised from previous fund raising activities and the partial proceeds of approximately HK\$50 million from the Open Offer for the preliminary negotiating and planning stage and the first development and sales phase of the project and consider that such proceeds will be sufficient for such purposes. The Directors also estimate that the sales proceeds from the first phase will be sufficient for the development of the second phase and the sales proceeds from the second phase will be sufficient for the development of the third phase. Should the requirement for additional funds be identified at the completion of preliminary negotiation stage of the property project, the Company may consider using the Group's internal resources, facility available and/or equity financing exercise such as placing, right issue and/or open offer as the Directors consider appropriate.

The Board wishes to emphasize that the project is at preliminary stage of negotiations between the relevant parties and the overall development plan is subject to the approval of relevant regulators and authorities and no definitive agreement in relation to the property development plan has been entered into by the Group up to the Latest Practicable Date. In the event that any definitive agreement is entered into, the overall development project may constitute a notifiable transaction under the GEM Listing Rules and the Company will make the relevant announcement as and when appropriate.

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. With the extensive experience in property development and corporate management of Mr. Yang and Mr. Jiang Tan Shan, being the executive Directors, the Board considers that the Company possesses the expertise and is capable in carrying out the above property development project. Please refer to the section headed "Parties" in Appendix III to this circular for more biographical details of Directors. For further negotiation and to proceed with the project, the Company requires fund proof to demonstrate its financial strength in starting the preliminary stage and the first development and sales phase. The Company has no plan or intention to change the composition of the Board subsequent to the Open Offer.

LETTER FROM THE BOARD

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. In addition, in view of the historical trading liquidities of the Shares, the Board considers that an active market may not be available for the trading of nil-paid rights associated with a rights issue of the Company. 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.

INFORMATION ON THE MONEY LENDING BUSINESS

Set out below are (i) the risks related to the money lending business and (ii) the Company's internal control policy for the money lending business:

The risks:

Risks involved in investing in a new business and running different lines of business

The Group is principally engaged in three business segments including (i) IT business; (ii) money lending business and (iii) property activities, and is devoted to diversify its business portfolios for growth potential. The Group has a short history in the money lending business. It may pose challenges to the Group's administrative, financial and operational resources and there is no assurance of the timing and amount of any return that may be generated from the money lending business.

The Group depends on its key executives and personnel

The money lending business is a people-oriented business with a strong emphasis attached to the capability and efforts of the management team. The Group relies on the credit management team to formulate the business strategies and manage the money

LETTER FROM THE BOARD

lending operations. If the key executive and personnel are unable or unwilling to provide service to the Group and we cannot find suitable replacement in time, our business may be materially and adversely affected.

Market and economic risks

The money lending industry in Hong Kong is exposed to a variety of risks involving economic factors such as gross domestic product, inflation, social, legal and political development. Since our assets, business and operations are primarily based in Hong Kong, any movement in market prices such as interest rate and property price in Hong Kong may adversely deteriorate the value of collaterals for loans. Any tightening of liquidity, significant turmoil in financial market and the resultant general recession may adversely affect the recoverability of loan receivables. Besides, the Group's revenue derived from the money lending business and the demand for credit facilities correlate with both consumer sentiment to spend and corporate sentiment to invest. If any of them worsen, our development plan may be adversely affected.

Operational risk

The operational risk relating to internal control and internal policy adherence includes the risks of loss resulting from inadequate or failed internal processes, people and system, or from external events. The Group has adopted a set of loan approval procedures and credit policies and employed experienced management include professionals holding the qualification of Certified Public Accountant to monitor the internal control system and review the effectiveness of these controls in order to mitigate the operational risk. Should we fail to maintain a sound internal system, the money lending business may be adversely affected.

Credit risk

The money lending business is exposed to default from our customers, which involves the risk of loss due to the inability or unwillingness of customers to meet their contractual obligations. The Group's loan portfolios are composed of secured and unsecured loans. If the customers fail to meet their contractual obligations, the Company may incur additional costs to realize the collaterals for the secured loans. For the unsecured loans which the Group does not hold any assets as security, the risks of losses for the unsecured loans are higher in the event of default.

Liquidity risk

Unlike other financial institutions or securities firms where minimum capital requirement is required, we are not required to comply with any specific rules or regulations related to liquidity such as liquidity ratios and any inter-bank lending and borrowing ratios. Yet, we are not allowed to take deposit. The Group has to maintain sufficient cash to meet its financial obligations and fund its lending opportunity on a timely basis. The Group is reliance on the availability of funding from shareholders and adequate committed lines of funding from financial institution in order to meet its funding need.

LETTER FROM THE BOARD

Regulatory risk

The money lending business is subject to extensive regulations, changes in laws and regulations may materially impact on the money lending business. The major laws and regulations regulating the Group's money lending business in Hong Kong include the Money Lenders Ordinance, the GEM Listing Rules and anti-money laundering laws and regulations.

Money Lenders Ordinance

A person carrying on business as a money lender in Hong Kong must obtain a money lenders licence. The licensing of money lenders and regulation of money lending transactions are governed by the Money Lenders Ordinance and the Money Lenders Regulations. The Money Lenders Ordinance contains provisions for:

- (a) the control and regulation of money lenders and money lending transactions;
- (b) the appointment of the Registrar of Money Lenders and the licensing of persons carrying on business as money lenders; and
- (c) the protection and relief against excessive interest rates and extortionate stipulations in respect of loans.

Licensing requirements

The Money Lenders Ordinance states that no person shall conduct business as a money lender without a licence, at any place other than the premises specified in such licence or otherwise than in accordance with the conditions of a licence. Every licence shall authorize the person and/or entity named therein to conduct business as a money lender for a period of 12 months from the date it is granted. Licences are not generally transferrable and a licensee may apply for the renewal of a licence within three months prior to the expiration of its licence. The Group holds a money lenders licence under the Money Lenders Ordinance with validity period starting from 20 April 2012 and ending on 20 April 2013.

If the Group fails to meet the regulations requirement, it may materially and adversely affect its money lending business.

GEM Listing Rules

As a money lender, providing loans (financial assistance) to our customers is in the Group's ordinary and usual course of business. However, under Rule 19.04(8) of the GEM Listing Rules, the term "ordinary and usual course of business", in the context of financial assistance, only applies to a banking company or a securities house for certain transactions, but not to a money lending company. In this connection, the loans provided by us to our customers may constitute notifiable transactions under Chapter 19 of the GEM Listing Rules and may be subject to relevant notification, announcement and

LETTER FROM THE BOARD

shareholders' approval requirements. The Group may not be able to satisfy the customers' needs for timeliness and privacy and the lending demand from the Group may thus be adversely affected.

Anti-money laundering

As the money lending business involves cash transactions with our customers in the ordinary course of business, the Group is subject to the risk of being involved in money laundering activities unintentionally. We have adopted a customer profile verification process by which loan applicants are required to provide proof of identity, occupation, residential address and business details. In the event that any suspicious pattern of repayment is observed, we will take appropriate follow-up actions such as reporting to the relevant authorities.

The Company's internal policy:

In order to minimize its risk exposure, the Company has adopted a set of loan approval procedures and credit policies, pursuant to which the credit management team is responsible for reviewing, accessing and approving all loan applications. The credit management team mainly includes four key executives, two of whom are professionals holding the qualifications of Certified Public Accountant and Chartered Financial Analyst, who are experienced in the management of investment portfolios or accounting and finance function. For credit assessment, potential customers are required to provide all relevant financial information including proof of identity, salary or income, address and relevant property ownership information and explain the purpose of loan and/or their background. The credit management team will also obtain their credit records such as bankruptcy search and/or legal search in order to check if they have any prior default record. In the event the credit limit is over HK\$5 million, the credit management team is required to seek the Board's approval. As a post-transaction risk-control measure, the credit management team closely monitors the payment record of every customer and generates payment record report periodically for discussion with and review by the senior management of the Group. If collaterals are involved, the collaterals provided by customers are regularly reviewed by the credit management team, who will consult the relevant professionals where necessary. All terms and conditions of the loan agreements are reviewed by the Company's lawyers.

As discussed in the interim report 2012 of the Company, the Company's money lending business targets to the customers in Hong Kong. The Company has complied with and will continue to ensure the compliance with Chapter 17 and Chapter 19 of the GEM Listing Rules.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholdings structure of the Company as at the Latest Practicable Date (as extracted from the Disclosure of Interests filed on the website of the Stock Exchange) 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 Latest Practicable Date		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)	
	<i>Number of Existing Shares</i>	<i>Approximate %</i>	<i>Number of Consolidated Shares</i>	<i>Approximate %</i>	<i>Number of Consolidated Shares</i>	<i>Approximate %</i>	<i>Number of Consolidated Shares</i>	<i>Approximate %</i>
Mr. Yang (Note 1)	268,453,158	19.25	26,845,315	19.25	107,381,260	19.25	107,381,260	19.25
Mr. Tam Siu Ki (Note 3)	236,310,000	16.95	23,631,000	16.95	94,524,000	16.95	23,631,000	4.24
Underwriter and sub-underwriters and subscribers procured by them	—	—	—	—	—	—	337,738,851	60.56
Other public Shareholders	<u>889,486,168</u>	<u>63.80</u>	<u>88,948,617</u>	<u>63.80</u>	<u>355,794,468</u>	<u>63.80</u>	<u>88,948,617</u>	<u>15.95</u>
Total	<u><u>1,394,249,326</u></u>	<u><u>100.00</u></u>	<u><u>139,424,932</u></u>	<u><u>100.00</u></u>	<u><u>557,699,728</u></u>	<u><u>100.00</u></u>	<u><u>557,699,728</u></u>	<u><u>100.00</u></u>

Notes:

1. 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.
2. 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:
 - (i) 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
 - (ii) 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.

The Company has been informed by the Underwriter that the Underwriter has already entered into sub-underwriting agreements with sub-underwriters to ensure the fulfillment of its obligations set out in these Notes 2(i) and 2(ii).

LETTER FROM THE BOARD

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.

3. In accordance with the Disclosure of Interests filed on the website of the Stock Exchange, Mr. Tam Siu Ki held 236,310,000 Existing Shares as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Tam Siu Ki is a third party independent of, not acting in concert (within the meanings of the Takeovers Code) with and not connected with Mr. Yang.

PREVIOUS FUND RAISING EXERCISES 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 Latest Practicable Date.

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	Approximately HK\$10 million for general working capital of the Group and/or further investment for IT business and approximately 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 acquisition of FTS and the related legal and professional fees and the remainder has 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 and subject to the review by the auditors appointed by the Company. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

LETTER FROM THE BOARD

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 above 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 2 November 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 29 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.

EGM

Set out in this circular is a notice convening the EGM which will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 31 October 2012 at 12:00 noon at which resolutions will be proposed to approve, among other things, the Share Consolidation and the Open Offer.

The form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it as soon as possible to the of the Company’s 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, and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

There had been no voting trust or other agreement or arrangement or understanding entered into by or binding upon any such Shareholders, and no obligation or entitlement of any such Shareholders whereby any one of them has or may temporarily or permanently passed control over the exercise of the voting right in respect of their respective interest in the Company to a third parties either especially or on a case-by-case basis.

As the Open Offer will increase the issued share capital of the Company by more than 50%, 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 Latest Practicable Date, 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

LETTER FROM THE BOARD

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 Latest Practicable Date, will abstain from voting in favour of the resolutions relating to the Open Offer at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the Share Consolidation and accordingly, no Shareholder will be required to abstain from voting on the relevant resolution(s) approving the Share Consolidation.

RECOMMENDATIONS

The Directors are of the opinion that the Share Consolidation and the Open Offer are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the resolutions to be proposed in the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on page 30 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM regarding the Open Offer and the letter received from Celestial Capital which contains its advice to the Independent Board Committee and Independent Shareholders as regards the Open Offer and the principal factors and reasons considered by it in arriving thereat. The text of the letter from Celestial Capital is set out on pages 31 to 54 of this circular.

GENERAL

Your attention is drawn to the information contained in the Appendices to this circular.

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



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

12 October 2012

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 12 October 2012 (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders in connection with the terms of the Open Offer. Celestial Capital has been appointed as the independent financial adviser to advise you and us in this respect.

Having considered the terms of the Open Offer and the advice from Celestial Capital in relation thereto as set out in its letter of advice to you and us on pages 31 to 54 of the Circular, we are of the opinion that the Open Offer is in the interests of the Company and the Shareholders as a whole and the terms of the Open Offer, are fair and reasonable insofar as the Company and the Independent Shareholders are concerned. We therefore recommended that you vote in favour of the ordinary resolution in relation to the Open Offer to be proposed at the EGM to approve the Open Offer.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Wong Siu Keung, Joe

Independent

Non-executive Director

Mr. Wong Ching Yip

Independent

Non-executive Director

Mr. Luk Chi Shing

Independent

Non-executive Director

* *For identification purpose only*

LETTER FROM CELESTIAL CAPITAL

The following is the text of a letter of advice from Celestial Capital to the Independent Board Committee and the Independent Shareholders in relation to the proposed Open Offer for the purpose of incorporation in this circular.



Celestial Capital Limited
21st Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

12 October 2012

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

PROPOSED OPEN OFFER ON THE BASIS OF THREE OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 12 October 2012 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Circular.

Reference is made to the announcement of the Company dated 22 August 2012, in which the Company proposed, among other things, 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 Offer Shares for every one Consolidated Share held by the Qualifying Shareholders on the Record Date and payable in full on application subject to, among other things, the Share Consolidation becoming effective.

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to rule 10.39 of the GEM Listing Rules, the Open Offer is conditional on, among other things, approval by the Independent Shareholders at the EGM. Accordingly, Mr. Yang, an executive Director and the Chairman of the Company, who held approximately 19.25% of the issued share capital of the Company as at the Latest Practicable Date, will abstain from voting in favour of the resolution relating to the Open Offer at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing, has been established to advise the Independent Shareholders in relation to the Open Offer. In this regard, we have been appointed as the independent financial adviser by the Company to

LETTER FROM CELESTIAL CAPITAL

advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Open Offer are fair and reasonable insofar as the Company and the Shareholders are concerned as a whole; and (ii) whether the Open Offer is in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendation in relation to the terms of the Open Offer, we have relied on the information, facts and representations provided by, and the opinion expressed by, the Directors and/or the management of the Group. We have also relied on the information, facts and representations contained or referred to in the Circular and have assumed that all information, facts, opinion and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continue to be true, accurate and complete on the date of the Circular. We have also assumed that all statements of belief and opinion made by the Directors in the Circular were reasonably made after due enquiry and the expectations and intentions made by the Directors and/or the management of the Group will be met or carried out as the case may be. We consider that we have reviewed sufficient information on which to form a reasonable basis for our opinion and have no reason to doubt the truth, accuracy and completeness of the information, facts and representations provided by, and the opinion expressed by, the Directors and/or the management of the Group to us. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinion expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinion and representations provided to us by the Directors and/or the management of the Group.

The Directors jointly and individually accept full responsibility for the Circular and have confirmed that, having made all reasonable enquiries, to the best of their knowledge and belief, the information contained in the Circular is true, 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 in the Circular, including this letter, misleading.

We have relied on such information and opinion and have not, however, carried out any independent verification of the information provided by the Company and/or the Directors and/or the management of the Group, nor have we conducted any independent investigation into the business, affairs, assets, liabilities and future prospects of the Group or its associates, or any of the other parties involved in the Open Offer.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Open Offer. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM CELESTIAL CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the terms of the Open Offer, we have considered the following principal factors and reasons:

Business and financial performance of the Group

As stated in the Letter from the Board, the Group is principally engaged in (i) the provision of information technology services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products; (ii) money lending; and (iii) property development business.

We note from the annual report of the Company for the year ended 31 December 2011 (the “**Annual Report**”) that the Board has been devoted to explore and broaden the existing businesses of the Group in order to strengthen its competitiveness and provide business growth potential. The Group acquired and commenced the money lending business in the third quarter of 2011. In addition, in order to diversify the Group’s business and broaden its revenue base, the Company announced on 25 April 2012 that the Group entered into an investment agreement regarding the investment by the Group in a fish breeding business in Malaysia for a 20-calendar month period from the date of the making of the investment. Furthermore, it was stated in the interim report of the Company for the six months ended 30 June 2012 (the “**Interim Report**”) that the Company has been seeking opportunities to engage in the property activities and would continue to explore other investment opportunities for diversifying its business portfolios with the aim of enhancing the Shareholders’ wealth. As set out in the Letter from the Board, the Group has acquired a wholly foreign-owned enterprise in the PRC which is licensed for property-related activities in August 2012.

Set out below is a summary of the financial information on the Group for the two years ended 31 December 2011 and the six months ended 30 June 2011 and 2012, as extracted from the Annual Report and the Interim Report respectively:

	For the year ended 31 December		For the six months ended 30 June	
	2010	2011	2011	2012
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Income statement items				
Turnover				
— Information technology business	25,914	21,162	12,582	18,148
— Money lending business	—	430	—	1,969
	<u>25,914</u>	<u>21,592</u>	<u>12,582</u>	<u>20,117</u>
Total	<u>25,914</u>	<u>21,592</u>	<u>12,582</u>	<u>20,117</u>
Gross profit	3,422	4,198	2,672	2,746
Total comprehensive loss for the year/period	(14,353)	(26,097)	(11,082)	(9,012)

LETTER FROM CELESTIAL CAPITAL

	As at 31 December		As at 30 June
	2010	2011	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Balance sheet items			
Non-current assets	92	6,727	25,357
Current assets	26,595	24,343	62,459
Total assets	26,687	31,070	87,816
Non-current liabilities	—	—	37,511
Current liabilities	7,278	6,251	5,344
Total liabilities	7,278	6,251	42,855
Net assets	19,409	24,819	44,961
Cash and bank balances	21,289	11,789	32,634

For the year ended 31 December 2011, the Group recorded a turnover of approximately HK\$21.59 million, representing a decrease of approximately 16.68% from approximately HK\$25.91 million for the year ended 31 December 2010. As stated in the Annual Report, the Directors considered that such decrease in turnover was mainly due to the keen competition of warranty and maintenance service of the information technology business. During the same year, the total comprehensive loss attributable to the owners of the Company was approximately HK\$26.10 million, representing an increase in loss of approximately 81.82% from approximately HK\$14.35 million in 2010. We note from the Annual Report that such increase in net loss was primarily attributable to the increase in administrative expenses during the year. As at 31 December 2011, the Group had net assets of approximately HK\$24.82 million and its cash and bank balances was approximately HK\$11.79 million.

For the six months ended 30 June 2012, the Group recorded a turnover of approximately HK\$20.12 million, representing an increase of approximately 59.89% as compared to the corresponding period in 2011. Such increase was primarily attributable to the increased sales of its information technology business and the loan interest income derived from its money lending business, being a new source of income of the Group since the third quarter of 2011. We note from the Interim Report that, during the period, the Group broadened the customer base for its information technology business segment and expanded the sales of its information technology products. We also note that, regarding its money lending business, the loan receivables of the Group were approximately HK\$18.49 million as at 30 June 2012, representing an increase of approximately 77.85% from approximately HK\$10.39 million as at 31 December 2011. During the same period, the total comprehensive loss attributable to the owners of the Company was approximately HK\$9.01 million, representing a decrease in loss of approximately 18.68% as compared to the corresponding period in 2011. We note from

LETTER FROM CELESTIAL CAPITAL

the Interim Report that there was a decrease in the administrative expenses of the Group in the first half of 2012 as compared to the corresponding period in 2011. Such decrease was however partially offset by the increase in the finance costs of the Group which mainly comprised the imputed interest expenses on its zero coupon convertible notes in the principal amount of HK\$50 million. As at 30 June 2012, the Group had net assets of approximately HK\$44.96 million and its cash and bank balances (“**Cash Balances**”) was approximately HK\$32.63 million. The management of the Group has advised us that the Cash Balances already comprised the unused proceeds from the fund raising activities of the Company during the 12 months immediately preceding the Latest Practicable Date of approximately HK\$13.75 million (the “**Unused Proceeds**”) as detailed below.

Information technology business

The revenue of the Group derived from its information technology business decreased by approximately 18.34% from approximately HK\$25.91 million for the year ended 31 December 2010 to approximately HK\$21.16 million for the year ended 31 December 2011. As set out in the Annual Report, such decrease was mainly due to the keen competition of the warranty and maintenance service of the information technology business. In addition, the agreement between the Group and one of its major customers regarding certain information technology related services expired in 2011. The Company anticipated that the non-renewal of such service agreement would continue to influence the performance of the information technology business segment of the Group. It intended to continue to explore new customer base as well as expanding the sales of computer products to mitigate the adverse effect from such termination.

For the six months ended 30 June 2012, the revenue of the Group derived from the information technology business was approximately HK\$18.15 million, representing an increase of approximately 44.24% as compared to the corresponding period in 2011. As stated in the Interim Report, such increase was resulted from the Group’s effort in broadening the customer base and expanding the sales of information technology products during the period. Notwithstanding such increase in turnover in the first half of 2012, the information technology business segment of the Group only recorded a profit of approximately HK\$158,000 (2011: HK\$14,000). As stated in the section headed “Business trend and financial and trading prospects of the Group — IT business” in Appendix I to the Circular, the Group expects that year 2012 will still be a challenging year for its information technology operations as the competitions remain keen and the termination of the service agreement as mentioned above is still affecting the segment adversely.

Money lending business and property development business

For details of the Group’s money lending business and property development business, please refer to the section headed “Reasons for the Open Offer and the use of proceeds” below.

LETTER FROM CELESTIAL CAPITAL

Investment in fish breeding business

As set out in the announcement of the Company dated 25 April 2012, the Board intends to diversify the business of the Group in order to broaden the revenue base and mitigate the impact on its information technology business segment from the termination of the service agreement between the Group and one of its major customers in 2011. Accordingly, in April 2012, the Group entered into an investment agreement in relation to a fish breeding business, details of which are set out in the announcements of the Company dated 25 April 2012, 30 April 2012 and 2 May 2012. As set out in the Interim Report, as at 30 June 2012, the Group had invested HK\$15.5 million in the fish breeding business and such amount has been applied in the purchase of the fish fry and fish feed for the sole purpose of fish breeding at the fish farm in Sabah, Malaysia. As advised by the management of the Group, such investment in the fish breeding business was made on 4 May 2012. Such investment amount will be returned to the Company at the end of the investment period (i.e. 20 calendar months from the date of the making of this investment), together with a guaranteed net profit derived from the sale of the fishes of not less than HK\$1.55 million. As stated in the section headed “Business trend and financial and trading prospects of the Group — Investment in fish breeding business” in Appendix I to the Circular, as at the Latest Practicable Date, the Directors expect that it will take another twelve months of breeding before the fish becomes marketable. The Company intends to maintain the investment till the end of the investing period. As advised by the Directors, they are not aware of any circumstances which may lead to a failure in meeting the profit guarantee or investment return.

Investment in held-for-trading securities

As at 30 June 2012, the Group had held-for-trading investment of approximately HK\$7.2 million. As stated in the section headed “Business trend and financial and trading prospects of the Group — Investment in held-for-trading security” in Appendix I to the Circular, such investments comprised listed equity securities in Hong Kong, namely Goodtop Tin International Holdings Limited (Stock code: 195) and Tech Pro Technology Development Limited (Stock code: 3823). As advised by the management of the Group, the Group’s investment in held-for-trading securities do not include overseas listed equity securities and unlisted investments. During the six months ended 30 June 2012, the held-for-trading investments recorded a fair value loss of approximately HK\$484,000. As advised by the management of the Group, the Group holds such securities for investment purpose and will evaluate the return from time to time. The Company currently does not have any plan to make further investment.

LETTER FROM CELESTIAL CAPITAL

We note from the section headed “Previous fund raising exercises in the prior 12-month period” of the Letter from the Board that the Company conducted the following fund raising exercises during the 12 months immediately preceding the Latest Practicable Date:

- (i) a placing of zero coupon convertible notes announced on 8 December 2011 raising net proceeds of approximately HK\$48.75 million, of which approximately HK\$5 million has been utilised for information technology business; approximately HK\$15 million has been utilised for money lending business; HK\$15.5 million has been utilised for investment in fish breeding business in Malaysia as mentioned above; approximately HK\$8 million has been utilised for investment in held-for-trading securities; and the remainder of approximately HK\$5.25 million remains unutilised as at the Latest Practicable Date. The Company intended to apply such remainder for general working capital of the Group and/or for further investment; and
- (ii) a placing of new Shares announced on 30 April 2012 raising net proceeds of approximately HK\$14.5 million, of which approximately HK\$2 million has been utilised for working capital; approximately HK\$4 million has been utilised for the acquisition of Feng Tai Shun Cultural Travel Limited, the holding company of a wholly foreign owned enterprise in the PRC which is licensed for property related activities as detailed below and the related legal and professional fees; and the remainder of approximately HK\$8.5 million remains unutilised as at the Latest Practicable Date. The Company intended to apply such remainder for general working capital of the Group and/or further investment for its information technology business as well as possible investment in properties.

Having considered that the Unused Proceeds only amounted to approximately HK\$13.75 million which will be applied by the Company according to its intention as specified above (in particular, as set out in the Letter from the Board, approximately HK\$10 million will be used in a property development project as detailed below), the Directors consider that the Open Offer with net proceeds of approximately HK\$80.5 million will strengthen the financial resources of the Group for its business development in the future.

Reasons for the Open Offer and the use of proceeds

It was stated in the Letter from the Board that 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 (i) the money lending business; and (ii) the property development project as mentioned below respectively.

LETTER FROM CELESTIAL CAPITAL

Money lending business

As stated in the Letter from the Board, in light of the nature of money lending business which is capital intensive, the Board considers that there is significant demand and intends to utilise part of the net proceeds from the Open Offer in the amount of approximately HK\$30 million to expand its loan portfolio, in order to enhance the cost efficiency as well as the return of the segment. The Company's main focus area will be secondary mortgage and personal loan for customers with good credit records in Hong Kong. It was further mentioned in the section headed "Business trend and financial and trading prospects of the Group — Money lending business" in Appendix 1 to the Circular that it is targeting on terms loan shorter than two years as the Board considers such loan portfolio will enhance liquidity and flexibility as well as generate a healthy cash flow as a whole.

According to the monthly statistical bulletin published by the Hong Kong Monetary Authority in August 2012, the amount of loans and advances for use in Hong Kong has increased from approximately HK\$2,486.34 billion as of June 2009 to approximately HK\$3,431.28 billion as of June 2012, representing a compound annual growth rate ("CAGR") of approximately 11.34%. Besides, the balance of personal loans excluding credit card advances increased from approximately HK\$143.44 billion as of June 2009 to approximately HK\$210.74 billion as of June 2012, representing a CAGR of approximately 13.68%. In addition, the amount of corporate loans increased from approximately HK\$1,616.77 billion as at 30 June 2009 to approximately HK\$2,259.22 billion, representing a CAGR of approximately 11.80%. In light of the abovementioned growing trend in the demand for loans and advances, we concur with the view of the Directors that the demand for money lending services in Hong Kong is significant.

We note that there are risks associated with the money lending business of the Group as detailed in the section headed "Information on the money lending business" of the Letter from the Board. We have discussed with the management of the Group regarding such risk factors. We concur with the view of the Directors that most of these risks are common in the industry and not particularly specific to the Group. Besides, we note that the Group has adopted various operational measures in respect of its money lending business, details of which are set out in the section headed "Information on the money lending business" of the Letter from the Board. Having considered that (i) the Group has an experienced credit management team in managing its money lending business; (ii) it has adopted various measures in respect of the operations of its money lending business; and (iii) there has been no default in repayment since the commencement of such business, the Directors consider that such measures are appropriate to the Group's existing money lending business and the Group will review such measures from time to time. The management of the Group has advised us that the target market of such business is Hong Kong.

We note that the money lending business of the Group has been growing progressively since its commencement in the third quarter of 2011. For the year ended 31 December 2011 and the six months ended 30 June 2012, the Group's

LETTER FROM CELESTIAL CAPITAL

revenue derived from the money lending business was approximately HK\$430,000 and HK\$1.97 million respectively, which accounted for approximately 1.99% and 9.79% of the Group's total turnover respectively. During the same periods, such business segment recorded a loss of approximately HK\$995,000 and HK\$1.49 million respectively. As at 30 June 2012, the Group's loan portfolio amounted to approximately HK\$18.49 million, representing an increase of approximately 77.85% from approximately HK\$10.39 million as at 31 December 2011. As set out in the section headed "Business trend and financial and trading prospects of the Group — Money lending business" in Appendix I to the Circular, such loan portfolio comprised secured and unsecured loan receivables of approximately HK\$10.49 million and HK\$8 million respectively. As advised by the management of the Group, as at 30 June 2012, the average size of the outstanding loans granted by the Group was approximately HK\$1.23 million and, for the six months ended 30 June 2012, the credit terms of the outstanding loans granted by the Group to its customers ranged from less than a month to seven years. The management of the Group has also advised us that there is no default in repayment since the Company has engaged in the money lending business. It was stated in the Interim Report that, during the first half of 2012, the average interest rate charged by the Group was approximately 34.8% per annum. The management of the Group has further advised us that, subject to the background of each customer, the Group in general intends to offer its customers for the money lending business with terms similar to those offered to the existing customers.

The Directors consider that such business is still in its initial development stage. As advised by the management of the Group, the losses in the money lending business for the year ended 31 December 2011 and the six months ended 30 June 2012 were primarily attributable to the administration costs which mainly comprised key executives and staff costs. Notwithstanding that there was an increase in the loan receivables of the Group as at 30 June 2012 as compared with that as at 31 December 2011, the revenue derived from the money lending business to external customers of the Group for the six months ended 30 June 2012 only amounted to approximately HK\$1.97 million. Such revenue was offset by the administration costs of the Group. As a result, the Group recorded a loss for such business segment in the first half of 2012.

As stated in the Letter from the Board, the Board considers that there is significant demand for money lending services. Thus, the Directors consider that, by expanding the loan portfolio, the Group will be able to enhance the cost efficiency as well as the returns of such business segment. In view of the Property Development Project as mentioned below and the Cash Balances, the Directors consider that the Group requires further funding to expand its money lending business.

The Directors consider that, by utilising the partial proceeds from the Open Offer in the amount of approximately HK\$30 million to expand the loan portfolio, the Group's money lending business would become much scalable so that it would be able to enhance the cost efficiency as well as the return of such business segment. In addition, we have been confirmed by the management of the Group that

LETTER FROM CELESTIAL CAPITAL

notwithstanding the proposed expansion of the Group's money lending business by utilising part of the net proceeds from the Open Offer in the amount of approximately HK\$30 million, it has no plan to step up the related operational scale, including the recruitment of additional manpower for that business segment, as a result of such expansion plan given that the money lending business is not human intensive in nature. The Directors therefore expect that the cost efficiency of the money lending business of the Group will be enhanced upon expanding the loan portfolio without incurring additional cost for manpower and increasing operational scale in the future.

Having considered that (i) the nature of money lending business is capital intensive; (ii) the Group's money lending business is in its initial stage of development given the size of its existing loan portfolio, and (iii) the Group has no plan to step up the related operational scale, including the recruitment of additional manpower, for the money lending business, we concur with the view of the Directors that expanding the Group's loan portfolio through utilising part of the net proceeds from the Open Offer would allow the Group to enhance the cost efficiency as well as the return of its money lending business segment in the future.

Property development project

As stated in the Letter from the Board, in August 2012, the Group has acquired the entire issued capital in a Hong Kong incorporated company which in turn holds the entire equity interest in a wholly foreign-owned enterprise, namely Meizhou City Hang Fung Tai Cultural Travel Development Company Limited* (梅州市恆豐泰旅遊文化開發有限公司) (“**HFT**”), in the PRC which is licensed for property-related activities in the PRC. HFT has entered into an agreement with Dabu County Land and Resources Bureau (大埔縣國土資源局) of Guangdong Province, the PRC in relation to a property development project in the region (the “**Property Project Agreement**”).

We have been advised by the management of the Company that pursuant to the Property Project Agreement, HFT plans to carry out a property development project at Meizhou City of Guangdong Province, the PRC (中國廣東省梅州市) (the “**Property Development Project**”). It was set out in the Letter from the Board that the Directors intend to develop low density luxury villas for residential use. According to the Statistical Bureau of Meizhou City (梅州市統計局), the gross domestic product of Meizhou City increased from approximately RMB50.95 billion in 2009 to approximately RMB73.32 billion in 2011, representing a CAGR of approximately 19.96%. From 2009 to 2011, the total investment amount of completed property development projects in Meizhou City grew at a CAGR of approximately 65.84% from approximately RMB1.54 billion in 2009 to approximately RMB4.23 billion in 2011.

As stated in the Letter from the Board, the total development fund required would amount to approximately RMB200 million. The estimation of such total funds required is based on the proposed land area of approximately 132,000 square meters

* For identification purpose only

LETTER FROM CELESTIAL CAPITAL

which is still under negotiation and the local market condition of Meizhou City, Guangdong Province, the PRC. The source of funds will include the Unused Balance, the proceeds from the Open Offer and the sales proceeds from the respective phases of the Property Development Project. As stated in the Letter from the Board, the Directors intend to develop low density luxury villas for residential use. Regarding the first development and sales phase, as advised by the management of the Group, the number of villas built/sold will be finalised upon completion of the preliminary negotiating and planning stage. Besides, for the capital contribution, as stated in the Letter from the Board, the Directors plan to employ approximately HK\$60 million for the preliminary negotiating and planning stage as well as the first development and sales phase. As stated in the Letter from the Board, it is estimated that it takes approximately 18 months to complete each phase. The Group intends to take a step-by-step approach in developing the Property Development Project and will review and consider, among other things, the progress of development, the sales of the preceding stage, the sales performance and internal funding capability and the market condition at that particular time before proceeding to the next phase. It was also set out in the Letter from the Board that the Company intends to complete the Property Development Project within 5 years.

As stated in the Letter from the Board, the Property Development Project is subject to the approval of relevant regulators and authorities, as well as the negotiation between the relevant parties. The management of the Group has advised us that the negotiations being undertaken mainly included (i) negotiations with relevant authorities for approval of the overall design of the Property Development Project, including but not limited to environmental protection measures; (ii) negotiations with governmental authorities for land cost and terms of payment for consideration; and (iii) negotiations with contractors and professionals relating to the development of the Property Development Project. The management of the Group has further advised us that funds proof is required to the extent that the Company is able to demonstrate its financial strength in starting the preliminary stage and first phase of the Property Development Project, including but not limited to the development and sales of villa. In view of the estimated amounts required for the Property Development Project and the Cash Balances, the Directors consider that the Group requires further funding to finance such project.

Having considered that the net proceeds from the Open Offer are expected to improve the Group's financial position and enlarge its capital base, and that part of the net proceeds from the Open Offer of approximately of HK\$50 million will be applied for the Property Development Project, the Directors are of the view that the Open Offer will facilitate the long term development of the Group to diversify its business into the property development.

As stated in the Letter from the Board, the Directors are of the view that part of the Unused Proceeds in the amount of approximately HK\$10 million and the partial proceeds from the Open Offer in the amount of approximately HK\$50 million will provide sufficient capital for the preliminary negotiating and planning stage and the first development and sales phase of the Property Development Project. The

LETTER FROM CELESTIAL CAPITAL

Directors also estimate that the sales proceeds from the first phase will be sufficient for the development of the second phase and the sales proceeds from the second phase will be sufficient for the development of the third phase. Should the requirement for additional funds be identified at the completion of preliminary negotiation stage of the Property Development Project, the Company may consider using the Group's internal resources, facility available and/or equity financing exercise such as placing, rights issue and/or open offer as the Directors consider appropriate.

The Directors consider that the Group has a strong management team with substantial experience in the property industry. As set out in Appendix III to the Circular, Mr. Yang, an executive Director and the Chairman of the Company, has over 19 years of experience in property development and corporate management. He was elected as the Secretary General of the Qinghai Real Estate Association (青海省房地產協會) in 2009. Mr. Yang had been the chairman of the board of directors of a property enterprise from 1999 to 2002 and is the chairman of the board of directors of a property development corporation in Qinghai Province, the PRC. Besides, Mr. Jiang Tan Shan, an executive Director, has extensive experience in hotel management and corporate management. The Directors consider that, with the solid background and knowledge of the Group's management team, the Company is confident in the development of the property market in the PRC.

With the extensive experience in property development and corporate management of Mr. Yang and Mr. Jiang Tan Shan, the Board considers that the Company possesses the expertise and is capable in carrying out the Property Development Project. Nevertheless, such project is at preliminary stage of negotiations between the relevant parties and the overall development plan is subject to the approval of relevant regulators and authorities and no definitive agreement in relation to the Property Development Project has been entered into by the Group as at the Latest Practicable Date. As mentioned in the Letter from the Board, in case the Property Development Project does not become materialised, the Board intends to retain the relevant proceeds for other property related activities when suitable opportunities arise. The management of the Group has further advised us that, at present, no other investment opportunities have been identified. To the extent that the Property Development Project does not become materialised and no other property related activities have been immediately identified, the Board intends to hold such portion of the net proceeds from the Open Offer in short-term deposits with licensed banks and/or authorised financial institutions in Hong Kong and/or the PRC for so long as it is in the best interest of the Group.

Having considered the above, in particular (i) the Group's plan to diversify its business in the property development segment as well as the experience of its management team in the property market in the PRC; (ii) the growing trend in the gross domestic product and the total investment amount of completed property development projects in Meizhou City, at which the Property Development Project is located, as mentioned above, (iii) the fact that the Group is still in the preliminary stage of negotiations with the relevant parties with regard to the Property

LETTER FROM CELESTIAL CAPITAL

Development Project and the Group needs funding as a proof of its financial strength in negotiating, we concur with the view of the Directors that the application of part of the net proceeds from the Open Offer of approximately HK\$50 million for the Property Development Project will enhance the Group's financial strength which in turn will facilitate the negotiation and development with regard to the Property Development Project, which is in line with the Group's business plan to enter into the PRC property market so as to diversify its business portfolio while maintaining its existing business.

The Board is of the view that the Open Offer will enable the Company to raise funds and provide the Company with financial flexibility and strength 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 enables the Qualifying Shareholders to maintain their proportionate interests in the Company.

Having considered the above, we concur with the view of the Directors that the Company has a need to conduct the Open Offer in order to raise further funding to finance the Property Development Project as well as to expand the money lending business of the Group; and that the existing size of fund raising of the Open Offer is appropriate. In addition, the proposed usage of net proceeds from the Open Offer for the money lending business and the property development project as discussed above is in line with the business strategy of the Group in strengthening and diversifying its business. As such, and after taking into account (i) the Group's unaudited net assets value of approximately HK\$44.96 million and unaudited cash and bank balances of approximately HK\$32.63 million as at 30 June 2012; (ii) the remainder of the net proceeds from the previous fund raising exercises of approximately HK\$13.75 million and the intended application thereof as mentioned above, (iii) the net proceeds from the Open Offer of approximately HK\$80.5 million, we concur with the view of the Directors that the Open Offer will strengthen the financial resources of the Group, we consider that the Open Offer would provide further financial resources to the Group for its future business development and is in the interests of the Company and the Shareholders as a whole.

Terms of the Open Offer

Basis of the Open Offer

The Open Offer is on the basis of three Offer Shares for every one Consolidated Share held by the Qualifying Shareholders on the Record Date and payable in full on application. As at the Latest Practicable Date, 1,394,249,326 Existing Shares have been issued by the Company and were fully paid or credited as fully paid. On that basis, before the Share Consolidation, the proposed issue of 418,274,796 Offer Shares under the Open Offer will have a dilution effect of approximately 23.08%. The Open Offer is, however, conditional to, among others, the completion of Share Consolidation. Assuming that no further Shares will be issued or repurchased from the date of this letter up to the date on which the Share Consolidation becoming effective, 139,424,932 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the Share

LETTER FROM CELESTIAL CAPITAL

Consolidation but before the completion of the Open Offer. Assuming no further Shares to be issued or repurchased on or before the Record Date, the 418,274,796 Offer Shares proposed to be issued under the Open Offer represent (i) approximately 300% of the Company's adjusted issued share capital immediately upon completion of the Share Consolidation; and (ii) approximately 75% 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 of the closing prices of the 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;
- (iii) a discount of approximately 52.94% to the theoretical ex-entitlement price of approximately HK\$0.425 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 and the Open Offer; and
- (iv) a discount of approximately 47.37% to the adjusted closing price of HK\$0.38 per Consolidated Share, based on the closing price of HK\$0.038 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation.

The net price to be raised upon completion of the Open Offer will be approximately HK\$0.1925 per Offer Share. As stated in the Letter from the Board, the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with references to, among other things, the recent trading price performance and trading liquidity of the Shares and the prevailing market condition. Having considered that it is common for listed issuers in Hong Kong to issue shares by way of open offer at a discount to the market price in order to enhance the attractiveness of an open offer transaction, the Directors are of the view that the Subscription Price would encourage the Shareholders to participate in the Open Offer and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors further consider that the Subscription Price representing a discount to the recent market prices of the Shares could enhance the attractiveness of the Open Offer to the Shareholders. In addition, all Qualifying Shareholders will be given a fair and equal opportunity to

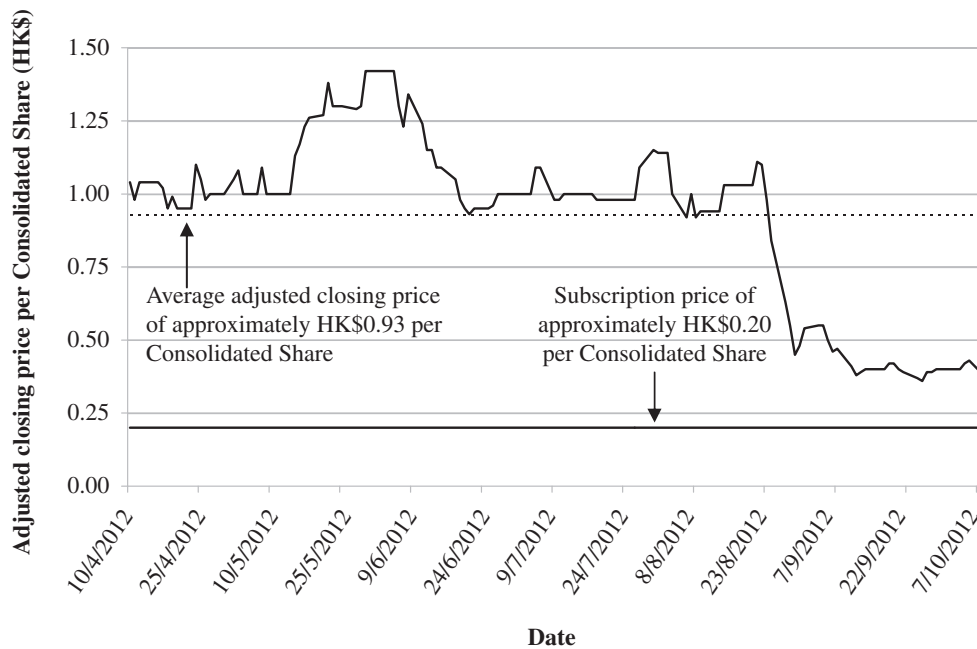
LETTER FROM CELESTIAL CAPITAL

subscribe for his/her/its assured entitlements under the Open Offer. Accordingly, the Directors 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.

Historical closing prices and trading volume of the Shares

We have reviewed the closing price and daily trading volume of the Shares on the Stock Exchange for the 6-month period ended on the Latest Practicable Date (the “**Review Period**”). Set out below are the charts of the adjusted closing price per Consolidated Share and the adjusted daily trading volume of the Consolidated Shares during the Review Period:

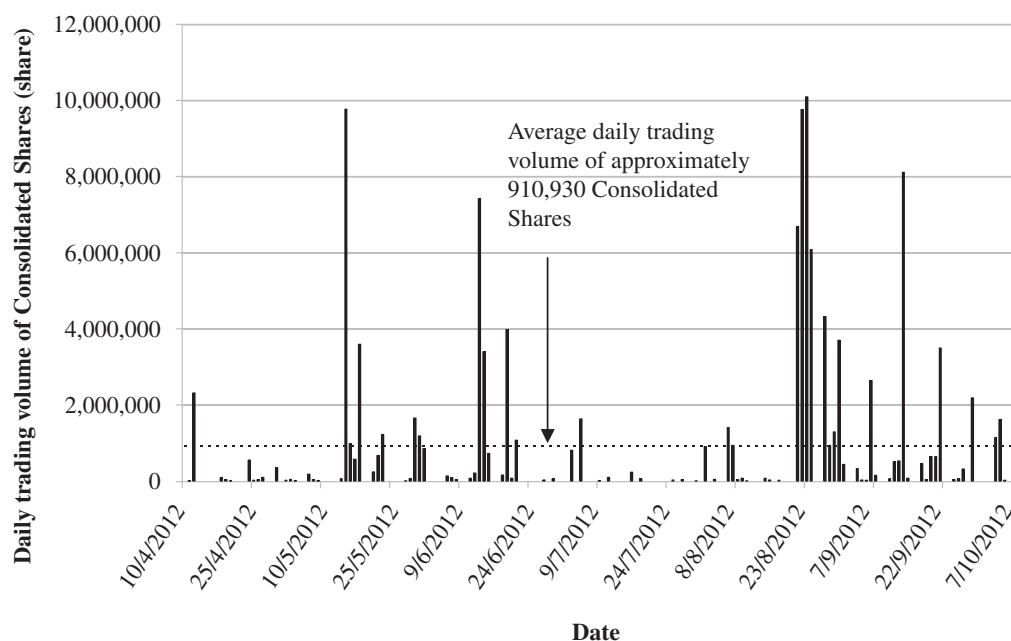
Adjusted closing price per Consolidated Share



Source: The website of the Stock Exchange

LETTER FROM CELESTIAL CAPITAL

Daily trading volume of the Consolidated Shares



Source: The website of the Stock Exchange

During the Review Period, the highest adjusted closing price of the Consolidated Shares was HK\$1.42 from 30 May 2012 to 5 June 2012, whilst the lowest adjusted closing price of the Consolidated Shares was HK\$0.36 on 25 September 2012. The Subscription Price is below the range of the adjusted closing prices of the Consolidated Shares and represents a discount of approximately 78.46% to the average of the adjusted closing prices of the Consolidated Shares during the Review Period of approximately HK\$0.93. We note that there is a downward trend of the closing prices of the Existing Shares since the announcement dated 22 August 2012 issued by the Company regarding, among other things, the Open Offer. Thus, the discount of the Subscription Price to the adjusted closing price of the Consolidated Shares as at the Latest Practicable Date reduced to approximately 47.37%.

During the Review Period, the average daily trading volume of the Consolidated Shares was approximately 910,930 Consolidated Shares, representing approximately 0.65% of the issued share capital of the Company as at the Latest Practicable Date as adjusted for the effect of the Share Consolidation. We note that the trading of the Existing Shares was not particularly active during the Review Period which may have an implication in setting the Subscription Price at a discount to market prices so as to enhance the attractiveness of the Open Offer.

In view of the above and having considered that it is common for listed issuers to issue shares by way of open offer at a discount to the market price in order to enhance the attractiveness of an open offer, and all the Qualifying Shareholders will be given a fair and equal opportunity in subscribing his/her/its assured entitlements

LETTER FROM CELESTIAL CAPITAL

under the Open Offer, we concur with the view of the Directors that the Subscription Price representing a discount to the recent market prices of the Shares is fair and reasonable.

Comparison with other open offers and right issues

In assessing the fairness and reasonableness of the Subscription Price, we have analysed 42 open offers or right issues conducted by other companies listed on the Stock Exchange (the “**Comparables**”). The Comparables constitute an exhaustive list of all the open offers or right issues announced by listed companies on either the Main Board or the GEM of the Stock Exchange in 2012 and up to the Last Trading Day according to our research on a best effort basis. Details of the Comparables are summarised in the following table:

Company name (stock code)	Date of announcement	Basis of entitlement	Premium/ (discount) of subscription price over/(to) the closing price on the last trading day %	Premium/ (discount) of subscription price over/(to) the theoretical ex-entitlement price %	Maximum dilution %	Underwriting commission %
Ngai Lik Industrial Holdings Limited (332)	18 January 2012	2 for 7	(8.13)	(6.37)	22.22	Nil ¹
Freeman Financial Corporation Limited (279)	19 January 2012	2 for 1	(35.48)	(15.25)	66.67	3.00
Shun Tak Holdings Limited (242)	19 January 2012	3 for 8	(35.70)	(28.70)	27.27	2.75 ¹
Seamless Green China (Holdings) Limited (8150) ²	19 January 2012	1 for 3	(57.60)	(50.50)	25.00	2.75
Xiwang Sugar Holdings Company Limited (2088)	27 January 2012	9 for 10	(2.48)	N/A ³	47.37	Nil ¹
Heng Tai Consumables Group Limited (197)	30 January 2012	1 for 2	(54.02)	(43.98)	33.33	2.50
Greenfield Chemical Holdings Limited (582)	13 February 2012	1 for 2	47.06	495.24	33.33	2.50
Goldin Properties Holdings Limited (283)	16 February 2012	1 for 2	(8.47)	(5.80)	33.33	1.75 ¹
China Mandarin Holdings Limited (9)	22 February 2012	1 for 1	(58.29)	(41.14)	50.00	2.00 ¹
BEP International Holdings Limited (2326) ⁴	27 February 2012	1 for 2	(40.00)	N/A ³	33.33	2.50
Lai Fung Holdings Limited (1125)	27 February 2012	1 for 1	(38.10)	(23.80)	50.00	2.00 ¹
China Natural Investment Company Limited (8250)	28 February 2012	1 for 2	(58.30)	(48.30)	33.33	2.50
Climax International Company Limited (439) ⁴	5 March 2012	8 for 1	(80.00)	N/A ³	88.89	2.50
Pacific Andes International Holdings Limited (1174)	6 March 2012	1 for 2	(38.80)	(30.00)	33.33	3.50
China Automotive Interior Decoration Holdings Limited (8321)	23 March 2012	1 for 2	(67.74)	(58.33)	33.33	3.00
First Natural Foods Holdings Limited (1076) ⁴	26 March 2012	7 for 1	(97.60)	N/A ³	87.50	3.00

LETTER FROM CELESTIAL CAPITAL

Company name (stock code)	Date of announcement	Basis of entitlement	Premium/ (discount) of subscription price over/(to) the closing price on the last trading day %	Premium/ (discount) of subscription price over/(to) the theoretical ex-entitlement price %	Maximum dilution %	Underwriting commission %
The United Laboratories International Holdings Limited (3933)	29 March 2012	1 for 4	(45.02)	(39.62)	20.00	N/A ⁵
Paladin Limited (495)	10 April 2012	2 for 5	13.97	9.93	28.57	2.00 ¹
Sage International Group Limited (8082)	11 April 2012	1 for 2	(54.34)	(50.98) ⁶	33.33	N/A ⁷
Seamless Green China (Holdings) Limited (8150) ²	16 April 2012	1 for 2	(75.30)	(67.00)	33.33	3.00
China Zenith Chemical Group Limited (362)	26 April 2012	2 for 1	(52.38)	(26.83)	66.67	2.50
SRE Group Limited (1207)	30 April 2012	1 for 7	(22.08)	(19.79)	12.50	N/A ⁸
譽滿國際(控股)有限公司 Celebrate International Holdings Limited (formerly known as Hong Kong Life Group Holdings Limited) (8212)	4 May 2012	5 for 1	(65.93)	(24.59)	83.33	3.50
China Financial Leasing Group Limited (2312)	7 May 2012	1 for 2	0.00	0.00	33.33	2.50
Bao Yuan Holdings Limited (692)	10 May 2012	7 for 2	(25.00)	(6.98)	77.78	3.00
Co-Prosperity Holdings Limited (707) ²	10 May 2012	1 for 2	(11.33)	(7.69)	33.33	Nil ¹
Skyfame Realty (Holdings) Limited (59)	17 May 2012	1 for 2	(27.54)	(20.63)	33.33	3.00
Luxey International (Holdings) Limited (8041)	23 May 2012	1 for 2	(39.80)	(30.60)	33.33	2.50 ¹
Hop Fung Group Holdings Limited (2320)	23 May 2012	1 for 2	(56.10)	(45.95)	33.33	1.00 ¹
TLT Lottotainment Group Limited (8022)	8 June 2012	1 for 2	11.11	6.38	33.33	3.00
Bright Smart Securities & Commodities Group Limited (1428)	25 June 2012	1 for 2	(20.29)	(14.46)	33.33	N/A ⁹
United Gene High-Tech Group Limited (399)	25 June 2012	3 for 10	(29.03)	(24.14)	23.08	5.00
China Seven Star Shopping Limited (245)	27 June 2012	1 for 2	(28.57)	(21.05)	33.33	2.00
Ming Kei Holdings Limited (8239)	5 July 2012	1 for 2	(8.51)	(5.91)	33.33	3.50
China Automotive Interior Decoration Holdings Limited (8321)	5 July 2012	2 for 1	(32.43)	(13.79)	66.67	3.00
Pacific Plywood Holdings Limited (767)	10 July 2012	2 for 1	0.00	333.44	66.67	1.95/2.50 ¹⁰
China Properties Investment Holdings Limited (736)	25 July 2012	1 for 2	(63.44)	(53.74)	33.33	3.00
UDL Holdings Limited (620)	6 August 2012	1 for 3	(57.60)	(50.40)	25.00	2.50 ¹
MelcoLot Limited (8198)	14 August 2012	3 for 1	(21.20)	(6.00)	75.00	Nil ¹
C Y Foundation Group Limited (1182)	15 August 2012	1 for 2	(55.56)	(45.95)	33.33	2.00

LETTER FROM CELESTIAL CAPITAL

Company name (stock code)	Date of announcement	Basis of entitlement	Premium/ (discount) of subscription price over/(to) the closing price on the last trading day %	Premium/ (discount) of subscription price over/(to) the theoretical ex-entitlement price %	Maximum dilution %	Underwriting commission %
Easyknit Enterprises Holdings Limited (616)	15 August 2012	1 for 2	0.00	0.00	33.33	1.00
Daiwa Associate Holdings Limited (1037)	17 August 2012	1 for 4	(52.38)	(46.81)	20.00	Nil ¹
		Maximum:	47.06	495.24	88.89	
		Minimum:	(97.60)	(67.00)	12.50	
		Mean:	(34.58)	(3.42)	41.19	
The Company	22 August 2012	3 for 1	(81.82)	(52.94)	75.00	2.50

Source: The website of the Stock Exchange

Notes:

1. The underwriter(s) or one of the underwriters of this Comparable has/have beneficial interests in this Comparable or is/are connected with this Comparable.
2. This open offer or right issue was subsequently terminated.
3. The information was not disclosed in the relevant announcement.
4. The trading of shares in this Comparable has been suspended for a period of time immediately before the open offer or right issue.
5. The underwriting commission of this Comparable was a fixed amount of US\$1.6 million.
6. The discount of the subscription price was calculated assuming that only the shareholders who had given irrevocable undertaking would take up their entitlements.
7. The open offer or rights issue of this Comparable was not fully underwritten.
8. The underwriting commission of the open offer or rights issue of this Comparable was a fixed amount of HK\$100,000 and such right issue was underwritten by its controlling shareholder.
9. The underwriting commission of the open offer or rights issue of this Comparable was a fixed amount of HK\$1,550,000.
10. The two underwriters of the open offer or rights issue of this Comparable received different underwriting commissions.

Comparison of subscription price

As shown in the above table, the subscription prices to the closing prices of the Comparables on the last trading days prior to the release of the respective announcements range from a premium of approximately 47.06% to a discount of approximately 97.60% (the “**LTD Comparable Range**”). We note that the discount

LETTER FROM CELESTIAL CAPITAL

of the Subscription Price to the adjusted closing price of the Consolidated Shares on the Last Trading Day of approximately 81.82% falls within the LTD Comparable Range.

The variance of the subscription prices to the theoretical ex-entitlement price of the Comparables on the last trading days prior to the release of the respective announcements range from a premium of approximately 495.24% to a discount of approximately 67.00% (the “**TEP Comparable Range**”). We note that the discount of the Subscription Price to the theoretical ex-entitlement price of the Consolidated Shares on the Last Trading Day of approximately 52.94% falls within the TEP Comparable Range.

The potential maximum dilution effect of the Comparables range from approximately 12.50% to 88.89% (the “**Dilution Range**”). We note that the potential maximum dilution effect of the Open Offer of approximately 75.00% therefore falls within the Dilution Range.

The LTD Comparable Range, the TEP Comparable Range and the Dilution Range show that the relevant terms of the Open Offer are in line with the recent trend of other open offers and rights issues in the market. Having considered that (i) it is common for listed issuers in Hong Kong to issue offer shares at a discount to market price in order to enhance the attractiveness of an open offer; (ii) the Subscription Price was arrived at after arm’s length negotiation between the Company and the Underwriter with references to, among other things, the recent trading price performance and trading liquidity of the Shares and the prevailing market condition; (iii) the discounts of the Subscription Price to the adjusted closing price of the Consolidated Shares on the Last Trading Day and to the theoretical ex-entitlement price on the Last Trading Day falls within the LTD Comparable Range and the TEP Comparable Range respectively; (iv) the potential maximum dilution effect of the Open Offer falls within the Dilution Range; and (v) all Qualifying Shareholders are given a fair and equal opportunity to subscribe for his/her/its assured entitlement under the Open Offer, we consider that the Subscription Price is fair and reasonable insofar as the Company and the Shareholders are concerned.

As advised by the management of the Group, notwithstanding that (i) the discount of the Subscription Price to the adjusted closing price of the Consolidated Shares on the Last Trading Day falls within, but close to the low end of, the LTD Comparable Range and (ii) the discount of the Subscription Price to the theoretical ex-entitlement price of the Consolidated Shares on the Last Trading Day falls within, but close to the low end of, the TEP Comparable Range, the Directors consider that:

- (i) it is not uncommon for listed companies on the Stock Exchange to issue new shares by way of open offer at a remarkable discount to market price in order to enhance the attractiveness of an open offer transaction;
- (ii) the average daily trading volume of the Consolidated Shares was approximately 910,930 Consolidated Shares, representing approximately 0.65% of the issued share capital of the Company as at the Latest

LETTER FROM CELESTIAL CAPITAL

Practicable Date. The trading of the Shares was not particularly active during the Review Period which may have an implication in setting the Offer Price at a discount to market price so as to enhance attractiveness of the Open Offer; and

- (iii) the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with references to, among other things, the recent trading price performance and trading liquidity of the Shares and the prevailing market condition.

Based on the above, the Directors consider that the reasons and basis of discount of the Subscription Price is fair and reasonable.

Having considered the above and as discussed in the above sections headed "Business and financial performance of the Group" and "Reasons for the Open Offer and the use of proceeds", the Company has been diversifying its business portfolio, such as money lending, property development and investment in fish breeding, we concur with the view of the Directors that the Open Offer provides an opportunity for the Shareholders to participate in the growth of the Company at the Subscription Price with a relatively large discount. Further, in view of the discount of the Open Offer which is close to the low end of the range of the Comparables, we concur with the view of the Directors that the deep discount may provide an opportunity for the Shareholders to lower their average investment cost while maintaining their shareholding in the Company.

Application for excess Offer Shares

We note that there will be no arrangement for application for Offer Shares by Qualifying Shareholders in excess of their entitlements. Having considered that (i) it is not uncommon for companies listed on the Stock Exchange to propose open offer without arrangement of excess application for offer shares; (ii) the absence of such arrangement will save additional efforts and costs to the administrative procedures for the excess application; and (iii) all Qualifying Shareholders are given a fair and equal opportunity to subscribe for his/her/its assured entitlement under the Open Offer, we are of the view that the absence of excess application under the Open Offer is fair and reasonable.

Underwriting commission

As stated in the Letter from the Board, the Open Offer will be fully underwritten by the Underwriter and the Company will pay the Underwriter an underwriting commission of 2.50% (the "**Underwriting Commission**") of the aggregate Subscription Price in respect of the Underwritten Shares. As shown in the above table, the underwriting commissions of the Comparables range from nil to 5.00%. In view that (i) the Underwriting Commission falls within the range of underwriting commissions of the Comparables; and (ii) the Underwriting Commission was determined after arm's length negotiation between the Company

LETTER FROM CELESTIAL CAPITAL

and the Underwriter, we consider that the Underwriting Commission is in line with the market practice and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Risk associated with the Open Offer

Shareholders should note that as stated in the Letter from the Board, the Open Offer is conditional upon fulfillment of certain conditions as set out in the section headed “Underwriting arrangement — Conditions of the Open Offer”. In addition, the Underwriter may terminate the Underwriting Agreement as per the section headed “Underwriting arrangement — Termination of the Underwriting Agreement” of the Letter from the Board. Accordingly, the Open Offer may or may not proceed. Shareholders should therefore exercise caution when dealing in the Shares and should they be in any doubt about their positions, it is recommended to consult his/her/its own professional adviser.

Other financing alternatives

As stated in the Letter from the Board, 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 is of the view that such trading arrangements will increase the administrative works and expenses for the proposed fund raising exercise. As advised by the management of the Group, the administrative works will mainly involve the arrangement of trading of nil-paid rights. It is estimated that the additional expense involved in a rights issue as compared to the Open Offer will be less than approximately HK\$100,000. While the Offer Shares will be offered to all the Qualifying Shareholders on an equal and fair basis, the lacking of trading of nil-paid rights will not prevent the Shareholders from participating in the Open Offer. In addition, in view of the relatively inactive historical trading volume of the Shares, whether the nil-paid rights associated with a rights issue of the Company will develop an active market on the Stock Exchange may be questionable. Such relatively inactive historical trading volume of the Shares was approximately 910,930 Consolidated Shares per day in average during the Review Period, representing approximately 0.65% of the issued share capital of the Company as at the Latest Practicable Date as adjusted for the effect of the Share Consolidation.

The Directors consider that, as compared to a rights issue, the Open Offer will incur less administration expenses. In view of the low trading volume of the Shares, an active market for nil-paid rights may not be developed. In such regards, the Open Offer will provide a much cost-effective and efficient way for the Company to raise funds. Having considered the above, we concur with the view of the Board that raising funds by way of the Open Offer is much cost-effective and efficient as compared to a rights issue.

The management of the Group has also advised us that the Group has considered debt financing as a financing alternative. The management of the Group is of the view that, however, any debt financing would inevitably incur recurring interest expenses over the entire term of the loan. On the contrary, the Underwriting Commission of 2.50% of the aggregate Subscription Price in respect of the Underwritten Shares is an one-off

LETTER FROM CELESTIAL CAPITAL

expense. As such, it is expected that the interest expenses of debt financing of a comparable size with the Open Offer would be significantly higher than the cost of the Open Offer. In addition, the principal amount of any debt financing would require repayment upon maturity. The Open Offer on the other hand would not create any financial burden in the form of repayment of principal.

Financial effects of the Open Offer

Net tangible assets

According to the unaudited pro forma financial information of the Group (the “**Pro Forma Financial Information**”) as set out in Appendix II to this Circular, the Group had an unaudited consolidated net tangible assets attributable to equity holders of the Company as at 30 June 2012 of approximately HK\$44.96 million and an unaudited consolidated net tangible assets per Existing Share as at 30 June 2012 of approximately HK\$0.0322.

As advised by the management of the Company, immediately after the Share Consolidation but before completion of the Open Offer, the unaudited consolidated net tangible assets per Consolidated Share would be approximately HK\$0.3220.

Based on the Pro Forma Financial Information, after adjustments for the Open Offer, the Group would have unaudited pro forma adjusted consolidated net tangible assets of approximately HK\$125.46 million as a result of the inflow of the estimated net proceeds from the Open Offer. In addition, the unaudited pro forma adjusted net tangible assets per Consolidated Share immediately after completion for the Open Offer would be approximately HK\$0.2250 which represents a decrease of approximately 30.12%.

As illustrated above, the Offer Shares, which will be issued at a discount to the net tangible assets per Consolidated Share immediately after the Share Consolidation but before completion of the Open Offer, is expected to decrease the consolidated net tangible assets per Consolidated Share upon completion of the Open Offer.

Working capital

The Open Offer shall have a positive effect on the Group’s working capital upon completion as the net proceeds from the Open Offer of approximately HK\$80.5 million will bring a net cash inflow to the Group.

Gearing

As set out in the Interim Report, as at 30 June 2012, the total assets and total debts of the Group was approximately HK\$87.82 million and approximately HK\$37.51 million (which mainly represented the zero coupon convertible notes issued on 6 March 2012, with a principal amount of HK\$50 million due 2015 and the maturity date of 5 March 2015) respectively, translating into a gearing ratio (total debts/total assets x 100%) of

LETTER FROM CELESTIAL CAPITAL

approximately 42.72%. The net proceeds from the Open Offer is expected to increase the Company's total assets while total debts is expected to remain unchanged. Accordingly, the Open Offer is expected to improve the Group's gearing position.

Liquidity

Besides, according to the Interim Report, the total current assets and total current liabilities of the Group as at 30 June 2012 were approximately HK\$62.46 million and HK\$5.34 million respectively. Accordingly, the current ratio (current assets/current liabilities) was approximately 11.69 times as at 30 June 2012. The net proceeds from the Open Offer is expected to increase the Group's current assets by approximately HK\$80.5 million and the Open Offer is expected to improve the Group's liquidity position upon its completion.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the terms of the Open Offer are fair and reasonable insofar as the Company and the Shareholders are concerned as a whole and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Open Offer to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Celestial Capital Limited

Michael Lam
Executive Director

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2009, 2010 and 2011 are disclosed in the annual reports of the Company for the years ended 31 December 2009 (pages 26 to 65), 2010 (pages 27 to 63) and 2011 (pages 21 to 59) respectively. The unaudited financial information of the Group for the six months ended 30 June 2011 and 2012 is disclosed on pages 1 to 11 in the interim report of the Company for the six months ended 30 June 2012. These annual reports and interim report are published on both the GEM website (www.hkgem.com) and the Company's website (www.computech.com.hk).

2. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 31 August 2012, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding liability component of Convertible Notes due 2015 of approximately HK\$38,210,000 and its principal amount of HK\$50,000,000.

Contingent liabilities

As at the close of business on 31 August 2012, the Group did not have any significant contingent liabilities.

Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and others payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 31 August 2012.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are in the opinion that in the absence of unforeseen circumstances and taking into account of the net proceeds from the Open Offer and the internal resources of the Group, the Group has sufficient working capital for its present requirements and for at least the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in three business segments, namely (i) IT business which provides consultancy, technical support, system integration, development and sales of relevant hardware and software products in Hong Kong; (ii) money lending business in Hong Kong and (iii) property activities. As discussed in the interim report for the period ended 30 June 2012 of the Group, it recorded a turnover of approximately HK\$20,117,000 (2011: HK\$12,582,000), representing an increase of 59.9% compared with the corresponding period in 2011.

IT business

The turnover of IT business for the six months period ended 30 June 2012 was approximately HK\$18,148,000 (2011: HK\$12,582,000), an increase of 44.2% compared with the corresponding period in 2011. This segment recorded a profit of approximately HK\$158,000 (2011: HK\$14,000) for the period. The Group expects that year 2012 will still be a challenging year for its IT operations as the competitions remain keen and the termination of the service agreement with one of our major customer in 2011 is still affecting the segment adversely. Nevertheless, the Directors believe that the Group has developed expertise through its long time involvement in the industry. The Group will continue to attempt to broaden the customer base and maintain the IT business.

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 of 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 six months period ended 30 June 2012, the revenue from loan interest income was approximately HK\$1,969,000 and the average interest rate per annum was 34.8%. This segment recorded a loss of approximately HK\$1,486,000 for the period. In view of significant demand in the market, the company intends to expand the loan portfolio by applying part of the net proceeds from the Open Offer. The Company's main focus area will be secondary mortgage and personal loan for customers with good credit record in Hong Kong. The Company is targeting on terms loan shorter than two years as the Board considers such loan portfolio will enhance liquidity and flexibility as well as generate a healthy cash flow as a whole.

Investment in fish breeding business

As disclosed in the Company's announcement dated 25 April 2012, the Group entered into an investment agreement in relation to a fish breeding business. As at 30 June 2012, the Group has invested HK\$15,500,000 in the fish breeding business for a term of 20 calendar months with guaranteed return on profit and investment amount. The investment amount has been applied to purchase fish fry and fish feed for the sole purpose of fish breeding at the fish farm in Sabah, Malaysia. As at the Latest Practicable Date, the Directors expect that it will take another twelve months of breeding before the fish becomes marketable. The Company intends to maintain the investment till the end of investing period. The Directors are not aware of any circumstances which may lead to a failure in meeting the profit guarantee or investment return.

Investment in held-for-trading security

As at 30 June 2012, the Company had held-for-trading investments in the listed equity securities in Hong Kong, namely Goodtop Tin International Holdings Limited (Stock code: 195) and Tech Pro Technology Development Limited (Stock code: 3823), 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 Company has no plan for further investment.

Property activities

The Group is devoted to explore and broaden the existing businesses in order to strengthen its competitiveness and provide business growth potential. In the past few years, the central government has implemented various macro controls in the PRC real estate industry including credit tightening measures and purchase restrictions. It is expected that the PRC real estate industry will be further consolidated and the market will become more stable and sustainable. With the management's experience and expertise in the PRC real estate industry, the Board considers that it is an opportunity for the Company to enter into PRC property development market. The Company will deal with the property activities in a prudent manner.

The Board considers that the Open Offer will enable the Group to enhance the capital strength and strengthen its financial position. The Group will continue to look for possible diversifications and grasp the chance when opportunities arise in order to enhance the wealth of the Shareholders as a whole.

12 October 2012

The Board of Directors
Computech Holdings Limited
Unit 1604, 16/F, West Tower,
Shun Tak Centre
168–200 Connaught Road, Central
Hong Kong

Dear Sirs,

We report on the unaudited pro forma statement of adjusted net tangible assets (the “Unaudited Pro Forma Financial Information”) of Computech Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the Open Offer (as defined in the Circular of the Company dated 12 October 2012 (the “Circular”)) might have affected the financial information presented, for inclusion in Appendix II (“Unaudited Pro Forma Financial Information”) to the Circular. The basis of preparation of the Unaudited Pro Forma Financial Information is also set out in Appendix II to the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2012 or any future date.

Opinion

In our opinion:

- the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- such basis is consistent with the accounting policies of the Group; and
- the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

PKF

Certified Public Accountants

Hong Kong

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement on adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 13 of Appendix 1B and rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Open Offer on the net tangible assets of the Group as if the Open Offer had taken place on 30 June 2012.

The unaudited pro forma statement on adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 June 2012 or at any future date.

The following unaudited pro forma statement on adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2012 and adjusted to reflect the effect of the Open Offer:

	Unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2012	Estimated net proceeds from the Open Offer	Unaudited pro forma adjusted consolidated net tangible assets	Unaudited consolidated net tangible assets per Share as at 30 June 2012	Unaudited pro forma adjusted consolidated net tangible assets per Share after completion of the Open Offer
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Consolidated net tangible assets	44,961	80,500	125,461	0.0322 per Share	0.2250 per Share

Notes:

1. The unaudited consolidated net tangible assets attributable to equity holders of the Company as at 30 June 2012 has been extracted from the published interim report of the Company for the period ended 30 June 2012.
2. The estimated net proceeds from the Open Offer of approximately HK\$80,500,000 are based on 418,274,796 Offer Shares to be issued at the Subscription Price of HK\$0.2 per Offer Share (assume outstanding share options and convertible notes are not exercised on or before the Record Date) and after deducting estimated expenses of approximately HK\$3,200,000 attributable to the Open Offer.
3. The calculation of the unaudited consolidated net tangible assets per Share as at 30 June 2012 is based on 1,394,249,326 Shares in issue as at the Latest Practicable Date.
4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share is based on 557,699,728 Shares, which is an aggregate of 139,424,932 Shares after Share Consolidation and 418,274,796 Offer Shares after the completion of the Open Offer.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Share Consolidation and the Open Offer are as follows:

As at the Latest Practicable Date

Authorised: HK\$

<u>10,000,000,000</u> Shares as at the Latest Practicable Date	<u>100,000,000.00</u>
--	-----------------------

Issued and fully paid:

<u>1,394,249,326</u> Existing Shares	<u>13,942,493.26</u>
--------------------------------------	----------------------

Upon completion of the Share Consolidation and the Open Offer

Authorised: HK\$

<u>1,000,000,000</u> Consolidated Shares	<u>100,000,000.00</u>
--	-----------------------

Issued and fully paid:

139,424,932 Consolidated Shares	13,942,493.20
---------------------------------	---------------

<u>418,274,796</u> Offer Shares	<u>41,827,479.60</u>
---------------------------------	----------------------

<u>557,699,728</u>	<u>55,769,972.80</u>
--------------------	----------------------

All the Existing Shares in issue, Consolidated Shares and Offer Shares to be issued rank and will rank pari passu in all respects with each other. The Offer Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other Stock Exchange.

As at the Latest Practicable Date, 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 Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the Existing Shares, underlying Existing Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including the interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to in such provisions of the SFO; or (iii) were required, pursuant to rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

Long Position in the Existing Shares and underlying Existing Shares of the Company

Name	Capacity	Number of Existing Shares or underlying Existing Shares held	Approximate % of interest held over all issued Existing Shares
Mr. Yang	Director	268,453,158	19.25%

(b) Substantial Shareholders' interests*Position in the 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	Beneficial owner	268,453,158	—	268,453,158	19.25%
Mr. Tam Siu Ki ("Mr. Tam")	Beneficial owner	236,310,000	880,000,000 (Note 1)	1,116,310,000	80.07%
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:

- These underlying shares represent the new shares to be issued upon conversion of the Convertible Notes due 2015 by Mr. Tam in the principal amount of HK\$44,000,000 at the initial conversion price of HK\$0.05 per share (subject to adjustment).
- Ms. Hui is spouse of Mr. Lo. These underlying shares represent the new shares to be issued upon conversion of the Convertible 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).

Position in the Offer Shares

Name of Shareholders	Capacity	Number of Consolidated Shares held	Approximate % of the Company's issued share capital (as enlarged by the issue of the Offer Shares)
The Underwriter	Beneficial owner	337,738,851	60.56%
Mrs. Chu Yuet Wah ("Mrs. Chu") (Note)	Interest of a controlled corporation	337,738,851	60.56%

Note: The 337,738,851 Consolidated Shares are the maximum number of the Offer Shares which the Underwriter has undertaken to underwrite in respect of the Open Offer. The Underwriter is wholly owned by Galaxy Sky Investments Limited, which in turn is wholly owned by Kingston Capital Asia Limited. The latter is wholly owned by Kingston Financial Group Limited, which is in turn owned as to 40.48% by Active Dynamic Limited, which is in turn wholly owned by Mrs. Chu. Mrs. Chu is therefore deemed to be interested in the 337,738,851 Consolidated Shares held by the Underwriter under the SFO.

Save as disclosed above, as at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other persons or companies had an interest or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who

were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have interests in businesses apart from the Group's businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2011 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

6. EXPERT AND CONSENT

The following are the qualifications of the experts who have given their advice or opinion which is contained in this circular:

Name and Address	Qualification
Celestial Capital Limited 21/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong	Licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
PKF 26th Floor, Citicorp Centre 18 Whitfield Road, Causeway Bay Hong Kong	Certified Public Accountants

Each of Celestial Capital and PKF has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter as set out in this circular and reference to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, neither Celestial Capital nor PKF was beneficially interested in the share capital of any member of the Company, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company, nor did they have any interest, either direct or indirect, in any assets which had been since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to the Company.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Company is engaged or pending or threatened against the Company.

8. DIRECTORS SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

9. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the issue of this circular which are or may be material:

- (i) the Underwriting Agreement;
- (ii) the sale and purchase agreement dated 20 August 2012 entered into between Enrich Fortune Development Limited and four vendors in relation to the acquisition of entire issued share capital of Feng Tai Shun Cultural Travel Limited and a vendor's loan to the Company at an aggregate consideration of HK\$3,500,000;
- (iii) the placing agreement dated 30 April 2012 entered into between the Company and Kingston Securities Limited in relation to the placing of an aggregate of 180,000,000 placing shares on the best effort basis at HK\$0.084 per placing share;
- (iv) the investment agreement dated 25 April 2012 entered into between the Company and Successful Treasure Investments Limited in relation to the investment in the fish farm business at an aggregate of HK\$15,500,000;
- (v) the placing agreement dated 5 December 2011 entered into between the Company and Pacific Foundation Securities Limited in relation to the placing of convertible notes of up to an aggregate principal amount of HK\$50,000,000, details of which were disclosed in the circular of the Company dated 2 February 2012;
- (vi) the termination of underwriting agreement dated 25 October 2011 entered into between the Company and the underwriter relation to the Open Offer, details of which were disclosed in the announcement of the Company dated 25 October 2011;

- (vii) the underwriting agreement dated 27 September 2011 entered into between the Company and the underwriters in relation to the Open Offer;
- (viii) the sale and purchase agreement dated 12 September 2011 entered into between Computech Online Limited and Checkmate Advisors Limited in relation to the acquisition of the entire issued capital of Checkmate Finance Limited at an aggregate of HK\$4,200,000;
- (ix) the subscription agreement dated 14 April 2011 entered into between the Company and subscriber in relation to the issue of the convertible bonds in the principal amount of HK\$22,750,000, details of which were disclosed in the announcements dated 22 August 2011 and 14 April 2011.

10. EXPENSES

The estimated expenses in connection with the Share Consolidation and the Open Offer (including but not limited to the underwriting commission, printing, registration, financial advisory, legal, professional and accounting charges) are approximately HK\$3.20 million and are payable by the Company.

11. PARTIES

PARTICULARS OF DIRECTORS

(i) Name	Address
<i>Executive Directors:</i>	
Mr. Yang Yue Zhou	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Mr. Mak Kwong Yiu	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Mr. Jiang Tan Shan	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Wong Siu Keung, Joe	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Mr. Wong Ching Yip	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Mr. Luk Chi Shing	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong

(ii) Biographical Details of Directors*Executive Director*

Mr. YANG Yue Zhou, aged 42, was appointed as the executive Director and chairman of the Company on 8 November 2011. Mr. Yang studied in Harbin Institute of Technology, was elected as the Secretary General of the Qinghai Real Estate Association in 2009, the member of the 11th Committee of the Qinghai Youth Federation in 2007, and the member of the 10th CPPCC National Committee from Qinghai Province in December 2007. Mr. Yang has over 19 years of experience in property development and corporate management including land acquisition, engineering, construction, cost control, sales and financial matter in real estate development. Mr. Yang had been the chairmen of the board of directors of two state-owned enterprises from 1992 to 1999 and had been the chairman of the board of directors of a property enterprise from 1999 to 2002. Currently, he is the chairman of the board of directors of a property development corporation in Qinghai Province, PRC. Mr. Yang was an executive director and deputy chairman of Birmingham International Holdings Limited (Stock code: 2309) from 30 August 2011 to 4 June 2012, which is listed on the Main Board of the Stock Exchange.

Mr. MAK Kwong Yiu, aged 37, was appointed as the executive Director on 30 July 2008. Mr. Mak holds Bachelor and Master degrees in Business Administration from the Hong Kong University of Science and Technology. He earned the Chartered Financial Analyst designation in 2000. He is a Certified Public Accountant in the United States and Hong Kong respectively. Mr. Mak currently holds directorships in several companies which are engaged in business of financial services, asset management and asset valuation in Hong Kong. Mr. Mak is also an executive director of Convoy Financial Services Holdings Limited (Stock code: 1019), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Mak had been an independent non-executive director of AcrossAsia Limited (Stock code: 8061) from March 2008 to May 2010, a company whose shares are listed on the GEM of the Stock Exchange.

Mr. JIANG Tan Shan, aged 65, was appointed as the executive Director on 8 November 2011. Mr. Jiang had been the managing director and general manager of Shenzhenshi Qi Peng Group Company Limited for the years from 2000 to 2005 which had participated in various property project during the period. He had been Committee Secretary of the Office of Qinghai Province in Shenzhen. Mr. Jiang has extensive experience in hotel management and corporate management.

Independent Non-executive Directors

Mr. WONG Siu Keung, Joe, aged 47, was appointed as the independent non-executive Director on 15 December 2011. Mr. Wong holds a Degree of Master of Arts in International Accounting from City University of Hong Kong. He is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Wong has

extensive experience in taxation, accounting, financing, audit field and public listed companies for many years. He is the chairman of the audit committee of the Company.

Mr. WONG Ching Yip, aged 39, was appointed as the independent non-executive Director on 15 December 2011. Mr. Wong holds a Double Degree of Bachelor of Arts in Business Administration and Economics in University of Winnipeg in Canada. He has extensive experience in the field of global sales and marketing covering areas including PRC, the United States of America and Europe. Mr. Wong had been an independent non-executive director of SMI Publishing Group Limited (the “SMI”) (Stock code: 8010) for the period from September 2008 to May 2010 and had been re-designated as an executive director of SMI on May 2010 till August 2011. He is a member of the audit committee of the Company.

Mr. LUK Chi Shing, aged 43, was appointed as the independent non-executive Director on 20 December 2011. Mr. Luk holds a Bachelors Degree of Business Administration in Accountancy from City University of Hong Kong. He is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Luk has extensive experience in financial management, auditing and public listed companies for over 15 years. He is a member of the audit committee of the Company.

12. PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Unit 1604, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Authorised representatives	Mr. Mak Kwong Yiu Mr. Lam Wing Tai
Company secretary	Mr. Lam Wing Tai, Certified Public Accountant
Compliance officer	Mr. Mak Kwong Yiu
Auditors and reporting accountants	PKF 26th Floor, Citicorp Centre 18 Whitfield Road Causeway Bay, Hong Kong

Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong
Financial Adviser to the Company	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong
Legal advisers as to Hong Kong Laws (in relation to the Open Offer)	ONC Lawyers 14–15th Floor, The Bank of East Asia Building 10 Des Voeux Road Central, Hong Kong
Independent Financial Adviser	Celestial Capital Limited 21/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Principal Bankers	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
Branch Registrar in Hong Kong	Hong Kong Registrars Limited Room 1712–1716, 17/F., Hopewell Centre 183 Queen's Road East Hong Kong

13. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (Saturdays and public holidays excepted) at Unit 1604, 16/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) this circular;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2010 and 31 December 2011;

- (d) the interim report of the Company for the six months ended 30 June 2012;
- (e) the letter from the Independent Board Committee, the text of which is set out on page 30 of this circular;
- (f) the letter of advice from Celestial Capital, the text of which is set out on pages 31 to 54 of this circular;
- (g) the letter from PKF on the unaudited pro forma consolidated net tangible assets of the Group, the text of which is set out on pages 58 to 60 of this circular;
- (h) the material contracts as referred to in the section headed “material contracts” in this appendix;
- (i) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix;
- (j) the Underwriting Agreement;
- (k) the Irrevocable Underwriting signed by Mr. Yang; and
- (l) the Company’s circular dated 1 February 2012 issued pursuant to chapter 20 of the GEM Listing Rule.



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Computech Holdings Limited (the “Company”) will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 31 October 2012 at 12:00 noon to consider and, if thought fit, pass, with or without amendments, the following ordinary resolutions:

ORDINARY RESOLUTIONS

THAT

1. **“THAT** conditional upon the Growth Enterprise Market (“GEM”) Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue and to be issued, with effect from the next business day (as defined in the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited) immediately following the day on which this resolution is passed, every ten (10) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of HK\$0.10 each (each a “Consolidated Share”), and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company, and any one or more of the directors of the Company (the “Director”) be and is/are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the aforesaid matters.”
2. **“THAT**, subject to the fulfilment of the conditions in the Underwriting Agreement (as defined and more particularly described in the circular of the Company dated 12 October 2012 (“Circular”)), and copies of the Underwriting Agreement and the Circular have been tabled at the meeting, marked “A” and “B” respectively and initialed by the Chairman of the meeting for the purpose of identification):
 - (a) the allotment and issue by way of open offer (the “Open Offer”) of 418,274,796 shares of HK\$0.10 each in the capital of the Company (the “Offer Shares”) to those shareholders of the Company whose names appear on the register of members of the Company at the close of business on 8 November 2012 (the “Record Date”), other than Excluded Shareholders (defined in the

* for identification purpose only

NOTICE OF EGM

Circular) in the proportion of three (3) Offer Shares for every one (1) Consolidated Share held on the Record Date at the subscription price of HK\$0.20 per Offer Share and on the terms and conditions as set out in the Circular, be and is hereby approved;

- (b) the Underwriting Agreement be and is hereby approved, confirmed and ratified and any Directors be and is hereby authorised to do such acts or execute such other document which may be necessary, desirable or expedient in his opinion to carry into effect or to give effect to the terms of the Underwriting Agreement; and
- (c) the Directors, acting together, individually or by committee, be and are hereby authorised to take such actions, do such things and execute such further documents or deeds for and on behalf of the Company as such Directors may, in their opinion, consider necessary, desirable or expedient to carry out or give effect to any of all the transactions contemplated in this resolution and the Circular”.

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

Hong Kong, 12 October 2012

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 1604, 16/F.
West Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies (if the member is a holder of two or more shares) to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at Room 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
- (2) In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
- (3) Completion and return of the form of proxy will not preclude members from attending in person and voting at the extraordinary general meeting or any adjournment. Thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.

NOTICE OF EGM

- (4) As at the date of this notice, 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.