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COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8081)

**(1) PLACING OF NEW SHARES
UNDER GENERAL MANDATE
AND
(2) CHANGE IN BOARD LOT SIZE**

Placing Agent



KINGSTON SECURITIES LTD.

THE PLACING

On 30 April 2012 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 180,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

A maximum of 180,000,000 Placing Shares under the Placing represents approximately 14.82% of the existing issued share capital of the Company of 1,214,249,326 Shares as at the date of this announcement and approximately 12.91% of the issued share capital of 1,394,249,326 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,800,000.

* For identification purpose only

The Placing Price of HK\$0.084 represents a discount of approximately 17.32% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.10 per Share as quoted on the GEM on the date of this announcement; and (ii) the average closing price of HK\$0.1016 per Share as quoted on the GEM for the last 5 trading days prior to the date of this announcement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$15.1 million. The maximum net proceeds from the Placing will amount to approximately HK\$14.5 million which is intended to be used as to approximately HK\$10 million for the general working capital and/or future investments for the IT business as and when opportunities arise, and as to approximately HK\$5 million for possible investments in properties. The net proceeds raised per Placing Share upon the completion of the Placing will be approximately HK\$0.0806 per Placing Share.

CHANGE IN BOARD LOT SIZE

The Board proposes to change the board lot size for trading of the Shares from 10,000 Shares to 30,000 Shares with effect from Wednesday, 23 May 2012. Details for the arrangement of trading odd lots of the Shares arising from the change in board lot size of the Shares are set out below.

No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 10,000 Shares to new share certificates in board lot size of 30,000 Shares is necessary.

THE PLACING AGREEMENT

Date

30 April 2012 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 180,000,000 Placing Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third party independent of and are not connected with the Company and its connected persons (as defined in the GEM Listing Rules). None of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

A maximum of 180,000,000 Placing Shares under the Placing represents approximately 14.82% of the existing issued share capital of the Company of 1,214,249,326 Shares as at the date of this announcement and approximately 12.91% of the issued share capital of 1,394,249,326 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,800,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.084 represents a discount of approximately 17.32% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.10 per Share as quoted on the GEM on the date of this announcement; and (ii) the average closing price of HK\$0.1016 per Share as quoted on the GEM for the last 5 trading days prior to the date of this announcement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to approval of the Shareholders. Under the General Mandate, the Company is authorized to issue up to 183,859,293 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure events.

If the conditions precedent are not satisfied and/or waived (other than paragraph (i) above, which cannot be waived) in whole or in part by the Placing Agent prior to 5:00 p.m. on 31 July 2012 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Termination and force majeure

- (i) **Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) the completion of the Placing and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.**
- (ii) **The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of completion of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).**

For this purpose, a "force majeure event" refers to

- (a) **the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
- (b) **the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the**

business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**

(iii) If, at or prior to 9:00 a.m. on the date of completion of the Placing;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or**
- (b) any suspension in the trading of the Shares on the GEM for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or circulars relating to the Placing; or**
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.**

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place on the fourth business day after the fulfillment of the conditions set out in the Placing Agreement or such later date as may be agreed between the Company and the Placing Agent.

Listing

Application will be made to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

The maximum gross proceeds from the Placing will be HK\$15.1 million. The maximum net proceeds from the Placing will amount to approximately HK\$14.5 million which is intended to be used as to approximately HK\$10 million for the general working capital and/or future investments for the IT business as and when opportunities arise, and as to approximately HK\$5 million for possible investments in properties. The net proceeds raised per Placing Share upon the completion of the Placing will be approximately HK\$0.0806 per Placing Share.

In respect of the IT business, notwithstanding its competitive environment, the Company proposes to maintain and continue with the IT business in which the Directors consider it has developed expertise through its relatively long-time involvement in the industry. Regarding the possible property investments, the Company is in the course of identifying appropriate opportunities but no specific investment targets have been identified yet as at the date of this announcement.

Given the proceeds from the recent completion of the placing of convertible notes, and the subsequent usage of part of such proceeds as then intended as detailed in the section headed “Equity Fund Raising Activities in the Past Twelve Months” below, the Company has an unaudited cash and bank balance of approximately HK\$50 million as at the date of this announcement. Out of which, approximately HK\$15.5 million will be utilized for investment in fish breeding business as disclosed in the Company’s announcement dated 25 April 2012. In addition, a major portion of such cash and bank balance have been reserved for other specific purposes as stated in the same section which will be utilized when the Directors consider appropriate. The Directors believe the current cash level will only be maintained temporarily.

Having considered the above, the Directors are of the view that the Placing, which will provide the capital for the Group to cope with the competitive IT business environment and the readily available funds to grasp the potential investment opportunities, is in the interest of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

Date of initial announcement	Fund raising activity	Net proceeds (Approximately)	Intended use of proceeds	Actual use of proceeds (Approximately)
8 December 2011	Placing of zero coupon convertible notes due 2015	HK\$48.75 million	For general working capital of the Group and/or for further investment	HK\$3 million has been utilized for IT business; HK\$1.5 million has been utilized for money lending business; and HK\$15.5 million will be utilized for investment in fish breeding and the remainders has been retained for intended use.
15 April 2011	Issue of 5% convertible bond due 2016	HK\$22.35 million	General working capital	HK\$3.77 million paid for the acquisition of a property, the rest for general working capital

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) are set out as below:

	As at the date this announcement		Upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Yang Yue Zhou (Note)	268,453,158	22.11	268,453,158	19.25
Public Shareholders				
Placees	—	—	180,000,000	12.91
Other public Shareholders	<u>945,796,168</u>	<u>77.89</u>	<u>945,796,168</u>	<u>67.84</u>
	<u>1,214,249,326</u>	<u>100.00</u>	<u>1,394,249,326</u>	<u>100.00</u>

Note: Mr. Yang Yue Zhou is an executive Director and chairman of the Company.

CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 10,000 Shares each and the market value of each board lot is HK\$1,000 (based on the closing price of HK\$0.10 per Share as quoted on the GEM on the date of this announcement). In order to increase the value of each board lot of the Shares so that the value of each board lot of the Shares will not be less than HK\$2,000, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size for trading of the Shares from 10,000 Shares to 30,000 Shares with effect from Wednesday, 23 May 2012. Based on the closing price of HK\$0.10 per Share as quoted on the GEM on the date of this announcement, the new estimated board lot value would be HK\$3,000. The change in board lot size will not result in any change in the respective rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed the Placing Agent as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from Wednesday, 23 May 2012 to Thursday, 14 June 2012 (both days inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Ms. Rosita Kiu of Kingston Securities Limited at Suite 2801, 28/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (telephone: (852) 2298-6215 and facsimile: (852) 2295-0682) during such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

All existing share certificates in board lot of 10,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 10,000 Shares to new share certificates in board lot size of 30,000 Shares is necessary. With effect from Wednesday, 23 May 2012, any new certificate of the Shares will be issued in new board lot size of 30,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

EXPECTED TIMETABLE FOR CHANGE IN BOARD LOT SIZE

2012

Effective date of change in board lot size

from 10,000 Shares to 30,000 Shares Wednesday, 23 May

Designated broker starts to stand in the market to provide

matching services for odd lot of Shares Wednesday, 23 May

Last day for the designated broker to stand in the market

to provide matching services for odd lot of Shares Thursday, 14 June

All times and dates stated in this announcement refer to Hong Kong local times and dates.

GENERAL

Shareholders and potential investors should note that the Placing Agreement is subject to conditions to be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 5 May 2011;
“Board”	the board of Directors;
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM;
“Director(s)”	director(s) of the board of the Company;

“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	the placing of a maximum of 180,000,000 new Shares pursuant to the terms of the Placing Agreement;
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 30 April 2012 in relation to the Placing;
“Placing Price”	HK\$0.084 per Placing Share;
“Placing Share(s)”	a maximum of 180,000,000 new Share(s) to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 30 April 2012

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of 7 days from the date of its publication and on the website of the Company at <http://www.computeck.com.hk>.