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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)**

### **DISCLOSEABLE TRANSACTION: DISPOSAL OF THE TARGET GROUP**

The Board announces that after trading hours on 29 January 2014, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser for the disposal of the entire issued share capital of the Target at the consideration of HK\$13 million. The principal operating company within the Target Group is a licensed money lender in Hong Kong.

As the relevant percentage ratios of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

### **THE SP AGREEMENT**

After trading hours on 29 January 2014, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser for the disposal of the entire issued share capital of the Target at the consideration of HK\$13 million.

Major terms of the SP Agreement are set out below.

\* *For identification purposes only*

**Date:** 29 January 2014

**Parties:**

The Vendor is a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Purchaser is a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) the principal activity of the Purchaser is investment holding and (ii) each of the Purchaser and its ultimate beneficial owners is independent of and not connected with the Company and its connected persons.

**Assets to be disposed of:**

Pursuant to the SP Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (being the entire issued share capital of the Target) with effect from the date of Completion free from encumbrances. For more information about the Target Group, please refer to the paragraph headed "Information on the Target Group" below.

**Consideration:**

The Consideration is HK\$13 million and will be settled by the Purchaser in cash at Completion.

The Consideration was determined by the Vendor and the Purchaser after arm's length negotiation with reference to, (i) the unaudited consolidated net liabilities of the Target Group of approximately HK\$5.6 million as at 31 December 2013; (ii) the capitalisation ("**Loan Capitalisation**") on 6 January 2014 of all shareholder's loans of approximately HK\$19.8 million owing by the Target Group to the Company and; (iii) the loss-making position of the Target Group for the past two years.

**Completion:**

The Disposal is unconditional.

Completion shall take place on 11 February 2014 (or such other date as the parties to the SP Agreement may agree).

Pursuant to the SP Agreement, there is no restriction on the subsequent transfer of the Sale Shares after Completion.

## INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the BVI with limited liability on 16 November 2005. The principal business of the Target is investment holding. As at the date of the SP Agreement, the Target holds the entire issued share capital of Checkmate and Evertech.

Checkmate is a company incorporated in Hong Kong with limited liability and is the holder of a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in money lending business in Hong Kong. As at 31 December 2013, Checkmate had a loan receivable portfolio of approximately HK\$6.2 million. The due dates of such loan portfolio fall between February 2014 to August 2021.

Evertech is inactive and has no current operation.

Set out below is certain consolidated financial information of the Target Group:

	<b>For the year ended 31 December 2012</b> (Unaudited) <i>HK\$'000</i>	<b>For the year ended 31 December 2013</b> (Unaudited) <i>HK\$'000</i>
Turnover	4,747	3,093
Net loss before taxation	4,496	26
Net loss after taxation	4,496	26

According to the unaudited consolidated accounts of the Target Group, as at 31 December 2013, the total asset value of the Target Group were approximately HK\$15.4 million and the net liabilities of the Target Group were approximately HK\$5.6 million. Subsequent to the Loan Capitalisation as described above, the unaudited consolidated net asset value of the Target Group became approximately HK\$14.2 million.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

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 in Hong Kong; (ii) money lending business in Hong Kong; (iii) provision of medical diagnostic and health check services; and (iv) securities and property investments business.

As set out in the paragraph headed “Information on the Target Group” above, the Target Group recorded net losses for the two years ended 31 December 2013. Taking into account the historical unsatisfactory performance of the Target Group, the Company considers that the Disposal represents a good opportunity to realise its investment in the Target Group and can provide capital and resources for the operation and development of the Group. The proceeds from the Disposal are expected to be used as general working capital of the Group and for the investments in, development and operation of business relating to information technology.

Despite the fact that the Company may recognise accounting loss on the Disposal, in light of the above reasons and that the Company can, in substance, realise all loan receivables owned by Checkmate at the same time before their respective due dates, the Board is of the view that the terms of the SP Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Following Completion, members of the Target Group will cease to be subsidiaries of the Company. The financial results of the Target Group will no longer be consolidated into the accounts of the Company after Completion.

Subject to audit, it is expected that the Group will record a loss of approximately HK\$1.2 million from the Disposal, which is calculated with reference to the difference between the Consideration and the unaudited consolidated net asset value of the Target Group (taking into account the Loan Capitalisation).

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the relevant percentage ratios of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“BVI”	the British Virgin Islands

“Checkmate”	Checkmate Finance Limited (將軍財務有限公司), a company incorporated in Hong Kong with limited liability on 14 December 2009 and a wholly-owned subsidiary of the Target Group
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Disposal in accordance with the terms of the SP Agreement
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	the consideration for the Disposal, being HK\$13 million
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares in accordance with the terms and conditions of the SP Agreement
“Evertech”	Evertech Finance Limited (永達財務有限公司), a company incorporated in Hong Kong with limited liability on 6 January 2010 and a wholly-owned subsidiary of the Target Group
“GEM”	the Growth Enterprise Market of the Stock Exchange
“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
“Purchaser”	Billion Legend Trading Limited (億聯貿易有限公司), a company incorporated in Hong Kong with limited liability, being the purchaser under the SP Agreement

“Sale Shares”	2 shares of US\$1.00 each representing the entire issued share capital of the Target, which were held by the Vendor immediately before Completion
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SP Agreement”	the sale and purchase agreement dated 29 January 2014 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Computech Online Limited, a company incorporated in the BVI with limited liability, and was owned as to 100% by the Vendor immediately before Completion
“Target Group”	the Target and its wholly-owned subsidiaries, Checkmate and Evertech
“Vendor”	Computech International Limited, a direct wholly-owned subsidiary of the Company, being the vendor under the SP Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

On behalf of the Board  
**Computech Holdings Limited**  
**Zhang Xiongfeng**  
*Chairman*

Hong Kong, 29 January 2014

*As at the date of this announcement, the Board comprises (i) three executive Directors namely, Mr. Zhang Xiongfeng, Mr. Mak Kwong Yiu and Mr. Kwok Shun Tim; and (ii) three independent non-executive Directors, namely, Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing.*

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

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