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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)**

**PROPOSED CAPITAL REDUCTION OF ISSUED EXISTING SHARES;  
SHARE SUBDIVISION OF UNISSUED EXISTING SHARES  
AND  
PROPOSED CHANGE IN BOARD LOT SIZE**

**PROPOSED CAPITAL REDUCTION AND SHARE SUBDIVISION**

The Board proposes the Capital Reduction and the Share Subdivision to be implemented in the following manner:

- (i) the par value of each of the issued Existing Shares will be reduced from HK\$0.10 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.09 per issued Existing Share so that each issued Existing Share of HK\$0.10 of the Company be treated as one fully paid-up share of HK\$0.01 in the share capital of the Company;
- (ii) immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share with a par value of HK\$0.10 be subdivided into ten (10) unissued New Shares with a par value of HK\$0.01 each and such shares will rank *pari passu* in all respects with each other and have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company; and

\* *for identification purpose only*

(iii) the credits arising from the Capital Reduction be applied towards setting off the accumulated losses of the Company as at the effective date of the Capital Reduction (if any) with the balance (if any) to be transferred to a distributable reserve called the distributable capital reduction reserve account or other reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

It is proposed that with effect from the Capital Reduction becoming effective, the board lot size of the New Shares shall be changed from 6,000 New Shares to 18,000 New Shares.

### **WARNING**

**Shareholders should take note that the Capital Reduction and the Share Subdivision are conditional upon satisfaction of conditions set out in the paragraphs headed “Conditions of the Capital Reduction and the Share Subdivision”. Therefore, the Capital Reduction and the Share Subdivision may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

### **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reduction and the Share Subdivision. A circular containing details of the Capital Reduction and the Share Subdivision and a notice convening the EGM will be despatched to the Shareholders on or before 14 February 2014.

## PROPOSED CAPITAL REDUCTION AND SHARE SUBDIVISION

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Existing Shares, of which 1,120,857,620 Existing Shares have been issued and are fully paid or credited as fully paid. The Board proposes the Capital Reduction and the Share Subdivision to be implemented in the following manner:

- (i) the par value of each of the issued Existing Shares will be reduced from HK\$0.10 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.09 per issued Existing Share so that each issued Existing Share of HK\$0.10 of the Company be treated as one fully paid-up share of HK\$0.01 in the share capital of the Company;
- (ii) immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share with a par value of HK\$0.10 be subdivided into ten (10) unissued New Shares with par value of HK\$0.01 each and such shares will rank *pari passu* in all respects with each other and have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company; and
- (iii) the credits arising from the Capital Reduction be applied towards setting off the accumulated losses of the Company as at the effective date of the Capital Reduction (if any) with the balance (if any) to be transferred to a distributable reserve called the distributable capital reduction reserve account or other reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws.

For the avoidance of doubt, the authorised share capital of the Company after the effective date of the Capital Reduction and the Share Subdivision will be HK\$200,000,000 divided into 20,000,000,000 New Shares.

As at the date of this announcement, 1,120,857,620 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that the paid-up capital of each of the 1,120,857,620 issued Existing Shares will be reduced from HK\$0.10 to HK\$0.01 per share by cancelling the paid-up capital to the extent of HK\$0.09 per share so as to form issued ordinary shares with a par value of HK\$0.01 each, the Company's existing issued share capital of HK\$112,085,762 will be reduced by HK\$100,877,185.80 to HK\$11,208,576.20. A credit of HK\$100,877,185.80 will arise as a result of the Capital Reduction. Such credit will be applied by the Company towards setting off the accumulated loss of the Company as at the effective date of the Capital Reduction (if any) with the balance (if any) to be transferred to a distributable reserve called the distributable capital reduction reserve account or other

reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws.

As at the date of this announcement, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

### **Reasons for and Effects of the Capital Reduction and the Share Subdivision**

The Board considers that the proposed Capital Reduction and the Share Subdivision will enable the nominal value of the Existing Shares of the Company to be reduced from HK\$0.10 each to HK\$0.01 each. The credit arising from the Capital Reduction will be applied towards setting off the accumulated loss of the Company as at the effective date of the Capital Reduction (if any), thereby reducing the accumulated loss of the Group. The balance of such credit (if any) will be transferred to a distributable reserve called the distributable capital reduction reserve account or other reserve account of the Company which may be utilized by the Directors as a distributable reserve and will, subject to compliance with the articles of association of the Company, facilitate payment of dividends as and when the Directors consider it appropriate in the future.

Save for applying the credit sum arising from the Capital Reduction towards setting off the accumulated loss of the Company and the expenses to be incurred in relation to the Capital Reduction and the Share Subdivision, the Directors consider that the Capital Reduction and the Share Subdivision will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

The Board considers that it is in the best interest of the Company and its Shareholders as a whole to implement the Capital Reduction and the Share Subdivision.

### **Conditions of the Capital Reduction and the Share Subdivision**

The Capital Reduction and the Share Subdivision are conditional on the following conditions being fulfilled:

- (i) the Shareholders' approval by way of special resolution at the EGM of the Company to be convened to approve the Capital Reduction and the Share Subdivision;
- (ii) approval of the Capital Reduction by the Court;
- (iii) compliance with any conditions which the Court may impose in relation to the Capital Reduction;

- (iv) registration by the Registrar of Companies in the Cayman Islands of the order of the Court and the minute approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction; and
- (v) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Share Subdivision.

### **Listing and Dealings**

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Share Subdivision.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New 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 New 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.

### **PROPOSED CHANGE OF IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot of 6,000 Shares. Based on the closing price of HK\$0.193 per Existing Share (equivalent to a theoretical price of HK\$0.193 per New Share) as at the date of this announcement, the value of each board lot of 6,000 New Shares, assuming the Capital Reduction had already been effective, would be HK\$1,158. It is proposed that with effect from the Capital Reduction and Share Subdivision becoming effective, the board lot size of the New Shares shall be changed from 6,000 New Shares to 18,000 New Shares so that the estimated market value per board lot of the New Shares will be HK\$3,474. The Board considers that the change in board lot size will increase the value of each board lot of the New Shares, so as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company.

## **FREE EXCHANGE OF CERTIFICATES FOR NEW SHARES AND ARRANGEMENT FOR MATCHING SERVICE FOR ODD LOTS**

Details regarding the arrangement relating to the free exchange of share certificates and matching service for odd lots will be announced by the Company as and when appropriate.

### **EXPECTED TIMETABLE**

The expected timetable for the implementation of the Capital Reduction, the Share Subdivision and the change in board lot size is as follows:

Despatch date of circular with notice  
and proxy form of the EGM ..... Friday,  
14 February 2014

Latest time for lodging forms of  
proxy for the EGM ..... 9:00 a.m., Saturday,  
8 March 2014

Date and time of the EGM ..... 9:00 a.m., Monday,  
10 March 2014

Announcement of voting results of the EGM ..... Monday,  
10 March 2014

*The following events are conditional on the results of the EGM and the relevant Court hearings. The dates are therefore tentative.*

Expected effective date of the Capital Reduction and  
change in board lot size from 6,000 Existing Shares to  
18,000 New Shares ..... after 4:30 p.m. on Friday,  
11 July 2014

First day for free exchange of existing certificates of  
Existing Shares for new certificates for New Shares  
(dealing in a board lot size of 18,000 New Shares) ..... Monday,  
14 July 2014

Commencement of dealings in New Shares  
(dealing in a board lot size of 18,000 New Shares) ..... 9:00 a.m., Monday,  
14 July 2014

Designated broker starts to stand in the market  
to provide matching services for odd lots of  
the New Shares (dealing in a board lot size of  
18,000 New Shares) ..... 9:00 a.m., Monday,  
14 July 2014

The last day for the designated broker to provide  
matching services for odd lots of New Shares  
(dealing in a board lot size of 18,000 New Shares) ..... Friday,  
1 August 2014

Last day for free exchange of existing certificates of  
Existing Shares for new certificate for New Shares  
(dealing in a board lot size of 18,000 New Shares) ..... Tuesday,  
5 August 2014

*Notes:*

- (1) All times and dates in this announcement refer to Hong Kong local times and dates.
- (2) Dates specified in this announcement are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

**WARNING**

**Shareholders should take note that the Capital Reduction and the Share Subdivision are conditional upon satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reduction and the Share Subdivision”. Therefore, the Capital Reduction and the Share Subdivision may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reduction and the Share Subdivision. In compliance with the GEM Listing Rules, all resolutions will be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM. A circular containing details of the Capital Reduction and the Share Subdivision and a notice convening the EGM will be despatched to the Shareholders on or before 14 February 2014.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the par value of each issued Existing Share from HK\$0.10 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.09 on each of the issued Existing Shares such that each issued Existing Share of HK\$0.10 be treated as one fully paid-up share of HK\$0.01 in the share capital of the Company and the application of the credits arising from such capital reduction to set off the accumulated losses of the Company as at the effective date of the Capital Reduction (if any) with the balance (if any) to be transferred to a distributable reserve called the distributable capital reduction reserve account or other reserve account of the Company
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM



“Companies Law”	Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Capital Reduction and the Share Subdivision
“Existing Share(s)”	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reduction and the Share Subdivision becoming effective
“Share(s)”	Existing Share(s) and/or New Share(s) as the case may be
“Shareholder(s)”	holder(s) of the Existing Share(s) and/or New Share(s), as the case may be

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Subdivision”	the proposed subdivision of each authorised but unissued Existing Share into ten (10) unissued New Shares
“%”	per cent.

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

Hong Kong, 4 February 2014

*As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Xiongfeng, Mr. Zhang Peiao and Mr. Mak Kwong Yiu 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 the 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>.*