



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8081)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

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

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* For identification purpose only

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company announces the unaudited condensed consolidated interim results (“**Interim Results**”) of the Company and its subsidiaries (together the “**Group**”) for the six months and three months ended 30 June 2013, together with the unaudited comparative figures for the corresponding period of 2012 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months and three months ended 30 June 2013

	Note	For the six months ended 30 June		For the three months ended 30 June	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue	3	50,978	20,117	3,840	17,312
Cost of inventories sold/services		(47,519)	(17,371)	(2,340)	(15,958)
Direct expenses arising from money lending business		(342)	–	(96)	–
Other income		89	214	1	27
Administrative expenses		(5,328)	(10,652)	(2,652)	(5,068)
Operating loss		(2,122)	(7,692)	(1,247)	(3,687)
Finance costs		(1,989)	(1,320)	(1,123)	(1,027)
Loss before income tax	4	(4,111)	(9,012)	(2,370)	(4,714)
Income tax expense	5	–	–	–	–
Loss for the period		(4,111)	(9,012)	(2,370)	(4,714)
Other comprehensive loss		–	–	–	–
Total comprehensive loss for the period		(4,111)	(9,012)	(2,370)	(4,714)
Attributable to:					
– Owners of the Company		(4,111)	(9,012)	(2,370)	(4,714)
Basic loss per share (HK cents)	7	(0.74)	(7.14)	(0.42)	(3.60)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

		(Unaudited)	(Audited)
		At 30 June	At 31 December
		2013	2012
	Note	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,470	5,899
Goodwill		1,208	97
Investment property	15	39,000	–
Investment in fish breeding business	9	–	15,500
Loan receivables	10	346	4,816
		46,024	26,312
CURRENT ASSETS			
Debtors, deposits and prepayments	11	42,818	19,501
Financial assets at fair value through profit or loss		–	6,744
Loan receivables	10	34,191	30,363
Investment in fish breeding business	9	15,500	–
Cash and bank balances		15,124	77,156
		107,633	133,764
CURRENT LIABILITIES			
Creditors, accruals and other payables	12	2,409	6,951
		2,409	6,951
NET CURRENT ASSETS		105,224	126,813
TOTAL ASSETS LESS CURRENT LIABILITIES		151,248	153,125
NON-CURRENT LIABILITIES			
Convertible notes	13	41,821	39,587
NET ASSETS		109,427	113,538
REPRESENTING:			
Share capital	14	55,770	55,770
Share premium and reserves		53,657	57,768
SHAREHOLDERS' FUNDS		109,427	113,538

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Share capital Unaudited HK\$'000	Share premium Unaudited HK\$'000	Share options reserve Unaudited HK\$'000	Convertible notes reserve Unaudited HK\$'000	Accumulated losses Unaudited HK\$'000	Total Unaudited HK\$'000
At 1/1/2012	12,142	58,180	855	–	(46,358)	24,819
Shares issued upon placing	1,800	12,861	–	–	–	14,661
Recognition of equity components of convertible notes issued	–	–	–	13,809	–	13,809
Share-based payments	–	–	684	–	–	684
Total comprehensive loss for the period	–	–	–	–	(9,012)	(9,012)
At 30/6/2012	13,942	71,041	1,539	13,809	(55,370)	44,961
At 1/1/2013	55,770	110,004	–	13,809	(66,045)	113,538
Total comprehensive loss for the period	–	–	–	–	(4,111)	(4,111)
At 30/6/2013	55,770	110,004	–	13,809	(70,156)	109,427

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	For the six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Net Cash generate from/(used in) operating activities	9,193	(20,570)
Net Cash (used in) investing activities	(71,225)	(23,246)
Net cash inflow from financing activities	–	64,661
Net (decrease)/increase in cash and cash equivalent	(62,032)	20,845
Cash and cash equivalents at beginning of the period	77,156	11,789
Cash and cash equivalents at end of the period	15,124	32,634
Analysis of cash and cash equivalents		
Cash and bank balances	15,124	32,634

Notes to the unaudited condensed consolidated statements:

1. BASIS OF PREPARATION

The Interim Results have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKFRSs**”) and the disclosure requirements of the GEM Listing Rules.

The Interim Results have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value. The principal accounting policies used in the preparation of the Interim Results are consistent with those applied in the Company’s annual financial statements for the year ended 31 December 2012, except for the adoption of new and revised HKFRSs which are effective for the Group’s financial year beginning on 1 January 2013. The adoption of these new and revised HKFRSs has no material effect on the Interim Results.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective.

2. SEGMENT INFORMATION

The Group’s determines its operating segment based on the internal reports that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

- (i) IT business — the provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products in Hong Kong; and
- (ii) Money lending business in Hong Kong.

Segment revenue and results for the six months ended 30 June 2013 and 2012 are reported below:

	IT business		Money lending business		Total	
	2013 Unaudited HK\$’000	2012 Unaudited HK\$’000	2013 Unaudited HK\$’000	2012 Unaudited HK\$’000	2013 Unaudited HK\$’000	2012 Unaudited HK\$’000
External customers	48,137	18,148	2,841	1,969	50,978	20,117
Reportable segments profit/ (loss)	115	158	389	(1,486)	504	(1,328)
Unallocated head office and corporate expenses					(2,626)	(6,364)
Finance costs					(1,989)	(1,320)
Loss before income tax					(4,111)	(9,012)
Income tax expenses					-	-
Loss for the period					(4,111)	(9,012)

3. REVENUE

Revenue represents the net invoiced value of IT products sold, related IT services rendered and loans interest and related income. An analysis of the Group's revenue is as follows:

	(Unaudited) For the six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Sales of IT products	48,007	17,384
IT services income	130	764
Loans interest and related income	2,841	1,969
	50,978	20,117

4. LOSS BEFORE INCOME TAX

Loss before income tax was arrived at after charging

	(Unaudited) For the six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Cost of inventories expensed	47,389	17,142
Depreciation	134	186
Directors' remuneration	263	180
Other staff salaries and benefits	2,178	2,837
Retirement scheme contributions	46	51
Finance costs	1,989	1,320
Minimum lease payments paid under operating leases	434	378

5. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2013 as there was no estimated assessable profits for the period (2012: Nil).

6. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013 (2012:Nil).

7. BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	(Unaudited)			
	For the six months ended 30 June		For the three months ended 30 June	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Loss attributable to owners of the Company	(4,111)	(9,012)	(2,370)	(4,714)

	Number of shares			
Weighted average number of ordinary shares in issue	557,699,728	1,260,732,842	557,699,728	1,307,216,359
Effect on shares consolidation on 31 October 2012	–	(1,134,659,558)	–	(1,176,494,724)
	557,699,728	126,073,284	557,699,728	130,721,635

Diluted loss per share is not presented for the six months and three months ended 30 June 2013 as the potential ordinary shares of the Company in respect of outstanding convertible notes are anti-dilutive (2012: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, additional to property, plant and equipment amounted to approximately HK\$Nil (2012: HK\$28,000).

9. INVESTMENT IN FISH BREEDING BUSINESS

On 25 April, 2012, the Group entered into an investment agreement with the Enrich Marine Sdn. Bhd., (the "EMS B") in relation to a fish breeding business. As at 30 June 2013, the investment amount of HK\$15,500,000 has been applied to purchase fish fry and fish feed for the sole purpose of fish breeding at the fish farm in Sabah, Malaysia. On 18 July 2013, after the reporting period, the Group novated its rights and obligations in and under the investment agreement to an independent third party at a consideration of HK\$16,740,000.

10. LOAN RECEIVABLES

	(Unaudited) At 30 June 2013 HK\$'000	(Audited) At 31 December 2012 HK\$'000
Loan receivables	34,537	35,179
Less: current portion included under current assets	(34,191)	(30,363)
Non-current portion included under non-current assets	346	4,816

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	(Unaudited) At 30 June 2013 HK\$'000	(Audited) At 31 December 2012 HK\$'000
Trade debtors	2,338	17,690
Other debtors, deposits and prepayments	1,041	879
Refundable deposit for acquisition	38,000	–
Loans interest receivable	1,439	932
	42,818	19,501

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

The credit period given to trade debtors ranged from 2 days to 30 days and the following is an aging analysis of trade debtors:

	(Unaudited) At 30 June 2013 HK\$'000	(Audited) At 31 December 2012 HK\$'000
Within 3 months	2,338	17,690
	2,338	17,690

12. CREDITORS, ACCRUALS AND OTHER PAYABLES

	(Unaudited)	(Audited)
	At	At
	30 June	31 December
	2013	2012
	HK\$'000	HK\$'000
Trade creditors	–	90
Accruals and other payables	2,167	6,861
Rental deposits received	242	–
	2,409	6,951

The following is an aging analysis of trade creditors:

	(Unaudited)	(Audited)
	At	At
	30 June	31 December
	2013	2012
	HK\$'000	HK\$'000
Within 3 months	–	90
	–	90

13. CONVERTIBLE NOTES

On 6 March 2012, the Company issued the zero coupon convertible notes (the “Notes”) in the principal amount of HK\$50,000,000 due on 5 March 2015. The holders of the Notes can be able to convert the outstanding principal amount of Notes into ordinary share of the Company at initial conversion price of HK\$0.05 per share (subject to adjustment) at any time from one year after the date of issue of the Notes. In accordance with the terms and conditions of the Notes, as a result of completion of the Share Consolidation and Open Offer, the conversion price has been adjusted to HK\$0.19 per share (subject to adjustment). Details of information were set out in the Company’s circular dated 2 February 2012 and announcements dated 6 March 2012, 31 October 2012 and 3 December 2012 respectively.

The effective interest rate of the liability component of the Notes is 11.38% per annum.

The movement of the liability component of the Notes is as follows:

	30 June 2013
	HK\$’000
Liability component at the beginning	39,587
Interest expenses	2,234
Liability component at the end of the period	41,821

14. SHARE CAPITAL

	Number of shares	HK\$’000
Authorized:		
Ordinary shares of HK\$0.10 each at 31 December 2012 and 30 June 2013	1,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 31 December 2012 and 30 June 2013	557,699,728	55,770

15. ACQUISITION OF A SUBSIDIARY

On 22 March 2013, the Group and the vendor entered into the agreement to acquire 100% of the entire issued share capital of Funa Assets Limited (the “**Target**”) at the consideration of HK\$40,000,000. The Target is a company incorporated in BVI with limited liability and is principally engaged in property holding. The principal asset of the Target is the investment property located at Shops Nos. 12A, 12B and 12C, Ground Floor, Hip Wo House (Ground Floor of Nos. 167A, 167B and 167C Hip Wo Street), Kowloon, Hong Kong.

The fair value of the identifiable assets and liabilities of the subsidiary acquired as at its date of acquisition is as follows:

	HK\$'000
Net assets acquired:	
Investment property	39,000
Other receivables	141
Rental deposit received and other payables	(253)
	38,888
Purchase consideration satisfied by cash	40,000
Goodwill arising on acquisition	1,112
Net cash outflow arising on acquisition:	
Cash consideration paid	40,000

The Group recognized a goodwill of HK\$1,112,000 because of the net assets acquired is less than the purchase consideration.

16. CONNECTED AND RELATED PARTY TRANSACTIONS

Key management personnel remuneration

The remuneration of Directors during the period were as follows:

	(Unaudited) For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Fees for key management personnel	263	180

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged two business segments (i) the 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. During the six months ended 30 June 2013 under review, the Group recorded a turnover of approximately HK\$50,978,000 (2012: HK\$20,117,000), an increase of 153% compared with the corresponding period in 2012. The significant increase in revenue was due to the Group increased its sales of IT products.

IT business

The revenue of IT business for the six months period was approximately HK\$48,137,000 (2012: HK\$18,148,000). During the period under review, the sales of hardware products increased resulting in an increase in revenue of 165% compared with the corresponding period in 2012. This segment recorded a profit of approximately HK\$115,000 (2012: HK\$158,000) for the period. The low segment profit during the period was mainly due to the lower profit margin on sales of hardware products.

The competitions in IT business remain keen, the Group intends to reduce reliance on the trading of IT hardware products to mitigate risk of concentration of customers and credit risks as well as strengthen the working capital for other IT business. The Group is targeting on the trading of IT hardware products with higher profit margin while the developing software for designated customers with its own resources, in particular, the finance-related software development. The Group will continue to attempt to broaden the customer base with higher profit margin and diversify the IT products and services to further strengthen its market position and financial performance.

Money lending business

As at 30 June 2013, the loan receivables were approximately HK\$34,537,000 (30 June 2012: HK\$18,486,000), an increase of 87% as compared with the corresponding period in 2012, of which the secured and unsecured loan receivables were approximately HK\$5.5 million and HK\$29 million respectively. During the six months ended 30 June 2013 under review, the revenue from loan interests and related income was approximately HK\$2,841,000, (2012: HK\$1,969,000). This segment recorded a profit of approximately HK\$389,000 (2012: loss of HK\$1,486,000). The Group expanded its loan portfolios and has implemented strict cost control measures resulting in the improvement of the segment results during the period. No provision for the impairment of loan receivable was considered necessary during the period. The average interest rate charged by the Group during the period was approximately 21.2% per annum and the credit terms of the outstanding loan granted by the Group to the customers ranged from eight months to four years. The Directors considers that the demand for money lending (in particular in the area of property re-financing and personal loan) in Hong Kong is increasing and the business can provide a steady income steam to the Group. The Group would focus on the main target market of property re-financing and personal loan for customers with good credit

record. The Group intends to maintain the existing loan portfolios scale with a prudent manner in order to generate a healthy cash flow and steady returns and will pay attention in the market conditions for business opportunities.

Investment Property

As disclosed in the Company's announcement dated 22 March 2013, the Group entered into the sale and purchase agreement (the "**SP agreement**") in relation to the acquisition of the entire issued share capital of Funa Assets Limited (the "**Target**") free from all encumbrances, and together with all rights and benefits attaching thereto at the Consideration of HK\$40,000,000. The principal asset of the Target is the investment property, which has currently leased to an independent third party. The Group will continue to lease the property out in order to receive stable rental income. The Directors expect that the investment property of the Group will be making steady contributions to the cash flow and revenue, and as a result of the new administrative measures adopted by the Government (including the Special Stamp Duty and the Buyer's Stamp Duty), the Board is of the view that the property market shall become stable and the Company intends to hold the property development business in order to receive stable rental income.

Investment in fish breeding business

On 25 April, 2012, the Group entered into an investment agreement with the EMSB in relation to a fish breeding business for a term of 20 calendar months with guaranteed return on profit and investment amount. As at 30 June 2013, the investment amount of HK\$15,500,000 has been applied to purchase fish fry and fish feed for the sole purpose of fish breeding at the fish farm in Sabah, Malaysia.

On 18 July 2013, the Group entered into the deed of novation with the new investor and EMSB, pursuant to which the Group agreed to novate, from the date of the deed of novation, its rights and obligations in and under the investment agreement to the new investor at a consideration of HK\$16,740,000. The novation represents a good opportunity for the Group to realize the investment under the investment agreement with a fair and reasonable return. In addition, the proceeds from the novation (comprising the Investment Amount together with the theoretical accrued return (based on the minimum guaranteed return amount) at a premium) will bring an immediate cash inflow to the Group and thus lower the finance cost of the proposed acquisition of Luck Key Investment Limited by the Group. Details of information are set out in the Company announcement dated 18 July 2013.

Financial assets at fair value through profit or loss

During the six months ended 30 June 2013 under review, the Company had disposed all held-for-trading securities and recorded a loss of approximately HK\$239,000 (2012: unrealised fair value loss of HK\$484,000).

The administrative expenses of the Group for the six months ended 30 June 2013 was

approximately HK\$5,328,000 (2012: HK\$10,652,000), which comprised mainly staff costs, operating lease rentals, professional fee. During the period, the Group recorded an increase in finance costs of approximately HK\$2,234,000 (2012: HK\$1,320,000) for the imputed interest expenses on the zero coupon convertible notes due 2015 in the principal amount of HK\$50 million, of which HK\$245,000 was allocated as direct expenses for money lending business.

The loss attributable to the owners of the Company for the six months ended 30 June 2013 was approximately HK\$4,111,000 (2012: HK\$9,012,000) and the loss per share was HK 0.74 cents (2012: HK 7.14 cents).

Financial resources and liquidity

As at 30 June 2013, the total assets of the Group were approximately HK\$153,657,000 (31 December 2012: HK\$160,076,000) including cash and bank balances of approximately HK\$15,124,000 (31 December 2012: HK\$77,156,000). The net current assets of the Group was approximately HK\$105,224,000 (31 December 2012: HK\$126,813,000) and the Group's current ratio, current assets over its current liabilities, was approximately 44.7 times (31 December 2012: 19.2 times).

Foreign exchange

The Group's foreign exchange risk is primarily attributable to its creditors. The Group's purchase principally denominated in Hong Kong Dollars and United States Dollars the impact of foreign exchange exposure of the Group is minimal.

Charge on the Group's assets

As at 30 June 2013, the investment property of the Group was charged to secure a general banking facility granted to the Group. The Group did not have other material charge on assets (31 December 2012: Nil).

Capital commitments

As at 30 June 2013, the Group did not have undertaken any material capital commitments (31 December 2012: Nil).

Contingent liabilities

As at 30 June 2013, the Group did not have any material contingent liabilities (31 December 2012: Nil).

Employees and remuneration policies

As at 30 June 2013, the Group had 18 employees (31 December 2012: 18 employees). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to our employees.

Prospects

The Group is devoted to explore and broaden the existing businesses in order to strengthen our competitiveness and provide business growth potential. The Company will stay focus for the IT business and money lending business in Hong Kong. On 16 April 2013, the Group and the vendors entered into the sale and purchase agreement in relation to the acquisition of a group operating health check centers and laboratories in Hong Kong. In view of the aging population in Hong Kong and the accelerating demand in healthcare services in the local market, it is expected that the proposed acquisition, if materialised, will present a good opportunity for the Group to tap into the medical diagnostic and health check services with an aim of broadening the income base of the Group and to enable the Group to diversify its investment in a business sector with growth potential.

We will continue to explore other investment opportunities for diversifying our business portfolios with the aim of enhancing shareholders' wealth.

Very Substantial Acquisition

As disclosed in the Company's announcement dated 16 April 2013, the Purchaser, the Vendors and the Company entered into the Sale and Purchase Agreement, pursuant to which the Group has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares and the Sale Loan at a total cash consideration of HK\$85,000,000, comprising HK\$17,979,000 for the Sale Shares and HK\$67,021,000 for the Sale Loan on a dollar-for-dollar basis respectively. The Target Group is principally engaged in the provision of medical diagnostic and health check services. The principal assets of the Target Group include nine health check centres and two laboratories in Hong Kong providing one-stop comprehensive medical diagnostic and health check services with advanced imaging technology and full-range laboratory services.

The Consideration has been/will be satisfied by the Purchaser (i) as to HK\$38,000,000 in cash as refundable deposit; and (ii) as to the remaining balance of HK\$47,000,000 to be paid in cash at Completion.

An extraordinary general meeting ("**EGM**") will be convened and held for the Shareholders to consider and, if through fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. As more time is required for preparing the information for inclusion in the circular, the circular containing, among other things, (i) further details of the Acquisition; (ii) accountant's report of the Target Group; (iii) pro forma financial information on the enlarged Group upon Completion; and (iv) the notice of EGM, will be despatched to the Shareholders on or about 31 August 2013 in accordance with the GEM Listing Rules. Details of information were set out in the Company's announcements dated 16 April 2013, 30 May 2013, 28 June 2013, 19 July 2013 and 1 August 2013.

DISCLOSEABLE TRANSACTIONS

Acquisition of Funa Assets Limited

As disclosed in the Company's announcement dated 22 March 2013, the Group entered into the sale and purchase agreement (the "**SP Agreement**") in relation to the acquisition of the entire issued share capital of Funa Assets Limited at the Consideration of HK\$40,000,000. The principal asset of the Target is the investment property. Details of information were set out in the Company's announcement dated 22 March 2013.

Deed of Novation

As disclosed in the Company's announcement dated 18 July 2013, Successful Treasure, an indirect wholly-owned subsidiary of the Company, entered into the Deed of Novation with the New Investor and EMSB, pursuant to which (i) Successful Treasure agreed to novate, from the date of the Deed of Novation, its rights and obligations in and under the Investment Agreement to the New Investor; (ii) the New Investor agreed to, from the date of the Deed of Novation, assume all of the rights and obligations of Successful Treasure (to the extent such obligations have not been discharged by Successful Treasure) in and under the Investment Agreement; and (iii) EMSB agreed to such substitution of the parties thereto the Investment Agreement upon the terms and conditions of the Deed of Novation.

The parties entered into the Deed of Novation in consideration of (i) a sum of HK\$16,740,000 payable by the New Investor to Successful Treasure and (ii) Successful Treasure agreeing to release and discharge EMSB from its liabilities and obligations to Successful Treasure under the Investment Agreement. The Novation constitutes a discloseable transaction for the Company. Details of information were set out in the Company's announcement dated 18 July 2013.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions, if any, which they were deemed or taken 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 therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares of the Company

Name of Director	Capacity	Number of shares held	Approximate % to the issued share capital
Mr. Yang Yue Zhou	Beneficial owner	107,381,260	19.25%

Save as disclosed above, as at 30 June 2013, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and 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 Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were deemed or taken 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 therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

SHARE OPTIONS SCHEME

Under the terms of a share option scheme (the “Scheme”) adopted by the Company on 12 November 2010, the Board is authorised, at its absolute discretion, to grant options to eligible participants including any employee, contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Group (including any Director, whether executive or non-executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Group at the time when an option is granted to such employee, or any person who, in the sole discretion of the Board, have contributed or may contribute to the Group.

The purpose of the Scheme is to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Company.

No share option was granted and exercised during the six months ended 30 June 2013 and 31 December 2012 and no outstanding share option as at 30 June 2013.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST

As at 30 June 2013, so far as was known to any Directors, persons who have an interest or a short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company pursuant to section 336 of the SFO were as follows:

Long positions in 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 Yue Zhou	Beneficial owner	107,381,260	–	107,381,260	19.25%
Jun Yang Solar	Beneficial owner	–	263,157,894 (note)	263,157,894	47.19%

Note: These underlying shares represent the new shares to be issued upon conversion of the Notes due 2015 by Jun Yang Solar Power Investments Limited (“**Jun Yang Solar**”) (formerly known as China Gogreen Assets Investment Limited) Stock code: 397, a company whose shares are listed on the Main Board of the Stock Exchange, in the principal amount of HK\$50,000,000 at the adjusted conversion price of HK\$0.19 per share (subject to adjustment).

Save as disclosed above, as at 30 June 2013 so far as was known to any Directors, no other persons had an interest or a short position in the shares, underlying shares or debenture of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the six months ended 30 June 2013.

COMPETING INTERESTS

As at 30 June 2013, the Directors are not aware of any business or interest of the Directors, the initial management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules), that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2013, the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding Directors' securities transactions.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and upholding good corporate governance practices that promote greater transparency and quality of disclosure as well as more effective internal control.

The Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules (the "**Code Provision**") throughout the six months ended 30 June 2013. Detail of the deviation is set out in the relevant section below:

The Code Provision A.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any office with title of "**chief executive officer**". The executive Directors undertake the day-to-day management of the Company's business, whereas the chairman is responsible for management of the Board and strategic planning of the Group. The Board believes that the balance of power and authority is adequately ensured under the existing arrangement and the operations of the Board which comprises experienced and high calibre individuals with a substantial number thereof being non-executive Directors.

The Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. All independent non-executive Directors ("**INEDs**") do not have specified length of service period and will be continuous to hold offices unless terminated by either party giving to the other not less than one month notice in writing. All INEDs are subject to the provisions of retirement by rotation at annual general meeting under the articles of association accomplishing the same objective as a specific term of appointment.

The Code Provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. Mr. Yang Yue Zhou as the chairman of the Board was absent from the annual general meeting of the Company held on 15 May 2013 due to an out-of-town business travel. Mr. Kwok Shun Tim, an executive director of the Company, chaired the annual general meeting.

Change in information of Director

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in information of the Director since the date of the annual report of the Company for the year ended 31 December 2012 are set out below:

Name of Director	Details of changes
Mr. Kwok Shun Tim	appointed as executive director of Convoy Financial Services Holdings Limited (Stock code: 1019), a company of which shares are listed on Main Board of the Stock Exchange, with effect from 30 April 2013 and ceased to be the deputy chief supervisor of Hong Kong Road Safety Patrol

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established with written terms of reference in compliance with the Rules 5.28 and 5.29 of the GEM Listing Rules and Code Provision C.3.3. The Audit Committee must consist of a minimum of three members, all of whom must be non-executive Directors, at least one of whom must have appropriate professional qualification or accounting or related financial management expertise. There are three members in the Audit Committee comprising three INEDs, namely Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing. Mr. Wong Siu Keung, Joe, is the chairman of the Audit Committee.

The primary duties of the audit committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group’s unaudited consolidated results for the six months ended 30 June 2013 have been reviewed by the audit committee, which is of the opinion that the preparation of such Results complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosure have been made.

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

Hong Kong, 8 August 2013

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Yang Yue Zhou, Mr. Mak Kwong Yiu, Mr. Jiang Tan Shan 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 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>.