



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 2006**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE
STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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. The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of this announcement. This announcement, for which the directors (the “Director”) of Computech Holdings Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

** For identification purpose only*

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Computech Holdings Limited (the “Company”) is pleased to announce the condensed consolidated interim financial statements (“Interim Accounts”) of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2006. The Interim Accounts have not been audited, but have been reviewed by the Company’s audit committee.

Condensed Consolidated Income Statement

For the six months ended 30 June 2006

	Note	For the six months ended 30 June		For the three months ended 30 June	
		2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Turnover	2	30,954	40,992	14,346	20,978
Cost of sales		(23,628)	(28,503)	(11,345)	(14,649)
Gross profit		7,326	12,489	3,001	6,329
Other income		93	122	–	113
Selling and distribution expenses		(648)	(592)	(289)	(279)
Administrative expenses		(7,116)	(9,942)	(3,592)	(4,885)
Operating (loss)/profit		(345)	2,077	(880)	1,278
Finance costs		(22)	(28)	(2)	(12)
Share of losses of associates		(305)	–	(181)	–
(Loss)/profit before income tax	3	(672)	2,049	(1,063)	1,266
Income tax expense	4	(85)	(363)	108	(234)
(Loss)/profit for the period		<u>(757)</u>	<u>1,686</u>	<u>(955)</u>	<u>1,032</u>
			Restated		Restated
(Loss)/earnings per share					
– Basic (HK cents)	5	<u>(0.76)</u>	<u>2.33</u>	<u>(0.93)</u>	<u>1.20</u>

Consolidated Balance Sheet

At 30 June 2006

		At 30 June 2006 (Unaudited) HK\$'000	At 31 December 2005 (Audited) HK\$'000
NON-CURRENT ASSETS			
Fixed assets		969	853
Interests in associates		61	1,249
		<u>1,030</u>	<u>2,102</u>
CURRENT ASSETS			
Inventories		4,525	2,825
Debtors, deposits and prepayments	6	8,748	9,324
Amount due from the ultimate holding company		–	12
Amount due from fellow subsidiaries		–	27
Amount due from related companies		57	27
Cash and bank balances		2,602	6,620
		<u>15,932</u>	<u>18,835</u>
DEDUCT:			
CURRENT LIABILITIES			
Creditors, accruals and deposits	7	6,950	6,851
Value-added tax payable		9	–
Income tax payable		417	146
Amounts due to related companies	8	1,456	7,077
		<u>8,832</u>	<u>14,074</u>
NET CURRENT ASSETS		<u>7,100</u>	<u>4,761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,130	6,863
NON-CURRENT LIABILITY			
Loans from directors	9	(2,256)	(2,256)
NET ASSETS		<u>5,874</u>	<u>4,607</u>
REPRESENTING:			
SHARE CAPITAL		5,240	4,800
RESERVES		634	(193)
SHAREHOLDERS' FUNDS		<u>5,874</u>	<u>4,607</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2006

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1.1.2005 (Audited)	24,000	19,030	100	(54,742)	(11,612)
Capital reduction	(21,600)	(19,030)	–	40,630	–
Right issue of shares	2,400	2,400	–	–	4,800
Share issuing expenses	–	(520)	–	–	520
Profit for the period	–	–	–	1,686	1,686
	<u>4,800</u>	<u>1,880</u>	<u>100</u>	<u>(12,426)</u>	<u>(5,646)</u>
At 30.6.2005 (Unaudited)					
At 1.1.2006 (Audited)	4,800	1,880	4	(2,077)	4,607
Issue of new shares	440	1,760	–	–	2,200
Share issuing expenses	–	(176)	–	–	(176)
Loss for the period	–	–	–	(757)	(757)
	<u>5,240</u>	<u>3,464</u>	<u>4</u>	<u>(2,834)</u>	<u>5,874</u>
At 30.6.2006 (Unaudited)					

Condensed Consolidated Cashflow Statement

For the six months ended 30 June 2006

	For the six months ended 30 June	
	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
NET CASH USED IN OPERATING ACTIVITIES	(6,815)	(3,598)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	773	(345)
NET CASH FROM FINANCING ACTIVITIES	2,024	4,220
	<u>(4,018)</u>	<u>277</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT		
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	6,620	5,337
	<u>2,602</u>	<u>5,614</u>
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER		
	<u>2,602</u>	<u>5,614</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,602	5,614
	<u>2,602</u>	<u>5,614</u>

Notes:

1. Basis of preparation

The Interim Accounts are prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the GEM Listing Rules.

The accounting policies and basis of preparation used in preparing the Interim Accounts are consistent with those used in the audited financial statements for the year ended 31 December 2005.

2. Turnover

Turnover represents the net invoiced value of goods sold and related computer services rendered. An analysis of the Group’s turnover is as follows:

	For the six months ended 30 June	
	2006	2005
	HK\$'000	HK\$'000
Provision of IT services	20,522	27,048
Provision of supply chain solutions	10,432	13,072
Sales of packaged software products and related services	–	630
System integration	–	242
	<hr/>	<hr/>
Turnover	30,954	40,992

3. (Loss)/profit before income tax

(Loss)/profit before income tax is arrived at after charging:–

	For the six months ended 30 June	
	2006	2005
	HK\$'000	HK\$'000
Depreciation	188	88
Directors’ remuneration	872	872
Other staff salaries and benefits	4,039	5,987
Retirement scheme contributions	237	251
	<hr/>	<hr/>

4. Income tax expense

Income tax represents the provision for Hong Kong profits tax, which is calculated at the tax rate of 17.5% on the estimated assessable profits for the period.

No provision for PRC income tax has been made in this income statement as the Company’s subsidiary operating in PRC sustained losses for tax purpose during the period.

5. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share for the six months and three months ended 30 June 2006 was based on the Group's net loss of approximately HK\$757,000 (for the six months ended 30 June 2005: net profit of approximately HK\$1,686,000) and the net loss of approximately HK\$955,000 (for the three months ended 30 June 2005: net profit of approximately HK\$1,032,000) respectively.

The basic (loss)/earnings per share was based on the weighted average number of 99,306,829 (2005: 72,288,593 (restated)) and 102,577,317 (2005: 86,071,105 (restated)) ordinary shares in issue during the six months and three months ended 30 June 2006 respectively.

The Company did not have dilutive potential shares for the six months and three months ended 30 June 2006 (2005: Nil).

6. Debtors, deposits and prepayments

	At 30 June 2006 <i>HK\$'000</i>	At 31 December 2005 <i>HK\$'000</i>
Debtors, deposits and prepayments comprise:		
Trade debtors	7,576	8,302
Other debtors, deposits and prepayments	1,172	1,022
	<u>8,748</u>	<u>9,324</u>

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 following is an aging analysis of trade debtors.

	At 30 June 2006 <i>HK\$'000</i>	At 31 December 2005 <i>HK\$'000</i>
0 – 3 months	6,995	7,970
4 – 6 months	505	269
7 – 12 months	76	63
	<u>7,576</u>	<u>8,302</u>

7. Creditors, accruals and deposits

	At 30 June 2006 <i>HK\$'000</i>	At 31 December 2005 <i>HK\$'000</i>
Creditors, accruals and deposits comprise:		
Trade creditors	2,173	1,414
Other creditors, accruals and deposits	2,593	3,459
Deferred revenue	2,184	1,978
	<u>6,950</u>	<u>6,851</u>

The following is an aging analysis of trade creditors:

	At 30 June 2006 <i>HK\$'000</i>	At 31 December 2005 <i>HK\$'000</i>
0 – 6 months	<u>2,173</u>	<u>1,414</u>

8. Amounts due to related companies

The amounts are interest-free, unsecured and repayable on demand. The directors consider the carrying amounts of amounts due to related companies approximate their fair values.

9. Loans from directors

The loans are interest-free, unsecured and net repayable until the Group is in a position to do so. The directors consider the carrying amounts of loans from directors approximate their fair values.

10. Segment information

Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

(a) *Business segments*

The Group principally operates in two segments, (i) provision of IT services and (ii) supply chain solutions.

- (i) The business segment – bank packaged software products has been disposed of in July 2005 and is regarded as discontinued operations.

- (ii) Unallocated expenses include administrative expenses incurred by the Company and certain non-operating subsidiaries.

Unallocated assets consist of deposits and prepayments and cash and bank balances of the Company and certain non-operating subsidiaries.

Unallocated liabilities represent accruals and loans from directors owed by the Company and certain non-operating subsidiaries.

	IT services		Supply chain solutions		Bank packaged software		Consolidated	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2006	2005	2006	2005	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>20,522</u>	<u>27,048</u>	<u>10,432</u>	<u>13,072</u>	<u>-</u>	<u>872</u>	<u>30,954</u>	<u>40,992</u>
RESULTS								
Segment results	(783)	2,428	477	396	-	58	(306)	2,882
Unallocated expenses	-	-	-	-	-	-	(132)	(927)
Other income	16	-	77	-	-	122	93	122
Finance costs	(9)	(11)	(13)	(14)	-	(3)	(22)	(28)
Share of losses of associates	-	-	(305)	-	-	-	(305)	-
Income tax expense	(10)	(349)	(75)	(14)	-	-	(85)	(363)
(Loss)/profit attributable to shareholders	<u>(786)</u>	<u>2,068</u>	<u>161</u>	<u>368</u>	<u>-</u>	<u>177</u>	<u>(757)</u>	<u>1,686</u>
SEGMENT ASSETS								
Segment assets	7,629	8,550	7,800	8,352	-	1,126	15,429	18,028
Unallocated assets							1,533	2,340
Total assets							<u>16,962</u>	<u>20,368</u>
SEGMENT LIABILITIES								
Segment liabilities	(3,053)	(6,089)	(5,190)	(6,993)	-	(10,901)	(8,243)	(23,983)
Unallocated liabilities							(2,845)	(2,031)
Total liabilities							<u>(11,088)</u>	<u>(26,014)</u>
OTHER INFORMATION								
Depreciation and amortisation	<u>100</u>	<u>5</u>	<u>88</u>	<u>17</u>	<u>-</u>	<u>66</u>	<u>188</u>	<u>88</u>
Capital expenditure incurred during the year	<u>50</u>	<u>218</u>	<u>70</u>	<u>224</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>442</u>

(b) *Geographical segments*

The following table presents revenue, segment assets and expenditure information for the Group's geographical segments.

	Hong Kong		PRC		Consolidated	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2006	2005	2006	2005	2006	2005
	HK\$'000	<i>HK\$'000</i>	HK\$'000	<i>HK\$'000</i>	HK\$'000	<i>HK\$'000</i>
Revenue from external customers	<u>29,525</u>	<u>39,772</u>	<u>1,429</u>	<u>1,220</u>	<u>30,954</u>	<u>40,992</u>
SEGMENT ASSETS						
Segment assets	<u>13,781</u>	<u>18,261</u>	<u>3,181</u>	<u>2,107</u>	<u>16,962</u>	<u>20,368</u>
Capital expenditure incurred during the year	<u>69</u>	<u>242</u>	<u>51</u>	<u>200</u>	<u>120</u>	<u>442</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2006 (2005: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The Group recorded an unaudited consolidated turnover of approximately HK\$30,954,000 for the six months ended 30 June 2006, representing a decrease of approximately 24.5% compared with the corresponding period last year. The unaudited net loss attributable to shareholders amounted to approximately HK\$757,000 (for the six months ended 30 June 2005: net profit of approximately HK\$1,686,000). The loss per share for the six months ended 30 June 2006 was HK0.76 cents.

The decrease in turnover was mainly due to the delay in certain orders of supply chain solutions as well as expiry of certain contracts in warranty outsource under IT services business. The loss of the Group for the period was mainly attributable to the decrease in revenue as well as share of the loss of an associate. Meanwhile, the selling, distribution and administrative expenses for the period amounted to approximately HK\$7,764,000, representing a decrease of 26.3% compared with the corresponding period last year.

Financial resources and liquidity

As at 30 June 2006, the total assets of the Group were approximately HK\$16,962,000 (at 31 December 2005: HK\$20,937,000) including cash and bank deposits of approximately HK\$2,602,000 (at 31 December 2005: HK\$6,620,000) and debtors, deposits and prepayments of approximately HK\$8,748,000 (at 31 December 2005: HK\$9,324,000). The Group's current assets were approximately 1.8 times (at 31 December 2005: 1.3 times) over its current liabilities whereas the gearing ratio, representing non-current liabilities over total assets, was 0.13 (at 31 December 2005: 0.11). The Group's non-current liabilities being non-current loans of approximately HK\$2,256,000 (at 31 December 2005: HK\$2,256,000). The loans are interest-free, unsecured and not repayable until the Group is in a position to do so. Save as disclosed above, the Group did not have any other borrowings during the period under review.

Capital structure

During the period under review, the Company implemented a shares consolidation whereby every five shares of par value HK\$0.01 each be consolidated into one consolidated share of par value HK\$0.05 each (the "Shares Consolidation"). After the Shares Consolidation took effect, the authorized share capital of the Company became 200,000,000 consolidated shares, of which 104,802,000 consolidated shares were in issue. Meanwhile, both the amount of authorized share capital and issued share capital of the Company remained unchanged.

Save as disclosed above, there was no change in the capital structure of the Group as at 30 June 2006.

Foreign exchange

The Group's foreign exchange risk is primarily attributable to its debtors. The foreign exchange risk is minimal as most of the trade debtors are denominated in Hong Kong dollar ("HK\$") or United States dollar ("US\$"). The foreign exchange risk in the transaction of US\$ to HK\$ is limited as HK\$ are being linked to US\$.

Significant investments and acquisitions

There was no material acquisitions and disposals of subsidiaries and affiliated companies of the Group during the six months ended 30 June 2006.

Charge on the Group's assets

There was no charge on the Group's assets as at 30 June 2006 (at 31 December 2005: Nil).

Capital commitments

As at 30 June 2006, the Group did not have any future plans for material investment.

Contingent liabilities

As at 30 June 2006, the Group did not have any material contingent liabilities.

Employees and remuneration policies

As at 30 June 2006, the Group had 148 employees (at 31 December 2005: 159). 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 its employees in Hong Kong and the statutory central pension schemes to its employees in the PRC.

Prospects

Despite the loss recorded for the first half of 2006, the Directors expect that the results of the Group for the second half of 2006 will be improved with the roll out of certain projects in IT services as well as the completion of certain orders in supply chain solutions. To have better utilization of the infrastructure of the Group, we will not only look for new business partners to help to promote products and services not currently covered by its existing sales network, but will also actively explore new business opportunities in provision of services to end users that offer greater growth potential and better gross profit margins.

With a view to strengthening the Group's financial position and capital base, in April 2006 the Company had successfully placed 44,010,000 new shares to certain independent investors raising approximately HK\$2.2 million. The Company will continue to look for investment opportunities that provide strategic fit to the Group's existing business portfolio and also increase the profit level of the Group.

Meanwhile, to enhance the competitiveness the Group, the management will continue to exercise stringent cost control and to utilize the Group's resources in a more efficient manner.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2006, the interests and short positions of the Directors in the securities of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are 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 are deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are 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 in which such interests were held	Number of shares	Percentage of nominal value of share capital
Mr. Fung Pak Chuen, Alphonso ("Mr. Fung") (Note 1)	Interests of spouse	76,024,802	72.54%
Mr. Lo, Richard ("Mr. Lo") (Note 2)	Interests of spouse	76,024,802	72.54%

Notes:

1. Win Plus Group Limited ("Win Plus") holds 84% interest in the issued share capital of Aplus Worldwide Limited ("Aplus") and is accordingly taken to have an interest in the 38,337,600 shares in which Aplus is interested under the SFO. Win Plus also holds approximately 46.2% indirectly in the issued share capital of CL International Holdings Limited ("CLIH") and is accordingly taken to have an interest in the 37,687,202 shares in which CLIH is interested under the SFO. Win Plus is accordingly taken to have an interest in the 76,024,802 shares in total under the SFO.

Gumpton Investments Limited ("Gumpton"), which holds 100% of the issued share capital of Win Plus, is taken to have an interest in the 76,024,802 shares in which Win Plus is interested under the SFO.

Both Mr. Fung and Mr. Lo are directors of Aplus, CLIH, Win Plus and Gumpton.

As 50% of the issued share capital of Gumpton is held by AFS Holdings Limited ("AFS"), AFS is taken to have an interest in the 76,024,802 shares in which Gumpton is interested under the SFO. Mr. Fung is a director of AFS.

AFS is wholly-owned by The General Trust Co. Ltd. ("General Trust"). General Trust is the trustee of AFS Trust, in which one of the beneficiaries is the spouse of Mr. Fung. Mr. Fung is taken to have an interest in the same 76,024,802 shares by virtue of his spouse's interest under the SFO.

2. Ardian Holdings Limited ("Ardian") has a 50% interest in the issued share capital of Gumpton and is accordingly taken to have an interest in the 76,024,802 shares in which Gumpton is interested under the SFO. Mr. Lo is a director of Ardian.

Ardian is wholly-owned by General Trust. General Trust is the trustee of Ardian Trust, in which one of the beneficiaries is the spouse of Mr. Lo. Mr. Lo is taken to have an interest in the same 76,024,802 shares by virtue of his spouse's interest under the SFO.

Save as disclosed above, as at 30 June 2006, none of the Directors of the Company has any interests and short positions in the shares, equity derivatives, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 are deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are 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.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2006, so far as was known to any Director of the Company, persons who have an interest or a short position in the shares, equity derivatives, 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 of the Company

Name of shareholder	Capacity in which such interests were held	Number of shares	Percentage of nominal value of share capital
Aplus	Beneficial owner	38,337,600	36.58%
CLIH	Beneficial owner	37,687,202	35.96%
Adwin Investments Limited (<i>Note 1</i>)	Interest of a controlled corporation	37,687,202	35.96%
Win Plus (<i>Note 2</i>)	Interest of a controlled corporation	76,024,802	72.54%
Gumpton (<i>Note 3</i>)	Interest of a controlled corporation	76,024,802	72.54%
AFS (<i>Note 4</i>)	Interest of a controlled corporation	76,024,802	72.54%
Ardian (<i>Note 4</i>)	Interest of a controlled corporation	76,024,802	72.54%
General Trust (<i>Note 5</i>)	Interest of a controlled corporation	76,024,802	72.54%
Mrs. Fung, Pui Lan, Angela (<i>Note 6</i>)	Beneficiary of trust	76,024,802	72.54%
Mrs. Lo, Lilian (<i>Note 7</i>)	Beneficiary of trust	76,024,802	72.54%

Notes:

1. Adwin Investments Limited (“Adwin”) holds approximately 62.6% interest in the issued share capital of CLIH and is accordingly taken to have an interest in the 37,687,202 shares in which CLIH is interested under the SFO.
2. Win Plus holds 84% interest in the issued share capital of Aplus as well as approximately 73.8% interest in the issued share capital of Adwin and is accordingly taken to have an interest in the 76,024,802 shares in total under the SFO.
3. Gumpton, which holds 100% of the issued share capital of Win Plus, is taken to have an interest in the 76,024,802 shares in which Win Plus is interested under the SFO.
4. Gumpton is owned as to 50% by AFS and 50% by Ardian. Accordingly, AFS and Ardian are each taken to have an interest in the 76,024,802 shares in which Gumpton is interested under the SFO.
5. AFS and Ardian are in turn wholly-owned by General Trust. Therefore, General Trust is taken to have an interest in the 76,024,802 shares in which AFS and Ardian are interested under the SFO.
6. General Trust is the trustee of AFS Trust. Mrs. Fung, Pui Lan, Angela, being the spouse of Mr. Fung, is one of the beneficiaries of AFS Trust and therefore is taken to have an interest in the 76,024,802 shares in which General Trust is interested under the SFO.
7. General Trust is also the trustee of Ardian Trust. Mrs. Lo, Lilian, being the spouse of Mr. Lo, is one of the beneficiaries of Ardian Trust and therefore is taken to have an interest in the 76,024,802 shares in which General Trust is interested under the SFO.

Save as disclosed above, as at 30 June 2006 so far as was known to any Director of the Company, no other persons had an interest or a short position in the shares, equity derivatives, 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

As at 30 June 2006, there were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company’s listed securities.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2006, the Company had 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 has complied with the code provisions set out in Code on Corporate Governance Practices under Appendix 15 of the GEM Listing Rules throughout the six months ended 30 June 2006, except for the following deviations:

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Prior to the amendments to the Articles of Association (the “Articles”) of the Company on 1 June 2006, the non-executive and independent non-executive directors of the Company are not appointed for a specific term but they are subject to retirement by rotation and reelection at the annual general meeting of the Company. Directors who are appointed to fill a casual vacancy only required to be re-elected at the next annual general meeting. Moreover, save as the Chairman is not subject to rotation or taken into account in determining the number of directors to retire in each year, one-third of the directors of the Company are required to retire from office by rotation and being eligible for re-election at each annual general meeting.

On 1 June 2006, the Company passed a special resolution at the general meeting to amend certain articles of its Articles so as to bring the Articles in line with the Code Provision A.4.1 and Code A.4.2.

Code Provision B.1.1 stipulates that company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

The Company does not establish a remuneration committee as required by this Code Provision. The Board is in the opinion that establishment of a remuneration committee does not really benefit to the Group after due consideration of the size of the Group and the associated costs involved. According to the current practice of the Company, remuneration of directors are reviewed and approved at Board meetings which have the presence of the independent non-executive directors.

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, the Company has established an Audit Committee with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control procedures of the Group.

The Group's unaudited consolidated results for the six months ended 30 June 2006 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

By order of the Board
Computech Holdings Limited
Fung Pak Chuen, Alphonso
Chairman

Hong Kong, 14 August 2006

As at the date of this announcement, the executive Directors are Mr. Fung Pak Chuen, Alphonso and Mr. Lo, Richard. The independent non-executive Directors are Mr. Lee Sai Yeung, Mr. Chung Kong Fei, Stephen and Mr. Ng Chik Sum, Jackson.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days from the date of its posting.