

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

**PLACING OF CONVERTIBLE NOTES,
CONNECTED TRANSACTION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

VEDA | CAPITAL
智略資本

A notice convening the extraordinary general meeting of the Company to be held at 3/F, Nexus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 17 February 2012 at 11:00 a.m. or any adjournment thereof is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the extraordinary general meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjourned meeting (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish.

This circular will remain on the "Latest Company Announcements" page of the website of Growth Enterprise Market at <http://www.hkgem.com> for at least 7 days from the date of its posting and the website of the Company at <http://www.computech.com.hk>.

* for identification purpose only

CHARACTERISTICS OF GEM

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

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Letter from the Independent Board Committee	14
Letter from Veda Capital	15
Appendix — General Information	24
Notice of EGM	27

DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Announcement”	the Company’s announcement dated 8 December 2011 relating to the Placing
“associate(s)”	the meaning ascribed thereto in the GEM Listing Rules
“Business Day(s)”	a day on which banks are open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the GEM of the Stock Exchange
“Completion”	the date which is the fifth Business Day after the date of satisfaction of the conditions precedent set out in the Placing Agreement
“Connected Person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Conversion Price”	the conversion price of HK\$0.05 per Conversion Share (subject to adjustment)
“Conversion Shares”	the new Shares to be allotted and issued by the Company as a result of the exercise of the conversion rights attaching to the Convertible Notes
“Convertible Notes”	the zero coupon HK\$50,000,000 convertible notes due 2014 to be issued by the Company
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company
“GEM”	the Growth Enterprise Market
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM on the Stock Exchange
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing, being all the independent non-executive directors of the Company, to advise the Independent Shareholders
“Independent Shareholders”	Shareholders other than Mr. Yang and his associates

DEFINITIONS

“Latest Practicable Date”	31 January 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Mr. Yang”	Mr. Yang Yue Zhou, a substantial Shareholder of the Company
“Placing”	the placing of the Convertible Notes of up to an aggregate principal amount of HK\$50,000,000 by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Pacific Foundation Securities Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 regulated activities (dealing in securities)
“Placing Agreement”	the placing agreement dated 5 December 2011 entered into between the Company and the Placing Agent in respect of the placing of the Convertible Notes as varied by a side letter dated 8 December 2011
“Placing Period”	a period of 90 days commencing from the date of the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary Share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Veda Capital”	Veda Capital Limited, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the underwriting by Mr. Yang relating to the Placing and the transactions contemplated thereunder, which constitutes a connected transaction for the Company under the GEM Listing Rules
“HK\$”	the lawful currency of Hong Kong dollars
“%”	per cent

LETTER FROM THE BOARD



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

Executive Directors:

Mr. Yang Yue Zhou
Mr. Mak Kwong Yiu
Mr. Jiang Tan Shan

Independent Non-executive Directors:

Mr. Wong Siu Keung, Joe
Mr. Wong Ching Yip
Mr. Luk Chi Shing

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 1604, 16th Floor
West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

2 February 2012

To the Shareholders

Dear Sir or Madam,

**PLACING OF CONVERTIBLE NOTES,
CONNECTED TRANSACTION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

THE PLACING

On 5 December 2011, the Company entered into the Placing Agreement with the Placing Agent as varied by a side letter dated 8 December 2011, pursuant to which the Placing Agent has agreed, amongst other things to procure, on a best endeavours basis, Placee(s) to subscribe for up to HK\$50,000,000 of the Convertible Notes. Assuming the Convertible Notes are fully placed, upon full conversion of the HK\$50,000,000 principal amount of the Convertible Notes at the Conversion Price, a total of 1,000,000,000 Conversion Shares will be allotted and issued, representing approximately 82.36% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 45.16% of the Company's issued share capital as enlarged by the issue of the Conversion Shares.

* for identification purpose only

LETTER FROM THE BOARD

The gross proceeds from the Placing, if fully placed, will be HK\$50,000,000 and the net proceeds from the Placing will be approximately HK\$48,000,000. Mr. Yang, has undertaken to underwrite all the Convertible Notes not placed by the Placing Agent after the Placing Period.

The Placing is conditional upon, inter alia, the convening of the EGM for Shareholders to consider and, if thought fit, passing by Independent Shareholders of the resolutions to approve the entering into of the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Conversion Shares and the underwriting by Mr. Yang of any unplaced Convertible Notes.

Completion of the Placing is subject to the satisfaction of the conditions precedent set out below:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and Placing Agent do not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of conversion rights under the Convertible Notes;
- (ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms hereof, including provisions regarding force majeure; and
- (iii) the passing of a resolution by the Independent Shareholders to approve the issue of the Convertible Notes, the allotment and issue of the Conversion Shares and the underwriting arrangement of Mr. Yang under the Placing Agreement.

As at the Latest Practicable Date, none of the conditions precedent to the Placing has been fulfilled.

As Mr. Yang is a substantial Shareholder and thus a connected person of the Company, the underwriting by him of the Convertible Notes constitute a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Placing and the transactions contemplated thereunder, including in particular, the underwriting of the Placing by Mr. Yang are subject to the approval of the Independent Shareholders at the EGM. Mr. Yang and his associates will not vote at the EGM. Other than Mr. Yang and his associates, none of the Directors have an interest in the Placing. Veda Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Placing and the transactions contemplated thereunder, including in particular, the underwriting of the Placing by Mr. Yang. Its recommendation has been disclosed in the letter from Veda Capital in this circular.

The purpose of this circular is to provide you with (i) further details of the Placing Agreement and the transactions contemplated thereunder; (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders and the recommendation of Veda Capital to advise the Independent Board Committee and the Independent Shareholders in respect of the undertaking by Mr. Yang relating to the Placing and the transactions contemplated thereunder; and (iii) the notice of the EGM.

LETTER FROM THE BOARD

A summary of the principal terms of the Placing Agreement is set out below:

- Issuer: The Company.
- Placing Agent: Pacific Foundation Securities Limited. To the best of the director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company.
- The Placing Agreement: On 5 December 2011, the Company entered into the Placing Agreement with the Placing Agent and varied by a side letter dated 8 December 2011, pursuant to which the Placing Agent agreed on a best endeavours basis to place up to an aggregate principal amount of HK\$50,000,000 of the Convertible Notes.
- Placing Commission: The Company shall pay to the Placing Agent a fee equal to 2.5% of the aggregate principal amount of the Convertible Notes placed.
- Placing Period: A period of 90 days from the date of the Placing Agreement.
- Placee(s): The Placing Agent will place the Convertible Notes to not less than six placees who are and whose ultimate beneficial owners are expected to be third parties independent of and not connected with the Company and Connected Persons of the Company and not acting in concert (as such term is defined in Takeovers Code) with Connected Persons of the Company.
- Termination: If, at any time prior to 9:00 a.m. on the relevant Completion of Convertible Notes, in the absolute opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:
- (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or
 - (b) any of the following events:
 - (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

LETTER FROM THE BOARD

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not eiusdem generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Convertible Notes to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the placing of Convertible Notes; or
- (iii) any change in market conditions (including without limitation, a suspension or limitation on trading in securities generally on the Stock Exchange) which would materially and adversely affect the success of the placing of the Convertible Notes to potential investor(s) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the placing of the Convertible Notes then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 9:00 a.m. on the date of Completion and provided further that such termination shall not affect any partial completion of the Convertible Notes that have taken place prior to such date of termination.

LETTER FROM THE BOARD

If the Placing Agent terminates the Placing Agreement, all obligations of the Placing Agent and the Company under the Placing Agreement will cease and determine and neither party may have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Underwriting: Mr. Yang has irrevocably and unconditionally undertaken to subscribe for all the Convertible Notes not placed by the Placing Agent. Mr. Yang will not receive any commission for the underwriting.

PRINCIPAL TERMS OF THE CONVERTIBLE NOTES

The following summarizes certain of the principal terms of the Convertible Notes:

Aggregate Principal amount of the Convertible Notes: up to HK\$50,000,000.

Authorized denomination for the issue, transfer, conversion and redemption: HK\$1,000,000.

Maturity Date: 3 years from the relevant date of issue.

Conversion Period: The holders of Convertible Notes will be able to convert the outstanding principal amount of the Convertible Notes in whole or in part into Shares at any time following the Conversion date until a date falling seven days prior to (and excluding) the maturity date.

Conversion Price: HK\$0.05 per Conversion Share, subject to customary adjustments in certain events, including share consolidation, share subdivision, capitalization issues, capital distribution, rights issue and issues of other securities.

Interest Rate: zero interest.

Transferability: The Convertible Notes will be transferrable without the consent of the Company except that the Convertible Notes can only be transferred to a Connected Person of the Company if prior written consent of the Company is obtained.

Voting: Holders of Convertible Notes will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of them being holders of Convertible Notes.

LETTER FROM THE BOARD

Listing: No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange.

Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Notes.

Ranking: The Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Notes will rank pari passu in all respects with all other Shares outstanding on the date the name of the noteholder is entered on the register of the members of the Company as a holder of the Conversion Shares.

Conversion date: One year after the relevant date of issue.

Conversion restriction:

- (i) the conversion rights attaching to a Convertible Note cannot be exercised (and accordingly the Company will not issue Conversion Shares) if and to the extent that the total number of Conversion Shares (together with other Shares) with voting rights held by the holder of the Convertible Notes in question and parties acting in concert with it within the meaning of the Takeovers Code immediately after the issue of the relevant Conversion Shares would be more than 29.99% of the enlarged issued share capital of the Company or of such other amount equal to 0.1% below the amount as may be specified in the Takeovers Code as being the level for triggering a mandatory general offer.
- (ii) if the Conversion Shares are to be issued to a Connected Person in which case the exercise of the relevant Conversion Rights will be subject to approval of shareholders of the Company in a general meeting (if required) and compliance with relevant requirements of the GEM Listing Rules.
- (iii) the maintenance of public float as required under Rule 11.23 of the GEM Listing Rules immediately after issue of the Conversion Shares.

LETTER FROM THE BOARD

Redemption and Repurchase: The Company may at any time and from time to time, by 10 Business Days prior written notice (“Redemption Notice”) to a Noteholder elect to redeem the whole or part (being an authorised denomination of being not less than HK\$1,000,000) of the then outstanding principal amount of the Convertible Notes (together with accrued and outstanding interest to the extent redemption is in full).

The Company may also repurchase Convertible Notes at prices to be agreed between the Company and the holder of the Convertible Notes.

Assuming the Convertible Notes are fully placed, upon full conversion of the HK\$50,000,000 principal amount of the Convertible Notes at the Conversion Price, a total of 1,000,000,000 Conversion Shares (with an aggregate nominal value of HK\$10,000,000) will be issued, representing approximately 82.36% of the issued share capital of the Company as at the Latest Practicable Date and approximately 45.16% of the Company’s issued share capital as enlarged by the issue of the Conversion Shares.

The Placing is conditional upon, inter alia, the convening of the EGM for Shareholders to consider and, if thought fit, passing by Independent Shareholders of the resolutions to approve the entering into of the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Conversion Shares and the underwriting by Mr. Yang of any unplaced Convertible Notes.

CONVERSION PRICE

The Conversion Price of HK\$0.05 per Conversion Share was arrived at after arm’s length negotiation between the Company and the Placing Agent and represents:

- (i) a discount of approximately 44.44% to the closing price of HK\$0.09 per Share quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a discount of approximately 45.30% to the average closing price of HK\$0.0914 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 61.54% to the closing price of HK\$0.13 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Conversion Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm’s length basis between the Company and the Placing Agent.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is illustrated as follows:

	As at the		Upon completion of the		Upon completion of the	
	Latest Practicable Date		Placing (assuming all Shares are taken up by Mr. Yang and converted in full)		Placing (assuming the Convertible Notes are placed and converted in full)	
	<i>No. of Shares</i>	<i>Approximate (%)</i>	<i>No. of Shares</i>	<i>Approximate (%)</i>	<i>No. of Shares</i>	<i>Approximate (%)</i>
Mr. Yang	268,453,158	22.11	1,268,453,158	57.29	268,453,158	12.12
Public	<u>945,796,168</u>	<u>77.89</u>	<u>945,796,168</u>	<u>42.71</u>	<u>1,945,796,168</u>	<u>87.88</u>
Total:	<u>1,214,249,326</u>	<u>100</u>	<u>2,214,249,326</u>	<u>100</u>	<u>2,214,249,326</u>	<u>100</u>

REASONS FOR THE PLACING

The reason for the Placing is to strengthen the capital base of the Company to cope with the highly competitive IT business environment. If the Convertible Notes are fully placed, the gross proceeds from the Placing will be HK\$50,000,000. The net price raised per Conversion Share is approximately HK\$0.048. The net proceeds from the Placing of up to approximately HK\$48,000,000 is to be used for general working capital of the Group and/or for further investment.

The Directors had considered other methods of financing including financing from third party financial institutions but given the status of current financial markets, the Company has been unable to seek third party financing on commercially acceptable terms. The Company had also discussed the issue of new Shares with possible placing agents but the general consensus is that equity fund raising including rights issue or open offer is not feasible in the current economic climate. In addition, the Convertible Notes are interest free and therefore represents a relatively cheap and swift method of financing for the Group. Furthermore, Shareholders will have an opportunity to vote on whether to proceed with the Placing at the EGM. Accordingly, the Directors are of the view that the issue of the Convertible Notes at a deep discount is fair and reasonable and in the interests of the Company and Shareholders as a whole.

With reference to the Company's announcement dated 30 November 2011, the service agreement dated 14 November 2008 entered into between the Company and CL International Holdings Limited expired on 31 December 2011. The Company proposes to maintain and continue with the IT business and intends to use approximately HK\$5 million from the Placing for exploring and broadening new customer base, as well as expanding the sales of computer products to mitigate the adverse effect from such termination.

The Group has commenced the money lending business in the third quarter of 2011 and the Company intends to use approximately HK\$15 million from the Placing to expand its loan portfolio in order to provide a steady income for the Group.

LETTER FROM THE BOARD

The Company has commenced preliminary arm's length negotiations with an independent third party in relation to a possible investment in property in the PRC and/or Hong Kong ("Possible Property Investment"). The Possible Property Investment, if materialises, would constitute a notifiable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. As at the Latest Practicable Date, no binding agreement has been entered into in respect of the possible transaction and such transaction which may or may not materialise. To the extent of the Possible Property Investment is feasible, the Company intends to use not more than HK\$30 million from the Placing to finance the Possible Property Investment. However, in the event that the Possible Property Investment does not proceed, the Company will reserve such proceeds of approximately HK\$30 million for other appropriate investments in the future as and when they arise.

In order to secure sufficient proceeds available to fund the potential investment opportunities if and when they arise, the Company considers that this is a good opportunity for the Company to raise funds from the Placing. On the basis that the Placing provides an opportunity for the Company to strengthen its financial positions, to be equipped with readily available funds to enable it to grasp the potential investment opportunities. The Directors consider the terms of the Placing to be fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

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

Date of Announcement	Fund raising activity	Net proceeds actually raised	Intended use of proceeds	Actual use of proceed raised
15 April 2011	issue of 5% convertible bond due 2016	HK\$22,350,000	General working capital	HK\$3,770,860 paid for acquisition of property, the rest for general working capital

CONNECTED TRANSACTION

As Mr. Yang is a substantial Shareholder and thus a connected person of the Company, the underwriting by him of the Convertible Notes constitute a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Placing and the transactions contemplated thereunder, including in particular, the underwriting of the Placing by Mr. Yang are subject to the approval of the Independent Shareholders at the EGM. Mr. Yang and his associates will not vote at the EGM. Other than Mr. Yang and his associates, none of the Directors have an interest in the Placing. Veda Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the underwriting by Mr. Yang relating to the Placing and the transactions contemplated thereunder. Its recommendation has been disclosed in the letter from Veda Capital in this circular.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

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

EGM

The Placing is conditional upon, inter alia, the convening of the EGM for Shareholders to consider and, if thought fit, passing by Independent Shareholders of the resolutions to approve, inter alia, the entering into of the Placing Agreement and the allotment and issue of Conversion Shares and the transactions contemplated thereunder, including the allotment and issue of the Conversion Shares and the underwriting by Mr. Yang of any unplaced Convertible Notes.

A notice convening the EGM is set out on pages 27 to 28 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit at the Company's branch share registrar, Hong Kong Registrars Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you so wish.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

In light of the weakness in the current financial markets, the reluctance of financial institutions to lend money on commercial terms acceptable to the Company and the important factor that the Convertible Notes are interest-free, the Directors are of the view that the placing of the Convertible Notes is a relatively cheap and fast method to raise finance for the Company and is therefore fair and reasonable and in the interests of Shareholders as a whole.

All Shareholders are treated fairly as the Placing is subject to approval of all the Independent Shareholders in general meeting.

The Directors (excluding the Independent Board Committee) are of the opinion that the Placing is in the interests of the Company and the Shareholders as a whole and the terms of the Placing Agreement are fair and reasonable so far as Shareholders are concerned. The Independent Board Committee, having

LETTER FROM THE BOARD

taken into account of the advice of the Independent Financial Adviser, considers the Placing is in the interests of the Company and its Shareholders as a whole and that the terms of the Placing Agreement are fair and reasonable so far as the Shareholders considered. Accordingly, the Directors (including the Independent Board Committee) recommend that all the Shareholders to vote in favour of all the resolutions as set out in the Notice on pages 27 to 28 of this circular.

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



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

2 February 2012

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION — PLACING OF CONVERTIBLE NOTES

We refer to the circular dated 2 February 2012 issued by the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

We have been appointed as the Independent Board Committee to advise you in connection with the Placing, details of which are set out in the letter from the Board in the Circular. Veda Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Placing. Details of the advice from Veda Capital together with the principal factors and reasons taken into consideration in arriving at such advice are set out on pages 15 to 23 of the Circular.

Having considered the terms of the Placing Agreement and the Placing, the interest of the Independent Shareholders, the principal factors and reasons considered by and the advice of Veda Capital, we consider that the Placing is in the interests of the Company and its Shareholders as a whole and that the terms of the undertaking by Mr. Yang relating to the Placing Agreement and the transactions contemplated thereunder, are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing
Independent non-executive Directors

* for identification purpose only

LETTER FROM VEDA CAPITAL

The following is the full text of a letter of advice from Veda Capital to the Independent Board Committee and the Independent Shareholders in respect of the Placing prepared for the purpose of inclusion in this circular.

VEDA | CAPITAL
智 略 資 本

Veda Capital Limited
Suite 3214, 32/F., COSCO Tower
183 Queen's Road Central, Hong Kong

2 February 2012

*To the Independent Board Committee and the Independent Shareholders of
CompuTech Holdings Limited*

Dear Madam/Sir,

PLACING OF CONVERTIBLE NOTES CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the Placing, details of which are set out in the letter from the Board (the “**Board Letter**”) in the Company’s circular dated 2 February 2012 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 5 December 2011, the Company entered into the Placing Agreement with the Placing Agent, as varied by a side letter dated 8 December 2011, pursuant to which the Placing Agent has agreed, amongst other things to procure, on a best endeavour basis, Placee(s) to subscribe for up to HK\$50,000,000 of the Convertible Notes. Mr. Yang, has undertaken to underwrite all the Convertible Notes not placed by the Placing Agent after the Placing Period. As Mr. Yang is a substantial Shareholder and thus a connected person of the Company, the underwriting by him of the Convertible Notes constitute a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Placing. Veda Capital has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Placing are fair and reasonable so far as the Independent Shareholders are concerned and whether the Placing is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we

LETTER FROM VEDA CAPITAL

aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the date of the EGM.

All Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed in the Circular, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Placing and in giving our recommendation to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

A. Financial highlights of the Group

The Group is principally engaged in the provision of (i) information technology (“IT”) services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products, and (ii) money lending activities in Hong Kong.

Set out below are the financial highlights of the Group showing the financial performance of the Group in the recent financial periods:

1. *Interim results for the six months ended 30 June 2011*

As set out in the Company’s interim report 2011 (“**IR 2011**”) for the six months ended 30 June 2011, the Group’s unaudited turnover for the period slightly decreased approximately HK\$673,000 to approximately HK\$12.58 million, representing a decrease of approximately 5.08% from the same period in the previous year. The fall in the Group’s turnover was due to keen competition of warranty and maintenance service of IT business. But there were increases in hardware sales and recruitment service of the IT business which made a positive contribution to the Group’s sales revenue and service income for the six months ended 30 June 2011 as compared with the same period in the previous year. The businesses of hardware sales and recruitment service of IT business represented approximately 12% of the Group’s turnover with higher profit margin. As a result, the unaudited gross profits of the Group had an increase of approximately HK\$880,000 for the period ended 30 June 2011 from the corresponding period in 2010. The unaudited net loss attributable to Shareholders amounted to approximately HK\$11.08 million, representing an increase of loss attributable to Shareholders of approximately 483.88%. The increase of loss attributable to Shareholders was due to the related expenses regarding the proposed acquisition of 86% of the issued

LETTER FROM VEDA CAPITAL

share capital in, and the shareholder's loan due from, Wiseking Mining Investment Limited, dated 2 June 2010. Such proposed acquisition was lapsed and the details can be referred to the announcement of the Company dated 4 July 2011.

As at 30 June 2011, the Group has cash and bank deposits of approximately HK\$6 million, representing a decrease of approximately 71.82% from approximately HK\$21.29 million as at 31 December 2010. The Company explained that such decrease was due to the use of fund to settle expenses and professional fee in relation to the proposed but lapsed acquisition as mentioned above.

2. Annual results for the year ended 31 December 2010

As set out in the Company's annual report for the year ended 31 December 2010 (the "AR 2010") for the year ended 31 December 2010, the Group recorded a decrease in turnover of approximately 20.83% from approximately HK\$32.73 million to approximately HK\$25.91 million for the year ended 31 December 2010. The Company recorded an increase of audited loss attributable to Shareholders of approximately 188.56% to approximately HK\$14.35 million for the year ended 31 December 2010, compared to approximately HK\$4.97 million for the previous year. The Company advised that the Company's decreasing financial performance was attributable to the fall in services of call center and hotline business as a result of termination of call center services with one of the major customers. With the worldwide economy set on a slow yet progressive path to recovery, the demand on the IT business industry has seen a similar rebound together especially coupled with keen competition in the industry. The increase in loss attributable to Shareholders also attributable to the abovementioned acquisition-related expenses including but not limited to professional fee to, financial adviser, consultants and valuer as incurred during the year as compared with the previous year.

B. Reasons for the Placing

As mentioned in the Board Letter, the Placing is for the purpose of strengthening the capital base of the Company to cope with the highly competitive IT business environment. If the Convertible Notes are fully placed, the gross proceeds from the Placing will be HK\$50,000,000. The net proceeds from the Placing of up to approximately HK\$48,000,000 is to be used for general working capital of the Group and/or for further investment.

The management discussed in the IR 2011 that the outlook of global economics is still uncertain especially in the United States and European financial market. The Group will continue its IT business development and the management will continue to introduce strict cost control measures. Competition in the IT business for warranty and maintenance service is expected to remain keen in the second half of the year and the Group will continue to explore business opportunities relating to the IT business. Moreover, the Group will also look for other business opportunities that will provide potential growth and enhance Shareholders' value as and when appropriate.

LETTER FROM VEDA CAPITAL

The Company advised that IT business is one of the core business of the Group and it intends to utilize the net proceeds of the Placing to maintain and sustain its daily operation. However in view of the competitive environment and in order to maximize benefits for the Company and Shareholders as a whole, the Company intends to make use of the net proceeds from the Placing to secure sufficient proceeds available to fund potential investment opportunities if and when they arise.

With reference to the announcement on 30 November 2011, the service agreement dated 14 November 2008 between the Company and CL International Holdings Limited had expired on 31 December 2011. The Company proposes to maintain and continue with the IT business and intends to use approximately HK\$5 million from the Placing for exploring and broadening new customer bases, as well as expanding the sales of computer products to mitigate the adverse effect from such termination. The Group has commenced the money lending business in the third quarter of 2011 and the Company intends to use approximately HK\$15 million from the Placing to expand the existing loan portfolios in order to provide a steady income for the Group. In view of the abovementioned needs for sustaining the IT business and money lending business of the Company, we consider the Placing is justifiable and reasonable.

We are advised that the Company has commenced preliminary arm's length negotiations with independent third parties in relation to a possible investment in property in Hong Kong and/or the PRC ("**Possible Property Investment**"). The Possible Property Investment, if materialized, will constitute a notifiable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. As at the Latest Practicable Date, no binding agreement has been entered into in respect of the Possible Property Investment. The Possible Property Investment may or may not be materialized and Shareholders and investors are advised to take cautions when dealing with securities of the Company. Save as disclosed above, the Board also confirms that there are no negotiation or agreement relating to any intended acquisitions or realizations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

To the extent the Possible Property Investment is feasible, the Board intends to apply such proceeds from the Placing to finance the Possible Property Investment. In the event that the Possible Property Investment cannot be materialized, the Board intends to apply such proceeds from the Placing for its general working capital and/or to finance the acquisition of other appropriate investments which may or may not be in the principal line of business of the Group. The current utilization plan of the proceeds is that not more than HK\$30 million of the proceeds will be applied towards the Possible Property Investment. However, in the event that the Possible Property Investment does not proceed, the Company will reserve such proceed of approximately HK\$30 million for other appropriate investments in the future. The Company will consider numerous factors in making such investments, including the potential return, the synergy effect of such investments with the existing business of the Group, the historical financial information of such potential target and the costs of investment.

LETTER FROM VEDA CAPITAL

On the basis that the Placing provides an opportunity for the Company to strengthen its financial positions, to be equipped with readily available funds to enable it to grasp the potential investment opportunities, the Directors consider the terms of the Placing to be fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

C. Principal terms of the Placing underwritten by Mr. Yang

On 5 December 2011, the Company entered into the Placing Agreement with the Placing Agent as varied by a side letter dated 8 December 2011, pursuant to which the Placing Agent agreed on a best endeavour basis to place up to an aggregate principal amount of HK\$50,000,000 of the Convertible Notes. Mr. Yang has irrevocably and unconditionally undertaken to subscribe for all the Convertible Notes not placed by the Placing Agent. Mr. Yang will not receive any commission for the underwriting.

LETTER FROM VEDA CAPITAL

1. *Comparable Convertible Notes*

In order to assess the fairness and reasonableness of the Convertible Notes, we have compared with, to the best of our knowledge, companies (the “**Comparables**”) listed on the Main Board or the GEM which have announced for placing of convertible notes/bonds since 9 December 2010 up to and including 9 December 2011, being the date of the Placing Agreement. Details of the Comparables are as follows:

Date of announcement	Company (stock code)	Premium/ (discount) of the conversion price over/to the closing price of shares on the last trading day prior to the date of the corresponding announcement (%)	Interest rate per annum (%)	Placing commission (%)	Earliest day of conversion
23/11/2011	Superb Summit International Timber Company Limited (1228)	7.14	3.0	Approximately 3.22	Date of issue
19/10/2011	Pacific Plywood Holdings Limited (767)	(28.21)	2.0	2.5	Date of issue
07/10/2011	China Environmental Energy Investment Limited (986)	(22.54)	0	2.5	Date of issue
06/10/2011	Asia Orient Holdings Limited (214)	2.80	6.5	1.5	Date of issue
03/10/2011	Rising Development Holdings Limited (1004)	6.38	5.0	1.5	Date of issue
02/09/2011	CVM Minerals Limited (705)	(12.30)	10.0	2.5	Date of issue
22/08/2011	Smart Union Group (Holdings) Limited (2700)	(71.97)	5.0	3.0	Date of issue
19/08/2011	EPI (Holdings) Limited (689)	(6.25)	0	3.0	Date of issue
02/08/2011	Birmingham International Holdings Limited (2309)	(18.83)	5.0	2.5	Date of issue
13/6/2011	Larry Jewelry International Company Limited (formerly known as Eternite International Company Limited) (8351)	56.25	2.0	3.0	One year after date of issue
02/06/2011	Simsen International Corporation Limited (993)	(87.12)	4.0	2.5	Date of issue
17/05/2011	China Grand Forestry Green Resources Group Limited (910)	0.92	0	3.0	Not mentioned
08/03/2011	Pacific Plywood Holdings Limited (767)	(88.61)	6.0	2.5	Date of issue
02/02/2011	China New Energy Power Group Limited (formerly known as Fulbond Holdings Limited) (1041)	(19.05)	0	1.0	Not mentioned
31/01/2011	Hanny Holdings Limited (275)	(77.05)	2.0	1.0	Date of issue
25/01/2011	New Times Energy Corporation Limited (166)	(3.74)	9.0	0	Date of issue
19/01/2011	Mascotte Holdings Limited (136)	6.38	5.0	3.0	Not mentioned
	Maximum	56.25	10	3.22	
	Minimum	(88.61)	0	0.00	
	Mean	(20.93)	3.79	2.25	
	Company	(44.44)	0	2.5	One year after date of issue

LETTER FROM VEDA CAPITAL

Conversion Price

The Conversion Price of HK\$0.05 per Conversion Share represents a discount of approximately 44.44% to the closing price of HK\$0.09 per Share as quoted on the Stock Exchange on the last trading date prior to the signing of the Placing Agreement, being the date of the Placing Agreement. The discounts represented by the Conversion Price falls within the range represented by the Comparables from the maximum of a premium of approximately 56.25% to discounts of approximately 88.61%. As such, we consider the Conversion Price has been determined under normal commercial terms given that negotiations and discussion have been conducted through with professional parties with reference to the current market condition.

Interest rate

As shown in the above table, the interest rate of the Comparables range from nil to 10% and an average of approximately 3.79%. The Convertible Notes as proposed to be issued by the Company is at zero interest rate, which falls within the range and since it does not constitute interest payment to the Company, we consider the zero interest rate of the Convertible Notes fair and reasonable to the Company and Independent Shareholders as a whole.

Commission

No commission is payable to Mr. Yang as the underwriter of the Placing. Among the 17 Comparables, 2 Comparables are placing under fully underwritten basis and are entitled to commission of 1.5% and 3% respectively. In view that the underwriting of the Placing by Mr. Yang does not incur extra commission payment and would secure the expected funding needs from the Placing, we consider the arrangement of nil commission to Mr. Yang is fair and reasonable as far as the Independent Shareholders are concerned and is in the interests of the Company and Independent Shareholders as a whole.

Earliest day of conversion

As shown in the above table, most of the Comparables under review allows conversion of their convertible notes upon date of issue. The conversion of the Convertible Notes shall be conducted after one year upon issue. In view that such arrangement does not constitute immediate dilution effect on the shareholding structure of the Company, we consider that as fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM VEDA CAPITAL

2. Alternatives

We are advised that the management has explored possibilities of raising borrowings of similar amount from banks or financial institutions. Up to the date of the Placing Agreement, the banks or financial institutions approached by the Company have indicated that the applicable interest or any loans would be on floating rate which would expose the Company to possible future interest rate increase. The Company considers that bank financing would expose the Group to the potential increase and volatility of future interest rates.

The management of the Company has also approached securities houses in negotiation of equity financing and was advised that the current stock market and market sentiment were not favourable for equity financing and open offer. As such, the Directors do not consider equity financing feasible.

In light of the response from banks or financial institutions and securities houses, we are of the view that the proposed Placing is fair and reasonable and is in the interests of the Company and Shareholders as a whole.

3. Dilution effect

As at the Latest Practicable Date, the Company has 1,214,249,326 Shares in issue. Pursuant to the terms of the Convertible Notes, holders of the Convertible Notes shall not exercise their conversion rights until one year after the relevant date of issue. Accordingly, the issue of Convertible Notes would not have any immediate dilution effects on the shareholding structure of the Company.

Pursuant to the Placing Agreement, the Placing Agent will place the Convertible Notes to placees who are third parties independent of and not connected with the Company and Connected Persons of the Company and not acting in concert (as such term is defined in Takeovers Code) with Connected Persons of the Company. Mr. Yang would only take up the remaining non-taken up the Convertible Notes after being placed by the Placing Agent in order to secure the funding needs of the Company. Assuming all Convertible Notes are taken up by Mr. Yang and converted in full at the Conversion Price, Mr. Yang shall own additional 1,000,000,000 Conversion Shares and in aggregate own as to 1,268,453,158 Shares, representing approximately 57.29% of the enlarged issued share capital of the Company. However, pursuant to the terms of the Convertible Notes, Mr. Yang could not exercise the Convertible Notes if immediately after the issue of the relevant Conversion Shares would be more than 29.99% of the enlarged issued share capital of the Company.

As advised by the Company, the Placing Agent has reminded the Directors that in view of the recent market condition and sentiment, there is certain extent of difficulties in placing the Convertible Notes in full. The underwriting provided by Mr. Yang could secure the funding needs of the Company for sustaining the Company's IT business development and future potential business opportunities. In view of the abovementioned, we are of the view that the Placing including the underwriting provided by Mr. Yang are fair and reasonable and are in the interests of the Company and Independent Shareholders as a whole.

LETTER FROM VEDA CAPITAL

RECOMMENDATIONS

Having taken into account the abovementioned factors and reasons, which include:

- (i) the needs of proceeds for the Company to sustain the principal business of the Company;
- (ii) the proceeds from the Placing could be utilized on future potential business opportunities in order to maximize the return for the Company and Shareholders;
- (iii) the current weak cash and bank deposits of the Company as at 30 June 2011;
- (iv) the Conversion Price is determined upon discussions with professional parties with reference to the current market condition;
- (v) the zero interest rate of the Convertible Note does not constitute interest expense to the Company;
- (vi) according to the market players, the current stock market and market sentiment are not favourable in raising funds through other alternatives;
- (vii) there is no immediate dilution effect on the shareholding of the Company until one year after the relevant date of issue of the Convertible Notes;
- (viii) Mr. Yang would only take up the remaining non-taken up Convertible Notes after being placed by the Placing Agent; and
- (ix) the undertaking provided by Mr. Yang secure the funding needs of the Company while no commission is required,

we consider the terms of the Placing are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Independent Shareholders as a whole. We would therefore advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to approve the Placing to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Veda Capital Limited
Hans Wong **Julisa Fong**
Chairman *Managing Director*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the Shares, underlying Shares or 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 the interests and short positions, if any, which they were taken or deemed 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 in such provisions of the SFO; or (iii) were required, pursuant to rule 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.

Long Position in the Shares and underlying Shares of the Company

Name	Capacity	Number of Shares or underlying Shares held	Approximate % of interest held over all issued Shares
Yang Yue Zhou	Director	268,453,158	22.11

(b) Substantial Shareholders' interests

Save as disclosed above in (a), the Directors and the chief executive of the Company were not aware that there was any person who, as at the Latest Practicable Date, had an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO, or who, as at the Latest Practicable Date, was directly and indirectly interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Group.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have interests in businesses apart from the Group's businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2010 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).
- (b) There are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are continuous contracts with a notice period of 12 months or more.
- (c) There are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are fixed term contracts with more than 12 months to run irrespective of the notice period.

6. MATERIAL CHANGE

As at the Latest Practicable Date, save as disclosed, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date of which the latest published audited financial statements of the Company were made up.

7. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice which are contained in this circular:

Name	Qualification
Veda Capital Limited	a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Veda Capital is not beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Veda Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Veda Capital was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date to which the latest published audited accounts of the Company were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at the principal office of the Company at Unit 1604, 16th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong, on any business day from the date of this circular up to and including 17 February 2012:

- (a) the letter from Veda Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 15 to 23 to this circular;
- (b) the written consents of the experts referred to in the section headed “Expert and Consent” in this appendix;
- (c) the Placing Agreement;
- (d) the undertaking from Mr. Yang in respect of the underwriting of the Placing; and
- (e) this circular.

NOTICE OF EGM



COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Computech Holdings Limited (the "Company") will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 17 February 2012 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary business:

ORDINARY RESOLUTIONS

THAT

- (a) the placing agreement dated 5 December 2011 entered into between the Company as issuer and Pacific Foundation Securities Limited as placing agent in relation to the placing of zero coupon convertible notes due 2014 in an aggregate principal amount of HK\$50,000,000 (the "Placing Agreement") (a copy of which marked "A" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder be and are hereby ratified, confirmed and approved;
- (b) the underwriting of the Placing by Mr. Yang Yue Zhou be and is hereby ratified, confirmed and approved;
- (c) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Conversion Shares, the allotment and issue of Conversion Shares pursuant to the exercise of the conversion rights attached to Convertible Notes, be and is hereby approved; and
- (d) any one director of the Company be and is hereby authorised to exercise all the powers of the Company and to take all steps as he might in his absolute opinion be considered desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Placing Agreement as well as in relation to the allotment and issue of the Conversion Shares, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.

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

Hong Kong, 2 February 2012

* *for identification purpose only*

NOTICE OF EGM

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies (if the member is a holder of two or more shares) to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at Room 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
- (3) Completion and return of the form of proxy will not preclude members from attending in person and voting at the extraordinary general meeting or any adjournment. Thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (4) As at the date of this notice, the board of directors of the Company comprises (i) three executive Directors, namely Mr. Yang Yue Zhou, Mr. Mak Kwong Yiu and Mr. Jiang Tan Shan and (ii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing.