

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in **Computech Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the securities of the Company may be settled through CCASS and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



**COMPUTECH HOLDINGS LIMITED**

**駿科網絡訊息有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8081)**

**OPEN OFFER OF 418,274,796 OFFER SHARES  
ON THE BASIS OF THREE OFFER SHARES  
FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE**

**Financial Adviser to the Company**



**KINGSTON CORPORATE FINANCE LTD.**

**Underwriter to the Open Offer**



**KINGSTON SECURITIES LTD.**

Terms used in this cover page have the same meanings as defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Monday, 26 November 2012. The procedures for application and payment of the Offer Shares are set out on page 24 of this Prospectus.

The Underwriting Agreement contains provisions which entitle the Underwriter by notice in writing, to terminate the Underwriting Agreement prior to the Latest Time for Termination on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" on pages ii and iii of this Prospectus. If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Friday, 2 November 2012 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Thursday, 29 November 2012), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

\* 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.**

## TERMINATION OF UNDERWRITING AGREEMENT

Shareholders should note that the Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if:

1. in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - 1.1. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - 1.2. 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 or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
3. there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not *ejusdem generis* with any of the foregoing; or

## TERMINATION OF UNDERWRITING AGREEMENT

6. any matter which, had it arisen or been discovered immediately before the date of this Prospectus and not having been disclosed in this Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcements, the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

1. any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of Kingston Securities; or
2. any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

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## DEFINITIONS

*In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:*

“Announcements”	the announcements of the Company dated 22 August 2012 and 23 August 2012 in relation to, among other things, the Share Consolidation, change in board lot size and the Open Offer
“Application Form(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for the Offer Shares
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday, Sunday or public holidays) on which banks are open for general banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 12 October 2012 in relation to among other things, the proposed share consolidation, proposed change in board lot size and proposed Open Offer
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued securities of which are listed on the GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consolidated Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation became effective and as at the Latest Practicable Date
“controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Convertible Notes”	the zero coupon convertible note comprising a principal amount of HK\$50,000,000 due 2015 issued by the Company on 6 March 2012
“Director(s)”	director(s) of the Company

## DEFINITIONS

“EGM”	the extraordinary general meeting of the Company held on 31 October 2012, during which the Shareholders or the Independent Shareholders approved, <i>inter alia</i> , the Share Consolidation and the Open Offer
“Excluded Shareholder(s)”	the Overseas Shareholders at the Record Date where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restriction under the laws of the relevant place of the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Shareholders
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	has the meaning as defined in the GEM Listing Rules
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	the Shareholder(s), other than the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates, who are not involved in, nor interested in, the Underwriting Agreement
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) of the Company and is (are) independent of and not connected with the Company and its connected persons
“Irrevocable Undertaking”	irrevocable undertaking given by Mr. Yang in favour of the Company and the Underwriter that, among other things, he will subscribe for or procure subscription for 80,535,945 Offer Shares to which he is entitled under the Open Offer
“Last Trading Day”	22 August 2012, the last day on which the Pre-consolidated Shares were traded on the Stock Exchange immediately preceding the publication of the announcement of the Company dated 22 August 2012
“Latest Practicable Date”	6 November 2012, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus

## DEFINITIONS

“Latest Time for Acceptance”	being 4:00 p.m. on Monday, 26 November 2012 or such other date and/or time as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such other time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Mr. Yang”	Mr. Yang Yue Zhou, an executive Director, the Chairman and a substantial Shareholder of the Company
“Offer Shares”	418,274,796 Consolidated Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of three (3) Offer Shares for one (1) Consolidated Share held on the Record Date pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of open offer to the Qualifying Shareholders for subscription pursuant to the terms and conditions set out in the Prospectus Documents
“Overseas Shareholders”	the Shareholders whose address on the register of members of the Company are outside Hong Kong
“Posting Date”	12 November 2012 or such other day as may be agreed between the Company and the Underwriter for despatch of the Prospectus Documents
“PRC”	the People’s Republic of China
“Pre-consolidated Share(s)”	Share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation became effective
“Prospectus”	this Prospectus issued by the Company in relation to the Open Offer
“Prospectus Documents”	this Prospectus and the Application Form(s)
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	8 November 2012 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer



## DEFINITIONS

“Registrar”	Hong Kong Registrars Ltd. at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Renminbi” or “RMB”	the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Pre-consolidated Share(s) or Consolidated Share(s), as the case may be
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Pre-consolidated Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.20 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter” or “Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 22 August 2012 in relation to the Open Offer entered into between the Company and the Underwriter
“Underwritten Shares”	337,738,851 Offer Shares underwritten by the Underwriter

## DEFINITIONS

“Untaken Shares”	those (if any) of the Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance which shall be not more than 418,274,796 Offer Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

## EXPECTED TIMETABLE

*The expected timetable for the Open Offer is set out below:*

**2012**

Original counter for trading in Consolidated Shares in new board lots of 6,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . .	9:00 a.m. on Thursday, 15 November
Parallel trading in Consolidated Shares (in form of new and existing share certificates) begins . . . . .	9:00 a.m. on Thursday, 15 November
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots of Consolidated Shares . . . . .	9:00 a.m. on Thursday, 15 November
Latest time for acceptance of, and payment for the Offer Shares . . . . .	4:00 p.m. on Monday, 26 November
Open Offer expected to become unconditional . . . . .	4:00 p.m. on Thursday, 29 November
Announcement of the allotment results to be posted on the Stock Exchange's website . . . . .	Monday, 3 December
Certificates for fully-paid Offer Shares and refund cheques (if any) expected to be despatched on or before . . . . .	Tuesday, 4 December
First day of dealings in the fully-paid Offer Shares . . . . .	9:00 a.m. on Wednesday, 5 December
Parallel trading in Shares in the form of new share certificates and existing share certificates ends . . . . .	4:00 p.m. on Wednesday, 5 December
Temporary counter for trading in Shares in board lots of 3,000 Shares in the form of existing share certificates closes . . . . .	4:00 p.m. on Wednesday, 5 December

## EXPECTED TIMETABLE

2012

Designated broker ceases to stand in the market to purchase  
and sell odd lots of Shares . . . . . 4:00 p.m. on  
Wednesday, 5 December

Last day for free exchange of existing share certificates  
for new share certificates for Shares . . . . . Friday, 7 December

*Note:* All times and dates in this Prospectus refer to Hong Kong times and dates.

Dates or deadlines specified in this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR OFFER SHARES**

The latest time for acceptance of and payment for Offer Shares will not take place if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Monday, 26 November 2012. Instead the latest time of acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 26 November 2012. Instead the latest time of acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on Monday, 26 November 2012, the dates mentioned in the section headed “Expected Timetable” may be affected. An announcement will be made by the Company in such event as soon as practicable.



**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, 16/F.  
West Tower, Shun Tak Centre  
168–200 Connaught Road Central  
Hong Kong

12 November 2012

*To the Qualifying Shareholders, and, for information only, the Excluded Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF 418,274,796 OFFER SHARES  
ON THE BASIS OF THREE OFFER SHARES  
FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE**

**INTRODUCTION**

The Company announced on 22 August 2012 that the Company proposed to raise approximately HK\$83.7 million, before expenses, by way of the Open Offer of 418,274,796 Offer Shares at the Subscription Price of HK\$0.20 per Offer Share on the basis of three (3) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date and payable in full on application subject to the Share Consolidation becoming effective.

At the EGM held on 31 October 2012, the resolutions for approving, *inter alia*, the Share Consolidation and the Open Offer were duly passed by the Shareholders or the Independent Shareholders.

\* For identification purpose only

## LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with further information regarding, among other things, the Open Offer.

### PROPOSED OPEN OFFER

#### Issue statistics

Basis of the Open Offer	:	three (3) Offer Shares for every one (1) Consolidated Share held on the Record Date and payable in full on application
Subscription Price	:	HK\$0.20 per Offer Share
Number of Consolidated Shares in issue as at the Latest Practicable Date and the Record Date	:	139,424,932 Consolidated Shares (assuming no issue or repurchase of any Shares from the Latest Practicable Date up to the Record Date)
Number of Offer Shares	:	418,274,796 Offer Shares
Number of Offer Shares to be taken up by Mr. Yang pursuant to the Irrevocable Undertaking	:	80,535,945 Offer Shares to be provisionally entitled to Mr. Yang under the Open Offer
Total number of Offer Shares to be underwritten by the Underwriter	:	337,738,851 Offer Shares, being the total number of Offer Shares less the number of Offer Shares to be taken up by Mr. Yang pursuant to the Irrevocable Undertaking
Total number of Consolidated Shares in issue upon completion of the Open Offer	:	557,699,728 Consolidated Shares

As at the Latest Practicable Date, the Company has Convertible Notes in the principal amount of approximately HK\$50 million carrying rights to convert into 100,000,000 Consolidated Shares at the conversion price of HK\$0.5 per Consolidated Share (subject to adjustment) starting from 6 March 2013, being the one year anniversary of the issue date of the Convertible Notes. Save for the Convertible Notes aforementioned, there are no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares as at the Latest Practicable Date.

The total number of Offer Shares of 418,274,796 Shares represents:

- (i) approximately 300.00% of the Company's issued share capital as at the Latest Practicable Date; and
- (ii) approximately 75% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

## LETTER FROM THE BOARD

### Subscription Price

The Subscription Price of HK\$0.20 per Offer Share is payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 81.82% to the adjusted closing price of HK\$1.10 per Consolidated Share, based on the closing price of HK\$0.11 per Pre-consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (ii) a discount of approximately 81.13% to the adjusted average closing price of approximately HK\$1.06 per Consolidated Share, based on the average closing prices of Pre-consolidated Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$0.106 per Pre-consolidated Share and adjusted for the effect of the Share Consolidation;
- (iii) a discount of approximately 52.94% to the theoretical ex-entitlement price of HK\$0.425 per Consolidated Share, based on the closing price of HK\$0.110 per Pre-consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation and the Open Offer; and
- (iv) a discount of approximately 33.33% to the closing price of HK\$0.30 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the recent trading price performance and trading liquidities of the Shares and the prevailing market conditions. The net price to be raised upon completion of the Open Offer will be approximately HK\$0.1925 per Offer Share.

The Directors consider that the Subscription Price would encourage Shareholders to participate in the Open Offer and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Open Offer, the Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and will send this Prospectus (without the Application Form), for information only, to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date, and not be an Excluded Shareholder.

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

## LETTER FROM THE BOARD

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

### **Excluded Shareholders**

Based on the register of members of the Company as at the Record Date, there was no Shareholder with address on the register of members of the Company outside Hong Kong. Accordingly, there is no Excluded Shareholder under the Open Offer.

### **Fractions of Offer Shares**

On the basis of provisional allotment of three (3) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

### **No application for excess Offer Shares**

There will be no arrangement for application of Offer Shares by the Qualifying Shareholders in excess of their entitlements. Any Untaken Shares (save for those under the Irrevocable Undertaking) will be underwritten by the Underwriter.

### **Status of the Offer Shares**

The Offer Shares, when allotted and issued fully paid or credited as fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

### **Share certificates of the Offer Shares**

Subject to fulfillment of the conditions of the Open Offer as set out in the section headed "Conditions of the Open Offer" below, share certificates for all fully paid Offer Shares are expected to be posted on or before Tuesday, 4 December 2012 to those Qualifying Shareholders who have accepted and paid in full for the Offer Shares by ordinary post at their own risk.

### **Application for listing and dealings**

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions



## LETTER FROM THE BOARD

between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Dealings in the Offer Shares will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

With the change in board lot size (as detailed under the section headed “Proposed change in board lot size” on page 12 in the Circular) becoming effective on Thursday, 15 November 2012, the board lot size of trading of the Offer Shares will be 6,000 Shares.

### UNDERWRITING ARRANGEMENT

#### Irrevocable undertaking

As at the date of the Underwriting Agreement, Mr. Yang was interested in 268,453,158 Pre-consolidated Shares. Mr. Yang has given an Irrevocable Undertaking in favour of the Company and the Underwriter that (1) any Shares held by him as at the date of the Underwriting Agreement shall continue to be held by him at the Record Date; and (2) he will subscribe for or procure subscription for 80,535,945 Offer Shares to which he is entitled under the Open Offer.

#### The Underwriting Agreement

Date	:	22 August 2012 (after trading hours)
Underwriter	:	Kingston Securities Limited
Number of Offer Shares to be underwritten by the Underwriter	:	337,738,851 Underwritten Shares, being the total number of Offer Shares less the assured entitlement of Offer Shares to Mr. Yang to be taken up by him under the Irrevocable Undertaking
Commission	:	2.5% of the aggregate Subscription Price in respect of the number of Underwritten Shares

Pursuant to the Underwriting Agreement and subject to the terms and conditions thereof, the Open Offer (other than the Offer Shares which will be provisionally allotted and taken up by Mr. Yang under the Irrevocable Undertaking) will be fully underwritten by the Underwriter.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter is not interested in any Shares as at the Latest Practicable Date.

## LETTER FROM THE BOARD

### Termination of the Underwriting Agreement

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if:

1. in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - 1.1. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - 1.2. 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 or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
3. there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not *ejusdem generis* with any of the foregoing; or

## LETTER FROM THE BOARD

6. any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in this Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcements, the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

1. any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
2. any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

### **Conditions of the Open Offer**

The Open Offer is conditional upon the following:

- a. the Share Consolidation having become effective;
- b. the passing of the necessary resolution(s) by the Shareholders (where applicable, the Independent Shareholders) at the EGM to approve each of the following: (i) the Share Consolidation; (ii) the Open Offer, and the transactions contemplated thereunder;
- c. the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance respectively of one copy of each of the Prospectus Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance not later than the Posting Date;
- d. the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date;

## LETTER FROM THE BOARD

- e. the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- f. the obligations of the Underwriter becoming unconditional and the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- g. there being no Specified Event occurred prior to the Latest Time for Termination; and
- h. compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement.

As at the Latest Practicable Date, conditions a, b and e have been fulfilled. If any of the above conditions are not satisfied at or prior to the respective time stipulated therein, the Underwriting Agreement shall be terminated accordingly and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the Open Offer shall to the extent agreed by the Company be borne by the Company, and the Open Offer will not proceed.

## LETTER FROM THE BOARD

### CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholdings structure of the Company as at the Latest Practicable Date (as extracted from the notices of disclosure of interests filed on the website of the Stock Exchange) and the shareholding structure of the Company immediately upon the Share Consolidation becoming effective and the completion of the Open Offer are set out below for illustration purpose only:

Shareholders	As at the Latest Practicable Date		Immediately after the completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Immediately after the completion of the Open Offer (assuming NO Offer Shares are subscribed for by the Qualifying Shareholders) (Note 2)	
	<i>Number of Consolidated Shares</i>		<i>Number of Consolidated Shares</i>		<i>Number of Consolidated Shares</i>	
	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>
Mr. Yang (Note 1)	26,845,315	19.25	107,381,260	19.25	107,381,260	19.25
Mr. Tam Siu Ki (Note 3)	23,631,000	16.95	94,524,000	16.95	23,631,000	4.24
Underwriter and sub-underwriters and subscribers procured by them	—	—	—	—	337,738,851	60.56
Other public Shareholders	88,948,617	63.80	355,794,468	63.80	88,948,617	15.95
<b>Total</b>	<b>139,424,932</b>	<b>100.00</b>	<b>557,699,728</b>	<b>100.00</b>	<b>557,699,728</b>	<b>100.00</b>

*Notes:*

1. Mr. Yang, the executive Director and the Chairman of the Company, has given an Irrevocable Undertaking in favour of the Company and the Underwriter to subscribe for or procure subscription for 80,535,945 Offer Shares to which Mr. Yang is entitled under the Open Offer.
2. This scenario is for illustrative purpose only and will never occur. Pursuant to the Underwriting Agreement, in the event the Underwriter being called upon to subscribe for or procure subscribers to subscribe for any of the Untaken Shares:
  - (i) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 29.9% of the voting rights of the Company upon completion of the Open Offer; and
  - (ii) the Underwriter shall use all reasonable endeavours to ensure that (i) each of the subscribers or purchasers of the Untaken Shares procured by it or by the sub-underwriters shall be third party independent of, not acting in concert (within the meanings of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial Shareholders (as defined in the GEM Listing Rules) or any of their respective associates; and (ii) the public float requirements under Rule 11.23(7) of the GEM Listing Rules be fulfilled by the Company upon completion of the Open Offer.

The Company has been informed by the Underwriter that the Underwriter has already entered into sub-underwriting agreements with sub-underwriters to ensure the fulfillment of its obligations set out in these Notes 2(i) and 2(ii).

## LETTER FROM THE BOARD

With the underwriting arrangements above, the Board considers the public float requirement under Rule 11.23(7) of the GEM Listing Rules will continue to be complied with upon completion of the Open Offer.

3. In accordance with the notice of disclosure of interests filed on the website of the Stock Exchange, Mr. Tam Siu Ki held 23,631,000 Consolidated Shares as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Tam Siu Ki is a third party independent of, not acting in concert (within the meanings of the Takeovers Code) with and not connected with Mr. Yang.

### REASONS FOR AND BENEFIT OF THE OPEN OFFER AND THE USE OF PROCEEDS

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

It is expected that the gross proceeds from the Open Offer will be approximately HK\$83.7 million and the net proceeds from the Open Offer will be approximately HK\$80.5 million. The Board intends to use the net proceeds from the Open Offer of approximately HK\$30 million and approximately HK\$50 million for general working capital for the money lending business and the property development project as mentioned below respectively. Should the property development project do not become materialized, the Board intends to retain the relevant proceeds for other property related activities when suitable opportunities arise.

In light of the nature of money lending business which is capital intensive, the Board considers there is significant demand and intends to utilize approximately HK\$30 million to expand its loan portfolio, in order to enhance the cost efficiency as well as the return of the segment. The Company's main focus area will be secondary mortgage and personal loan for customers with good credit records in Hong Kong. More information of the Company's money lending business is set out in the section headed "Information on the Money Lending Business" below.

In August 2012, Enrich Fortune Development Limited, an indirect wholly-owned subsidiary of the Company, has entered into an agreement with vendors, who are independent third parties of the Company, to acquire the entire issued capital of Feng Tai Shun Cultural Travel Limited ("FTS"), a limited liability company incorporated in Hong Kong, and a vendor's loan to FTS, for an aggregate consideration of HK\$3.5 million. FTS holds 100% of the equity interest in Meizhou City Hang Fung Tai Cultural Travel Development Company Limited\* (梅州市恆豐泰旅遊文化開發有限公司) ("HFT"), a wholly foreign-owned enterprise in the PRC which is licensed for property related activities in PRC. HFT has entered into an agreement with Dabu County Land and Resources Bureau (大埔縣國土資源局) of Guangdong Province, PRC, which involves property development in the region. The Directors intend to develop low density luxury villas for residential use.

The overall development plan is subject to the approval of relevant regulators and authorities as well as the negotiation between the relevant parties. As at the Latest Practicable Date, the matters that are still subject to negotiation/approval include but not limited to the overall design and planning of the development project, environmental protection measures,

## LETTER FROM THE BOARD

land costs and terms of payment for consideration. At the preliminary negotiating and planning stage, the Directors estimate that it will take about six months for the Company to negotiate and finalize the terms and conditions of the project with the relevant authorities and to appoint relevant professionals and contractors for project design and planning. Should the terms be finalized and the relevant approvals be granted as scheduled, the Board intends to complete the whole project by three phases of development and sales in 5 years time and each phase is estimated to take about 18 months. Regarding the first development and sales phase, it is expected that the number of villas to be built will be finalized upon completion of the preliminary negotiating and planning stage. Based on the proposed land area of approximately 132,000 square meters which is still under negotiation and the local market conditions of Meizhou City, Guangdong Province, the PRC, the Directors estimate the total development fund required would amount to approximately RMB200 million and plan to employ approximately HK\$60 million for the preliminary negotiating and planning stage as well as the first development and sales phase. For risk control purpose, the Directors propose to develop the whole project in a step-by-step manner in the way that the Company will review and take into consideration of the progress of development and sales of the preceding stage, the then sales performance and internal funding generation capability and the market condition at that particular time before proceeding to the next phase. Subject to successful negotiation with the relevant parties and having taken into consideration the current market condition of and the prevailing demand of the property market in Meizhou, the Directors will retain approximately HK\$10 million raised from previous fund raising activities and the partial proceeds of approximately HK\$50 million from the Open Offer for the preliminary negotiating and planning stage and the first development and sales phase of the project and consider that such proceeds will be sufficient for such purposes. The Directors also estimate that the sales proceeds from the first phase will be sufficient for the development of the second phase and the sales proceeds from the second phase will be sufficient for the development of the third phase. Should the requirement for additional funds be identified at the completion of preliminary negotiation stage of the property project, the Company may consider using the Group's internal resources, facility available and/or equity financing exercise such as placing, right issue and/or open offer as the Directors consider appropriate.

**The Board wishes to emphasize that the project is at preliminary stage of negotiations between the relevant parties and the overall development plan is subject to the approval of relevant regulators and authorities and no definitive agreement in relation to the property development plan has been entered into by the Group up to the Latest Practicable Date.** In the event that any definitive agreement is entered into, the overall development project may constitute a notifiable transaction under the GEM Listing Rules and the Company will make the relevant announcement as and when appropriate.

The Board considers that it is a good opportunity for the Group to enter into the PRC property market so as to diversify its business portfolio while maintaining its existing business. With the extensive experience in property development and corporate management of Mr. Yang and Mr. Jiang Tan Shan, being the executive Directors, the Board considers that the Group possesses the expertise and is capable in carrying out the above property development project. Please refer to the section headed "Particulars of Directors" in Appendix III to this Prospectus for more biographical details of Directors. For further negotiation and to proceed with the

## LETTER FROM THE BOARD

project, the Group requires fund proof to demonstrate its financial strength in starting the preliminary stage and the first development and sales phase. The Company has no plan or intention to change the composition of the Board subsequent to the Open Offer.

The Board is of the view that the Open Offer will enable the Company to raise funds and provide the Company with financial flexibility necessary for the Group to capture development and investment opportunities on a timely manner. In addition, the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enable the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

Apart from the Open Offer, the Board has also considered other financing alternatives such as a rights issue which allows the Shareholders to trade their nil-paid entitlements in the market in nil-paid form. However, the Board views that such trading arrangements will increase the administrative works and expenses for the proposed fund raising exercise. In addition, in view of the historical trading liquidities of the Shares, the Board considers that an active market may not be available for the trading of nil-paid rights associated with a rights issue of the Company. The Board considers raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

The Directors consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer.

### INFORMATION ON THE MONEY LENDING BUSINESS

Set out below are (i) the risks related to the money lending business and (ii) the Company's internal control policy for the money lending business:

#### **The risks:**

#### ***Risks involved in investing in a new business and running different lines of business***

The Group is principally engaged in three business segments including (i) IT business; (ii) money lending business and (iii) property activities, and is devoted to diversify its business portfolios for growth potential. The Group has a short history in the money lending business. It may pose challenges to the Group's administrative, financial and operational resources and there is no assurance of the timing and amount of any return that may be generated from the money lending business.

#### ***The Group depends on its key executives and personnel***

The money lending business is a people-oriented business with a strong emphasis attached to the capability and efforts of the management team. The Group relies on the credit management team to formulate the business strategies and manage the money



## LETTER FROM THE BOARD

lending operations. If the key executive and personnel are unable or unwilling to provide service to the Group and we cannot find suitable replacement in time, our business may be materially and adversely affected.

### *Market and economic risks*

The money lending industry in Hong Kong is exposed to a variety of risks involving economic factors such as gross domestic product, inflation, social, legal and political development. Since our assets, business and operations are primarily based in Hong Kong, any movement in market prices such as interest rate and property price in Hong Kong may adversely deteriorate the value of collaterals for loans. Any tightening of liquidity, significant turmoil in financial market and the resultant general recession may adversely affect the recoverability of loan receivables. Besides, the Group's revenue derived from the money lending business and the demand for credit facilities correlate with both consumer sentiment to spend and corporate sentiment to invest. If any of them worsen, our development plan may be adversely affected.

### *Operational risk*

The operational risk relating to internal control and internal policy adherence includes the risks of loss resulting from inadequate or failed internal processes, people and system, or from external events. The Group has adopted a set of loan approval procedures and credit policies and employed experienced management including professionals holding the qualification of Certified Public Accountant to monitor the internal control system and review the effectiveness of these controls in order to mitigate the operational risk. Should we fail to maintain a sound internal system, the money lending business may be adversely affected.

### *Credit risk*

The money lending business is exposed to default from our customers, which involves the risk of loss due to the inability or unwillingness of customers to meet their contractual obligations. The Group's loan portfolios are composed of secured and unsecured loans. If the customers fail to meet their contractual obligations, the Company may incur additional costs to realize the collaterals for the secured loans. For the unsecured loans which the Group does not hold any assets as security, the risks of losses for the unsecured loans are higher in the event of default.

### *Liquidity risk*

Unlike other financial institutions or securities firms where minimum capital requirement is required, we are not required to comply with any specific rules or regulations related to liquidity such as liquidity ratios and any inter-bank lending and borrowing ratios. Yet, we are not allowed to take deposit. The Group has to maintain sufficient cash to meet its financial obligations and fund its lending opportunity on a timely basis. The Group relies on the availability of funding from shareholders and adequate committed lines of funding from financial institution in order to meet its funding need.

## LETTER FROM THE BOARD

### *Regulatory risk*

The money lending business is subject to extensive regulations, changes in laws and regulations may materially impact on the money lending business. The major laws and regulations regulating the Group's money lending business in Hong Kong include the Money Lenders Ordinance, the GEM Listing Rules and anti-money laundering laws and regulations.

### *Money Lenders Ordinance*

A person carrying on business as a money lender in Hong Kong must obtain a money lenders licence. The licensing of money lenders and regulation of money lending transactions are governed by the Money Lenders Ordinance and the Money Lenders Regulations. The Money Lenders Ordinance contains provisions for:

- (a) the control and regulation of money lenders and money lending transactions;
- (b) the appointment of the Registrar of Money Lenders and the licensing of persons carrying on business as money lenders; and
- (c) the protection and relief against excessive interest rates and extortionate stipulations in respect of loans.

### *Licensing requirements*

The Money Lenders Ordinance states that no person shall conduct business as a money lender without a licence, at any place other than the premises specified in such licence or otherwise than in accordance with the conditions of a licence. Every licence shall authorize the person and/or entity named therein to conduct business as a money lender for a period of 12 months from the date it is granted. Licences are not generally transferrable and a licensee may apply for the renewal of a licence within three months prior to the expiration of its licence. The Group holds a money lenders licence under the Money Lenders Ordinance with validity period starting from 20 April 2012 and ending on 20 April 2013.

If the Group fails to meet the regulations requirement, it may materially and adversely affect its money lending business.

### *GEM Listing Rules*

As a money lender, providing loans (financial assistance) to our customers is in the Group's ordinary and usual course of business. However, under Rule 19.04(8) of the GEM Listing Rules, the term "ordinary and usual course of business", in the context of financial assistance, only applies to a banking company or a securities house for certain transactions, but not to a money lending company. In this connection, the loans provided by us to our customers may constitute notifiable transactions under Chapter 19 of the GEM Listing Rules and may be subject to relevant notification, announcement and

## LETTER FROM THE BOARD

shareholders' approval requirements. The Group may not be able to satisfy the customers' needs for timeliness and privacy and the lending demand from the Group may thus be adversely affected.

### *Anti-money laundering*

As the money lending business involves cash transactions with our customers in the ordinary course of business, the Group is subject to the risk of being involved in money laundering activities unintentionally. We have adopted a customer profile verification process by which loan applicants are required to provide proof of identity, occupation, residential address and business details. In the event that any suspicious pattern of repayment is observed, we will take appropriate follow-up actions such as reporting to the relevant authorities.

### **The Company's internal policy:**

In order to minimize its risk exposure, the Company has adopted a set of loan approval procedures and credit policies, pursuant to which the credit management team is responsible for reviewing, assessing and approving all loan applications. The credit management team mainly includes four key executives, two of whom are professionals holding the qualifications of Certified Public Accountant and Chartered Financial Analyst, who are experienced in the management of investment portfolios or accounting and finance function. For credit assessment, potential customers are required to provide all relevant financial information including proof of identity, salary or income, address and relevant property ownership information and explain the purpose of loan and/or their background. The credit management team will also obtain their credit records such as bankruptcy search and/or legal search in order to check if they have any prior default record. In the event the credit limit is over HK\$5 million, the credit management team is required to seek the Board's approval. As a post-transaction risk-control measure, the credit management team closely monitors the payment record of every customer and generates payment record report periodically for discussion with and review by the senior management of the Group. If collaterals are involved, the collaterals provided by customers are regularly reviewed by the credit management team, who will consult the relevant professionals where necessary. All terms and conditions of the loan agreements are reviewed by the Company's lawyers.

As discussed in the interim report 2012 of the Company, the Company's money lending business targets to the customers in Hong Kong. The Company has complied with and will continue to ensure the compliance with Chapter 17 and Chapter 19 of the GEM Listing Rules.

## LETTER FROM THE BOARD

### PREVIOUS FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

Apart from the equity fund raising activities mentioned below, the Company has not carried out other equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

Date of initial announcement	Fund raising activity	Net proceeds (Approximately)	Intended use of proceeds	Actual use of proceeds (Approximately)
8 December 2011	Placing of zero coupon convertible notes due 2015	HK\$48.75 million	For general working capital of the Group and/or for further investment	HK\$5 million has been utilized for IT business; HK\$15 million has been utilized for money lending business; and HK\$15.5 million has been utilized for investment in fish breeding and HK\$8 million has been utilized for investment in held-for-trading securities and the remainder has been retained for intended use.
30 April 2012	Placing of new shares	HK\$14.5 million	Approximately HK\$10 million for general working capital of the Group and/or further investment for IT business and approximately HK\$5 million for possible investment in properties	HK\$2 million has been utilized for working capital and HK\$4 million has been utilized for the acquisition of FTS and the related legal and professional fees and the remainder has been retained for intended use.

### ADJUSTMENTS IN RELATION TO THE CONVERTIBLE NOTES

The Open Offer may lead to adjustments to the conversion price and/or the number of conversion Shares to be issued upon exercise of the conversion rights attached to the Convertible Notes pursuant to the relevant terms of the instrument constituting the Convertible Notes and subject to the review by the auditors appointed by the Company. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

### WARNING OF THE RISKS OF DEALING IN SHARES

**Shareholders and potential investors should note that the Open Offer is conditional, *inter alia*, upon the fulfillment of certain conditions set out above under the section headed “Conditions of the Open Offer”. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

**Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from 2 November 2012 and that dealing in Shares are expected to take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 29 November 2012), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

## LETTER FROM THE BOARD

### PROCEDURES FOR APPLICATION AND PAYMENT

If you are a Qualifying Shareholder, you will find the Application Form enclosed with this Prospectus which entitles you to apply for the number of Offer Shares in your assured entitlement shown thereon. If you wish to apply for such Offer Shares or any lesser number of such Offer Shares, you must complete, sign and lodge the same in accordance with the instructions printed thereon, together with the remittance for the full amount payable on application with the Registrar by not later than 4:00 p.m. (Hong Kong time) on 26 November 2012. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Computech Holdings Limited**" and crossed "Account Payee Only".

It should be noted that unless the Application Form, together with the appropriate remittance, has been lodged with the Registrar, Hong Kong Registrars Ltd. at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by not later than 4:00 p.m. (Hong Kong time) on 26 November 2012 by the Qualifying Shareholder, his/her/its entitlement to apply under the Open Offer will be deemed to have been declined and will be cancelled.

All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies will be retained for the benefit of the Company. Any Application Form in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlements of the Qualifying Shareholder under the Open Offer will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination and/or if any of the conditions to which the Open Offer is subject are not fulfilled in accordance with the section headed "Conditions of the Open Offer", the application monies will be refunded, without interest, by cheques made out to the applicants (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicants to the addresses as registered in the register of members of the Company on or before 4 December 2012. Under the Underwriting Agreement, the Underwriter will subscribe or procure subscribers for the Offer Shares not subscribed by the Qualifying Shareholders.

The Application Form is for use only by the person(s) named therein and is not transferable or renounceable. All documents, including cheques and cashier orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses. No receipt will be issued in respect of any application monies received.

### GENERAL

Your attention is drawn to the information contained in the Appendices to this Prospectus.

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

## 1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2009, 2010 and 2011 is disclosed in the annual reports of the Company for the years ended 31 December 2009 (pages 26 to 65), 2010 (pages 27 to 63) and 2011 (pages 21 to 59) respectively. The unaudited financial information of the Group for the six months ended 30 June 2011 and 2012 is disclosed on pages 2 to 12 and pages 1 to 11, respectively, of the interim reports of the Company for the six months ended 30 June 2011 and 2012, respectively. These annual reports and interim reports are published on both the GEM website ([www.hkgem.com](http://www.hkgem.com)) and the Company's website ([www.computech.com.hk](http://www.computech.com.hk)).

## 2. INDEBTEDNESS STATEMENT

### **Borrowings**

As at the close of business on 30 September 2012, being the Latest Practicable Date for the purpose of this indebtedness statement, the Group had outstanding liability component of Convertible Notes due 2015 of approximately HK\$38,549,000 and its principal amount of HK\$50,000,000.

### **Contingent liabilities**

As at the close of business on 30 September 2012, the Group did not have any significant contingent liabilities.

### **Disclaimers**

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and others payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 30 September 2012.

## 3. WORKING CAPITAL

The Directors, after due and careful consideration, are in the opinion that in the absence of unforeseen circumstances and taking into account of the net proceeds from the Open Offer and the internal resources of the Group, the Group has sufficient working capital for its present requirements and for at least the next 12 months from the date of this Prospectus.

#### 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

#### 5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in three business segments, namely (i) IT business which provides consultancy, technical support, system integration, development and sales of relevant hardware and software products in Hong Kong; (ii) money lending business in Hong Kong and (iii) property activities. As discussed in the interim report for the period ended 30 June 2012 of the Group, it recorded a turnover of approximately HK\$20,117,000 (2011: HK\$12,582,000), representing an increase of 59.9% compared with the corresponding period in 2011.

##### **IT business**

The turnover of IT business for the six months period ended 30 June 2012 was approximately HK\$18,148,000 (2011: HK\$12,582,000), an increase of 44.2% compared with the corresponding period in 2011. This segment recorded a profit of approximately HK\$158,000 (2011: HK\$14,000) for the period. The Group expects that year 2012 will still be a challenging year for its IT operations as the competitions remain keen and the termination of the service agreement with one of our major customer in 2011 is still affecting the segment adversely. Nevertheless, the Directors believe that the Group has developed expertise through its long time involvement in the industry. The Group will continue to attempt to broaden the customer base and maintain the IT business.

##### **Money lending business**

The Group commenced the money lending business in the third quarter of 2011 and intends to expand the loan portfolios. As at 30 June 2012, the loan receivables were approximately HK\$18,486,000, an increase of 77.9% compared with the balances of HK\$10,394,000 as at 31 December 2011, of which the secured and unsecured loan receivables were approximately HK\$10,486,000 and HK\$8,000,000 respectively. During the six months period ended 30 June 2012, the revenue from loan interest income was approximately HK\$1,969,000 and the average interest rate per annum was 34.8%. This segment recorded a loss of approximately HK\$1,486,000 for the period. In view of significant demand in the market, the Company intends to expand the loan portfolio by applying part of the net proceeds from the Open Offer. The Company's main focus area will be secondary mortgage and personal loan for customers with good credit record in Hong Kong. The Company is targeting on terms loan shorter than two years as the Board considers such loan portfolio will enhance liquidity and flexibility as well as generate a healthy cash flow as a whole.

**Investment in fish breeding business**

As disclosed in the Company's announcement dated 25 April 2012, the Group entered into an investment agreement in relation to a fish breeding business. As at 30 June 2012, the Group has invested HK\$15,500,000 in the fish breeding business for a term of 20 calendar months with guaranteed return on profit and investment amount. The investment amount has been applied to purchase fish fry and fish feed for the sole purpose of fish breeding at the fish farm in Sabah, Malaysia. As at the Latest Practicable Date, the Directors expect that it will take another twelve months of breeding before the fish becomes marketable. The Company intends to maintain the investment till the end of investing period. The Directors are not aware of any circumstances which may lead to a failure in meeting the profit guarantee or investment return.

**Investment in held-for-trading security**

As at 29 June 2012, the Company had held-for-trading investments in the listed equity securities in Hong Kong, namely Goodtop Tin International Holdings Limited (stock code: 195) and Tech Pro Technology Development Limited (stock code: 3823), of approximately HK\$7,200,000. During the six months period, the held-for-trading investments recorded a fair value loss of approximately HK\$484,000. The Company has no plan for further investment.

**Property activities**

The Group is devoted to explore and broaden the existing businesses in order to strengthen its competitiveness and provide business growth potential. In the past few years, the central government has implemented various macro controls in the PRC real estate industry including credit tightening measures and purchase restrictions. It is expected that the PRC real estate industry will be further consolidated and the market will become more stable and sustainable. With the management's experience and expertise in the PRC real estate industry, the Board considers that it is an opportunity for the Company to enter into PRC property development market. The Company will deal with the property activities in a prudent manner.

The Board considers that the Open Offer will enable the Group to enhance the capital strength and strengthen its financial position. The Group will continue to look for possible diversifications and grasp the chance when opportunities arise in order to enhance the wealth of the Shareholders as a whole.



12 November 2012

The Board of Directors  
Computech Holdings Limited  
Unit 1604, 16/F, West Tower  
Shun Tak Centre  
168–200 Connaught Road, Central  
Hong Kong

Dear Sirs,

We report on the unaudited pro forma statement of adjusted net tangible assets (the “Unaudited Pro Forma Financial Information”) of Computech Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the Open Offer (as defined in the Prospectus of the Company dated 12 November 2012 (the “Prospectus”)) might have affected the financial information presented, for inclusion in Appendix II (“Unaudited Pro Forma Financial Information”) to the Prospectus. The basis of preparation of the Unaudited Pro Forma Financial Information is also set out in Appendix II to the Prospectus.

### **Respective responsibilities of directors of the Company and reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

### **Basis of opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2012 or any future date.

**Opinion**

In our opinion:

- the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- such basis is consistent with the accounting policies of the Group; and
- the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

**PKF**

*Certified Public Accountants*

Hong Kong

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement on adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 13 of Appendix 1B and rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Open Offer on the net tangible assets of the Group as if the Open Offer had taken place on 30 June 2012.

The unaudited pro forma statement on adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 June 2012 or at any future date.

The following unaudited pro forma statement on adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2012 and adjusted to reflect the effect of the Open Offer:

	<b>Unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2012</b>	<b>Estimated net proceeds from the Open Offer</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets</b>	<b>Unaudited consolidated net tangible assets per Share as at 30 June 2012</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets per Share after completion of the Open Offer</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Consolidated net tangible assets	44,961	80,500	125,461	0.0322 per Share	0.2250 per Share

*Notes:*

1. The unaudited consolidated net tangible assets attributable to equity holders of the Company as at 30 June 2012 has been extracted from the published interim report of the Company for the period ended 30 June 2012.
2. The estimated net proceeds from the Open Offer of approximately HK\$80,500,000 are based on 418,274,796 Offer Shares to be issued at the Subscription Price of HK\$0.2 per Offer Share (assume outstanding share options and convertible notes are not exercised on or before the Record Date) and after deducting estimated expenses of approximately HK\$3,200,000 attributable to the Open Offer.
3. The calculation of the unaudited consolidated net tangible assets per Share as at 30 June 2012 is based on 1,394,249,326 Pre-consolidated Shares in issue as at the Latest Practicable Date.
4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share is based on 557,699,728 Shares, which is an aggregate of 139,424,932 Shares after Share Consolidation and 418,274,796 Offer Shares after the completion of the Open Offer.

## 1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Open Offer are as follows:

### As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
1,000,000,000	Consolidated Shares as at the Latest Practicable Date	100,000,000.00
		<hr/> <hr/>
<i>Issued and fully paid:</i>		
139,424,932	Consolidated Shares as at the Latest Practicable Date	13,942,493.20
418,274,796	Offer Shares to be allotted and issued under the Open Offer	41,827,479.60
		<hr/>
557,699,728	Consolidated Shares in issue immediately following completion of the Open Offer	55,769,972.80
		<hr/> <hr/>

All the Consolidated Shares in issue and Offer Shares to be issued rank and will rank *pari passu* in all respects with each other. The Offer Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other Stock Exchange.

As at the Latest Practicable Date, the Company has Convertible Notes in the principal amount of approximately HK\$50 million carrying rights to convert into 100,000,000 Consolidated Shares at the conversion price of HK\$0.5 per Consolidated Share (subject to adjustment) starting from 6 March 2013, being the one year anniversary of the issue date of the

Convertible Notes. Save for the Convertible Notes aforementioned, there are no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares as at the Latest Practicable Date.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the Consolidated Shares, underlying Consolidated 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 Division 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 the Directors to be notified to the Company and the Stock Exchange.

*Long Position in the Consolidated Shares and underlying Consolidated Shares of the Company*

Name	Capacity	Number of Consolidated Shares or underlying Consolidated Shares held	Approximate % of interest held over all issued Consolidated Shares
Mr. Yang	Director	26,845,315	19.25%

**(b) Substantial Shareholders' interests***Position in the Shares and underlying Shares of the Company*

Name of shareholder	Capacity	Number of Consolidated Shares held	Number of underlying Consolidated Shares held	Total	Approximate % to the issued share capital
Mr. Yang	Beneficial owner	26,845,315	—	26,845,315	19.25%
Mr. Tam Siu Ki ("Mr. Tam")	Beneficial owner	23,631,000	88,000,000 (Note 1)	111,631,000	80.07%
Ms. Hui Kwai Fong Simmi ("Ms. Hui")	Beneficial owner and interest of spouse	5,968,000	2,000,000 (Note 2)	7,968,000	5.71%
Mr. Lo Hung ("Mr. Lo")	Beneficial owner and interest of spouse	5,968,000	2,000,000 (Note 2)	7,968,000	5.71%

*Notes:*

- These underlying shares represent the new shares to be issued upon conversion of the Convertible Notes due 2015 by Mr. Tam in the principal amount of HK\$44,000,000 at the conversion price of HK\$0.5 per Consolidated Share (subject to adjustment).
- Ms. Hui is spouse of Mr. Lo. These underlying shares represent the new shares to be issued upon conversion of the Convertible Notes due 2015 by Mr. Lo in the principal amount of HK\$1,000,000 at the conversion price of HK\$0.5 per Consolidated Share (subject to adjustment).

*Position in the Offer Shares*

Name of Shareholders	Capacity	Number of Consolidated Shares held	Approximate % of the Company's issued share capital (as enlarged by the issue of the Offer Shares)
The Underwriter	Beneficial owner	337,738,851	60.56%
Mrs. Chu Yuet Wah ("Mrs. Chu") (Note)	Interest of a controlled corporation	337,738,851	60.56%

*Note:* The 337,738,851 Consolidated Shares are the maximum number of the Offer Shares which the Underwriter has undertaken to underwrite in respect of the Open Offer. The Underwriter is wholly owned by Galaxy Sky Investments Limited, which in turn is wholly owned by Kingston Capital Asia Limited. The latter is wholly owned by Kingston Financial Group Limited, which is in turn owned as to 40.24% by Active Dynamic Limited, which is in turn wholly owned by Mrs. Chu. Mrs. Chu is therefore deemed to be interested in the 337,738,851 Consolidated Shares held by the Underwriter under the SFO.

Save as disclosed above, as at the Latest Practicable Date, according to the register of interest kept by the Company under section 336 of the SFO and so far as was known to the Directors, no other persons or companies had an interest or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were,

directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital.

#### **4. 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.

#### **5. 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 2011 (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.

#### **6. EXPERT AND CONSENT**

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

<b>Name and Address</b>	<b>Qualification</b>
PKF 26th Floor, Citicorp Centre 18 Whitfield Road, Causeway Bay Hong Kong	Certified Public Accountants

PKF has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter as set out in this Prospectus and reference to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, PKF was not beneficially interested in the share capital of any member of the Company, nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company, nor did it has any interest, either direct or indirect, in any assets which had been since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to the Company.

## **7. MATERIAL LITIGATION**

As at the Latest Practicable Date, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Company is engaged or pending or threatened against the Company.

## **8. DIRECTORS SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## **9. MATERIAL CONTRACTS**

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the issue of this Prospectus which are or may be material:

- (i) the Underwriting Agreement;
- (ii) the sale and purchase agreement dated 20 August 2012 entered into between Enrich Fortune Development Limited and four vendors in relation to the acquisition of entire issued share capital of Feng Tai Shun Cultural Travel Limited and a vendor's loan to the Company at an aggregate consideration of HK\$3,500,000;
- (iii) the placing agreement dated 30 April 2012 entered into between the Company and Kingston Securities in relation to the placing of an aggregate of 180,000,000 placing shares on the best effort basis at HK\$0.084 per placing share;
- (iv) the investment agreement dated 25 April 2012 entered into between Enrich Marine Sdn. Bhd. and Successful Treasure Investments Limited in relation to the investment in the fish breeding business at an aggregate of HK\$15,500,000;
- (v) the placing agreement dated 5 December 2011 entered into between the Company and Pacific Foundation Securities Limited in relation to the placing of convertible notes of up to an aggregate principal amount of HK\$50,000,000, details of which were disclosed in the circular of the Company dated 2 February 2012;
- (vi) the deed of termination of underwriting agreement dated 25 October 2011 entered into between the Company and the underwriters in relation to a proposed open offer, details of which were disclosed in the announcement of the Company dated 25 October 2011;



- (vii) the underwriting agreement dated 27 September 2011 entered into between the Company and the underwriters in relation to a proposed open offer;
- (viii) the sale and purchase agreement dated 12 September 2011 entered into between Computech Online Limited, Checkmate Advisors Limited and a guarantor in relation to the acquisition of the entire issued capital of Checkmate Finance Limited and a vendor's loan at an aggregate of HK\$4,200,000;
- (ix) the subscription agreement dated 14 April 2011 entered into between the Company and subscriber in relation to the issue of the convertible bonds in the principal amount of HK\$22,750,000, details of which were disclosed in the announcements dated 22 August 2011 and 15 April 2011.

## 10. EXPENSES

The estimated expenses in connection with the Share Consolidation and the Open Offer (including but not limited to the underwriting commission, printing, registration, financial advisory, legal, professional and accounting charges) are approximately HK\$3.13 million and are payable by the Company.

## 11. PARTICULARS OF DIRECTORS

(i) Name	Address
<i>Executive Directors:</i>	
Mr. Yang Yue Zhou	Unit 1604, 16/F., West Tower, Shun Tak Centre 168–200 Connaught Road Central, Hong Kong
Mr. Mak Kwong Yiu	Unit 1604, 16/F., West Tower, Shun Tak Centre 168–200 Connaught Road Central, Hong Kong
Mr. Jiang Tan Shan	Unit 1604, 16/F., West Tower, Shun Tak Centre 168–200 Connaught Road Central, Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Wong Siu Keung, Joe	Unit 1604, 16/F., West Tower, Shun Tak Centre 168–200 Connaught Road Central, Hong Kong
Mr. Wong Ching Yip	Unit 1604, 16/F., West Tower, Shun Tak Centre 168–200 Connaught Road Central, Hong Kong
Mr. Luk Chi Shing	Unit 1604, 16/F., West Tower, Shun Tak Centre 168–200 Connaught Road Central, Hong Kong

**(ii) Biographical Details of Directors***Executive Director*

**Mr. YANG Yue Zhou**, aged 42, was appointed as the executive Director and chairman of the Company on 8 November 2011. Mr. Yang studied in Harbin Institute of Technology, was elected as the vice Secretary General of the Qinghai Real Estate Association in 2009, the member of the 8th Committee of the Qinghai Youth Federation in 2007, and the member of the 10th CPPCC National Committee from Qinghai Province in December 2007. Mr. Yang has over 19 years of experience in property development and corporate management including land acquisition, engineering, construction, cost control, sales and financial matter in real estate development. Mr. Yang had been the chairmen of the board of directors of two state-owned enterprises from 1992 to 1999 and had been the chairman of the board of directors of a property enterprise from 1999 to 2002. Currently, he is the chairman of the board of directors of a property development corporation in Qinghai Province, PRC. Mr. Yang was an executive director and deputy chairman of Birmingham International Holdings Limited (Stock code: 2309) from 30 August 2011 to 4 June 2012, which is listed on the Main Board of the Stock Exchange.

**Mr. MAK Kwong Yiu**, aged 38, was appointed as the executive Director on 30 July 2008. Mr. Mak holds Bachelor and Master degrees in Business Administration from the Hong Kong University of Science and Technology. He earned the Chartered Financial Analyst designation in 2000. He is a Certified Public Accountant in the United States and Hong Kong respectively. Mr. Mak currently holds directorships in several companies which are engaged in business of financial services, asset management and asset valuation in Hong Kong. Mr. Mak is also an executive director of Convoy Financial Services Holdings Limited (Stock code: 1019), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Mak had been an independent non-executive director of AcrossAsia Limited (Stock code: 8061) from March 2008 to May 2010, a company whose shares are listed on the GEM of the Stock Exchange.

**Mr. JIANG Tan Shan**, aged 65, was appointed as the executive Director on 8 November 2011. Mr. Jiang was appointed as the manager of the Office of Qinghai Province in Shenzhen\* (青海省人民政府駐深圳辦事處) in 1993. He was appointed as the managing director and committee secretary\* (黨委書記) of Shenzhenshi Qi Peng Group Company Limited\* (深圳市青鵬集團有限公司) in 2000 and 2004, respectively, which had participated in various property projects. Mr. Jiang has extensive experience in hotel management and corporate management.

*Independent Non-executive Directors*

**Mr. WONG Siu Keung, Joe**, aged 47, was appointed as the independent non-executive Director on 15 December 2011. Mr. Wong holds a Degree of Master of Arts in International Accounting from City University of Hong Kong. He is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Wong has

extensive experience in taxation, accounting, financing, audit field and public listed companies for many years. He is the chairman of the audit committee of the Company.

**Mr. WONG Ching Yip**, aged 40, was appointed as the independent non-executive Director on 15 December 2011. Mr. Wong holds a Degree of Bachelor of Arts in University of Winnipeg in Canada. He has extensive experience in the field of global sales and marketing covering areas including PRC, the United States of America and Europe. Mr. Wong had been an independent non-executive director of SMI Publishing Group Limited (the “SMI”) (Stock code: 8010) for the period from September 2008 to May 2010 and had been re-designated as an executive director of SMI in May 2010 till August 2011. He is a member of the audit committee of the Company.

**Mr. LUK Chi Shing**, aged 43, was appointed as the independent non-executive Director on 20 December 2011. Mr. Luk holds a Bachelor Degree of Arts in Accountancy from City University of Hong Kong. He is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Luk has extensive experience in financial management, auditing and public listed companies for over 15 years. He is a member of the audit committee of the Company.

## 12. PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Unit 1604, 16/F. West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Authorised representatives	Mr. Mak Kwong Yiu  Mr. Lam Wing Tai
Company secretary	Mr. Lam Wing Tai, Certified Public Accountant
Compliance officer	Mr. Mak Kwong Yiu
Auditors and reporting accountants	PKF 26th Floor, Citicorp Centre 18 Whitfield Road Causeway Bay, Hong Kong

Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong
Financial Adviser to the Company	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong
Legal advisers as to Hong Kong Laws	ONC Lawyers 14–15th Floor, The Bank of East Asia Building 10 Des Voeux Road Central, Hong Kong
Independent Financial Adviser	Celestial Capital Limited 21/F, Low Block Grand Millennium Plaza 181 Queen’s Road Central Hong Kong
Principal Bankers	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
Branch Registrar in Hong Kong	Hong Kong Registrars Limited Room 1712–1716, 17/F., Hopewell Centre 183 Queen’s Road East Hong Kong

### 13. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text in the case of inconsistency.

### 14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the consent letter as referred to under the paragraph headed “Expert and Consent” in this Appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours (Saturdays and public holidays excepted) at Unit 1604, 16/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong from the date of this Prospectus up to and including the Latest Time for Acceptance at 4:00 p.m. on Monday, 26 November 2012:

- (a) this Prospectus;
- (b) the Circular;
- (c) the memorandum and articles of association of the Company;
- (d) the annual reports of the Company for the years ended 31 December 2010 and 31 December 2011;
- (e) the interim report of the Company for the six months ended 30 June 2012;
- (f) the letter from PKF on the unaudited pro forma consolidated net tangible assets of the Group, the text of which is set out on pages 28 to 29 of this Prospectus;
- (g) the material contracts as referred to in the section headed “Material Contracts” in this appendix;
- (h) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix;
- (i) the Underwriting Agreement;
- (j) the Irrevocable Underwriting signed by Mr. Yang; and
- (k) the Company’s circular dated 2 February 2012 issued pursuant to Chapter 20 of the GEM Listing Rule.