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COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8081)

DISCLOSEABLE TRANSACTION: DISPOSAL OF THE TARGET

The Board announces that after trading hours on 22 May 2014, the Vendor, a wholly-owned subsidiary of the Company, the Company as the Vendor's guarantor and the Purchaser entered into the SP Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, being the entire issued share capital of the Target, at the consideration of HK\$39,000,000 (subject to adjustment).

As the relevant percentage ratios of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

THE SP AGREEMENT

The Board announces that after trading hours on 22 May 2014, the Vendor, a wholly-owned subsidiary of the Company, the Company as the Vendor's guarantor and the Purchaser entered into the SP Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, being the entire issued share capital of the Target, at the consideration of HK\$39,000,000 (subject to adjustment).

* *For identification purposes only*

Major terms of the SP Agreement are set out below.

Date: 22 May 2014

Parties:

- (1) The Vendor is a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.
- (2) The Purchaser is a company incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) the principal activity of the Purchaser is investment holding and (ii) each of the Purchaser and its ultimate beneficial owners is Independent Third Party.
- (3) The Company, as the Vendor's guarantor.

Assets to be disposed of:

Pursuant to the SP Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agree to purchase the Sale Shares (being the entire issued share capital of the Target), free from all encumbrances together with all rights and benefits of any nature now or thereafter attaching thereto, including but not limited to all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date. For more information about the Target, please refer to the paragraph headed "Information on the Target" below.

Consideration:

The Consideration is HK\$39,000,000 (subject to adjustment) and shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a deposit of HK\$3,900,000 ("**Deposit**") shall be paid to the Vendor upon the execution of the Agreement; and
- (2) the balance of the sum of HK\$35,100,000 shall be paid to the Vendor on the Completion Date.

The Consideration shall be subject to adjustment based on the Completion Accounts by adding the aggregate amount of the current assets of the Target as at the Completion Date including but not limited to the utility deposits, transferable funds, rates, government rent and other expenses prepaid in relation to the Properties or otherwise for the period after the Completion Date (inclusive of the Completion Date), rent and other moneys receivable by the Target pursuant to the Lease prior to the Completion Date (inclusive of the Completion Date), cash and bank balance (if any), and deducting the aggregate amount of the liabilities (if any) of the Target as at the Completion Date including but not limited to rental deposit, receipt in advance, rates, government rent and other expenses due and not paid in relation to the Properties for the period prior to the Completion Date (inclusive of the Completion Date).

If the Purchaser shall make and insist on any objection or requisition in respect of the title to the Properties which the Vendor shall be unable or (on the ground of difficulty delay or expense or on any other reasonable ground) unwilling to remove or comply with, or if the title of the Vendor would be defective, the Vendor may give to the Purchaser or the Purchaser's solicitors not less than 5 Business Days' notice in writing to annul the Disposal. Unless such objection or requisition is withdrawn, the Disposal shall at the expiration of the notice be annulled and the Deposit shall be refunded by the Vendor to the Purchaser within 7 days upon demand, without interest.

The Consideration was determined by the Vendor and the Purchaser after arm's length negotiation with reference to the market value of similar properties in similar locations and the valuation of the Properties as at 31 December 2013 of HK\$38,700,000 as valued by an independent professional valuer.

Conditions precedent:

Completion shall be conditional upon:

- (1) the holding company of the Purchaser having obtained all necessary and appropriate consents, authorisations and approvals in relation to the SP Agreement and the transactions contemplated thereunder;
- (2) the Purchaser being reasonably satisfied with the results of the due diligence review of the Target;
- (3) on or before Completion, the Vendor shall prove, show and give a good title to the Properties in accordance with the terms of the SP Agreement;

- (4) the Vendor shall procure at its own cost and expenses the discharge of the Existing Security on or before Completion provided that the Purchaser shall not require the production or delivery of the Existing Security and the release/discharge of the Properties from the Existing Security on Completion but shall accept the undertaking from the Vendor's solicitors to deliver the Existing Security and the release/discharge of the Properties from the Existing Security within twenty-one (21) days from the Completion Date in accordance with the usual undertakings recommended by the Law Society of Hong Kong for conveyancing transaction;
- (5) save and except the interest under the Existing Security and the Lease, there is no third party (whether related or otherwise) has any right or interest whatsoever whether legal or equitable, in the Properties or any interest thereof and the Company has the sole absolute right and interest in the Properties; and
- (6) all representations and warranties given by the Vendor and the Company under the SP Agreement remaining true and accurate in all material respects and not misleading as if the representations and warranties are repeated by the Vendor and the Company at all times from the date of the SP Agreement to the Completion Date.

The Purchaser may waive the above Conditions Precedent (other than paragraphs (1), (3), (4) and (5) above) by written notice to the Vendor's solicitors.

If any of the Conditions Precedent has not been fulfilled or waived (as the case may be) on or before the Completion Date, then the Deposit and/or any payment made to the Vendor under the SP Agreement shall forthwith be returned by the Vendor to the Purchaser in full but without any compensation or costs and if that return is made within 7 days, without interest and thereafter the SP Agreement shall lapse whereupon the provisions of the Agreement (other than certain provisions relating to confidentiality, notice and certain miscellaneous matters) shall from such date have no further force and effect and no party to the SP Agreement shall have any liability under the SP Agreement (without prejudice to the rights of the parties to the SP Agreement in respect of any antecedent breaches).

Completion:

Subject to all the Conditions Precedent being fulfilled or waived, Completion shall take place at or before 11:00 a.m. on the Completion Date. Immediately after Completion, the Target will cease to be a wholly-owned subsidiary of the Company.

It is also a term of the SP Agreement that the Vendor and the Company shall execute a deed of tax indemnity in respect of the tax liabilities of the Target (if any) in favour of the Purchaser.

INFORMATION ON THE TARGET

The Target is a company incorporated in the BVI with limited liability on 6 July 2009. The principal business of the Target is investment holding. The principal asset of the Target is the Properties. The Properties are currently leased to an Independent Third Party for a term of two years from 1 August 2013 to 31 July 2015 at a monthly rental of HK\$120,900, exclusive of rates, management fees, air-conditioning charges and other outgoings and expenses.

Set out below is certain financial information of the Target:

	For the year ended 31 December 2012	For the year ended 31 December 2013
	(Audited)	(Audited)
	<i>HK\$</i>	<i>HK\$</i>
Net profit before taxation	6,801,000	346,000
Net profit after taxation	6,709,000	62,000

As at 31 December 2013, the total asset value of the Target were approximately HK\$39,085,000 and the net asset value of the Target were approximately HK\$38,829,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) provision of IT services; (ii) money lending business; (iii) provision of medical diagnostic and health check services; and (iv) property and securities investments and trading.

It is expected that the Group will record an unaudited accounting gain of approximately HK\$300,000 from the Disposal, being the difference between the Consideration (subject to adjustment) and the estimated unaudited consolidated net asset value of the Target recorded in the Group's accounts at Completion. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

The Company considers that the Disposal represents a good opportunity to realise its investment in the Properties and can provide resources for the development of the Group. The net proceeds from the Disposal are expected to be used to finance the acquisition of 13% interest in Mighty Eight Investments Limited, details of which are set out in the Company's announcement dated 2 April 2014.

The Board is of the view that the terms of the SP Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associates” has the meaning ascribed thereto in the GEM Listing Rules

“Board” the board of Directors

“Business Day(s)” any day(s) (except any Saturday, Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours

“BVI” the British Virgin Islands

“Company” Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM

“Completion” completion of the Disposal in accordance with the terms of the SP Agreement

“Completion Accounts”	the unaudited accounts of the Target comprising the balance sheet of the Target as at the Completion Date and the income statement of the Target for the period commencing from 1 April 2014 to the Completion Date
“Completion Date”	on or before 30 June 2014 or if typhoon signal No.8 or above or black rainstorm warning signal is hoisted any time between the hours of 9:00 a.m. to 12:00 noon on that day, the immediately succeeding Business Day on which no typhoon signal No.8 or above or black rainstorm warning signal is hoisted at any time during 9:00 a.m. to 12:00 noon (or such other date as the Vendor and the Purchaser may agree in writing) on which Completion is to take place
“Conditions Precedent”	the conditions precedent to which the Completion is subject as set out in the paragraph headed “Conditions Precedent” under the section headed “The SP Agreement” above
“Consideration”	the consideration for the Disposal, being HK\$39,000,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares in accordance with the terms and conditions of the SP Agreement
“Existing Security”	all charges and mortgages over the Properties
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party independent of the Company and connected persons of the Company (has the meaning ascribed to it under the GEM Listing Rules)

“Lease”	the existing tenancy agreement in respect of the leasing of the Properties
“Properties”	the properties located at Shops nos. 12A, 12B and 12C, Ground Floor, Hip Wo House (Ground Floor of Nos. 167A, 167B and 167C Hip Wo Street), Kowloon, Hong Kong
“Purchaser”	Laurel Stars Limited, a company incorporated in the BVI with limited liability, being the purchaser under the SP Agreement
“Sale Shares”	two shares of US\$1.00 each representing the entire issued share capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SP Agreement”	the sale and purchase agreement dated 22 May 2014 entered into between the Vendor, the Company and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Funa Assets Limited, a company incorporated in the BVI with limited liability
“Vendor”	Absolutely Talent Technology Limited, a wholly-owned subsidiary of the Company, being the vendor under the SP Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent.

On behalf of the Board
Computech Holdings Limited
Zhang Xiongfeng
Chairman

Hong Kong, 22 May 2014

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Xiongfeng, Mr. Zhang Peiao and Mr. Hung Kenneth and (ii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a maximum period of seven days from the date of its publication and on the website of the Company at <http://www.computech.com.hk>.