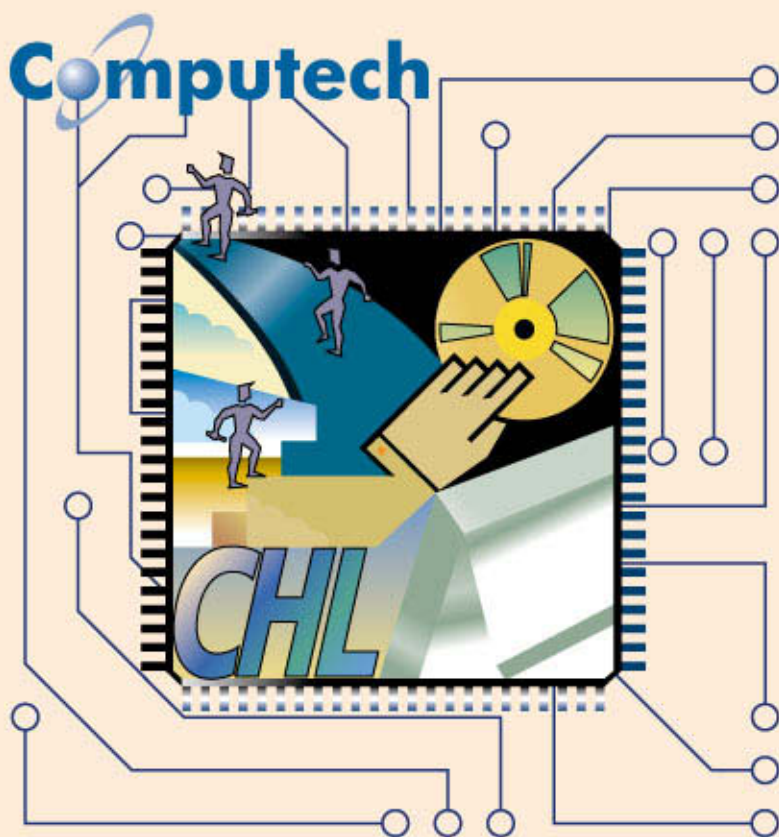


Computech Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Interim Report 2000



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The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this interim result report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of this interim result report.

This interim result report, for which the directors of Computech Holdings Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Computech Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (1) the information contained in this interim result report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this interim result report misleading; and (3) all opinions expressed in this interim result report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

Computech Holdings Limited (the "Company") is one of the leading banking software providers engaged in research, development and sales of banking packaged software products, the provision of software related consultancy and technical services and system intergration services. The Group is based in Hong Kong with offices in Beijing, Guangzhou and Chengdu. The unaudited proforma combined profit for the half-year ended 30 June 2000 was HK\$671,000. Pro forma combined earnings per share for the half-year ended 30 June 2000 was HK0.46 cents. The directors of the Company (the "Directors") do not recommend the payment of an interim dividend in respect of the period from 29 March 2000 (date of incorporation of the Company) to 30 June 2000. The Company expects the second half of year 2000 to be very promising and will continue to invest in research and development efforts to maintain its technological advantages.

RESULTS

The Board of Directors ("Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the period from 29 March 2000 (date of incorporation of the Company) to 30 June 2000 together with the comparative unaudited pro forma combined half-yearly and quarterly results as follows:

	Notes	Pro forma combined (Note 1)				
		Consolidated for the period from 29 March 2000 to 30 June 2000 HK\$'000	For the half-year ended 30 June 2000 HK\$'000	For the half -year ended 30 June 1999 HK\$'000	For the period from 1 April 2000 to 30 June 2000 HK\$'000	For the period from 1 April 1999 to 30 June 1999 HK\$'000
Turnover	2	6,419	20,219	33,402	6,647	27,483
Cost of sales		(4,429)	(13,471)	(25,379)	(4,859)	(21,653)
Gross profit		1,990	6,748	8,023	1,788	5,830
Other income		11	215	113	78	48
Selling and distribution expenses		(1)	(216)	(241)	(171)	(62)
Administrative expenses		(985)	(5,941)	(8,047)	(3,114)	(3,980)

Pro forma combined (Note 1)

	Notes	Consolidated	Pro forma combined (Note 1)			
		for the period from 29 March 2000 to 30 June 2000 HK\$'000	For the half-year ended 30 June 2000 HK\$'000	For the half-year ended 30 June 1999 HK\$'000	For the period from 1 April 2000 to 30 June 2000 HK\$'000	For the period from 1 April 1999 to 30 June 1999 HK\$'000
Operating profit / (loss)		1,015	806	(152)	(1,419)	1,836
Finance costs		(67)	(135)	(240)	(70)	(149)
Profit/(loss) before taxation		948	671	(392)	(1,489)	1,687
Taxation	3	—	—	(14)	—	—
— Hong Kong		—	—	(14)	—	—
— PRC		—	—	—	—	—
Profit / (loss) for the period		948	671	(406)	(1,489)	1,687
Dividends		—	—	—	—	—
Earnings / (loss) per share - Basic	4	HK1.83cents	HK0.46cents	HK(0.29)cents	HK(0.99)cents	HK1.21cents

Notes:

1. Group reorganisation and bases of presentation of income statements

The Company was incorporated in the Cayman Islands on 29 March 2000 as an exempted company with limited liability under the Companies Law (1998 Revision) of the Cayman Islands. Pursuant to a reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of its shares in June 2000 (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 3 June 2000. The shares of the Company were listed on GEM on 19 June 2000.

The Group's income statements are presented using the following bases:

- i. The consolidated income statement includes the results of the Company for the period from 29 March 2000 (date of incorporation of the Company) to 30 June 2000 and the post-acquisition results of its subsidiaries for the period from 3 June 2000 (date of completion of the Reorganisation) to 30 June 2000 in accordance with the new Hong Kong Statement of Standard Accounting Practice 27 "Accounting for group reconstructions".

- ii. For information purposes, the pro forma combined income statements for the periods presented include the results of the Company and its subsidiaries with effect from 1 January 1999 or since their respective dates of incorporation / establishment, where this is a shorter period, on a combined basis as if the current Group structure had been in existence throughout the periods presented.

Although the reorganised Group structure did not legally exist until 3 June 2000, the Directors consider that it is appropriate to present pro forma combined income statements on the bases as set out in note (ii) above since the principal activities of the Group have been carried out by those subsidiaries prior to and after the completion of the Reorganisation.

2. Turnover represents the invoiced value of packaged software products sold and computer related services rendered, net of discounts, value-added tax and business tax.
3. Taxation
 - (i) Except for the half-year ended 30 June 1999, no provision for Hong Kong profits tax has been made in these income statements as the Group has no assessable profits after offset with available tax losses. Hong Kong profits tax has been provided at the rate of 16% on the assessable profits arising in Hong Kong for the half-year ended 30 June 1999.
 - (ii) The Company's PRC subsidiary is under the Income Tax Law of the PRC for Foreign Investment Enterprises and other relevant regulations, entitled to an income tax holiday for two years from the first profit making year of 1996 and a 50% reduction in income tax for the following six years.
 - (iii) Net deferred tax asset has not been recognised owing to uncertainty regarding the Group's future operating results.

4. Earnings / (loss) per share

The calculation of basic earnings / (loss) per share for the periods presented is based on the following data:

	Consolidated		Pro forma combined		
	for the period from 29 March 2000 to 30 June 2000	For the half-year ended 30 June 2000	For the half-year ended 30 June 1999	For the period from 1 April 2000 to 30 June 2000	For the period from 1 April 1999 to 30 June 1999
Earnings / (loss)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) for the period used in the calculation of basic earnings/(loss) per share	948	671	(406)	(1,489)	1,687
Shares Weighted average number of shares in issue for the purpose of calculation of basic earnings/(loss) per share	51,914,992	145,274,725	140,000,000	150,549,451	140,000,000

The number of shares used in the calculation of the consolidated earnings per share for the period from 29 March 2000 to 30 June 2000 is the weighted average of the 1 share issued on the incorporation of the Company on 29 March 2000, 999,999 share issued as the consideration for the acquisition of the entire share capital of the subsidiaries upon completion of the Reorganisation on 3 June 2000 and adjusting for the capitalisation issue of 139,000,000 shares as referred to in the prospectus of the Company dated 9 June 2000 ("Prospectus") and 60,000,000 shares issued during the public listing on 15 June 2000.

The number of shares used in the calculation of the pro forma earnings/(loss) per share for the periods presented for 2000 is the weighted average of 140,000,000 shares assumed to be in issue on 1 January 1999 and 60,000,000 shares issued during the public listing on 15 June 2000.

The weighted average number of shares used in the calculation of the pro forma earnings/(loss) per share for the periods presented for 1999 is based on the assumption that 140,000,000 shares had been in issue on 1 January 1999.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the half-year ended 30 June 2000 (1999: Nil).

BUSINESS REVIEW AND PROSPECT

General

The Group achieved solid results in the first half of the financial year 2000, generating profit of HK\$671,000 out of total revenues of HK\$20.2 million for the half-year ended 30 June 2000. The pro forma combined earnings per share for the half-year ended 30 June 2000 was HK0.46 cents.

Comparing to the same period last year, the profit before taxation was up by 271%, turning a loss of HK\$392,000 into a profit of HK\$671,000, and the gross profit margin was up from 24% to 33%.

The Group's existing software packaged products provided steady income and included the sales of 3 packages of Banking 2000 and 1 package of AutoBank 2000 to Bank of China and Rural Co-operative Credit Bank of China ("RCCB") respectively. Together with the on-going marketing activities to promote other software packaged products to the customers, the Board is very positive about the prospect of the Group.

Research and development is on-going and is in line with the planned schedule. The Directors expect that 2 new products, namely CorpBank 2000 and E-Switch, will be completed and available for sales by the end of this year.

Potential

Existing business

The Group was recently named as one of the preferred suppliers to the RCCB. The evaluation and the process of developing the shortlist were coordinated by the People's Bank of China in Beijing. The Group is selected to be one of the 6 suppliers to provide Banking 2000 solution to the RCCBs nationwide. There are about 50,000 branches of RCCB nationwide and most of them demand for computerisation. RCCB is second to Industrial and Commercial Bank of China in terms of saving deposit in the PRC. The Directors believe that the breakthrough in the RCCB will contribute tremendous opportunity to the Group for the sale of the Group's products.

A branch office of the Group in Shanghai will be opened in the second half of the year 2000 to accommodate the rapid expansion of the Group's business and to cope with the growing demand of IT services in the PRC. The Group is also considering to establish a Shenzhen branch later this year to cope with the business expansion.

Collaboration

Ongoing negotiations with Well Master Resources Limited ("WMR"), an associated company of Hutchison Whampoa Limited has reached a very advanced stage and, barring unforeseeable circumstances, the Directors expect that a joint-venture agreement could be entered into with WMR before the end of this year. The new joint venture company will develop a nationwide information and electronic funds transfer system in the PRC via latest broadband satellite communication platform, details of which have already been disclosed in the Prospectus.

World Trade Organisation issues

The PRC's entry into World Trade Organisation ("WTO") will gradually open up opportunities in the market, in particularly in the financial industry. Foreign institutions attempting to establish presence in the PRC will create additional sources of demand for IT services. When encountering foreign competition, local financial institutions in the PRC will require more efficient, comprehensive and sophisticated IT services. The Group considers that, with its solid track record and visionary strategic planning, it is well positioned to rise to the challenges ahead.

Outlook

In the second half of the year 2000, the Group will follow its business objectives to develop and expand its existing businesses. The Directors believe that the second half of the year 2000 to be very promising and will continue to invest in research and development efforts to maintain its technological advantages. The Group will also focus its efforts on providing a wider range of software products to its banking customers and on expanding its market presence in the PRC.

The Directors believe that the Group is well positioned to benefit from the continuous development of the banking industry in the PRC. In the long run, as PRC becomes a member of the WTO and as foreign competition opens up, local financial institutions in the PRC will require more efficient, comprehensive and sophisticated IT services. This in turn will create tremendous opportunities for the Group.

DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2000, according to the register to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), the interests of directors, and their associates in shares of the Company were as follows:

Name	Type of interest	Number of shares
Mr. Lee Man Lung, Vincent (<i>Note 1</i>)	Corporate	55,860,000 shares
Mr. Fung Pak Chuen, Alphonso	Family	55,860,000 shares
Mr. Richard Lo	Family	55,860,000 shares
Mr. Yip Tai Chee, Alick	Personal	14,000,000 shares
Mr. Tang Chi Lap	Personal	7,280,000 shares
Mr. Cheung Tung	Personal	7,000,000 shares

Note:

1. Mr. Lee Man Lung, Vincent is interested in 100% of the issued share capital of Brilliant Time Limited. Mr. Lee Man Lung, Vincent is taken to have an interest in the 55,860,000 shares held by Brilliant Time Limited.

Save as disclosed above and other than nominee shares in certain wholly-owned subsidiaries held in trust for the Group, at 30 June 2000, none of the directors or their associates had any interests in any securities of the Company or any associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

As at 30 June 2000, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of directors and their associates, at 30 June 2000, according to the register required to be kept

under Section 16(1) of the SDI Ordinance, the following persons were interested in 10 percent or more of the issued share capital of the Company:

Name	Number of shares	Percentage of issued share capital
Anstalt Pacific Techvest Inc. (Note 1)	55,860,000	27.93%
CL Investments Limited (Note 2)	55,860,000	27.93%
CL Strategic Holdings Limited (Note 3)	55,860,000	27.93%
Brilliant Time Limited (Note 4)	55,860,000	27.93%

Notes:

1. Anstalt Pacific Techvest Inc. is beneficially and wholly-owned by Lam Soon (Hong Kong) Limited, the shares of which are listed on the Main Board. Anstalt Pacific Techvest Inc. has a 50% interest in the issued share capital of CL Strategic Holdings Limited and is accordingly taken to have an interest in the shares in which CL Strategic Holdings Limited is interested in.
2. CL Investments Limited is deemed to be owned as to 37.5% by Mr. Fung Pak Chuen, Alphonso and as to 37.5% by Mr. Richard Lo, and is beneficially owned as to 20% by Mr. Chan Kin Wah, Charles and as to 5% by Mr. Wong Siu Sik, Alex. Both Mr. Chan Kin Wah, Charles and Mr. Wong Siu Sik, Alex are independent third parties not connected with the Company, any of its subsidiaries, the directors, chief executives, substantial shareholders and management shareholders of the Company or any of its subsidiaries or any of their respective associates.
3. CL Strategic Holdings Limited is owned as to 50% by Anstalt Pacific Techvest Inc. and 50% by CL Investments Limited.
4. Brilliant Time Limited is beneficially and wholly-owned by Mr. Lee Man Lung, Vincent.

SHARE OPTION SCHEME

During the period from 2 June 2000 (adoption date of the share option scheme) to 30 June 2000, no option has been granted.

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

During the period from 19 June 2000 (date of listing) to 30 June 2000, there were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

INTEREST OF SPONSOR

The Sponsor of the Company, Vickers Ballas Capital Limited, its directors, employees and associates, at 30 June 2000, did not have any interest in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group.

Vickers Ballas Capital Limited has entered into a sponsorship agreement with the Company whereby, for a fee, Vickers Ballas Capital Limited will act as the Company's continuing sponsor for the period from 16 June 2000 to 31 December 2002.

COMPETING INTERESTS

As at 30 June 2000, the Directors are not aware of any business or interest of the directors, the initial management shareholders of the Company and their respective associates, that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

As required by Rule 5.23 of the GEM Listing Rules, the Company has established an audit committee with written terms of reference which deal clearly with its authority and duties. The audit committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems.

By order of the Board
Lee Man Lung, Vincent
Director

Hong Kong, 9 August 2000