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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)

ISSUE OF 5% CONVERTIBLE BONDS DUE 2016 AND RESUMPTION OF TRADING

ISSUE OF CONVERTIBLE BONDS

On 14 April 2011 after trading hours, the Company and the Subscriber entered into the Subscription Agreement in respect of the issue of the Convertible Bonds in the principal amount of HK\$22,750,000. Completion of the Subscription is subject to the conditions as set out in the paragraph headed "Conditions precedent" below. Detailed terms of the Convertible Bonds are set out in the paragraph headed "Principal terms of the Convertible Bonds". The net proceeds from the Convertible Bonds of approximately HK\$22,350,000 will be used for the general working capital of the Group.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.125, the Convertible Bonds will be convertible into approximately 182,000,000 Shares, representing approximately 19.80% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.53% of the issued share capital of the Company as enlarged by the conversion of the Convertible Bonds into Shares. The Conversion Shares will rank pari passu and carry the same rights and privileges in all respects with the Shares then in issue on the relevant conversion date.

The Conversion Shares will be issued and allotted pursuant to the General Mandate. The issue of the Convertible Bonds is not subject to the approval of the Shareholders. As at the date of this announcement, there has been no issue of Shares under the General Mandate.

No application will be made for listing of, or permission to deal in, the Convertible Bonds.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 15 April 2011 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 18 April 2011.

ISSUE OF CONVERTIBLE BONDS

On 14 April 2011 after trading hours, the Company and the Subscriber entered into the Subscription Agreement in respect of the issue of the Convertible Bonds in the principal amount of HK\$22,750,000. Completion of the Subscription is subject to the conditions as set out in the paragraph headed “Conditions precedent” below. Detailed terms of the Convertible Bonds are set out in the paragraph headed “Principal terms of the Convertible Bonds”. The net proceeds from the Convertible Bonds of approximately HK\$22,350,000 will be used for the general working capital of the Group.

SUBSCRIPTION AGREEMENT

1) Parties and Date

Date: 14 April 2011

Issuer: the Company

Subscriber: Mr. Tsui Kin Chit

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber is independent of and not connected with the Company or any of its connected persons.

2) Principal terms of the Convertible Bonds

Principal amount: HK\$22,750,000

Interest rate: five per cent (5%) per annum

Maturity date: Unless previously redeemed or cancelled or converted, any outstanding Convertible Bonds shall be redeemed on 30 April 2016.

Ranking: The Convertible Bonds constitute direct, unconditional, and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.

Conversion: The holder of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Shares at any time and from time to time, from the date of issue of the Convertible Bonds in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion.

Conversion Price: The conversion price is HK\$0.125 per Share subject to adjustment in the manner provided in the terms and conditions of the Convertible Bonds.

Voting: The Subscriber will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the Convertible Bonds.

Transfer: Convertible Bonds may be transferable to any persons save that where the proposed transferee is a connected person of the Company, prior consent of the Stock Exchange required.

Early Redemption: The Company may at any time after the second anniversary of the date of the issue of the Convertible Bonds, redeem the outstanding principal amount of the Convertible Bonds by payment to the Bondholder in cash of an amount equivalent to 130 per cent of the outstanding principal amount of the Convertible Bonds (plus any accrued and unpaid interest and additional interest, if any) by giving not less than ten (10) Business Days' prior notice in writing.

The Bondholder shall have the right to request the Company to redeem the outstanding principal amount of the Convertible Bonds by payment to the Bondholder in cash of an amount equivalent to 100 per cent of the outstanding principal amount of the Convertible Bonds (plus any accrued and unpaid interest and additional interest, if any) after the second anniversary of the date of and on every anniversary of the date of the issue of the Convertible Bonds by giving not less than ten (10) Business Days' prior notice in writing.

Based on the Conversion Price of HK\$0.125 per Conversion Share, a maximum number of 182,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent approximately 19.80% of the issued share capital of the Company as at the date of this announcement.

The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares. There will not be any restrictions for the subsequent sale of the Conversion Shares by the Subscriber.

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

3) **Conditions precedent**

Completion is conditional upon the fulfillment of the following conditions precedent:

- (a) the Listing Committee of the Stock Exchange granting approval of the issue of the Convertible Bonds (if required) and the listing of, and permission to deal in, the Conversion Shares falling to be issued on the exercise of the Conversion Rights attached to the Convertible Bonds either unconditionally or subject to conditions to which the Subscriber and the Company may accept;
- (b) no event having occurred or occurring which would constitute an Event of Default or a Potential Event of Default (both terms as defined in the Instrument) had the Convertible Bonds been issued;
- (c) the Subscriber being satisfied, from the date of this Agreement and at any time before the Completion, that the Warranties given under this Agreement remain true and accurate in all material respects and not misleading in any material respect nor in breach;
- (d) all consents, approvals, authorisations and permits required to be obtained in relation to this Agreement and the transactions contemplated hereunder having been obtained and remaining in full force and effect;

- (e) the passing of the resolution(s) by the Board approving this Agreement, the transactions contemplated hereunder, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares;
- (f) the Subscriber being reasonably satisfied with the results of the due diligence in relation to the business, financial and legal aspects of the Group;
- (g) all issued Shares remaining listed on, and not having been withdrawn from GEM and save for any temporary suspension of not more than twenty (20) consecutive Trading Days or any suspension pending clearance of any announcement in connection with any announcement required to be made under the GEM Listing Rules (in each case, excluding any suspension in the trading of the Shares on GEM pending the clearance or release of any announcement or circular relating to the transactions contemplated under this Agreement), the Stock Exchange and the Executive not having indicated that it will object to such listing and there being no events or circumstances existing based on which the Stock Exchange or the Executive could reasonably be expected to raise such objection or that will adversely affect the listing status of the Shares;
- (h) after the date hereof and at the Completion Date, there shall not have occurred any Material Adverse Change.

If any of the above conditions are not fulfilled on or before 30 April 2011 or such other date as the Company and the Subscriber may agree, the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

4) Completion

Completion shall take place on or on the date falling three (3) Business Days following the date on which the above conditions are fulfilled (or such other date as the parties hereto may agree).

REASON FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

The Directors consider raising funds by issuing Convertible Bonds is justifiable considering the recent market conditions which represent an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position for the possible future investments of the Group. The Directors consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

The Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The net proceeds from the issue of the Convertible Bonds of approximately HK\$22,350,000 will be used for the general working capital of the Group.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement and (ii) for illustration purpose only, immediately after the allotment and issue the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds on an assumption of the Conversion Price being HK\$0.125 is as follows:

Shareholder	At the date of this announcement		Immediately after the allotment and issue of the consideration Shares and the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds	
	No. of Shares	Approx. %	No. of Shares	Approx. %
New Brilliant Investments Limited	76,800,000	8.35%	76,800,000	6.97%
Aplus Worldwide Limited	73,782,000	8.03%	73,782,000	6.70%
Other public Shareholders	768,714,469	83.62%	768,714,469	69.80%
Subscriber			182,000,000	16.53%
Total	<u>919,296,469</u>	<u>100.00%</u>	<u>1,101,296,469</u>	<u>100.00%</u>

Notes:

1. New Brilliant Investments Limited is wholly owned by Mr. Chui Bing Sun
2. Aplus Worldwide Limited is beneficially owned as to 42% by Mr. Fung Pak Chuen, Alphonso, a non-executive Director.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 6 August 2010, the Company entered into a placing agreement (the “Placing Agreement”) with a financial institution pursuant to which, the Company conditionally agreed to place, through the financial institution, on a best effort basis, a maximum of 100,000,000 Shares, to not fewer than six investors at a price of HK\$0.20 per Share. The placing of Shares (the “Placing”) was completed on 9 September 2010 in accordance with the terms and conditions of the Placing Agreement. The total number of 100,000,000 new shares of the Company have been issued and allotted by the Company to the placees at price of HK\$0.2 per placing share. The net proceeds from the Placing amount to approximately HK\$19.5 million.

On 2 December 2010, the Company granted 5,759,479 share options with exercise price of HK\$0.184 per Share pursuant to the share option scheme adopted on 12 November 2010 to an executive Director. The granted share options were fully exercised. The Company has issued and allotted 5,759,479 Shares on 8 December 2010. The net proceeds from the exercise of share options granted amount to approximately HK\$1 million.

Save as aforesaid, the Company has not conducted any equity fund raising activity in the past twelve months before the date of this announcement.

GENERAL

The Group is principally engaged in provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products in Hong Kong.

The Conversion Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the EGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the EGM held on 10 November 2010. As at the date of the EGM, the total number of Shares in issue was 913,536,990. Under the General Mandate, the Company is authorized to issue up to 182,707,398 Shares. From the date of the EGM to the date of this announcement, no new Share has been issued under the General Mandate.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

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DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	board of the Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day(s)”	means any day (excluding a Saturday, Sunday and other public holidays) on which banks in Hong Kong are generally open for business throughout their normal business hours;
“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 Subscription Agreement
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the five per cent coupon convertible bonds in principal amount of HK\$22,750,000 due 2016 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Conversion Price”	HK\$0.125 per Share subject to adjustment in the manner provided in the terms and conditions of the Convertible Bonds

“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company held on 10 November 2010
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate to allot and issue Shares granted to the Directors by resolution of the Shareholders passed at the EGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Tsui Kin Chit
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 April 2011 and entered into between the Company and the Subscriber in relation to the subscription and issue of the Convertible Bonds
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the board of
Computech Holdings Limited
Mak Kwong Yiu
Executive Director

Hong Kong, 15 April 2011

As at the date of this announcement, the executive Director is Mr. Mak Kwong Yiu. The non-executive Director is Mr. Fung Pak Chuen, Alphonso. The independent non-executive Directors are Mr. Pang Wing Kin, Patrick, Mr. Chung Kong Fei, Stephen, Mr. Ng Chik Sum, Jackson and Dr. Ip Wai Hung.

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 for at least 7 days from the date of its publication.