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

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**If you are in any doubt** as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Computech Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, 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 circular.

This document, for which the directors (the “Directors”) of the Company collectively and individually accept full 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 the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this document 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 document misleading; and (3) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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**GENERAL MANDATES TO REPURCHASE SHARES,  
TO ISSUE SHARES AND RE-ELECTION OF DIRECTORS**

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A notice convening an Annual General Meeting of the Company to be held at 10/F., Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong at 10:00 a.m. on Friday, 29th April, 2005 is set out on pages 53 to 56 of the Annual Report of the Company. If you are not able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at 10/F., Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Meeting or any adjourned meeting (as the case may be) should you so wish.

This circular and the form of proxy for the Annual General Meeting will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

\* For identification purpose only

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## CHARACTERISTICS OF GEM

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**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.**

**The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.**

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 10/F, Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong at 10:00 a.m. on Friday, 29th April, 2005 notice of which is set out on pages 53 to 56 of the Annual Report.
“Annual Report”	the annual report of the Company for the year ended 31st December, 2004
“Board”	the board of the Directors
“Company”	Computech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and listed on the GEM
“Directors”	directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Resolution”	the proposed ordinary resolution no. 4 as referred to in the notice of the Annual General Meeting
“Latest Practicable Date”	29th March, 2005, being the latest practicable date prior to the printing of this document
“Shares Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period as set out in Issue Resolution up to a maximum of 20% of issued share capital of the Company as at the date of passing the Issue Resolution.
“Shares Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares during the period as set out in the Repurchase Resolution up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution no. 5 as referred to in the notice of the Annual General Meeting

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	fully paid-up share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE CHAIRMAN

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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)

***Directors:***

*Executive Directors:*

Fung Pak Chuen, Alphonso  
Lo, Richard

*Non-executive Director:*

Sugii Toshio

*Independent non-executive Directors:*

Lee Sai Yeung  
Chung Kong Fei, Stephen  
Ng Chik Sum, Jackson

***Registered office:***

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681GT  
George Town  
Grand Cayman  
British West Indies

***Head office and principal  
place of business:***

10/F., Westlands Centre  
20 Westlands Road  
Quarry Bay  
Hong Kong

31st March, 2005

*To Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES,  
TO ISSUE SHARES AND RE-ELECTION OF DIRECTORS**

**GENERAL MANDATE TO REPURCHASE SHARES**

Pursuant to a resolution of shareholders of the Company passed on 7th May, 2004, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares of the Company. Such mandate will lapse at the conclusion of the forthcoming annual general meeting of the Company. The Directors propose to seek your approval of the Shares Repurchase Mandate to be proposed at the Annual General Meeting. An explanatory statement as required under the GEM Listing Rules to provide the requisite information of the Shares Repurchase Mandate is set out in the appendix hereto.

\* For identification purpose only

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## LETTER FROM THE CHAIRMAN

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### GENERAL MANDATE TO ISSUE SHARES

Pursuant to a resolution of shareholders of the Company passed on 7th May, 2004, a general mandate was given to the Directors to exercise the powers of the Company to allot, issue, and deal with unissued Shares of the Company. Such mandate will lapse at the conclusion of the forthcoming annual general meeting of the Company. The Directors proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors the Shares Issue Mandate and to extend the Share Issue Mandate by adding to the Shares Issue Mandate aggregate nominal amount of the Shares repurchased by the Company after the granting of the Shares Repurchase Mandate up to a maximum of 10% of the issued share capital of the Company at the date of passing the Repurchase Resolution.

### ANNUAL GENERAL MEETING

Set out on pages 53 to 56 of the Annual Report is the notice convening the Annual General Meeting at which the following ordinary resolutions in respect of approving the Shares Issue Mandate, the Shares Repurchase Mandate and the extension of the Shares Issue Mandate will be proposed:–

- to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10% of the issued share capital of the Company as at the date of the Repurchase Resolution during the period from the date of passing the Repurchase Resolution up to (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the Repurchase Resolution, whichever occurs first;
- to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of such resolution; and
- to extend the Shares Issue Mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to the Shares Issue Mandate the aggregate nominal amount of the Shares repurchased under the Shares Repurchase Mandate up to a maximum of 10% of the issued share capital of the Company after the granting of the Shares Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

Pursuant to the articles of association of the Company, Mr. Lo, Richard (executive director) and Mr. Sugii Toshio (non-executive director) shall retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to the articles of association of the Company, Mr. Chung Kong Fei, Stephen and Mr. Ng Chik Sum, Jackson, being appointed by the Board as independent non-executive directors of the Company in September 2004, shall hold office until the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the Annual General Meeting.

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## LETTER FROM THE CHAIRMAN

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The biographical details, interests in Shares of the Company and the service contracts of the above-mentioned directors proposed to be re-elected at the Annual General Meeting are set out on pages 8 to 16 of the Annual Report under the sections of “Directors and Senior Management Profile” and “Directors’ Report”. As at the Latest Practicable Date, Directors’ interest in Shares of the Company remain unchanged since 31st December, 2004.

### PROCEDURE BY WHICH A POLL MAY BE DEMANDED

Under the articles of association of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right.

In addition, under the GEM Listing Rules, if the chairman of the meeting and/or the Directors individually or collectively hold(s) proxies in respect of Shares holding 5% or more of the total voting rights of the Company at a particular meeting, and if the votes cast on a show of hands are in the opposite manner to that instructed in those proxies, then the chairman shall demand a poll. However, if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then the chairman shall not be required to demand a poll.

### RECOMMENDATION

The Directors believe that the Shares Repurchase Mandate, the Shares Issue Mandate and the extension of Shares Issue Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders should vote in favour of the aforesaid resolutions to be proposed at the Annual General Meeting.

By Order of the Board  
**Fung Pak Chuen, Alphonso**  
*Chairman*

This appendix serves as an explanatory statement, pursuant to the GEM Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

## **1. GEM LISTING RULES**

The GEM Listing Rules permit companies with a primary listing on GEM to repurchase their securities on GEM subject to certain restrictions.

Any securities buyback programme is required to be suspended after the directors have made any decision in respect of a price sensitive development or a price sensitive development has occurred until the price sensitive information has been publicly announced. In particular, during the period of one month immediately preceding either the preliminary announcement of annual results or the publication of quarterly report or interim report, a company may not purchase its shares on GEM, unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to suspend a securities repurchase programme on GEM if the company has breached the GEM Listing Rules.

A company shall not knowingly repurchase its shares from a connected person (as defined in the GEM Listing Rules), and such a connected person shall not knowingly sell his shares to the company on GEM.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 240,000,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 24,000,000 Shares representing not exceeding, 10% of the issued share capital of the Company at the Latest Practicable Date.

## **3. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such purchases will benefit the Company and its shareholders.

## **4. FUNDING OF REPURCHASE**

In repurchasing securities, the Company may only apply funds legally available for such purchase in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. Under Cayman Islands law, any repurchases by a company may only be paid out of the profits or the proceeds of a fresh issue made for the purpose or if authorised



by the articles of association and subject to the provisions of the Companies Law, out of capital. The Directors propose that any repurchase of Shares under the Shares Repurchase Mandate will be financed by the retained profits of the Company.

The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the latest published accounts in the Annual Report in the event that the power to repurchase Shares pursuant to the Shares Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Shares Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2004</b>		
March	N/A	N/A
April	N/A	N/A
May	N/A	N/A
June	0.135	0.135
July	0.135	0.093
August	0.097	0.089
September	0.096	0.088
October	0.088	0.088
November	0.088	0.055
December	0.055	0.055
<b>2005</b>		
January	0.055	0.028
February	0.033	0.033

The highest and lowest prices were not applicable for the months of March, April and May in 2004 since trading in the Company's shares was suspended during the period from 1 March 2004 to 14 June 2004.

**6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate and in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Shares Repurchase Mandate if such is approved by the shareholders.

No other connected persons of the Company (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Shares Repurchase Mandate is approved by the shareholders.

**7. TAKEOVER CODE AND MINIMUM PUBLIC HOLDING**

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeover Code. As a result, a shareholder, or a group of shareholders acting in concert (as defined under the Takeover Code), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, by virtue of the SFO, Aplus Worldwide Limited ("Aplus") and Hitachi, Ltd. ("Hitachi"), which are substantial shareholders of the Company, beneficially held 131,688,000 Shares (approximately 54.87% of the issued share capital of the Company) and 60,000,000 Shares (25% of the issued share capital of the Company), respectively.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with terms of the Shares Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the interest of Aplus and Hitachi in the Company would be increased to approximately 60.97% and 27.78% of the issued share capital of the Company respectively. This would not give rise to an obligation on the part of Aplus and Hitachi to make a mandatory offer under Rule 26 of the Takeover Code. However, there will be insufficient Shares in the hands of the public.

If the Directors exercise the Shares Repurchase Mandate (whether in whole or in part), they will not exercise it to the extent which would result in the number of shares being held by the public falling below the relevant minimum prescribed percentage of the Company as required by the Stock Exchange, which is currently 20% of the entire issued share capital of the Company.

**8. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.