



Computech Holdings Limited

駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)



Interim Report 2005



* for identification purpose only

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HIGHLIGHTS

- Turnover was approximately HK\$40,992,000 for the six months ended 30 June 2005.
- The Group recorded a net profit attributable to shareholders of approximately HK\$1,686,000, representing an improvement as compared with the net loss of approximately HK\$6,751,000 of the same period last year.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2005.

RESULTS

The board (the “Board”) of directors (the “Directors”) of Computech Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2005 together with the comparative unaudited consolidated figures for the corresponding period in 2004 as follows:

		For the six months ended 30 June 2005	For the six months ended 30 June 2004	For the three months ended 30 June 2005	For the three months ended 30 June 2004
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	40,992	9,518	20,978	3,122
Cost of sales		<u>(28,503)</u>	<u>(8,541)</u>	<u>(14,649)</u>	<u>(2,650)</u>
Gross profit		12,489	977	6,329	472
Other income		122	3	113	3
Bad debts		-	(4,170)	-	(3,982)
Selling and distribution expenses		(592)	(196)	(279)	(112)
Administrative expenses		<u>(9,942)</u>	<u>(3,352)</u>	<u>(4,885)</u>	<u>(1,537)</u>
Operating profit/(loss)		2,077	(6,738)	1,278	(5,156)
Finance costs		<u>(28)</u>	<u>(13)</u>	<u>(12)</u>	<u>(5)</u>
Profit/(loss) before income tax		2,049	(6,751)	1,266	(5,161)
Income tax expense	3	<u>(363)</u>	<u>-</u>	<u>(234)</u>	<u>-</u>
Profit/(loss) for the period		<u>1,686</u>	<u>(6,751)</u>	<u>1,032</u>	<u>(5,161)</u>
Earnings/(loss) per share					
- Basic (HK cents)	4	<u>0.47</u>	<u>(2.31)</u>	<u>0.24</u>	<u>(1.77)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	(Unaudited) At 30 June 2005 <i>HK\$'000</i>	(Audited) At 31 December 2004 <i>HK\$'000</i>
<i>Note</i>		
NON-CURRENT ASSETS		
Fixed assets	<u>453</u>	<u>99</u>
CURRENT ASSETS		
Inventories	2,691	2,854
Debtors, deposits and prepayments 5	11,610	5,595
Cash and bank balances	<u>5,614</u>	<u>5,337</u>
	<u>19,915</u>	<u>13,786</u>
CURRENT LIABILITIES		
Secured bank loan	31	91
Creditors, accruals and deposits 6	17,036	15,793
Value-added tax payable	265	799
Income tax payable	582	219
Amounts due to fellow subsidiaries 7	5,844	-
Amounts due to related companies	<u>-</u>	<u>6,339</u>
	<u>23,758</u>	<u>23,241</u>
NET CURRENT LIABILITIES	<u>(3,843)</u>	<u>(9,455)</u>
	<u><u>(3,390)</u></u>	<u><u>(9,356)</u></u>
FINANCED BY:		
Share capital	4,800	24,000
Reserves	<u>(10,446)</u>	<u>(35,612)</u>
Capital deficiency	<u>(5,646)</u>	<u>(11,612)</u>
NON-CURRENT LIABILITIES		
Loans from directors 8	<u>2,256</u>	<u>2,256</u>
	<u><u>(3,390)</u></u>	<u><u>(9,356)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2005

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2004 (Audited)	24,000	19,030	100	(42,901)	229
Loss for the period	-	-	-	(6,751)	(6,751)
At 30 June 2004 (Unaudited)	<u>24,000</u>	<u>19,030</u>	<u>100</u>	<u>(49,652)</u>	<u>(6,522)</u>
At 1 January 2005 (Audited)	24,000	19,030	100	(54,742)	(11,612)
Capital reorganisation	(21,600)	(19,030)	-	40,630	-
Issue of shares	2,400	2,400	-	-	4,800
Share issuing expenses	-	(520)	-	-	(520)
Profit for the period	-	-	-	1,686	1,686
At 30 June 2005 (Unaudited)	<u>4,800</u>	<u>1,880</u>	<u>100</u>	<u>(12,426)</u>	<u>(5,646)</u>

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

	For the six months ended 30 June 2005 HK\$'000	For the six months ended 30 June 2004 HK\$'000
Net cash used in operating activities	(3,598)	(8,028)
Net cash (used in)/from investing activities	(345)	15
Net cash from financing activities	4,220	999
Net increase/(decrease) in cash and cash equivalents	277	(7,014)
Cash and cash equivalents at the beginning of the period	5,337	8,452
Cash and cash equivalents at the end of the period	<u>5,614</u>	<u>1,438</u>
Analysis of cash and cash equivalents: Cash and bank balances	<u>5,614</u>	<u>1,438</u>

Notes:

1. Basis of preparation

The condensed consolidated interim accounts (the “Interim Accounts”) have not been audited by the auditors of the Company. The Interim Accounts are prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (“GEM Listing Rules”).

The accounting policies and basis of preparation used in preparing the Interim Accounts are consistent with those used in the audited financial statements for the year ended 31 December, 2004 except as described below.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“HKAS”) (collectively referred to as “new HKFRSs”) which are effective for accounting periods beginning on or after 1 January, 2005. The Group has adopted the new HKFRSs in the current period and has resulted in changes to the Group’s accounting policies in the following area. However, the adoption of these new HKFRSs has no material effect on how the results of operations and financial position of the Group are prepared and presented for the current and prior periods. Accordingly, no prior period adjustment is required.

HKAS 31 “Interests in Joint Ventures” allows entities to use either proportionate consolidation or equity method to account for its interests in jointly controlled entities. In the current period, the Group established a jointly controlled entity which is expected to commence operation in the second half of 2005. Upon the application of HKAS 31, the Group elects to use proportionate consolidation method to account for its interest in the jointly controlled entity.

2. Turnover

Turnover represents the invoiced value of packaged software products sold, IT services rendered and provision of supply chain solutions, net of discounts, value-added tax and business tax. An analysis of the Group's turnover and other revenue is as follows:

	For the six months ended 30 June 2005 HK\$'000	For the six months ended 30 June 2004 HK\$'000
Sales of packaged software products and related services	630	2,017
Provision of IT services	27,048	-
Provision of supply chain solutions	13,072	-
System integration	242	7,178
Others	-	323
	<hr/>	<hr/>
Turnover	<u>40,992</u>	<u>9,518</u>

3. Income tax expense

Income tax represents the provision for Hong Kong profits tax, which is calculated at the tax rate of 17.5% on the estimated assessable profits for the period.

No provision for PRC income tax has been made in this income statement as the Company's subsidiaries operating in PRC sustained losses for tax purpose during the period.

4. Earnings/(loss) per share

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

	For the six months ended 30 June 2005 HK\$'000	For the six months ended 30 June 2004 HK\$'000	For the three months ended 30 June 2005 HK\$'000	For the three months ended 30 June 2004 HK\$'000
Earnings/(loss)				
Earnings/(loss) for the period used in the calculation of basic earnings/(loss) per share	<u><u>1,686</u></u>	<u><u>(6,751)</u></u>	<u><u>1,032</u></u>	<u><u>(5,161)</u></u>
Shares		(Restated)		(Restated)
Weighted average number of shares in issue for the purpose of calculation of basic earnings/(loss) per share	<u><u>361,442,964</u></u>	<u><u>291,764,706</u></u>	<u><u>430,355,527</u></u>	<u><u>291,764,706</u></u>

The Company completed a rights issue exercise in May 2005 on the basis of one rights share for every one ordinary share held at an issue price of HK\$0.02 per rights share. As such, the comparative figures of basic earnings per share for three months and six months ended 30 June 2004 were re-calculated based on the adjusted weighted average of 291,764,706 shares, as adjusted to reflect the rights issue deemed to be in issue during the period.

5. Debtors, deposits and prepayments

	At 30 June 2005 <i>HK\$'000</i>	At 31 December 2004 <i>HK\$'000</i>
Trade debtors	10,366	4,538
Other debtors, deposits and prepayments	1,244	1,057
	<u>11,610</u>	<u>5,595</u>

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically. The following is an aging analysis of trade debtors.

	At 30 June 2005 <i>HK\$'000</i>	At 31 December 2004 <i>HK\$'000</i>
0 - 3 months	9,647	4,504
4 - 6 months	258	12
7 -12 months	461	22
	<u>10,366</u>	<u>4,538</u>

6. Creditors, accruals and deposits

	At 30 June 2005 <i>HK\$'000</i>	At 31 December 2004 <i>HK\$'000</i>
Trade creditors	8,786	7,196
Other creditors, accruals and deposits	<u>8,250</u>	<u>8,597</u>
	<u>17,036</u>	<u>15,793</u>

The following is an aging analysis of trade creditors:

	At 30 June 2005 <i>HK\$'000</i>	At 31 December 2004 <i>HK\$'000</i>
0 - 6 months	2,192	3,573
7 -12 months	2,981	116
Over 12 months	<u>3,613</u>	<u>3,507</u>
	<u>8,786</u>	<u>7,196</u>

7. Amounts due to fellow subsidiaries

The amounts are interest-free, unsecured and repayable on demand.

8. Loans from directors

The loans are interest-free, unsecured and not repayable until the Group is in a position to do so.

9. Segment information

Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group principally operates in three segments, (i) sales of packaged banking software, (ii) provision of IT services and (iii) provision of supply chain solutions.

	IT services		Supply chain solutions		Banking software		Consolidated	
	For the six month ended 30 June		For the six month ended 30 June		For the six month ended 30 June		For the six month ended 30 June	
	2005	2004	2005	2004	2005	2004	2005	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>27,048</u>	<u>323</u>	<u>13,072</u>	<u>-</u>	<u>872</u>	<u>9,195</u>	<u>40,992</u>	<u>9,518</u>
RESULTS								
Segment results	2,428	6	396	-	58	(5,425)	2,882	(5,419)
Unallocated expenses							(927)	(1,319)
Other income	-	-	-	-	122	-	122	-
Finance costs	(11)	-	(14)	-	(3)	(13)	(28)	(13)
Income tax expense	(349)	-	(14)	-	-	-	(363)	-
Profit/(loss) attributable to shareholders	<u>2,068</u>	<u>6</u>	<u>368</u>	<u>-</u>	<u>177</u>	<u>(5,438)</u>	<u>1,686</u>	<u>(6,751)</u>
SEGMENT ASSETS								
Segment assets	8,550	23	8,352	-	1,126	7,469	18,028	7,492
Unallocated assets							2,340	1,300
Total assets							<u>20,368</u>	<u>8,792</u>
SEGMENT LIABILITIES								
Segment liabilities	(6,089)	(88)	(6,993)	-	(10,901)	(13,306)	(23,983)	(13,394)
Unallocated liabilities							(2,031)	(1,920)
Total liabilities							<u>(26,014)</u>	<u>(15,314)</u>
OTHER INFORMATION								
Depreciation and amortisation	<u>5</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>66</u>	<u>657</u>	<u>88</u>	<u>657</u>
Bad debts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,170</u>	<u>-</u>	<u>4,170</u>
Capital expenditure incurred during the year	<u>218</u>	<u>-</u>	<u>224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442</u>	<u>-</u>

(b) Geographical segments

The following table presents revenue, segment assets and expenditure information for the Group's geographical segments.

	Hong Kong		PRC		Consolidated	
	For the six month ended 30 June		For the six month ended 30 June		For the six month ended 30 June	
	2005	2004	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from						
external customers	<u>39,772</u>	<u>324</u>	<u>1,220</u>	<u>9,194</u>	<u>40,992</u>	<u>9,518</u>
SEGMENT ASSETS						
Segment assets	<u>18,261</u>	<u>6,378</u>	<u>2,107</u>	<u>2,414</u>	<u>20,368</u>	<u>8,792</u>
Capital expenditure						
incurred during the year	<u>242</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>442</u>	<u>-</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2005 (2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS**Financial review**

The Group recorded an unaudited consolidated turnover of approximately HK\$40,992,000 for the six months ended 30 June 2005, representing an increase of approximately 331% as compared with the corresponding period in 2004. The unaudited net profit attributable to shareholders amounted to approximately HK\$1,686,000, representing a significant improvement as compared with the net loss of HK\$6,751,000 in same period last year. The earnings per share for the six months ended 30 June 2005 was HK0.47 cents.

14

The improvement in the financial results of the Group was mainly due to the contributions from the business segments of IT services and supply chain solutions, which were commenced in the fourth quarter of 2004. During the period under review, the aggregated contribution of these two business segments in terms of turnover and operating profit amounted to approximately HK\$40,120,000 and HK\$2,436,000 respectively. Meanwhile, the turnover of the banking software segment amounted to approximately HK\$872,000, representing approximately 91% decrease as compared with the same period last year. The reduction was mainly due to the scaling down in the operation of this segment. Details of segments information of the Group are disclosed separately under the notes to the Interim Accounts. Selling and administrative expenses amounted to approximately HK\$10,534,000 for the six months ended 30 June 2005, representing approximately 25.7% of the total revenue of the Group.

Financial resources and liquidity

As at 30 June 2005, the total assets of the Group were approximately HK\$20,368,000 (at 31 December 2004: HK\$13,885,000) including cash and bank deposits of approximately HK\$5,614,000 (at 31 December 2004: HK\$5,337,000) and debtors, deposits and prepayments of approximately HK\$11,610,000 (at 31 December 2004: HK\$5,595,000,000). The Group's current assets are approximately 0.84 times (at 31 December 2004: 0.59 times) over its current liabilities whereas the gearing ratio, representing bank borrowing and non-current liabilities over total assets, was 0.11 (at 31 December 2004: 0.17). The Group's non-current liabilities being non-current loans of approximately HK\$2,256,000 (at 31 December 2004: HK\$2,256,000). The loans are interest-free, unsecured and not repayable until the Group is in a position to do so. Saved as disclosed above, the Group did not have any other borrowings during the period under review.

Capital structure

The Group undertook a capital reorganisation exercise in January 2005 which involved:

- (i) to reduce the share capital of the Company by canceling issued and paid up capital to the extent of HK\$0.09 on each of shares in issue and by reducing the nominal value of all issued and unissued shares from HK\$0.10 each to HK\$0.01 each;
- (ii) to cancel the share premium account;
- (iii) to apply the credit arising from the capital reduction and cancellation of the share premium account to set off in full the accumulated losses of the Company, which amounted to approximately HK\$45,642,000 as shown in the audited financial statements of the Company for the year ended 31 December 2004; and
- (iv) to cancel 684,000,000 unissued share of HK\$0.10 each in the share capital of the Company and each remaining unissued shares of HK\$0.10 each in the share capital of the Company be subdivided into 10 unissued new shares of HK\$0.01 each.

After the capital reduction became effective, the authorised share capital of the Company became HK\$10,000,000 divided into 1,000,000,000 new shares of HK\$0.01 each, of which 240,000,000 new shares of HK\$0.01 each were in issue.

Foreign exchange

The Group is exposed to foreign currency risk as most of its payable to hardware suppliers and accounts receivable from the PRC sales are denominated in Renminbi. Fluctuation of exchange rates of Renminbi against foreign currencies could affect the Group's results of operations.

Significant investments and acquisitions

There was no material acquisitions and disposals of subsidiaries and affiliated companies of the Group during the six months ended 30 June 2005.

Charge on the Group's assets

As at 30 June 2005, the Group's available banking facilities to the extent of approximately HK\$31,000 (at 31 December 2004 HK\$91,000) are secured by a motor vehicle with net book value of approximately HK\$22,000 (at 31 December 2004: HK\$88,000).

Capital commitments

As at 30 June 2005, the Group did not have any future plans for material investment.

Contingent liabilities

As at 30 June 2005, the Group did not have any material contingent liabilities.

Employees and remuneration policies

As at 30 June 2005, the Group had 195 employees (at 31 December 2004: 217). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees in Hong Kong and the statutory central pension schemes to its employees in the PRC.

Prospects

The two major lines of businesses, namely IT services and supply chain solutions have seen encouraging growth and potential. In view of the growth trend of the outsourcing of IT services among large commercial institutions and the continuous economic growth in the PRC and Hong Kong, these two business lines will be the main revenue and profit generator for the Group in the near term. The Group is constantly looking for innovative products and solutions to add to its portfolio. Meanwhile, the management does not foresee any positive change in business environment for the packaged software in the financial industry in the PRC and has decided to further scale down its operation in this area so as to focus its resources on further developing our major business lines in IT services and supply chain solutions. On 28 July 2005, a wholly owned subsidiary of the Company entered into an sales and purchase agreement with an independent third party to dispose of two subsidiaries which are engaged in the provision of packaged banking software products and services in the PRC. The disposal is part of the Group's business reengineering process with a view to enhance its competitiveness and financial performance. Nevertheless, the PRC remains a main market focus for the Group. While the sale and support teams in the banking sector in the PRC have been scaled down, the teams to promote and support customers in the supply chain solutions area in the PRC will gradually be built as revenue increases.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June, 2005, the interests and short positions of the Directors in the securities of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they are deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange were as follows:

18

Long positions in shares of the Company

Name of director	Capacity in which such interests were held	Number of shares	Percentage of nominal value of share capital
Mr. Fung Pak Chuen, Alphonso ("Mr. Fung") (Note 1)	Interests of spouse	320,124,011	66.69%
Mr. Lo, Richard ("Mr. Lo") (Note 2)	Interests of spouse	320,124,011	66.69%

Notes:

1. Win Plus Group Limited ("Win Plus") holds 84% interest in the issued share capital of Aplus Worldwide Limited ("Aplus") and is accordingly taken to have an interest in the 77,724,011 shares in which Aplus is interested under the SFO. Win Plus also holds approximately 46.2% indirectly in the issued share capital of CL International Holdings Limited ("CLIH") and is accordingly taken to have an interest in the 242,400,000 shares in which CLIH is interested under the SFO. Win Plus is accordingly taken to have an interest in the 320,124,011 shares in total under the SFO.

Gumpton Investments Limited ("Gumpton"), which holds 100% of the issued share capital of Win Plus, is taken to have an interest in the 320,124,011 shares in which Win Plus is interested under the SFO.

Both Mr. Fung and Mr. Lo are directors of Aplus, CLIH, Win Plus and Gumpton.

As 50% of the issued share capital of Gumpton is held by AFS Holdings Limited ("AFS"), AFS is taken to have an interest in the 320,124,011 shares in which Gumpton is interested under the SFO. Mr. Fung is a director of AFS.

AFS is wholly-owned by The General Trust Co. Ltd. ("General Trust"). General Trust is the trustee of AFS Trust, in which one of the beneficiaries is the spouse of Mr. Fung. Mr. Fung is taken to have an interest in the same 320,124,011 shares by virtue of his spouse's interest under the SFO.

2. Ardian Holdings Limited ("Ardian") has a 50% interest in the issued share capital of Gumpton and is accordingly taken to have an interest in the 320,124,011 shares in which Gumpton is interested under the SFO. Mr. Lo is a director of Ardian.

Ardian is wholly-owned by General Trust. General Trust is the trustee of Ardian Trust, in which one of the beneficiaries is the spouse of Mr. Lo. Mr. Lo is taken to have an interest in the same 320,124,011 shares by virtue of his spouse's interest under the SFO.

Save as disclosed above, as at 30 June, 2005, none of the Directors of the Company has any interests and short positions in the shares, equity derivatives, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they are deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June, 2005, so far as was known to any Director of the Company, persons who have an interest or a short position in the shares, equity derivatives, underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company pursuant to section 336 of the SFO were as follows:

Long positions in shares of the Company

Name of shareholder	Capacity in which such interests were held	Number of shares	Percentage of nominal value of share capital
Hitachi, Ltd.	Beneficial owner	60,000,000	12.50%
Aplus	Beneficial owner	77,724,011	16.19%
CLIH	Beneficial owner	242,400,000	50.50%
Adwin Investments Limited (Note 1)	Interest of a controlled corporation	242,400,000	50.50%
Win Plus (Note 2)	Interest of a controlled corporation	320,124,011	66.69%
Gumpton (Note 3)	Interest of a controlled corporation	320,124,011	66.69%
AFS (Note 4)	Interest of a controlled corporation	320,124,011	66.69%
Ardian (Note 4)	Interest of a controlled corporation	320,124,011	66.69%
General Trust (Note 5)	Interest of a controlled corporation	320,124,011	66.69%
Mrs. Fung, Pui Lan, Angela (Note 6)	Beneficiary of trust	320,124,011	66.69%
Mrs. Lo, Lilian (Note 7)	Beneficiary of trust	320,124,011	66.69%

Notes:

1. Adwin Investments Limited ("Adwin") holds approximately 62.6% interest in the issued share capital of CLIH and is accordingly taken to have an interest in the 242,400,000 shares in which CLIH is interested under the SFO.
2. Win Plus holds 84% interest in the issued share capital of Aplus as well as approximately 73.8% interest in the issued share capital of Adwin and is accordingly taken to have an interest in the 320,124,011 shares in total under the SFO.
3. Gumpton, which holds 100% of the issued share capital of Win Plus, is taken to have an interest in the 320,124,011 shares in which Win Plus is interested under the SFO.
4. Gumpton is owned as to 50% by AFS and 50% by Ardian. Accordingly, AFS and Ardian are each taken to have an interest in the 320,124,011 shares in which Gumpton is interested under the SFO.
5. AFS and Ardian are in turn wholly-owned by General Trust. Therefore, General Trust is taken to have an interest in the 320,124,011 shares in which AFS and Ardian are interested under the SFO.
6. General Trust is the trustee of AFS Trust. Mrs. Fung, Pui Lan, Angela, being the spouse of Mr. Fung, is one of the beneficiaries of AFS Trust and therefore is taken to have an interest in the 320,124,011 shares in which General Trust is interested under the SFO.
7. General Trust is also the trustee of Ardian Trust. Mrs. Lo, Lilian, being the spouse of Mr. Lo, is one of the beneficiaries of Ardian Trust and therefore is taken to have an interest in the 320,124,011 shares in which General Trust is interested under the SFO.

Save as disclosed above, as at 30 June, 2005 so far as was known to any Director of the Company, no other persons had an interest or a short position in the shares, equity derivatives, underlying shares or debenture of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

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

As at 30 June 2005, there were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

23

AUDIT COMMITTEE

As required by rules 5.28 to 5.29 of the GEM Listing Rules, the Company has established an Audit Committee with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control procedures of the Group.

The Group's unaudited consolidated results for the six months ended 30 June 2005 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2005, the Company had adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding directors' securities transactions

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in Code on Corporate Governance Practices under Appendix 15 of the GEM Listing Rules of the Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2005.

By order of the Board

Computech Holdings Limited

Fung Pak Chuen, Alphonso

Chairman

Hong Kong, 12 August, 2005

As at the date of this report, the executive Directors are Mr. Fung Pak Chuen, Alphonso and Mr. Lo, Richard. The non-executive Director is Mr. Yukitaka Kaneda and the independent non-executive Directors are Mr. Lee Sai Yeung, Mr. Chung Kong Fei, Stephen and Mr. Ng Chik Sum, Jackson.