



## COMPUTECH HOLDINGS LIMITED

駿科網絡訊息有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8081)

### FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2011

#### CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*

*This announcement, for which the directors (the “Directors”) of Computech Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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.*

\* For identification purpose only

## RESULTS

The board (the “Board”) of Directors of the Company announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the three months ended 31 March 2011 (the “Results”) together with the comparative unaudited consolidated figures for the corresponding period in 2010 as follows.

### Unaudited Condensed Consolidated Statement of Comprehensive Income

*For the three months ended 31 March 2011*

		<b>For the three months ended 31 March</b>	
	<i>Note</i>	<b>2011 HK\$'000</b>	<b>2010 HK\$'000</b>
Turnover	2	<b>6,035</b>	6,890
Cost of sales		<b>(4,951)</b>	(5,965)
Gross profit		<b>1,084</b>	925
Other income		<b>1</b>	107
Administrative expenses		<b>(9,771)</b>	(1,964)
Loss before income tax		<b>(8,686)</b>	(932)
Income tax expense	3	<b>–</b>	–
Loss attributable to equity holders of the Company		<b><u>(8,686)</u></b>	<b><u>(932)</u></b>
Loss per share – Basic (HK cents)	4	<b><u>(0.94)</u></b>	<b><u>(0.12)</u></b>

## NOTES:

### 1. BASIS OF PREPARATION

The Results have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules.

The unaudited consolidated results have been prepared under the historical cost convention as modified by any impairment loss identified. The accounting policies and basis of preparation used in preparing the Results are consistent with those used in the audited financial statements for the year ended 31 December 2010.

### 2. TURNOVER

Turnover represents the net invoiced value of goods sold and related computer services rendered. An analysis of the Group's turnover is as follows:

	<b>For the three months ended 31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Services Income	<b>5,757</b>	6,857
Sales	<b>278</b>	33
	<b><u>6,035</u></b>	<b><u>6,890</u></b>

### 3. INCOME TAX EXPENSE

The provision for Hong Kong Profits Tax for 2011 is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the period.

### 4. LOSS PER SHARE

Basic loss per share is calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The basic loss per share for the period is based on the following data:

	<b>Three months ended 31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss attributable to equity holders of the Company	<b><u>(8,686)</u></b>	<b><u>(932)</u></b>
	<b>Number of shares</b>	
Weighted average number of ordinary shares in issue	<b><u>919,296,469</u></b>	<b><u>789,146,990</u></b>

Diluted loss per share is not presented for the three months ended 31 March 2011 as the potential ordinary shares of the Company in respect of outstanding warrants are anti-dilutive (2010: Nil).

## 5. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2011 (2010: Nil).

## 6. MOVEMENT OF RESERVES

	Share premium HK\$'000	Share Options reserve HK\$'000	Warrants reserve HK\$'000	Accumulated loss HK\$'000	Total HK\$'000
At 1/1/2010 (Audited)	8,380	28	1,025	(5,908)	3,525
Loss for the period	—	—	—	(932)	(932)
At 31/3/2010 (Unaudited)	<u>8,380</u>	<u>28</u>	<u>1,025</u>	<u>(6,840)</u>	<u>2,593</u>
At 1/1/2011 (Audited)	<b>29,634</b>	—	<b>843</b>	<b>(20,261)</b>	<b>10,216</b>
Loss for the period	—	—	—	<b>(8,686)</b>	<b>(8,686)</b>
At 31/3/2011 (Unaudited)	<u><b>29,634</b></u>	<u>—</u>	<u><b>843</b></u>	<u><b>(28,947)</b></u>	<u><b>1,530</b></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and financial review

The Group's unaudited consolidated turnover decreased by approximately 12% or HK\$855,000 to approximately HK\$6,035,000 for the three months ended 31 March 2011 compared with the corresponding period last year. The fall in turnover was due to keen competition in the I.T. services industry. The unaudited net loss attributable to shareholders amounted to approximately HK\$8,686,000, compared with approximately HK\$932,000 in the same period in 2010. Substantial increase in net loss was mainly due to acquisition-related expenses including but not limited to professional fees, financial advisory fees, consultancy fees and valuation fees incurred during the period. The loss per share for the period ended 31 March 2011 was HK0.94 cents (for the three months ended 31 March 2010: HK0.12 cents).

### Prospects

The Group intends to diversify into the mining business. On 2 June 2010, the Group has signed an acquisition agreement (as supplemented by a supplemental agreement dated 28 July 2010) (the "Agreement") to acquire an approximately 86% equity interest and shareholder's loan of Wiseking Mining Investment Company Limited (the "Proposed Acquisition"). The Group considered that the Proposed Acquisition is a valuable investment opportunity for the Group to participate in the mining business which is in line with its investment and business strategy. The completion of the Proposed Acquisition is subject to the fulfillment and waiver of certain conditions precedent. At the date of this announcement, the Group is in the process of negotiating with the vendors of the Agreement to extend the longstop date of the Agreement from 31 March 2011. Furthermore, the Group shall continue its I.T. business and exercise stringent cost control.

## DIRECTORS' INTERESTS

As at 31 March 2011, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or 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:

### Long positions in shares of the Company

Name of Director	Capacity	Number of shares held	Approximate
			% to the issued share capital
Mr. Mak Kwong Yiu	Beneficial owner	5,761,479	0.63%
Mr. Fung Pak Chuen, Alphonso	Interest of controlled corporations	75,186,015	8.18%

#### *Note:*

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 73,782,000 shares of the Company in which Aplus is interested under the SFO. Win Plus also holds approximately 53% directly and indirectly in the issued share capital of CL International Holdings Limited (“CLIH”) and is deemed to have an interest in the 1,404,015 shares of the Company in which CLIH is interested under the SFO. Win Plus is accordingly taken to have an interest in the 75,186,015 shares of the Company in total under the SFO.

Mr. Fung Pak Chuen, Alphonso (“Mr. Fung”) is director of Aplus, CLIH and Win Plus.

As 50% of the issued share capital of Win Plus is held by AFS Holdings Limited, AFS Holdings Limited is taken to have an interest in the 75,186,015 shares of the Company under the SFO. Mr. Fung is the sole beneficial owner of AFS Holdings Limited, so Mr. Fung is deemed to have an interest in the 75,186,015 shares of the Company.

Save as disclosed above, as at 31 March 2011, none of the Directors of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company or 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' AND OTHER PERSONS' INTEREST

As at 31 March 2011, so far as was known to any Director of the Company, persons who have an interest or a short position in the shares, 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 and underlying shares of the Company

Name of shareholder	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate % to the issued share capital	Note
Mr. Chui Bing Sun	Beneficial owner	–	69,157,143	69,157,143	7.52%	
	Interest of a controlled corporation	76,800,000	–	76,800,000	8.36%	1
				<u>145,957,143</u>	<u>15.88%</u>	
New Brilliant Investments Limited	Beneficial owner	76,800,000	–	76,800,000	8.36%	1
Aplus Worldwide Limited	Beneficial owner	73,782,000	–	73,782,000	8.03%	
Win Plus Group Limited	Interest of controlled corporations	75,186,015	–	75,186,015	8.18%	2
AFS Holdings Limited	Interest of controlled corporations	75,186,015	–	75,186,015	8.18%	3
Ardian Holdings Limited	Interest of controlled corporations	75,186,015	–	75,186,015	8.18%	3
Mr. Fung	Interest of controlled corporations	75,186,015	–	75,186,015	8.18%	4
Mr. Richard Lo ("Mr. Lo")	Interest of controlled corporations	75,186,015	–	75,186,015	8.18%	5
Mrs. Fung Pui Lan, Angela	Interest of spouse	75,186,015	–	75,186,015	8.18%	6
Mrs. Lo Lilian	Interest of spouse	75,186,015	–	75,186,015	8.18%	7

*Notes:*

1. New Brilliant Investments Limited is wholly-owned by Mr. Chui Bing Sun.
2. Win Plus holds 84% interest in the issued share capital of Aplus and is accordingly taken to have an interest in the 73,782,000 shares of the Company under the SFO. Win Plus also holds approximately 53% directly and indirectly in the issued share capital of CLIH and is accordingly taken to have an interest in the 1,404,015 shares of the Company in which CLIH is interested under the SFO. Therefore, Win Plus is taken to have an interest in the total 75,186,015 shares of the Company under the SFO.
3. Win Plus is owned as to 50% by AFS Holdings Limited and 50% by Ardian Holdings Limited. Accordingly, AFS Holdings Limited and Ardian Holdings Limited are each taken to have an interest in the 75,186,015 shares of the Company in which Win Plus is interested under the SFO.
4. Mr. Fung is the sole beneficial owner of AFS Holdings Limited, so Mr. Fung is deemed to have an interest in the 75,186,015 shares of the Company under the SFO.
5. Mr. Lo is the sole beneficial owner of Ardian Holdings Limited, so Mr. Lo is deemed to have an interest in the 75,186,015 shares of the Company under the SFO.
6. Mrs. Fung Pui Lan, Angela (“Mrs. Fung”) is spouse of Mr. Fung. Therefore, Mrs. Fung is deemed to have an interest in the 75,186,015 shares of the Company under the SFO.
7. Mrs. Lo Lilian (“Mrs. Lo”) is spouse of Mr. Lo. Mrs. Lo is therefore taken to have an interest in the 75,186,015 shares of the Company under the SFO.

Save as disclosed above, as at 31 March 2011 so far as was known to any Director of the Company, no other persons had an interest or a short position in the shares, 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**

There were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company’s listed securities during the period ended 31 March 2011.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

During the period ended 31 March 2011, 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 Appendix 15 of the GEM Listing Rules (the “Code”) throughout the period ended 31 March 2011, except for the following deviations:

The Code A.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any offices with title of “chief executive officer” and/or “chairman”. The general manager of each business

unit of the Company undertakes the day-to-day management of the Company's business, whereas the executive director is responsible for management of the Board and strategic planning of the Group. The Board believes that the balance of power and authority is adequately ensured under the existing arrangement and the operations of the Board which comprises experienced and high calibre individuals with a substantial number thereof being non-executive directors.

Code B.1.1 stipulates that company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

The Company does not establish a remuneration committee as required by this Code. The Board is in the opinion that establishment of a remuneration committee does not really benefit to the Group after due consideration of the size of the Group and the associated costs involved. According to the current practice of the Company, remuneration of directors are reviewed and approved at regular Board meetings which have the presence of the independent non-executive directors. In addition, the director will abstain from voting on the relevant board resolution in which he has interest.

## **AUDIT COMMITTEE**

Pursuant to 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 three months ended 31 March 2011 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

By order of the Board  
**Computech Holdings Limited**  
**Mak Kwong Yiu**  
*Executive Director*

Hong Kong, 12 May 2011

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

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting. This announcement will also be available on the Company's website at [www.computech.com.hk](http://www.computech.com.hk).*