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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)

PROPOSED ISSUE OF SHARES UNDER GENERAL MANDATE

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After trading hours on 6 June 2014, the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 224,166,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share. All the Subscription Shares are subject to the Lock-up Period (i.e. two months from the Completion Date).

SUBSCRIPTION SHARES

The 224,166,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 13.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.76% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)).

* *for identification purposes only*

The Subscription Shares will be allotted and issued under the General Mandate, which has not been used since granted.

USE OF PROCEEDS

Assuming that a total of 224,166,000 Subscription Shares are issued, the aggregate gross proceeds of the Subscription will be HK\$22.4 million and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$22.2 million, representing a net issue price of approximately HK\$0.099 per Subscription Share. It is proposed that the net proceeds from the Subscription will be used for (i) as to approximately HK\$5.2 million for funding the consideration of the subscription of 125 new shares in Youle Holdings Limited at the subscription price of an aggregate of RMB4,166,700, details of which are set out in the announcement of the Company dated 28 May 2014; and (ii) as to approximately HK\$17 million for general working capital of the Group.

The Board is pleased to announce that after trading hours on 6 June 2014, the Company and the Subscriber entered into the Subscription Agreement, major terms of which are described below.

THE SUBSCRIPTION AGREEMENT

Date

6 June 2014

Issuer

The Company

Subscriber

China New Economy Fund Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 80).

As at the date of this announcement, the Subscriber held 50,442,000 Shares, representing approximately 3% of the issued share capital of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner(s) is an Independent Third Party.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for the Subscription Shares.

The 224,166,000 Subscription Shares (of an aggregate nominal value of HK\$22,416,600) to be allotted and issued under the Subscription represent (i) approximately 13.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.76% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)).

Conditions Precedent

Completion of the Subscription shall be subject to the following conditions being satisfied:

- (a) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) the compliance with the applicable requirements under the GEM Listing Rules by the Company; and
- (c) the compliance with the applicable requirements under the Listing Rules by the Subscriber.

The above conditions precedent are not waivable by either the Company or the Subscriber. If the conditions set out above have not been satisfied (other than as a result of the default of the Company and/or, as the case may be, the Subscriber) at or before 5:00 p.m. on 20 June 2014 (or such later date as the parties may agree in writing), the Subscription Agreement shall cease and determine.

Lock-up of Subscription Shares

During the period of two months from the Completion Date (“**Lock-up Period**”), save with the prior written consent of the Company, the Subscriber shall remain as the sole beneficial owner, free from all encumbrances and third party right, of the Subscription Shares. At any time during the Lock-up Period, the Subscriber shall not offer, pledge, charge, sell, contract to sell, or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.10 per Subscription Share represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.11 per Share as quoted on the Stock Exchange on 6 June 2014, being the date of the Subscription Agreement;
- (ii) a discount of approximately 10.87% to the average of the closing price of HK\$0.1122 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a discount of approximately 12.20% to the average of the closing price of HK\$0.1139 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price will be payable by the Subscriber in cash upon Completion.

Ranking

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the General Mandate, which has not been used since granted. Therefore, the Subscription is not subject to approval of the Shareholders.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion Date

Completion shall take place on the fifth Business Day after the satisfaction of all the conditions precedent referred to above (or such other date as may be agreed by the Company and the Subscriber in writing).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in (i) design and research and development of mobile-online games and identifying and securing intellectual property rights for onward sale or licensing; (ii) provision of IT services; (iii) money lending business; (iv) provision of medical diagnostic and health check services; and (v) securities and property investments business.

The Board considers that the Subscription represents good opportunities to raise additional funds at a reasonable cost for the Company. The Subscription also sets ground for future business cooperation with the Subscriber if opportunity arises which will be beneficial to the business strategy and development of the Group.

The aggregate gross proceeds of the Subscription will be HK\$22.4 million and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$22.2 million, representing a net issue price of approximately HK\$0.099 per Subscription Share. It is intended that all net proceeds from the Subscription will be used (i) as to approximately HK\$5.2 million for funding the consideration of the subscription of 125 new shares in Youle Holdings Limited at the subscription price of an aggregate of RMB4,166,700, details of which are set out in the announcement of the Company dated 28 May 2014; and (ii) as to approximately HK\$17 million for general working capital of the Group.

The Directors are of the view that the Subscription Agreement is on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Apart from the fund raising activities mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Intended use of net proceeds (approximately)	Actual use of the net proceeds as at the date of this announcement
21 March 2014	Rights issue on the basis of one rights Share for every two Shares held on 23 April 2014 at the subscription price of HK\$0.128 per rights Share	HK\$68.8 million, (i) HK\$2 million of which was intended to be applied for developing the Group's mobile-online game business, including design and research and development of mobile-online games and identifying and securing intellectual property rights; (ii) HK\$61.80 million of which was intended to be applied for the acquisition of 13% issued share capital of Mighty Eight Investments Limited, details of which are set out in the announcement of the Company dated 2 April 2014; and (iii) HK\$5 million of which was intended to be applied for general working capital of the Group	The net proceeds had not been utilised
12 November 2013 and 29 January 2014	Placing of 110,000,000 new Shares at HK\$0.128 per Share pursuant to the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 15 May 2013	HK\$13.4 million was intended to be applied to the development of and investment in software products including but not limited to financial-related software, online games as well as their related service offerings (" Development Plan "). It is proposed that such proceeds will be used in the acquisition of 5% issued capital of Mighty Eight Investments Limited	The entire net proceeds had been used as the deposit paid under the acquisition of 5% issued capital of Mighty Eight Investments Limited, details of which are set out in the announcement of the Company dated 29 January 2014

Date of announcement	Fund raising activity	Intended use of net proceeds (approximately)	Actual use of the net proceeds as at the date of this announcement
12 November 2013 and 29 January 2014	Placing of 190,000,000 new Shares at HK\$0.128 per Share pursuant to the specific mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company held on 14 January 2014	HK\$23.1 million was intended to be applied to the possible acquisition of a group of companies principally engaging in the development and operation of mobile online games and the Development Plan. It is proposed that such proceeds will be used in the acquisition of 5% issued capital of Mighty Eight Investments Limited, details of which are disclosed in the announcement of the Company dated 29 January 2014	The entire net proceeds had not been utilised

CHANGES IN SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company upon issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)) are set out below:

Shareholders	As at the date of this announcement		Immediately after Completion	
	<i>No. of Shares held</i>	<i>approximate %</i>	<i>No. of Shares held</i>	<i>approximate %</i>
Subscriber	50,442,000	3%	274,608,000	14.41%
Existing public Shareholders	<u>1,630,844,430</u>	<u>97%</u>	<u>1,630,844,430</u>	<u>85.59%</u>
Total	<u>1,681,286,430</u>	<u>100%</u>	<u>1,905,452,430</u>	<u>100%</u>

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	a day (excluding a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed 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
“Completion Date”	the day on which the Completion shall take place and such day shall fall on the fifth Business Day after the satisfaction of all the conditions precedent as set out in the Subscription Agreement (or such other date as may be agreed by the Company and the Subscriber in writing)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 April 2014, among other things, to allot, issue and deal with up to 224,171,524 Shares, being 20% of the then issued share capital of the Company as at the date of the annual general meeting of the Company
“Group”	Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the connected persons of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China New Economy Fund Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 80)
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 6 June 2014 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	the subscription price of HK\$0.10 per Subscription Share
“Subscription Share(s)”	224,166,000 new Shares to be allotted and issued under the Subscription Agreement to the Subscriber upon Completion
“%”	per cent.

On behalf of the Board
Computech Holdings Limited
Zhang Xiongfeng
Chairman

Hong Kong, 6 June 2014

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Xiongfeng, Mr. Zhang Peiao and Mr. Hung Kenneth, and (ii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Wong Ching Yip and Mr. Luk Chi Shing.

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 at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the website of the Company at <http://www.computech.com.hk>.