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InvesTech Holdings Limited

威訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing agent

Gransing Securities Co., Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 9 May 2017 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its placing agent to procure not less than six Placee(s) who are Independent Third Parties to subscribe up to 156,000,000 Placing Shares at a price of HK\$0.36 per Placing Share on a best effort basis during the Placing Period in accordance with the terms and subject to the condition to the Placing Agreement.

The maximum number of 156,000,000 Placing Shares represents (i) approximately 19.05% of the existing issued share capital of the Company of 819,000,000 Shares as at the date of this announcement; and (ii) approximately 16.00% of the issued share capital of the Company of 975,000,000 Shares as enlarged by the allotment and issue of the Placing Shares (assuming the Placing Shares are placed in full).

The gross proceeds from the Placing are HK\$56,160,000. It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$53.5 million. The Company intends to apply the net proceeds from the Placing (i) as to approximately 60% for the expansion of the Group's financial service businesses including the financial leasing business in the PRC and the money lending business in Hong Kong; and (ii) as to approximately 40% as general working capital and for other potential investments of the Group.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 9 May 2017 (after trading hours)

Parties: (i) Issuer: The Company
(ii) Placing Agent: Gransing Securities Co., Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Principle terms of the Placing Agreement

Placing Shares: up to 156,000,000 Placing Shares, representing (i) approximately 19.05% of the existing issued share capital of the Company and (ii) approximately 16.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming the Placing Shares are placed in full). The Placing Agent conditionally agreed to place a maximum of 156,000,000 Placing Shares at the Placing Price on a best effort basis during the Placing Period.

Placing Price: The price of HK\$0.36 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a premium of approximately 1.41% over the closing price of HK\$0.355 per Share as quoted on the Stock Exchange on 9 May 2017, being the Last Trading Day; and
- (b) a discount of approximately 13.46% to the average closing price of approximately HK\$0.416 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$53.5 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.3429.

Placing Commission:	The Placing Agent will receive a placing commission of 3.5% of the aggregate Placing Price of the Placing Shares placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.
Placees:	The Placing Shares are expected to be placed by the Placing Agent to not less than six Placees who are Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing.
Ranking of the Placing Shares:	The Placing Shares, when issued, will be fully paid up and will rank pari passu in all respects with other Shares in issue at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances, claims, options or other third party rights together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares.
Condition:	<p>The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, all of the Placing Shares.</p> <p>The above condition cannot be waived. Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the above condition by the Long Stop Date, but if such condition shall not be so satisfied, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties to the Placing Agreement shall have any claim against the other.</p>

Termination:	<p>The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:</p> <ol style="list-style-type: none"> (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.
Completion:	Completion is expected to take place on the Completion Date after fulfilment of the condition precedent or such other date as the Company and the Placing Agent may agree in writing.
Application for listing:	Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate

Upon Completion, a maximum of 156,000,000 new Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 156,000,000 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 27 May 2016 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Group is principally engaged in the provision of network system integration including provision of network infrastructure solutions, network professional services and mobile internet software of office automation, and trading of telecommunications equipment.

The Directors consider the Placing offers a good opportunity to raise further capital and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and its Shareholders as a whole.

The gross proceeds from the Placing are HK\$56,160,000. It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$53.5 million. The Company intends to apply the net proceeds from the Placing (i) as to approximately 60% for the expansion of the Group's financial service businesses including the financial leasing business in the PRC and the money lending business in Hong Kong; and (ii) as to approximately 40% as general working capital of the Group.

FUND RAISING DURING THE PAST TWELVE MONTHS

During the past twelve months immediately before the date of this announcement, the Company conducted the following equity fund raising activities:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
27 May 2016	Subscription of shares under specific mandate	Approximately HK\$83.6 million	<p>i. Approximately HK\$60 million for settlement of the balance payment of the acquisition of Fortune Grace Management Limited (the “Previous Acquisition”);</p> <p>ii. Approximately HK\$4.6 million for the first stage expansion of the research and development department and the sales department of the Previous Acquisition (the “Expansion Plan”);</p> <p>iii. Approximately HK\$9 million for initial set up costs of the financial leasing business; and</p> <p>iv. Approximately HK\$10 million for the working capital and other potential investments of the Group.</p>	<p>i. Approximately HK\$60 million was used for settlement of the balance payment of the Previous Acquisition;</p> <p>ii. Approximately HK\$4.6 million will be used for the first stage of the Expansion Plan as planned;</p> <p>iii. Approximately RMB5 million was used for initial set up costs of the financial leasing business; and the remaining balance will be used for recruitment of staff; and</p> <p>iv. Approximately HK\$10 million was used for the working capital of the Group.</p>

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
27 May 2016	Subscription of options under specific mandate	Approximately HK\$222.3 million	i. Approximately HK\$19.3 million for the second stage of the Expansion Plan; ii. Approximately HK\$120 million for further enhancement of the capital of the Finance Lease Subsidiary thereby increasing the scale of the finance lease business; iii. Approximately HK\$45 million for the working capital; and iv. Approximately HK\$38 million for other potential investment.	The options were not yet exercised as at the date of this announcement. The proceeds will be used as intended shall the options be exercised.

EFFECT ON SHAREHOLDING OF THE PLACING

The shareholding structure of the Company before and after Completion, are as follows:

Shareholders	As at the date of this announcement		Immediately after Completion (Note 2)	
	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
Smoothly Global Holdings Limited (Note 1)	216,981,839	26.49	216,981,839	22.25
Placees	—	—	156,000,000	16.00
Public Shareholders	<u>602,018,161</u>	<u>73.51</u>	<u>602,018,161</u>	<u>61.75</u>
Total	<u>819,000,000</u>	<u>100.00</u>	<u>975,000,000</u>	<u>100.00</u>

Notes:

- These 216,981,839 Shares are held by Smoothly Global Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is 70% and 20% owned by Mr. Chan Sek Keung, Ringo and Ms. Wang Fang respectively.

2. Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Placing Agent has placed a total of 156,000,000 Placing Shares to not less than six independent Placees.

GENERAL

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	InvesTech Holdings Limited, a company incorporated in Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1087)
“Completion”	completion of the Placing
“Completion Date”	the fifth Business Day following the day on which the condition set out in the Placing Agreement is satisfied (or such other date as may be agreed between the parties to the Placing Agreement in writing)
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 156,000,000 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 27 May 2016

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual, professional or institutional investors and are independent of and not acting in concert (as defined in the Takeovers Code) with or connected with each other, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them or any other shareholders of the Company
“Last Trading Day”	9 May 2017, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	23 May 2017
“Placee(s)”	any person or entity whom the Placing Agent has procured to subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Gransing Securities Co., Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 9 May 2017 entered into between the Company and the Placing Agent in respect of the Placing

“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at the seventh (7th) Business Days from the date of the Placing Agreement, unless the Placing Agreement is terminated
“Placing Price”	HK\$0.36 per Placing Share
“Placing Share(s)”	up to 156,000,000 new Shares, to be allotted and issued pursuant to the terms and condition of the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of China and Taiwan
“Share(s)”	share(s) of USD0.02 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
InvesTech Holdings Limited
CHAN Sek Keung, Ringo
Chairman and Chief Executive Officer

Hong Kong, 9 May 2017

As at the date of this announcement, the executive Directors are Mr. Chan Sek Keung, Ringo (Chairman and Chief Executive Officer), Mr. Lu Chengye, Ms. Wang Fang, and Mr. Wu Chi Luen, the non-executive Director is Mr. Wong Kui Shing, Danny and the independent non-executive Directors are Mr. Qu Wen Zhou, Mr. Lu, Brian Yong Chen and Mr. Huang Liangkuai.