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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

 **KINGSTON SECURITIES**

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 29 November 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 currently expected not less than six Placees who are Independent Third Parties to subscribe up to 195,000,000 Placing Shares at the Placing Price of HK\$0.33 per Placing Share on a best effort basis in accordance with the terms and conditions of the Placing Agreement.

The maximum number of 195,000,000 Placing Shares represents (i) 20.00% of the existing issued share capital of the Company of 975,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 1,170,000,000 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 approximately HK\$64.4 million. 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\$62.6 million. The Company intends to apply the net proceeds from the Placing (i) as to approximately 85% for the early redemption of coupon notes of the Company issued on 24 January 2017; and (ii) as to approximately 15% as general working capital 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.

Shareholders and potential investors should note that the Placing is subject to the conditions under the Placing Agreement to be fulfilled. As 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: 29 November 2017 (after trading hours)

Issuer: The Company

Placing Agent: Kingston Securities Limited

The Company appointed the Placing Agent as its placing agent to procure currently expected not less than six Placees to subscribe up to 195,000,000 Placing Shares on a best effort basis. The Placing Agent will charge the Company a placing commission of 2.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

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.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and whose ultimate beneficial owner(s), shall be Independent Third Parties.

Placing Shares

As at the date of this announcement, the Company has 975,000,000 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of Placing Shares of up to 195,000,000 Shares under the Placing represents (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.33 per Placing Share represents:

- (i) a discount of approximately 19.51% to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 16.67% to the average closing prices per Share of approximately HK\$0.396 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Placing Agreement.

The Placing Price was determined with reference to, amongst other things, the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Conditions precedent of the Placing

Completion is conditional upon the fulfillment or waiver of (save for condition (i) which cannot be waived):

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares, and such listing and permission not subsequently revoked prior to the delivery of definitive share certificates representing the Placing Shares; and

- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure events (details of which are set out in the paragraph headed “Termination and force majeure” below).

Completion

Completion, in any event, will take place within four Business Days after the fulfilment or waiver (if applicable) of the conditions as set out in paragraph headed “Conditions precedent of the Placing” above or such other date as may be agreed between the Company and the Placing Agent in writing.

If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on the Long Stop Date, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

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 195,000,000 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 195,000,000 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 24 May 2017 approving the General Mandate. Up to 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.

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Completion Date,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

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, trading of telecommunications equipment and money lending business.

The Directors consider the Placing offers a good opportunity to raise further capital for early redemption of coupon notes of the Company issued on 24 January 2017 and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as strengthening the financial position of the Group. The Directors consider that the terms of the Placing Agreement, including the Placing commission, 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 approximately HK\$64.4 million. 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\$62.6 million. The Company intends to apply the net proceeds from the Placing as to approximately 85% for the early redemption of coupon notes of the Company issued on 24 January 2017; and (ii) as to approximately 15% 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
9 May 2017	Placing of an aggregate of 156,000,000 new Share under general mandate	Approximately HK\$53.5 million	i. Approximately HK\$32.1 million 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; ii. Approximately HK\$21.4 million as general working capital and for other potential investments of the Group.	i. Approximately HK\$30.5 million was used for the money lending business in Hong Kong; ii. Approximately HK\$23.0 million was used for general working capital.

EFFECT ON SHAREHOLDING OF THE PLACING

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion (assuming the Placing Shares are placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and the Completion) is set out as below:

Shareholders	As at the date of this announcement		Immediately upon Completion (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Smoothly Global Holdings Limited (Note 1)	216,981,839	22.25	216,981,839	18.54
Placees	—	—	195,000,000	16.67
Other public Shareholders	758,018,161	77.75	758,018,161	64.79
Total	<u>975,000,000</u>	<u>100.00</u>	<u>1,170,000,000</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 owned as to 70% and 20% by Mr. Chan Sek Keung, Ringo and Ms. Wang Fang respectively.
- The percentages are subject to rounding difference, if any.

GENERAL

Shareholders and potential investors should note that the Placing is subject to the conditions under the Placing Agreement to be fulfilled. As 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 Saturday and any day on which a tropical cyclone warning 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 open for business
“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 day within four Business Days after the conditions 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 195,000,000 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 24 May 2017
“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)”	third party(ies) independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules)
“Last Trading Day”	29 November 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”	20 December 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 terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 29 November 2017 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.33 per Placing Share
“Placing Share(s)”	up to 195,000,000 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, 29 November 2017

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