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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)

DISCLOSEABLE TRANSACTION IN RELATION TO EXTENSION OF THE MATURITY OF A BOND

EXTENSION OF THE MATURITY OF A BOND

On 18 March 2020 (after trading hours of the Stock Exchange), the Company entered into the Supplemental Subscription Agreement, pursuant to which, the maturity date of the Bond is extended to 19 March 2021.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Extension is more than 5% but less than 25%, the Extension constitutes a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 20 March 2019 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Issuer, pursuant to which, the Issuer agreed to issue and the Company agreed to subscribe for the Bond in the principal amount of HK\$15,000,000 bearing interest at a rate of 12% per annum for a term of 1 year. On 18 March 2020 (after trading hours of the Stock Exchange), the Company, as the subscriber, and the Issuer entered into the Supplemental Subscription Agreement in relation to the Extension, and save as the Extension, all the terms and conditions under the Subscription Agreement remain unchanged.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT AND THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

- Issuer: Elite Foster International Investment Limited
- Subscriber: the Company
- Principal amount of the Bond: HK\$15,000,000
- Maturity Date: the Subscription Agreement: first anniversary of the issue date (i.e. 19 March 2020) (the “**Original Maturity Date**”)

the Supplemental Subscription Agreement: extended for 1 year from Original Maturity Date (i.e. 19 March 2021) (the “**Extended Maturity Date**”)
- Interest rate: 12% per annum, which was determined after arm’s length negotiations between the parties with referencing their financial demands
- Repayment: the Issuer shall repay the Bond in full, together with all accrued and unpaid interest thereon on the Extended Maturity Date
- Event of default: Any of the following events shall constitute an event of default (the “**Event of Default**”):
- (a) any failure by the Issuer to pay the principal, and/or any interest due and payable on the Bond or any other amount due and payable under the Bond on its due date and such default is not remedied by the Issuer within ten Business Days of the due date;
 - (b) (i) any other present or future indebtedness (whether actual or contingent) of any member of the Issuer and each of its subsidiaries for or in respect of any indebtedness becomes (or become capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, even of default of the like (howsoever described); or (ii) any such indebtedness is not paid when due; or (iii) any member of the Issuer and each of its subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness;

- (c) it becomes illegal under any applicable laws for the Issuer to perform or comply with any one or more of its obligations under the Bond or any enforceable final ruling is rendered by a competent court to the effect that any obligation of the Issuer under the Bond is illegal or invalid;
- (d) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of all or a substantial part of the undertaking, property or assets of the Issuer;
- (e) the Issuer becomes insolvent or applies for or consents to the appointment of any administrator, liquidator or receiver of all or a substantial part of its undertaking, property or assets or enters into a general assignment or compromise with or for the benefit of its creditors;
- (f) an order is made or an effective resolution passed for winding-up of the Issuer;
- (g) the Issuer consolidates or amalgamates with or merge into any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), or the Issuer sells or transfers all or substantially all of its assets;
- (h) the Issuer defaults in performance or compliance with any of its obligations or undertakings which breach or default is incapable of remedy or, if capable of remedy, is not remedied within fourteen Business Days after notice of such breach or default is sent from the Company to the Issuer; or
- (i) a moratorium is agreed or declared in respect of any indebtedness of the Issuer or any governmental authority seizes, compulsorily purchases or expropriates all or a substantial part of the undertaking, property or assets of the Issuer.

CONDITIONS PRECEDENT OF THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

The Supplemental Subscription Agreement shall be conditional upon the following conditions being fulfilled at or before 4:00 p.m. (Hong Kong time) within ten (10) Business Days from the date of this Supplemental Subscription Agreement (or such later time and date as the Company and the Issuer may agree):

- (a) all necessary consent and approvals as may be obtained by the Company and the Issuer having been obtained in respect of the terms under the Supplemental Subscription Agreement from relevant authorities (including but not limited to the Stock Exchange of Hong Kong) and their respective shareholders;
- (b) there being no Event of Default (as defined in the original bond certificate) having occurred or occurring; and
- (c) there being no circumstance resulting the Subscription Agreement or the Bond illegal, invalid or terminated under the terms and conditions under the Subscription Agreement and the original bond certificate.

As at the date of this announcement, all of the above conditions have been fulfilled.

REASONS FOR AND BENEFITS OF THE EXTENSION

In light of the recent uncertainties in the global economic outlook caused by trade war between the PRC and United States and the outbreak of coronavirus disease (COVID-19), the Group continues to adopt a cautious approach towards investment in business development. As at the date of this announcement, the Group has not identified any immediate investment opportunity suitable for the Group's long-term business strategies. Taking into account (i) the difference between the coupon rate of the Bond of 12% and the average bank deposit interest rate of approximately 1%, (ii) the recent emergency interest rate cut declared by US Federal Reserve, (iii) the Issuer's financial position; (iv) the Issuer's proven historical performance of interest payment to the Group, (v) the fact that the Extension will not have any material adverse effect on the business operation of the Group, the Board considers that the Extension would enable the Group to continue to utilise its idle cash so as to enhance the efficiency in the use of the Group's capital and generate additional interest income to the Group.

As such, the Board considers that the Extension and terms under the Supplemental Subscription Agreement are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Group

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.

Information on the Issuer

The Issuer is principally engaged in investment holding. The ultimate beneficial owner of the Issuer is Mr. Lu Wan Ching. As at the date of this announcement, the Issuer held approximately 11.25% equity interest of Eternity Technology Holdings Limited (Stock code: 1725), a company listed on the Main Board of the Stock Exchange.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Extension is more than 5% but less than 25%, the Extension constitutes a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

As no Director has a material interest in the Bond, none of the Directors has abstained from voting on the relevant resolution of the Board approving the Supplemental Subscription Agreement and the Extension.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

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| “Board” | board of Directors |
| “Bond” | the 1 year 12% coupon unlisted bonds issued by the Issuer in the aggregate principal amount of HK\$15,000,000 originally issued pursuant to the Subscription Agreement |
| “Business Day(s)” | any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours |

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| “Company” | InvesTech Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Extension” | the extension of the maturity date of the Bond under the Supplemental Subscription Agreement |
| “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 PRC |
| “Issuer” | Elite Foster International Investment Limited, a BVI business company established in the British Virgin Islands with limited liability |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC |
| “Share(s)” | ordinary share(s) of USD0.02 each in the share capital of the Company |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Agreement” | the subscription agreement dated 20 March 2019 entered into between the Company and the Issuer in respect of the subscription of the Bond |
| “Supplemental Subscription Agreement” | the supplemental subscription agreement dated 18 March 2020 entered into between the Company and the Issuer in respect of the Extension |

“USD” the lawful currency of the United States of America

“%” per cent.

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

Hong Kong, 18 March 2020

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. Lu Chengye and Mr. Ching Chau Wa, the non-executive Director is Mr. Wong Tsu Wai, Derek, and the independent non-executive Directors are Mr. Wong Chun Sek, Edmund, Mr. Lu, Brian Yong Chen and Mr. Huang Liangkuai.