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**InvesTech Holdings Limited**  
**威訊控股有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 1087)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
ACQUISITION OF 25% EQUITY INTEREST IN  
THE TARGET COMPANY INVOLVING  
ISSUE OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**THE ACQUISITION**

The Board is pleased to announce that on 23 September 2021 (after trading hours), the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor was desirous of selling and transferring to the Company, and the Company was desirous of acquiring from the Vendor, the Sale Shares, representing 25% equity interest in the Target Company, at the Consideration of HK\$30,000,000. The Consideration shall be settled by the issue of the Convertible Bonds in the principal amount of HK\$30,000,000.

As at the date of this announcement, the Company holds 75% equity interest in the Target Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company.

The Convertible Bonds carry the Conversion Rights to convert into the Conversion Shares at the Conversion Price of HK\$1.50 per Conversion Share (subject to adjustment). Assuming the Conversion Rights are exercised in full at the initial Conversion Price, the maximum of 20,000,000 Conversion Shares represent (i) approximately 23.74% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 19.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there will be no change in the total number of issued Shares from the date of this announcement up to the full conversion of the Convertible Bonds).

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

## **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

As at the date of this announcement, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, the Vendor is owned as to 70% by Mr. Chan, an executive Director and is beneficially and deemed to be interested in approximately 5.63% of the issued share capital of the Company, as to 20% by Ms. Wang, an executive Director, and as to remaining 10% by Mr. Wang, who is beneficially interested in approximately 0.05% of the issued share capital of the Company. Accordingly, the Vendor, Mr. Chan, Ms. Wang and Mr. Wang are considered to have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. As such, each of the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates is required to abstain from voting on the resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) at the SGM. In addition, Mr. Chan and Ms. Wang, being the executive Directors, have also abstained from voting on the resolutions passed by the Board to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, save for the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates, no other Shareholders have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder.

## GENERAL

The Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate). The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate).

A circular containing, among other things, (i) further information of the Acquisition; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate); (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate); and (iv) notice of the SGM, is expected to be despatched to the Shareholders on or before 18 October 2021.

**Completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## THE ACQUISITION

The Board is pleased to announce that on 23 September 2021 (after trading hours), the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor was desirous of selling and transferring to the Company, and the Company was desirous of acquiring from the Vendor, the Sale Shares, representing 25% equity interest in the Target Company, at the Consideration of HK\$30,000,000. The Consideration shall be settled by the issue of the Convertible Bonds in the principal amount of HK\$30,000,000.

As at the date of this announcement, the Company holds 75% equity interest in the Target Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company.

## THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out as follows:

- Date:** 23 September 2021 (after trading hours)
- Parties:**
- (i) the Company, as the purchaser; and
  - (ii) Smoothly Global Holdings Limited, as the Vendor, being a substantial shareholder of the Company and is therefore a connected person of the Company.
- (each a “Party” and collectively, the “Parties”)

### Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Acquisition shall involve the Vendor selling and transferring to the Company, and the Company acquiring from the Vendor, the Sale Shares free from any encumbrance whatsoever. The Sale Shares represent 25% equity interest in the Target Company. As at the date of this announcement, the Vendor is the sole legal and beneficial owner of the Sale Shares.

### Consideration

The Consideration of HK\$30,000,000 shall be fully settled and discharged at Completion by the Company’s issuance of Convertible Bonds in the principal amount of HK\$30,000,000 with 3-year maturity at the coupon rate of 1.5% per annum convertible into a maximum of 20,000,000 Convertible Shares at the Conversion Price of HK\$1.50 per each Conversion Share.

The Consideration was arrived at after arm’s length negotiations between the Parties with reference to, among other things, (i) the unaudited consolidated net asset value of the Target Group (without goodwill) of approximately RMB187.1 million as at 30 June 2021; (ii) the unaudited consolidated net asset value of the Target Group (with goodwill of approximately RMB135.0 million) of approximately RMB322.1 million as at 30 June 2021; (iii) the business development and future prospect of the Target Group; and (iv) the reasons for and benefits of the Acquisition as mentioned in the section headed “Reasons for and benefits of the Acquisition” below.

Given the Consideration represents (i) a discount of approximately 46.79% to the consolidated net asset value of the Target Group (without goodwill) attributable to 25% equity interest in the Target Group, being approximately RMB46.8 million (equivalent to approximately HK\$56.4 million); (ii) a discount of approximately 69.07% to the consolidated net asset value of the Target Group (with goodwill) attributable to 25% equity interest in the Target Group, being approximately RMB80.5 million (equivalent to approximately HK\$97.0 million); and taking into account of the abovementioned, the Directors (other than the Independent Board Committee who will express their view after considering the advice from the Independent Financial Adviser and Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Consideration is fair and reasonable and on normal commercial terms and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

As Mr. Chan and Ms. Wang, being the executive Directors and the shareholders of the Vendor, are considered to have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, they have abstained from voting on the resolutions passed by the Board to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

### **Conditions precedent**

Completion shall be subject to the following conditions precedent having been satisfied or fulfilled:

- (a) the Independent Shareholders having passed all requisite resolutions at the SGM to approve the Acquisition and the issuance of the Convertible Bonds;
- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to Completion;
- (c) the Vendor being, and remaining as, the sole legal and beneficial owner of the Sale Shares free from any encumbrance and third party rights of any kind;
- (d) the Company having completed due diligence examinations to ascertain that the Sale Shares are free from any encumbrance whatsoever (the “**DD Examinations**”), with the results and outcome of the DD Examinations being satisfactory to the Company;
- (e) the Target Group not being insolvent and not having been presented with any winding-up petition or application for receivership; and
- (f) all the representations, warranties and undertakings of or by the Vendor and the Company as set out in the Sale and Purchase Agreement remaining true and accurate in all respects at all times up to Completion.

Save and except such conditions precedent (c) to (e) above which may be waived in whole or in part by the Company unilaterally (but not by the Vendor under whatever circumstance) at any time no later than the Long Stop Date by notice in writing to the Vendor, none of the other abovementioned conditions precedent can be waived, and the Parties shall use their respective best endeavours to ensure that the abovementioned conditions precedent (save and except such conditions precedent which has/have been waived by the Company pursuant to the foregoing provisions of this paragraph) shall be fulfilled and/or satisfied as soon as possible after the execution of the Sale and Purchase Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any abovementioned conditions precedent (save and except such conditions precedent which have been waived by the Company in accordance with the above paragraph) shall not have been fulfilled or satisfied by the Long Stop Date, the Sale and Purchase Agreement shall, unless the Parties agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain terms as set out in the Sale and Purchase Agreement which shall remain valid, binding and effective, and no Party shall have any claim of any nature or liabilities under the Sale and Purchase Agreement whatsoever against the other Party save for any antecedent breach of the terms of the Sale and Purchase Agreement.

## **Completion**

Subject to the conditions precedent as set out in the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

As at the date of this announcement and prior to the Completion, the Company holds 75% equity interest in the Target Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company, and the financial information of the Target Group will continue to be consolidated into the consolidated financial statements of the Group.

## **THE CONVERTIBLE BONDS**

Principal terms of the Convertible Bonds are arrived at after arm's length negotiations between the Parties and are summarised as follows:

Issuer:	The Company
Principal amount:	HK\$30,000,000
Maturity date:	The date which falls on the third anniversary of the First Issue Date (the " <b>Maturity Date</b> ")

Interest rate: The Convertible Bonds bear interest on the outstanding principal amount from and including the First Issue Date at the rate of 1.5% per annum (the “**Interest**”) payable on a semi-annual basis in arrears from the First Issue Date.

Conversion Price: The initial Conversion Price is HK\$1.50 per Conversion Share, subject to adjustments set out in the section headed “Adjustments to the Conversion Price” below.

The initial Conversion Price of HK\$1.50 per Conversion Share represents:

- (i) a premium of approximately 6.38% over the closing price of HK\$1.410 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
- (ii) a premium of approximately 4.31% over the average closing price of approximately HK\$1.438 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (iii) a premium of approximately 3.38% over the average closing price of approximately HK\$1.451 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Conversion Price was determined after arm’s length negotiations between the Parties with reference to the prevailing market price of the Shares. The Directors (other than the Independent Board Committee who will express their view after considering the advice from the Independent Financial Adviser and Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustments to the  
Conversion Price:

The Conversion Price shall from time to time be subject to adjustment in accordance with this section if, whilst any of the Convertible Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

- (i) if and whenever there shall be an alteration to the value of the Shares as a result of consolidation or subdivision;
- (ii) if and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account and/or capital redemption reserve), other than Shares issued *in lieu* of the whole or a part of a cash dividend and other than an issue that would amount to capital distribution (as defined in the CB Instrument);
- (iii) if and whenever the Company shall pay or make any capital distribution (as defined in the CB Instrument) to the Shareholders;
- (iv) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant to Shareholders is made;



- (v) if and whenever the Company shall:
  - (a) issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights; or
  - (b) grant to all or substantially all Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares);
  
- (vi) if and whenever the Company shall wholly for cash:
  - (a) issue (otherwise than as mentioned in sub-paragraph (iv) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares); or
  - (b) issues or grants (otherwise than as mentioned in sub-paragraph (iv) above) options, warrants or other rights to subscribe for or purchase Shares,

in each case at a price per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such issue or grant;

- (vii) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (vii), if and whenever the Company or any subsidiary of the Company (otherwise than as mentioned in sub-paragraphs (iv), (v) or (vi) above), or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity, shall issue wholly for cash any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription, at a consideration per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of the issue of such securities;
  
- (viii) if and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Share receivable by the Company is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such modification; and
  
- (ix) if and whenever the Company or any subsidiary of the Company or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which Shareholders generally (meaning for these purposes the holders of at least 60% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under sub-paragraphs (iv) to (vii) above).

- Conversion Shares: Assuming the Conversion Rights are exercised in full at the initial Conversion Price, the maximum of 20,000,000 Conversion Shares represent (i) approximately 23.74% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 19.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there will be no change in the total number of issued Shares from the date of this announcement up to the full conversion of the Convertible Bonds).
- Conversion Period: The period commencing from the First Issue Date and ending on the date which falls on the fifth Business Day before the Maturity Date, both days inclusive, provided that if the Company fails to redeem the Convertible Bonds on the Redemption Date in accordance with the terms of the CB Instrument the period shall continue until redemption in full occurs (the “**Conversion Period**”).
- Conversion Rights: Subject to the CB Instrument, each Bondholder shall have the right, exercisable during the Conversion Period in the manner provided in the CB Instrument, to convert the whole or any part (subject to the CB Instrument, in multiples of HK\$300,000) of the outstanding principal amount of the Convertible Bonds held by such Bondholder into such number of Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the date of conversion.
- Conversion restrictions: A Bondholder shall not exercise any Conversion Rights if, as a result of such exercise, it will cause the public float of the Company to be unable to meet the relevant requirements under the Listing Rules.

A Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company's other Shareholders.

Redemption at maturity:

All Convertible Bonds which have not been redeemed or converted in accordance with the terms and conditions contained in the CB Instrument by the Maturity Date shall be redeemed by the Company on the Maturity Date by either paying such redemption amount as equivalent to the principal amount of the Convertible Bonds outstanding by that juncture or by issuing such portfolio of the Conversion Shares proportionate to the principal amount of the Convertible Bonds outstanding by that juncture, to be determined by the Company at its sole and absolute discretion, free from any interference whatsoever of any Bondholder or by any third party.

Redemption prior  
to maturity:

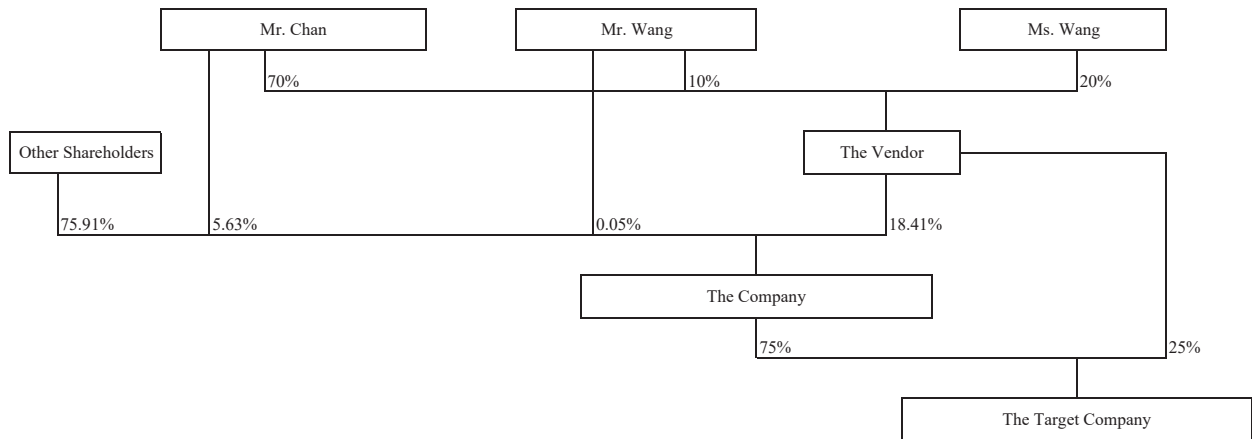
Without prejudice to any other terms and conditions contained in the CB Instrument, the Company may at its sole and absolute discretion redeem the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) at any time prior to the Maturity Date by paying such redemption amount as shall be equivalent to the principal amount outstanding (or the principal amount to be redeemed, whichever shall be appropriate) together with all Interest accrued thereon and remains outstanding as at the Redemption Date with the entire redemption amount to be paid to the Bondholders in cash. For avoidance of any doubt, no Bondholder can request for any early redemption of the Convertible Bonds or any principal amount thereof.

- Redemption on default: If any of the events (“**Events of Default**”) specified in the CB Instrument occur, the Company shall forthwith give notice thereof to the Bondholders and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholders), at its option, opt to convert their Convertible Bonds in its entirety or, alternatively, give a notice for redemption to the Company in respect of part or all of the Convertible Bonds held by it, whereupon such Convertible Bonds shall become immediately due and payable at a redemption amount equal to 100% of the principal amount of such Convertible Bonds. For any avoidance of doubt, there shall not be any redemption of the Convertible Bonds by any Bondholders prior to the Maturity Date unless an Event of Default occurs.
- Transferability: Any transfer of the Convertible Bonds shall be in respect of the whole or any part (subject to the CB Instrument, in multiples of HK\$300,000) of the outstanding principal amount of the Convertible Bonds.
- Subject to compliance with the Listing Rules and regulatory requirements, the Convertible Bonds may (subject to the provisions of the CB Instrument) be transferred to any person provided that where the Convertible Bond(s) is/are intended to be transferred to a connected person (other than the associates of the Bondholder), such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange, if any.
- Ranking: Subject to the operation of the CB Instrument, Shares issued upon exercise of Conversion Rights shall rank *pari passu* in all respects with all other existing Shares outstanding at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the date of conversion.
- Application of Listing: No application shall be made to the Stock Exchange for the listing of the Convertible Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

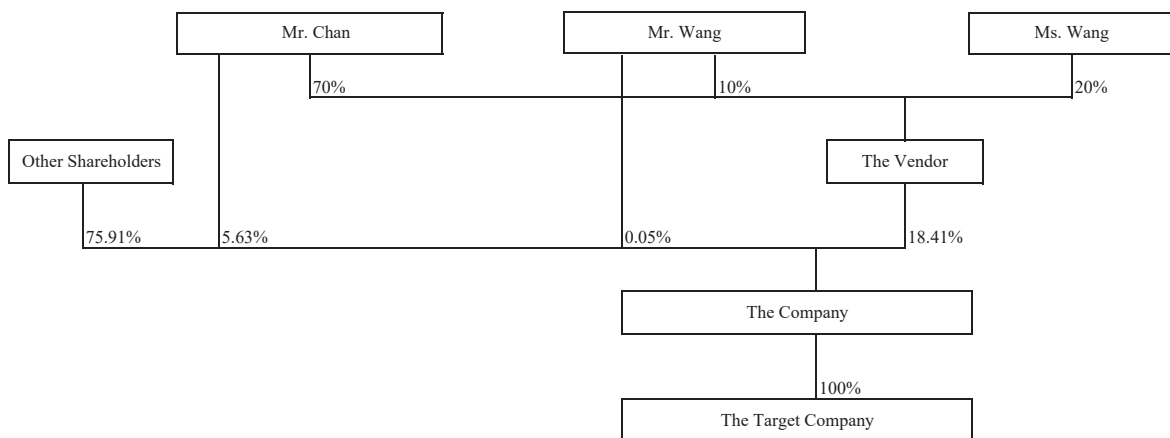
## SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below are the shareholding structures of the Target Group (i) as at the date of the Sale and Purchase Agreement and (ii) immediately upon the Completion:

### (i) As at the date of the Sale and Purchase Agreement



### (ii) Immediately upon the Completion



## **INFORMATION ON THE GROUP**

The Company is an investment holding company incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Group is principally engaged in the provision of network system integration including the provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business.

## **INFORMATION ON THE VENDOR**

The Vendor is an investment holding company incorporated in BVI with limited liability on 1 May 2012. As at the date of this announcement, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules.

The Vendor is owned as to 70% by Mr. Chan, as to 20% by Ms. Wang and as to remaining 10% by Mr. Wang. Mr. Chan is the chairman of the Board, an executive Director and the chief executive officer of the Company. Other than the Shares held by the Vendor, Mr. Chan also beneficially owns 3,741,650 Shares and he is deemed to be interested in 998,200 Shares held by Woodstock Management Limited, which is a company wholly-owned by him, representing in aggregate approximately 5.63% of the issued share capital of the Company. Ms. Wang is an executive Director and a vice chief executive officer of the Company. Mr. Wang is the general manager and director of various subsidiaries of the Target Company. Other than the Shares held by the Vendor, he also beneficially owns 40,000 Shares, representing approximately 0.05% of the issued share capital of the Company.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in BVI with limited liability on 1 July 2009 and is principally engaged in investment holding. As at the date of this announcement and prior to the Completion, the Company and the Vendor hold 75% and 25% equity interest in the Target Company respectively. As at the date of this announcement, the Target Company has 10 wholly-owned subsidiaries, in which 4 are incorporated in Hong Kong, 4 are incorporated in the PRC, 1 is incorporated in Macau and 1 is incorporated in Vietnam.

The Target Group is mainly engaged in the provision of network system integration including provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business. The majority of the Target Group's revenue was generated from the market in the PRC. The principal subsidiaries of the Target Company are located in Beijing, Shanghai, Xi'an, Hong Kong and Vietnam.

## Unaudited consolidated financial information of the Target Group

Set out below is a summary of the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2019 and 31 December 2020:

	<b>For the year ended 31 December 2019 <i>RMB'000</i> <i>Approximate</i> (unaudited)</b>	<b>For the year ended 31 December 2020 <i>RMB'000</i> <i>Approximate</i> (unaudited)</b>
Revenue	484,611	469,116
Loss before taxation	12,242	14,154
Loss after taxation	14,276	14,539

The unaudited consolidated total asset value and unaudited consolidated net asset value of the Target Group as at 30 June 2021 (with goodwill) were approximately RMB612.5 million and RMB322.1 million respectively.

## SPECIFIC MANDATE

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.



## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon full conversion of the Convertible Bonds (assuming there will be no change in the total number of issued Shares from the date of this announcement up to the full conversion of the Convertible Bonds):

	(i) As at the date of this announcement		(ii) Immediately upon full conversion of the Convertible Bonds (assuming there will be no change in the total number of issued Shares from the date of this announcement up to the full conversion of the Convertible Bonds)	
	<i>Number of Shares</i>	<i>Approximate</i>	<i>Number of Shares</i>	<i>Approximate</i>
<i>Director</i>				
Mr. Chan ( <i>Note 1</i> )	4,739,850	5.63%	4,739,850	4.55%
<i>Substantial Shareholder</i>				
Ms. Tin Yat Yu, Carol ( <i>Note 2</i> )	9,351,400	11.10%	9,351,400	8.97%
The Vendor and/or the Bondholder(s) ( <i>Notes 1, 3, 4 and 5</i> )	15,505,941	18.41%	35,505,941	34.06%
Public Shareholders	54,642,809	64.86%	54,642,809	52.42%
<b>Total</b>	<b><u>84,240,000</u></b>	<b><u>100.00%</u></b>	<b><u>104,240,000</u></b>	<b><u>100.00%</u></b>

### Notes:

- Mr. Chan, one of the executive Directors of the Company, was deemed to be interested in 20,351,991 Shares, comprising of (i) 15,505,941 Shares held by the Vendor by virtue of it being owned as to 70% by Mr. Chan; and (ii) 998,200 Shares held by Woodstock Management Limited by virtue of it being owned as to 100% by Mr. Chan. Mr. Chan further beneficially owns 3,741,650 Shares. Mr. Chan also owns 106,200 share options which can be converted into 106,200 Shares.
- In addition to 9,351,400 Shares, Ms. Tin Yat Yu, Carol owns 70,200 share options which can be converted into 70,200 Shares.

3. Ms. Wang, one of the executive Directors of the Company, was deemed to be interested in 15,505,941 Shares held by the Vendor by virtue of it being owned as to 20% by Ms. Wang. Ms. Wang further owns 430,200 share options which can be converted into 430,200 Shares.
4. Mr. Wang was deemed to be interested in 15,505,941 Shares held by the Vendor by virtue of it being owned as to 10% by Mr. Wang. Mr. Wang further beneficially owns 40,000 Shares.
5. This is for illustration purpose only. According to the CB Instrument, a Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company's other Shareholders.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As at the date of this announcement, the Target Company is owned as to 75% and 25% by the Company and the Vendor respectively, and is a direct non-wholly owned subsidiary of the Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company. The Directors are optimistic with the Group's business prospect especially in the communication system segment. The principal business of the Target Group, being business of network system integration, including provision of network infrastructure solutions, network professional services as well as smart office software solutions, align with the business development strategy of the Company. The Acquisition therefore represents a good opportunity for the Company to strengthen its market position and presence in the telecommunication industry. The Directors are of the view that the Acquisition will also enable the Group to obtain full control over the management and operation of the Target Group and is in line with the Group's planning and development strategies.

The Directors (other than the Independent Board Committee who will express their view after considering the advice from the Independent Financial Adviser and Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Acquisition is on normal commercial terms, and the terms of the Sale and Purchase Agreement (including the Consideration) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

As at the date of this announcement, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, the Vendor is owned as to 70% by Mr. Chan, an executive Director and is beneficially and deemed to be interested in approximately 5.63% of the issued share capital of the Company, as to 20% by Ms. Wang, an executive Director, and as to remaining 10% by Mr. Wang, who is beneficially interested in approximately 0.05% of the issued share capital of the Company. Accordingly, the Vendor, Mr. Chan, Ms. Wang and Mr. Wang are considered to have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. As such, each of the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates is required to abstain from voting on the resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) at the SGM. In addition, Mr. Chan and Ms. Wang, being the executive Directors, have also abstained from voting on the resolutions passed by the Board to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, save for the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates, no other Shareholders have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder.

## GENERAL

The Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate). The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate).

A circular containing, among other things, (i) further information of the Acquisition; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate); (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate); and (iv) notice of the SGM, is expected to be despatched to the Shareholders on or before 18 October 2021.

**Completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the Vendor and/or any person who is for the time being the registered holder of the Convertible Bond(s)
“Business Day(s)”	a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“BVI”	the British Virgin Islands
“CB Instrument”	the instrument of the Convertible Bonds to be executed by the Company as a deed
“Company”	InvesTech Holdings Limited, an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1087)
“Completion”	the completion of the Acquisition
“Completion Date”	the date of Completion, which shall be any Business Day falling within the period of five Business Days after all the conditions precedent as set out in the Sale and Purchase Agreement have been fulfilled or satisfied (unless otherwise waived under and pursuant to the Sale and Purchase Agreement), or such later date as the Parties may otherwise agree in writing
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules

“Consideration”	the consideration of the Sale Shares in sum of HK\$30,000,000 to be settled by the Company with the Vendor
“Conversion Price”	HK\$1.50 per Conversion Share, subject to adjustment pursuant to the CB Instrument
“Conversion Rights”	the rights pursuant to the CB Instrument attaching to each Convertible Bond to convert the principal amount or a part thereof into Shares
“Conversion Share(s)”	in the case of the Conversion Rights having been exercised in full, a maximum of 20,000,000 new Shares to be allotted and issued by the Company pursuant to the terms and conditions contained in the CB Instrument, which, upon conversion of the Convertible Bonds in their entirety, shall represent approximately 19.19% of the enlarged portfolio of issued shares in the Company
“Convertible Bond(s)”	the convertible bond(s) in the principal amount of HK\$30,000,000 to be issued by the Company to the Vendor for settlement and discharge of the Consideration in accordance with the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“First Issue Date”	the initial date of issue of the Convertible Bonds under and pursuant to the CB Instrument
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company established by the Board, comprising all the independent non-executive Directors of the Company, namely Mr. David Tsoi, Mr. Lu, Brian Yong Chen and Mr. Yuen Shiu Wai, to advise the Independent Shareholders with respect to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate)

“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate)
“Independent Shareholders”	the Shareholders and/or their respective associates who are not required under the Listing Rules to abstain from voting at the SGM, other than those persons who have material interest in the Acquisition (if any)
“Listing Rules”	the Rules Governing the Listing of Securities on main board of the Stock Exchange
“Long Stop Date”	29 November 2021 or such later date as the Parties may agree in writing
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Chan”	Mr. Chan Sek Keung, Ringo, being the chairman of the Board, an executive Director and the chief executive officer of the Company, and holds 70% equity interest in the Vendor
“Mr. Wang”	Mr. Wang Wei, being a general manager and director of various subsidiaries of the Target Company, and holds 10% equity interest in the Vendor
“Ms. Wang”	Ms. Wang Fang, being an executive Director and a vice chief executive officer of the Company, and holds 20% equity interest in the Vendor
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Redemption Date”	in respect of each Convertible Bond, the date (if any) on which it shall become due and payable for redemption by the Company pursuant to the CB Instrument

“Sale Share(s)”	the entire portfolio of the 25 Target Company Shares, representing 25% equity interest in the Target Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 September 2021 entered into between the Company and the Vendor in respect of the Acquisition
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting convened by the Company to approve, among other matters, the Acquisition and the issuance of the Convertible Bonds and the grant of the Specific Mandate
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holders of the Shares for the time being
“Specific Mandate”	the specific mandate to be granted to the Directors to allot, issue and deal with not more than 20,000,000 Conversion Shares in aggregate at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs published by the SFC
“Target Company”	Fortune Grace Management Limited, a company incorporated in BVI with limited liability, and a non-wholly owned subsidiary of the Company
“Target Company Share(s)”	the issued ordinary share(s) in the Target Company
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Smoothly Global Holdings Limited, a company incorporated in BVI, which is owned as to 70% by Mr. Chan, as to 20% by Ms. Wang and as to remaining 10% by Mr. Wang

“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 23 September 2021

*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. Liu Chun Fai, the non-executive Director is Mr. Wong Tsu Wai, Derek, and the independent non-executive Directors are Mr. David Tsoi, Mr. Lu, Brian Yong Chen and Mr. Yuen Shiu Wai.*

*For the purpose of this announcement, the translation of RMB into HK\$ is based on the rate of RMB1:HK\$1.2048. This conversion rate is for illustrative purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforesaid or any other rates or at all.*