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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)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE



PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 22 November 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company is desirous of offering the Placing Shares free from any encumbrance whatsoever for subscription and appoints the Placing Agent on sole and exclusive basis to place and procure subscriptions for the Placing Shares on a best effort basis subject to the terms and conditions set out in the Placing Agreement. The Placing Agent shall use its best endeavours to procure not less than six Placee(s), who and whose ultimate beneficial owners shall be Independent Third Parties, to subscribe for up to 33,000,000 Placing Shares at a price of HK\$1.5 per Placing Share during the Placing Period on terms and conditions set out in the Placing Agreement on a best effort basis.

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 the Placing Shares represents (i) approximately 39.17% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 28.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Reference is made to the announcement of the Company dated 23 September 2021. Assuming full conversion of the convertible bonds in respect of the Acquisition has been taken place, the maximum number of the Placing Shares represents approximately 24.05% of issued share capital of the Company as enlarged by the allotment and issue of 20,000,000 conversion shares and the Placing Shares.

Assuming the maximum number of the Placing Shares is fully placed by the Placing Agent, the gross proceeds from the Placing will be HK\$49.5 million, and the net proceeds from the Placing, after deducting the placing commission and other expenses incurred in the Placing, are estimated to be approximately HK\$48.0 million. Such net proceeds are intended to be used for project on hand.

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

GENERAL

The Placing Shares will be allotted and issued under the Specific Mandate which is subject to the Shareholders' approval at the SGM. The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

A circular containing, among other things, (i) further details of the Placing; and (ii) a notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfilment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

On 22 November 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company is desirous of offering the Placing Shares free from any encumbrance whatsoever for subscription and appoints the Placing Agent on sole and exclusive basis to place and procure subscriptions for the Placing Shares on a best effort basis subject to the terms and conditions set out in the Placing Agreement. The Placing Agent shall use its best endeavours to procure not less than six Placee(s), who and whose ultimate beneficial owners shall be Independent Third Parties, to subscribe for up to 33,000,000 Placing Shares at a price of HK\$1.5 per Placing Share during the Placing Period on terms and conditions set out in the Placing Agreement on a best effort basis.

THE PLACING AGREEMENT

Date: 22 November 2021 (after trading hours)

Parties: (i) the Company, being the issuer; and
(ii) VC Brokerage Limited, being the Placing Agent.

(each a “**Party**” and collectively, the “**Parties**”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for the fact that the Placing Agent holds 3,500,000 Shares, representing approximately 4.15% of the existing issued share capital of the Company as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

The Placing Agent shall use its best endeavours to procure not less than six Placee(s) to subscribe for the Placing Shares at the Placing Price during the Placing Period on terms and conditions set out in the Placing Agreement on a best effort basis. The Placee(s) shall be any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not parties acting in concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement. The Placing Agent shall also use its best endeavours to ensure that no Placee shall become a substantial shareholder (as defined in the Listing Rules) of the Company forthwith upon the Completion.

Placing Shares

As at the date of this announcement, the Company has 84,240,000 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 the Placing Shares represents:

- (i) approximately 39.17% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 28.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Reference is made to the announcement of the Company dated 23 September 2021. Assuming full conversion of the convertible bonds in respect of the Acquisition has been taken place, the maximum number of the Placing Shares represents approximately 24.05% of issued share capital of the Company as enlarged by the allotment and issue of 20,000,000 conversion shares and the Placing Shares.

The Placing Shares have an aggregate nominal value of US\$330,000 based on the nominal value of US\$0.01 per Share.

Placing Price

The Placing Price of HK\$1.5 per Placing Share represents:

- (i) a discount of approximately 20.21% to the closing price of HK\$1.88 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a discount of approximately 19.35% to the average closing price of approximately HK\$1.86 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 20.21% to the average closing price of approximately HK\$1.88 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Placing Agreement.

The net Placing Price, after deducting placing commission and other expenses, is expected to be approximately HK\$1.45 per Placing Share.

The Placing Price was determined after arm's length negotiation between the Parties with reference to, among other things, the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Placing commission

Subject to the Completion having taken place, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars which shall be equivalent to 2.5% of the gross proceeds of the Placing (being such an amount in aggregate in Hong Kong dollars equivalent to the Placing Price multiplied by the actual number of Placing Shares placed by the Placing Agent (whether by itself direct or through any of its sub-agent(s)).

Ranking of the Placing Shares

The Placing Shares shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all dividends and/or distributions declared, made or paid on or after the Completion.

Conditions precedent

The Completion shall be conditional upon the satisfaction or fulfilment of such conditions precedent as set out hereunder:

- (a) the Specific Mandate having been granted;
- (b) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing 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 the Closing Date;
- (c) the Shares remaining listed on the main board of the Stock Exchange, and that the listing status of the Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date;
- (d) (if required) the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation from any third party to which the Company have entered into any agreement or arrangement; and
- (e) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading up to the Completion.

The conditions precedent (a) to (d) above cannot be waived by any Party. The Placing Agent may at any time prior to the Closing Date unilaterally waive the condition precedent (e) by notifying the Company in writing. As soon as practicable after the execution of the Placing Agreement and in any event, by the Closing Date, the Company shall use its best endeavours to procure the satisfaction of such conditions precedent as set out in (a) to (d), as well as (e) (in case the condition precedent (e) has not been waived by the Placing Agent).

If any one or more of the abovementioned conditions precedent shall not have been satisfied or fulfilled by the Closing Date or any of the *force majeure* event set out in section headed "**Force Majeure**" below shall have occurred, subject to the terms in relation to failure to complete or lapse or termination of the Placing as set out in the Placing Agreement, all obligations and responsibilities of the Placing Agent and those of the Company under the Placing Agreement shall cease and determine forthwith and no Party shall have any claim whatsoever against the other Party in relation thereto save for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each Party.

Force Majeure

If at any time between the execution of the Placing Agreement and on the Business Day immediately prior to the Completion Date, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change occurring 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 which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion 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;
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion 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 Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the force majeure as set out in the Placing Agreement, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission under certain provisions of the Placing Agreement, and other provisions of the Placing Agreement (other than certain provisions as set out in the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the Parties) shall forthwith cease and determine and no Party shall, save as provided in the force majeure as set out in the Placing Agreement, have any claim against the other Party for compensation, costs, damages or otherwise.

Completion

Subject to the fulfilment of the conditions precedent of the Placing Agreement, the Completion shall take place on the Completion Date.

Application for Listing

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Specific Mandate

The Placing Shares will be allotted and issued under the Specific Mandate which is subject to the Shareholders' approval at the SGM.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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.

Assuming the maximum number of the Placing Shares is fully placed by the Placing Agent, the gross proceeds from the Placing will be HK\$49.5 million, and the net proceeds from the Placing, after deducting the placing commission and other expenses incurred in the Placing, are estimated to be approximately HK\$48.0 million. Such net proceeds are intended to be used for project on hand.

To achieve a sustainable growth, the Group has further expanded its customer base not only in the private sectors but also to the public sector. The Company was recently awarded a contract in a tender for the Government of Hong Kong. The Directors consider that the Placing represents a great opportunity for the Company to raise funding to support the tender project and therefore enhance the business development of the Group. The Placing also represents a

good opportunity to broaden the shareholders' base and the capital base of the Company. In view of the above, the Directors consider that Placing is in the interests of the Company and the Shareholders as a whole.

The Directors are of the view that the terms of the Placing Agreement (including the placing commission and the Placing Price) are entered into upon normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Completion but before full conversion of the convertible bonds in respect of the Acquisition (assuming all the Placing Shares are fully placed and there will be no change in the total number of issued Shares from the date of this announcement up to the Completion Date); and (iii) immediately after the Completion and full conversion of the convertible bonds in respect of the Acquisition (assuming all the Placing Shares are fully placed and there will be no change in the total number of issued Shares from the date of this announcement up to the date of full conversion of the convertible bonds in respect of the Acquisition) for illustration purpose only:

	(i) As at the date of this announcement		(ii) Immediately after the Completion but before full conversion of the convertible bonds in respect of the Acquisition (assuming all the Placing Shares are fully placed and there will be no change in the total number of issued Shares from the date of this announcement up to the Completion Date)		(iii) Immediately after the Completion and full conversion of the convertible bonds in respect of the Acquisition (assuming all the Placing Shares are fully placed and there will be no change in the total number of issued Shares from the date of this announcement up to the date of full conversion of the convertible bonds in respect of the Acquisition)	
	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate
Director						
Mr. Chan Sek Keung, Ringo (Note 1)	4,739,850	5.63%	4,739,850	4.04%	4,739,850	3.45%
Substantial Shareholders						
Ms. Tin Yat Yu, Carol (Note 2)	9,351,400	11.10%	9,351,400	7.98%	9,351,400	6.81%
Smoothly Global Holdings Limited and/or the bondholder(s) of the convertible bond(s) in respect of the Acquisition (Notes 1, 3, 4 and 5)	15,505,941	18.41%	15,505,941	13.23%	35,505,941	25.87%
Placees (Note 6)	–	–	33,000,000	28.15%	33,000,000	24.05%
Public Shareholders	54,642,809	64.86%	54,642,809	46.60%	54,642,809	39.82%
Total	84,240,000	100.00%	117,240,000	100.00%	137,240,000	100.00%

Notes:

1. Mr. Chan Sek Keung, Ringo (“**Mr. Chan**”), one of the executive Directors, was deemed to be interested in 20,351,991 Shares, comprising of (i) 15,505,941 Shares held by Smoothly Global Holdings Limited 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.
2. 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 Fang, one of the executive Directors, was deemed to be interested in 15,505,941 Shares held by Smoothly Global Holdings Limited by virtue of it being owned as to 20% by Ms. Wang Fang. Ms. Wang Fang further owns 430,200 share options which can be converted into 430,200 Shares.
4. Mr. Wang Wei was deemed to be interested in 15,505,941 Shares held by Smoothly Global Holdings Limited by virtue of it being owned as to 10% by Mr. Wang Wei. Mr. Wang Wei further beneficially owns 40,000 Shares.
5. This is for illustration purpose only. According to the instrument of the convertible bonds in respect of the Acquisition to be executed by the Company as a deed, 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.
6. For illustration purposes only, according to the Placing Agreement, no Placee shall become a substantial shareholder (as defined in the Listing Rules) of the Company forthwith upon the Completion, and the Placee(s) shall be independent of and not parties acting in concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
16 August 2021, 27 August 2021, 1 September 2021 and 6 September 2021	Placing of new shares under general mandate	Approximately HK\$16.83 million	(i) as to approximately HK\$7.63 million for the general working capital; (ii) as to approximately HK\$1.20 million for financing the business development of the Group; and (iii) as to approximately HK\$8.00 million for repayment of bank and other borrowings of the Group	Approximately HK\$14.70 million was used, of which (i) approximately HK\$5.78 million was used for general working capital; (ii) approximately HK\$0.92 million was used for financing the business development of the Group; and (iii) approximately HK\$8.00 million was used for repayment of bank and other borrowings of the Group. Approximately HK\$2.13 million remained unused.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

GENERAL

The Placing Shares will be allotted and issued under the Specific Mandate which is subject to the Shareholders' approval at the SGM. The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

A circular containing, among other things, (i) further details of the Placing; and (ii) a notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfilment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire portfolio of the 25 issued ordinary shares in Fortune Grace Management Limited pursuant to the sale and purchase agreement dated 23 September 2021 entered into between the Company and Smoothly Global Holdings Limited
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	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

“Closing Date”	any Business Day not later than 14 February 2022 or such later date as the Parties may agree in writing, being the date on which all the conditions precedent of the Placing Agreement have been satisfied or fulfilled, and if such a date is not a Business Day, then the Closing Date shall be postponed to immediately following Business Day
“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 overall completion of the Placing, which shall take place on the Completion Date
“Completion Date”	the date of the Completion, which shall be any Business Day falling within ten Business Days after the Closing Date
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party which is not a connected person (as defined in the Listing Rules) of the Company and which is independent of (i) the Company and/or the Company’s connected persons, and (ii) the Placing Agent and/or the Placing Agent’s connected persons
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange

“Placee(s)”	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not parties acting in concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares under and in accordance with the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a licensed corporation by the Securities and Futures Commission of Hong Kong to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under and pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 22 November 2021 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing on the Business Day immediately after the SGM and expiring at 5:00 p.m. on the twenty-first day thereafter, and if such day is not a Business Day, then on the immediately following Business Day, or such later date as the Parties may agree in writing
“Placing Price”	HK\$1.5 per Placing Share
“Placing Share(s)”	up to 33,000,000 new Shares to be allotted and issued by the Company under the Specific Mandate and pursuant to the Placing Agreement on the Completion Date, and the Placing Shares shall rank <i>pari passu</i> in all respects with the existing Shares then in issue
“SGM”	the special general meeting to be convened by the Company for approving and granting the Specific Mandate

“Share(s)”	the ordinary share(s) of par value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Specific Mandate”	the specific mandate granted by the Shareholders at the SGM for the Directors to allot, issue and deal with the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollar, 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, 22 November 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.