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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)

INSIDE INFORMATION SUBSTANTIAL REDUCTION IN LOSS

This announcement is made by InvesTech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited management accounts of the Group (the “**Management Accounts**”) for the year ended 31 December 2021 (the “**FY2021**”) and assessment of the information currently available to the Board, it is expected that the Group would record a substantial decrease in net loss for FY2021 to an amount in the range of approximately RMB20.0 million to RMB25.0 million as compared with that of approximately RMB86.7 million recorded for the year ended 31 December 2020 (the “**FY2020**”), primarily attributable to the absence of the recognition of an impairment of loan receivables of one subsidiary of the Company (details of which are set out in the announcement of the Company dated 23 February 2021) and the impairment of goodwill in relation to the network system integration cash-generating unit for FY2021 (FY2020: approximately RMB57.6 million).

In addition, based on the preliminary valuation report prepared by an independent professional valuer, the fair value in relation to an equity investment of the Group in 華訊方舟科技有限公司 (China Communication Technology Co., Ltd* “CCT”) as at 31 December 2021 would decrease by approximately 60.0% to 70.0% as compared with that as at 31 December 2020. A fair value loss (the “**Fair Value Loss**”) would be recorded in the condensed consolidated statement of comprehensive income for FY2021 rather than in the consolidated statement of profit or loss for FY2021. Given that the Group expects to record a substantial decrease in net loss for FY2021 as mentioned above, coupled with the impact of the Fair Value Loss, it is expected that the Group will record total comprehensive loss in the range of approximately RMB90.0 million to RMB100.0 million for FY2021 as compared with that of approximately RMB360.8 million recorded for FY2020. The Fair Value Loss was primarily attributable to (i) the continuous poor business and economic environment in the industry of satellite communication products as a result of the sanctions imposed by the United States of America and the slowdown in the global economy caused by the outbreak and the escalation of the coronavirus (COVID-19) pandemic; (ii) the asset impairment for a major subsidiary of CCT that undergoes bankruptcy reorganisation procedures; (iii) the decrease in value of equity investments held by CCT; and (iv) the unenforced amount under various litigations for enforcement to CCT.

As at the date of this announcement, the Company is still in the course of compiling the consolidated results of the Group for FY2021, and the information contained in this announcement is solely based on, among others, a preliminary assessment of the Management Accounts by the Board after taking into account the information currently available, and has not been reviewed by the Company’s auditor and its audit committee. Further information of the Group and other details of the Group’s financial performance for FY2021 will be disclosed in the forthcoming audited annual results announcement which is expected to be published by the end of March 2022.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 March 2022

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, Edmund, Mr. Lu, Brian Yong Chen and Mr. Yuen Shiu Wai.

* *The English name is for identification purpose only.*