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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)

CHANGE IN USE OF PROCEEDS

Reference is made to (i) the announcements of InvesTech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 22 November 2021, 13 January 2022, 27 January 2022 and 11 March 2022 and the circular of the Company dated 24 December 2021 (the “**Circular**”) in relation to, amongst other things, the Placing, which sets out the intended use of the net proceeds from the Placing (the “**Net Proceeds**”) in the relevant announcements or the Circular; and (ii) the annual report of the Company for the year ended 31 December 2021 (the “**Annual Report**”), in which the utilisation of the Net Proceeds up to the date of the Annual Report was disclosed. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board hereby announces that it has resolved to change the use of the Net Proceeds.

USE OF PROCEEDS

The Net Proceeds, after deducting the placing commission and other expenses incurred in the Placing, amounted to approximately HK\$48.0 million. As stated in the section headed “REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS” in the Circular, all the Net Proceeds were intended to be used for the tender project for supply of the smart library system for the Leisure and Cultural Services Department of the Government of Hong Kong (the “**Tender Project**”).

As disclosed in the section headed “Placing of new shares under specific mandate” in the Annual Report, the Net Proceeds intended to be used for project on hand of approximately HK\$29.6 million has not been utilised up to the date of the Annual Report.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately HK\$27.3 million. On 7 June 2022, the Board resolved to change the use of the unutilised Net Proceeds. An illustration of the utilisation of the Net Proceeds as at the date of this announcement and the proposed change in the use of the unutilised Net Proceeds is set out as below:

Business objectives	Proposed use of Net Proceeds as disclosed in the Circular <i>approximately HK\$ million</i>	Net Proceeds utilised up to the date of this announcement <i>approximately HK\$ million</i>	Unutilised Net Proceeds up to the date of this announcement <i>approximately HK\$ million</i>	Revised allocation of the unutilised Net Proceeds <i>approximately HK\$ million</i>
Tender Project	48.0	20.7	27.3	–
General working capital for network system integration business	–	–	–	27.3
Total	<u>48.0</u>	<u>20.7</u>	<u>27.3</u>	<u>27.3</u>

The unutilised Net Proceeds are expected to be utilised by the end of 2022.

Save for the changes disclosed above, there is no other change in use of the Net Proceeds.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

In April 2022, a banking facility (the “**Bank Loan**”) has been obtained by a subsidiary of the Company from a local bank (the “**Bank**”), including a revolving loan in the amount of up to HK\$100 million. The interest rate of the revolving loan is 3% per annum over the Hong Kong Interbank Offered Rate for drawdown in Hong Kong dollars, or 3.1% per annum over the Secured Overnight Financing Rate for drawdown in United States dollars. The purpose of the Bank Loan is to finance the general working capital of the borrower, including but not limited to the payment in relation to the Tender Project and/or other purpose(s) as the Bank may deem fit at its absolute discretion.

The Group continues to focus on its core business of the IT infrastructure system integration and the sales of smart office software solutions. As disclosed in the Annual Report, the number of orders for, and sales of, smart office software solutions increased significantly, delivering revenue growth of approximately 60.7% compared to the corresponding period in 2020. The arrangement of working from home has become a culture or necessary contingency plan for different kind of organisations and companies which will bring about increasing demand on system and network solutions. The Group has also continued to expedite the development of its traditional IT infrastructure system integration business, and plans to expand the scope of its services to capture further opportunities in the smart office software solutions segment.

As disclosed in the Circular, it is expected that the working capital of approximately HK\$82 million will be required in the implementation stage of the Tender Project, and the Company will not rule out the possibility to obtain debt and/or equity financing if necessary for the Tender Project. In view of obtaining the Bank Loan with low interest rate, and the business strategy of the Group as mentioned above, the Directors consider that it is more flexible for the Company to reserve the unutilised Net Proceeds as general working capital to cater for the potential business opportunities of other projects in relation to the core business of the Group.

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Circular. The Board considers the above change in the use of the Net Proceeds is fair and reasonable as this would allow the Company to better allocate its financial resources so as to optimize the return to the Group, which therefore is in the interests of the Group and the Shareholders as a whole.

The Board will continuously assess the plan for the use of the unutilised Net Proceeds and in case of any material development, the Company may revise or amend such plan where necessary to cope with the changing market conditions.

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

Hong Kong, 7 June 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, Ms. Tin Yat Yu Carol and Mr. Lu Chengye, 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.