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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 TRANSACTION IN RELATION TO THE ENTERING OF THE FIFTH SUPPLEMENTAL SUBSCRIPTION AGREEMENT

THE ENTERING OF THE FIFTH SUPPLEMENTAL SUBSCRIPTION AGREEMENT

On 9 August 2022 (after trading hours of the Stock Exchange), the Company entered into the Fifth Supplemental Subscription Agreement with the Issuer, pursuant to which, the maturity date of the Bond is further extended to 8 February 2023, with effect from 20 January 2022, and the Bond will bear an interest rate of 9.5% per annum during the Fifth Extended Period.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the entering of the Fifth Supplemental Subscription Agreement is more than 5% but less than 25%, the entering of the Fifth Supplemental Subscription Agreement 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

Reference is made to the announcements of the Company respectively dated 18 March 2020, 18 March 2021, 18 June 2021 and 12 October 2021, in relation to the Company's entering of the First Supplemental Subscription Agreement, the Second Supplemental Subscription Agreement, the Third Supplemental Subscription Agreement and the Fourth Supplemental Subscription Agreement with the Issuer for the Bond respectively.

On 20 March 2019 (after trading hours of the Stock Exchange), the Company (as the subscriber) entered into the Subscription Agreement with the Issuer (as the issuer), pursuant to which, the Issuer agreed to issue and the Company agreed to subscribe for the Bond in the aggregate principal amount of HK\$15,000,000 bearing interest at a rate of 12% per annum for a term of one (1) year.

On 18 March 2020 (after trading hours of the Stock Exchange), the Parties entered into the First Supplemental Subscription Agreement to extend the maturity date of the Bond for one (1) year to 19 March 2021 (the “**First Extended Period**”). Pursuant to the First Supplemental Subscription Agreement, the Second Bond Certificate had replaced the Original Bond Certificate.

On 18 March 2021 (after trading hours of the Stock Exchange), the Parties further entered into the Second Supplemental Subscription Agreement to extend the maturity date of the Bond for three (3) months to 19 June 2021 (the “**Second Extended Period**”). Pursuant to the Second Supplemental Subscription Agreement, the Third Bond Certificate had replaced the Second Bond Certificate. During the First Extended Period and the Second Extended Period, the Interest Rate remained unchanged, and the Bond bore an interest rate of 12% per annum.

On 18 June 2021 (after trading hours of the Stock Exchange), the Parties further entered into the Third Supplemental Subscription Agreement to extend the maturity date of the Bond for three (3) months to 19 September 2021 (the “**Third Extended Period**”) and issued the Fourth Bond Certificate in replacement of the Third Bond Certificate. During the Third Extended Period, the Interest Rate was adjusted, and the Bond bore an interest rate of 9% per annum. Despite the failure for the Issuer to pay the principal and the interest due and payable on the Bond on or before 19 September 2021, the Issuer has subsequently repaid the interest accrued thereupon up to 12 October 2021 in full.

On 12 October 2021 (after trading hours of the Stock Exchange), the Parties further entered into the Fourth Supplemental Subscription Agreement to extend the maturity date of the Bond for four (4) months to 19 January 2022 (the “**Fourth Extended Period**”) with effect from 20 September 2021, and issued the Fifth Bond Certificate in replacement of the Fourth Bond Certificate. During the Fourth Extended Period, the Bond continued to bear an interest rate of 9% per annum. Save and except for the aforesaid extension of the maturity date, all other terms and conditions under the Subscription Agreement (and further amended by the First Supplemental Subscription Agreement, the Second Supplemental Subscription Agreement and the Third Supplemental Subscription Agreement) remain unchanged. Despite the failure for the Issuer to pay the principal and the interest due and payable on the Bond on or before 19 January 2022, the Issuer has subsequently repaid the interest accrued thereupon up to 9 August 2022 in full.

On 9 August 2022 (after trading hours of the Stock Exchange), the Parties further entered into the Fifth Supplemental Subscription Agreement to extend the maturity date of the Bond to 8 February 2023 (the “**Fifth Extended Period**”) with effect from 20 January 2022, and issued the Sixth Bond Certificate in replacement of the Fifth Bond Certificate. For the Fifth Extended Period, the Interest Rate shall be adjusted and the Bond shall bear an interest rate of 9.5% per annum.

Save and except for the aforementioned revisions, all other terms and conditions under the Subscription Agreement (and further amended by the First Supplemental Subscription Agreement, the Second Supplemental Subscription Agreement, the Third Supplemental Subscription Agreement, and the Fourth Supplemental Subscription Agreement) remain unchanged.

PRINCIPAL TERMS OF THE FOURTH 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 First Supplemental Subscription Agreement: extended for one (1) year from Original Maturity Date (i.e. 19 March 2021) the Second Supplemental Subscription Agreement: extended for three (3) months from the First Extended Maturity Date (i.e. 19 June 2021) the Third Supplemental Subscription Agreement: extended for three (3) months from the Second Extended Maturity Date (i.e. 19 September 2021) the Fourth Supplemental Subscription Agreement: extended for four (4) months from the Third Extended Maturity Date (i.e. 19 January 2022) the Fifth Supplemental Subscription Agreement: extended from the Fourth Extended Maturity Date (i.e. 19 January 2022) to 8 February 2023

Interest rate: 9.5% per annum during the Fifth Extended Period, which was determined after arm's length negotiations between the Parties with referencing their respective financial demands

Repayment: the Issuer shall repay the Bond in full, together with all accrued and unpaid interest thereon on the Fifth 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 (10) 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 (14) 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 FIFTH SUPPLEMENTAL SUBSCRIPTION AGREEMENT

The Fifth 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 the Fifth Supplemental Subscription Agreement (or such later time and date as the Parties may agree):

- (a) the full repayment by the Issuer regarding the entire amount of the unpaid and accrued interests on the outstanding principal amount of the Bond from 20 January 2022 up to the date of the Fifth Supplemental Subscription Agreement;
- (b) 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 Fifth Supplemental Subscription Agreement from relevant authorities (including but not limited to the Stock Exchange) and their respective shareholders;

- (c) there being no Event of Default (as defined in the Sixth Bond Certificate) occurring; and
- (d) there being no circumstance resulting the Subscription Agreement (and further amended by the First Supplemental Subscription Agreement, the Second Supplemental Subscription Agreement, the Third Supplemental Subscription Agreement and the Fourth Supplemental Subscription Agreement) or the Bond illegal, invalid or terminated under the terms and conditions under the Subscription Agreement (and further amended by the First Supplemental Subscription Agreement, the Second Supplemental Subscription Agreement, the Third Supplemental Subscription Agreement and the Fourth Supplemental Subscription Agreement) and the Original Bond Certificate, the Second Bond Certificate, the Third Bond Certificate, the Fourth Bond Certificate and the Fifth Bond Certificate.

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

REASONS FOR AND BENEFITS OF ENTERING INTO THE FIFTH SUPPLEMENTAL SUBSCRIPTION AGREEMENT

In light of the gradual recovery of the global economic environment caused by the outbreak of coronavirus pandemic (COVID-19), the Group continues to adopt a cautious approach towards any potential investments. As at the date of this announcement, the Group has not identified any immediate and potential investment opportunity suitable for the Group's long-term business strategies.

In light of the above, the Company views the continuous subscription of the Bond by means of the Extension a good investment option with its generation of stable return owing to the adjusted coupon rate of 9.5% for the Bond, which is substantially higher than the average bank deposit interest rate as quoted from the websites of well-recognised financial institutions in Hong Kong.

Furthermore, the Extension would enable the Group to continue to enhance its efficiency in the use of idle capital to generate additional interest income to the Group, and thereby providing the Group with additional cash inflow and stronger liquidity.

Moreover, the Company and the Issuer have been negotiating on the terms regarding the continuous subscription of the Bond since the Fourth Extended Maturity Date, including but not limited to the terms of duration for the Bond and its interest rate. During the negotiation, even though the Issuer has delayed in repayment of the outstanding principal amount of the Bonds and the interests accrued thereon after the Fourth Extended Maturity Date, the Issuer manages to fulfill its repayment obligation as at the date of this announcement and accordingly complies with the condition precedent for the execution of the Fifth Supplemental Subscription Agreement. Therefore, the Board considers that the Extension would enable the Group to utilise its capital without posing material adverse impact to the Group's business operations.

Having considered the above, the Board (including independent non-executive Directors) considers that the Extension, terms under the Fifth Supplemental Subscription Agreement and the transactions contemplated under the Fourth Supplemental Subscription Agreement are determined based on arm's length negotiations between the Company and the Issuer, on normal commercial terms, fair and reasonable, and in the best interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Company

The Company is incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on the main board of the Stock Exchange, and it is an investment holding company. The Group is principally 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.

Information on the Issuer

The Issuer is principally engaged in investment holding. Being the ultimate beneficial owner of the Issuer, Mr. Lu Wan Ching wholly owned the entire issued share capital of the Issuer.

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 of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the entering of the Fifth Supplemental Subscription Agreement is more than 5% but less than 25%, the entering of the Fifth Supplemental Subscription Agreement 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 Fifth Supplemental Subscription Agreement.

DEFINITIONS

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

“Board”	the board of Directors
“Bond”	the one (1) year 12% coupon unlisted bond 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
“Company”	InvesTech Holdings Limited, a company incorporated in Cayman Islands and continued in Bermuda with limited liability and the issued shares of which 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 to 8 February 2023 pursuant to the Fifth Supplemental Subscription Agreement
“Fifth Bond Certificate”	the bond certificate issued to the Company as stipulated by the Fourth Supplemental Subscription Agreement on 12 October 2021
“Fifth Extended Maturity Date”	8 February 2023, being the extended maturity date of the Bond pursuant to the Fifth Supplemental Subscription Agreement
“Fifth Supplemental Subscription Agreement”	the supplemental agreement to the Subscription Agreement (as amended by the First Supplemental Subscription Agreement and further amended by the Second Supplemental Subscription Agreement, the Third Supplemental Subscription Agreement and the Fourth Supplemental Subscription Agreement) dated 9 August 2022 entered into between the Parties in respect of the Extension

“First Extended Maturity Date”	19 March 2021, being the extended maturity date of the Bond pursuant to the First Supplemental Subscription Agreement
“First Supplemental Subscription Agreement”	the supplemental agreement to the Subscription Agreement dated 18 March 2020 entered into between the Parties
“Fourth Bond Certificate”	the bond certificate issued to the Company as stipulated by the Third Supplemental Subscription Agreement on 18 June 2021
“Fourth Extended Maturity Date”	19 January 2022, being the extended maturity date of the Bond pursuant to the Fourth Supplemental Subscription Agreement
“Fourth Supplemental Subscription Agreement”	the supplemental agreement to the Subscription Agreement (as amended by the First Supplemental Subscription Agreement and further amended by the Second Supplemental Subscription Agreement and the Third Supplemental Subscription Agreement) dated 12 October 2021 entered into between the Parties in respect of the Extension
“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
“Interest Rate”	interest rate of the Bond (as revised from time to time in accordance with the terms and conditions of the supplemental agreements to the Subscription Agreement and such Bond certificates executed correspondingly)
“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
“Original Bond Certificate”	the bond certificate issued to the Company as stipulated by the Subscription Agreement on 20 March 2019

“Original Maturity Date”	19 March 2020, being the maturity date of the Bond pursuant to the Subscription Agreement
“Parties”	the Company and the Issuer
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Bond Certificate”	the bond certificate issued to the Company as stipulated by the First Supplemental Subscription Agreement on 20 March 2020
“Second Extended Maturity Date”	19 June 2021, being the extended maturity date of the Bond pursuant to the Second Supplemental Subscription Agreement
“Second Supplemental Subscription Agreement”	the supplemental agreement to the Subscription Agreement (as amended by the First Supplemental Subscription Agreement) dated 18 March 2021 entered into between the Parties in respect of the extension of the maturity date of the Bond to the Second Extended Maturity Date
“Shareholder(s)”	the shareholder(s) of the Company
“Sixth Bond Certificate”	the bond certificate issued to the Company as stipulated by the Fifth Supplemental Subscription Agreement on 9 August 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 20 March 2019 entered into between the Parties in respect of the subscription of the Bond
“Third Bond Certificate”	the bond certificate issued to the Company as stipulated by the Second Supplemental Subscription Agreement on 18 March 2021
“Third Extended Maturity Date”	19 September 2021, being the extended maturity date of the Bond pursuant to the Third Supplemental Subscription Agreement

“Third Supplemental
Subscription Agreement”

the supplemental agreement to the Subscription Agreement (as amended by the First Supplemental Subscription Agreement and further amended by Second Supplemental Subscription Agreement) dated 18 June 2021 entered into between the Parties in respect of the extension of the maturity date of the Bond to the Third Extended Maturity Date and the adjustment of interest rate

“%”

per cent.

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

Hong Kong, 9 August 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.