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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	247,253	227,297
Gross profit	29,858	23,338
Loss before tax	(21,527)	(41,895)
Loss for the period	(14,112)	(40,467)
Loss for the period attributable to owners of the parent	(14,112)	(40,467)
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss per share		
– Basic and diluted (<i>RMB cents</i>)	(7.06)	(20.94)

SELECTED FINANCIAL RATIOS

	Six months ended 30 June	
	2025	2024
	(approximate)	(approximate)
Gross profit margin	12.1%	10.3%
Net loss margin ⁽¹⁾	<u>(5.7%)</u>	<u>(17.8%)</u>
	As at	As at
	30 June	31 December
	2025	2024
	(approximate)	(approximate)
Current ratio (<i>times</i>)	1.0	1.0
Gearing ratio ⁽²⁾	33.4%	33.7%
Return on total assets ⁽³⁾	(2.1%)	(8.9%)
Return on total equity ⁽³⁾	<u>(6.9%)</u>	<u>(26.5%)</u>

⁽¹⁾ Calculated by using loss for the period divided by revenue.

⁽²⁾ Calculated by using the total of interest-bearing bank and other borrowings and promissory note payable divided by total assets.

⁽³⁾ Calculated by using loss for the period divided by average balances of total assets or total equity.

BUSINESS REVIEW

During the six months ended 30 June 2025 (the “Period”), InvesTech Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) continued to focus on its core business of the IT infrastructure system integration and the sales of smart office software solutions. The majority of the Group’s revenue was generated from the market in the People’s Republic of China (the “PRC” or “China”).

During the Period, the Group encountered a challenging business environment due to ongoing geopolitical uncertainties, market volatility, trade barriers and intense competition within China. Despite these challenges, the Group has managed to enhance its revenue streams through strategic initiatives. The Group effectively established alliance with various technology giants, enabling it to expand its customer base by targeting domestic new quality productive enterprises and innovative technology enterprises. These alliances are essential for securing new clients and delivering cutting-edge IT infrastructure solutions, and also facilitate the Group to access to new markets and foster the development of advanced systems and solutions that address the evolving needs of the Group’s existing and potential customers. As a result, the Group recorded revenue generated from China of approximately RMB205.2 million for the Period, representing an increase of approximately RMB40.9 million or 24.9% as compared with approximately RMB164.3 million for the corresponding period in 2024.

The sales in Hong Kong region, which was mainly contributed by the provision of a smart library system for Hong Kong government’s Leisure and Cultural Services Department (the “Library Project”), recorded revenue of approximately RMB39.2 million for the Period, representing a decrease of approximately RMB20.1 million or approximately 33.9% as compared with approximately RMB59.3 million for the corresponding period in 2024. The Group actively and continuously monitors each phase of the Library Project, and effectively tracks progress to ensure the smooth and planned execution of the Library Project.

Impacted by the unfavorable economic climate and weak market sentiment in Hong Kong, the property markets in Hong Kong continued to face challenges during the Period, and affected the financial performance of the Group’s properties investment. During the Period, the Group recorded a fair value loss on investment properties of approximately RMB4.1 million (six months ended 30 June 2024: approximately RMB14.9 million).

In light of the above, the Group’s total revenue recorded an increase of approximately RMB20.0 million or approximately 8.8% to approximately RMB247.3 million for the Period (six months ended 30 June 2024: approximately RMB227.3 million). The Group’s gross profit increased by approximately RMB6.6 million or approximately 28.3% to approximately RMB29.9 million for the Period (six months ended 30 June 2024: approximately RMB23.3 million). A net loss for the Period of approximately RMB14.1 million was recorded (30 June 2024: approximately RMB40.5 million).

OUTLOOK

The “Going Global” policy and the “The Belt and Road Initiative” have opened new avenues for the business growth and expansion of the Chinese enterprises. The Group will continue to explore international markets and pursue business opportunities more vigorously, especially in the Asia Pacific and the Middle East regions. The Group remain cautiously optimistic on the Group’s business prospect.

Looking ahead, the Group will continue developing and optimising its IT infrastructure system integration business and smart office software solutions, and will also be dedicated to enhancing product innovation. The Group is committed to making progress in the fields of artificial intelligence (AI) and green technology, fully aware that the rapid development of these areas not only drives sustainable solutions across various industries but also supports overall market growth.

In light of the complexities and challenges posed by an unfavorable market environment affecting the Group’s operations and the overall financial performance, the Group will actively adjust its business strategy. The Group will closely monitor the technological advancements, integrate internal resources, and leverage strategic partnerships with several technology leaders to expand sales network and enhance the Group’s competitive advantage to better respond to market challenges and uncertainties. The Group will also implement stringent controls on expenditures so as to managing the uncertainties associated with economic and political conditions effectively.

UNAUDITED INTERIM CONSOLIDATED RESULTS

The board (the “Board”) of directors (the “Directors”) of the Company announces the unaudited interim consolidated financial results of the Group for the Period together with the unaudited comparative figures for the corresponding period in 2024. The interim consolidated financial results have been reviewed by the Company’s audit committee (the “Audit Committee”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		RMB’000	RMB’000
		(Unaudited)	(Unaudited)
Revenue	4	247,253	227,297
Cost of sales		<u>(217,395)</u>	<u>(203,959)</u>
Gross profit		29,858	23,338
Other income and gains	4	2,870	2,160
Selling and distribution expenses		(11,833)	(10,405)
Administrative expenses		(30,992)	(32,011)
Other losses		(4,095)	(17,832)
Impairment losses of financial assets, net		(1,092)	(912)
Finance costs	5	<u>(6,243)</u>	<u>(6,233)</u>
Loss before tax	6	(21,527)	(41,895)
Income tax credit	7	<u>7,415</u>	<u>1,428</u>
LOSS FOR THE PERIOD		<u>(14,112)</u>	<u>(40,467)</u>
Loss for the period attributable to owners of the parent		<u>(14,112)</u>	<u>(40,467)</u>
		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
– Basic and diluted	9	<u>RMB(7.06) cents</u>	<u>RMB(20.94) cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	<u>(14,112)</u>	<u>(40,467)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(383)</u>	<u>(276)</u>
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of the Company's financial statements into presentation currency	203	490
Change in fair value of financial asset at fair value through other comprehensive income	<u>—</u>	<u>(373)</u>
	<u>203</u>	<u>117</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	<u>(180)</u>	<u>(159)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(14,292)</u>	<u>(40,626)</u>
Total comprehensive loss attributable to owners of the parent	<u>(14,292)</u>	<u>(40,626)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Investment properties	10	58,734	63,806
Property, plant and equipment		1,450	1,172
Right-of-use assets		12,033	8,495
Goodwill	11	126,469	126,469
Other intangible assets		7,592	17,714
Deferred tax assets		4,162	4,162
Financial asset at fair value through other comprehensive income		11,023	11,023
Total non-current assets		221,463	232,841
CURRENT ASSETS			
Inventories		15,718	10,122
Trade and bills receivables and contract assets	12	343,920	280,567
Prepayments, other receivables and other assets		44,189	45,560
Equity investments at fair value through profit or loss	13	1,456	2,014
Pledged deposits		25,967	25,409
Cash and cash equivalents		31,215	85,506
Total current assets		462,465	449,178
CURRENT LIABILITIES			
Trade payables	14	193,466	147,563
Contract liabilities		29,079	35,804
Other payables and accruals		17,554	32,073
Promissory note payable		27,378	28,191
Interest-bearing bank and other borrowings		189,739	194,379
Tax payable		16,280	21,910
Total current liabilities		473,496	459,920

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NET CURRENT LIABILITIES	(11,031)	(10,742)
TOTAL ASSETS LESS CURRENT LIABILITIES	210,432	222,099
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	11,177	7,034
Deferred tax liabilities	1,139	2,657
Total non-current liabilities	12,316	9,691
Net assets	198,116	212,408
EQUITY		
Equity attributable to owners of the parent		
Share capital	13,427	13,427
Reserves	184,689	198,981
Total equity	198,116	212,408

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 June 2025*

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net cash flows used in operating activities	<u>(49,349)</u>	<u>(34,723)</u>
Net cash flows (used in)/from investing activities	<u>(316)</u>	<u>1,016</u>
Net cash flows (used in)/from financing activities	<u>(2,717)</u>	<u>12,883</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(52,382)	(20,824)
Cash and cash equivalents at beginning of period	85,506	76,196
Effect of foreign exchange rate changes, net	<u>(1,909)</u>	<u>(230)</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>31,215</u>	<u>55,142</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

InvesTech Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 16 November 2007 as an exempted company with limited liability and continued in Bermuda with effect from 7 July 2021 (Bermuda time). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is located at Canon’s Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. The Company’s principal place of business in Hong Kong is Room 02–03, 18/F, AIA Financial Centre, 712 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are mainly 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.

2.1 BASIS OF PREPARATION

This interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standard 34 Interim Financial Reporting. This interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of this interim condensed consolidated financial information are the same as those used in the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the new and amendments to IFRS Accounting Standards and IFRIC Interpretations and application of the accounting policy which became relevant to the Group as disclosed in note 2.2 below.

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

This interim condensed consolidated financial information is unaudited, but has been reviewed by the audit committee of the Company.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amendments to IFRS Accounting Standards for the first time for the current period’s financial information and application of the accounting policy which became relevant to the Group.

Amendments to IAS 21

Lack of Exchangeability

The application of the above amendments did not have a significant impact on the interim condensed consolidated financial information.

3. SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. The Group's chief operating decision makers, also being the directors, focus on revenue analysis by products and services in the communication system business. No other discrete financial information is provided except for the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures including geographic information are disclosed in note 4.

4. REVENUE, OTHER INCOME AND GAINS

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Types of goods or services		
Sales of goods	141,154	118,049
Rendering of services	106,099	109,248
	<hr/>	<hr/>
Total revenue from contracts with customers	<u>247,253</u>	<u>227,297</u>
Geographical markets		
Mainland China	205,220	164,280
Hong Kong	39,182	59,282
Vietnam	2,444	2,851
Other countries/regions	407	884
	<hr/>	<hr/>
Total revenue from contracts with customers	<u>247,253</u>	<u>227,297</u>
Timing of revenue recognition		
Goods transferred at a point in time	141,154	118,049
Services transferred over time	106,099	109,248
	<hr/>	<hr/>
Total revenue from contracts with customers	<u>247,253</u>	<u>227,297</u>

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other income and gains		
Bank interest income	294	206
Rental income	1,107	1,107
Government grants released*	940	830
Fair value gain on equity investments at fair value through profit or loss, net	375	–
Others	154	17
	<u>2,870</u>	<u>2,160</u>

* There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	6,021	5,345
Interest on lease liabilities	222	269
Interest on convertible bond	–	619
	<u>6,243</u>	<u>6,233</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold*	216,565	193,175
Depreciation of property, plant and equipment	366	570
Depreciation of right-of-use assets	3,037	3,306
Amortisation of other intangible assets**	10,122	10,123
Impairment of trade receivables, net	1,092	912
Research and development costs***	10,600	11,380
Foreign exchange difference, net	176	96
Employee benefit expenses (including directors' and a chief executive's remuneration)		
– Wages and salaries	40,535	38,465
– Pension scheme contributions	7,138	7,425
	<u>47,673</u>	<u>45,890</u>
Fair value loss on investment properties (<i>note 10</i>)	4,095	14,891
Fair value (gain)/loss on equity investments at fair value through profit or loss, net (<i>note 13</i>)	<u>(375)</u>	<u>2,941</u>

* Inclusive of write-down/(reversal of write-down) of inventories to net realisable value.

** Included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

*** Included in "Administrative expenses" in the interim condensed consolidated statement of profit or loss.

7. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current – Mainland China		
Overprovision in prior periods	(5,897)	–
Deferred tax credit	(1,518)	(1,428)
	<u>(7,415)</u>	<u>(1,428)</u>
Total tax credit for the period	<u>(7,415)</u>	<u>(1,428)</u>

The Group is subject to Hong Kong profits tax at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Company which is a qualifying entity under the two tiered profits tax rates regime. The first HK\$2,000,000 (equivalent to RMB1,861,000) (six months ended 30 June 2024: HK\$2,000,000 (equivalent to RMB1,861,000)) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Except for the following companies, the subsidiaries of the Company established in Mainland China are subject to corporate income tax (“CIT”) at the statutory tax rate of 25% in the following periods:

Name of the subsidiaries	Six months ended 30 June	
	2025	2024
Beijing Wafer New Century Information Technology Co., Ltd.*^	15%	15%
Wafer (Xi'an) Software Co., Ltd.*^	15%	15%

* The entities are is qualified as High and New Technology Enterprises and entitled to a preferential CIT rate of 15% for the six months ended 30 June 2025 and 2024.

^ The English names are for identification purposes only.

The subsidiary which operates in Vietnam was subject to CIT at a rate of 20% (six months ended 30 June 2024: 20%) on taxable income for the six months ended 30 June 2025.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered that the Group is not liable to top-up tax under the Pillar Two Rules.

8. DIVIDEND

No dividend has been paid or proposed by the Company during the six months ended 30 June 2025 and subsequent to the end of the reporting period (six months ended 30 June 2024: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 199,888,000 (six months ended 30 June 2024: 193,214,000) in issue during the period.

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation	<u>(14,112)</u>	<u>(40,467)</u>
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<u>199,888,000</u>	<u>193,214,000</u>
Loss per share		
Basic and diluted	<u>RMB(7.06) cents</u>	<u>RMB(20.94) cents</u>

The weighted average number of ordinary shares for the purpose of the calculation of basic loss per share for the six months ended 30 June 2024 had been adjusted for the bonus elements in the issue of shares of the Company completed on 31 January 2024 as if effective since 1 January 2024.

The calculation of diluted loss per share for the six months ended 30 June 2024 had not taken into account the effect of the potential ordinary shares on convertible bond as the assumed conversion would result in a decrease in loss per share.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

10. INVESTMENT PROPERTIES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Fair value		
At beginning of period/year	63,806	77,575
Additions	784	–
Fair value loss included in other losses	(4,095)	(16,082)
Exchange realignment	(1,761)	2,313
	<hr/>	<hr/>
At end of period/year	<u>58,734</u>	<u>63,806</u>

As at 30 June 2025 and 2024, the Group's investment properties consisted of car parks and office premises located in Hong Kong and Mainland China. All investment properties were held under operating leases to earn rental income or for capital appreciation purposes, and were measured by using the fair value model.

During the six months ended 30 June 2025, the additions to investment properties amounted to RMB784,000. During the six months ended 30 June 2024, there was no additions to investment properties.

During the six months ended 30 June 2025 and 2024, there were no changes to the valuation techniques for the investment properties.

The investment properties of the Group at an aggregated amount of RMB54,756,000 (31 December 2024: RMB59,389,000) were pledged to secure a bank loan of the Group as at 30 June 2025.

11. GOODWILL

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Cost:		
At beginning and end of the period/year	<u>207,580</u>	<u>207,580</u>
Accumulated impairment:		
At beginning of the period/year	(81,111)	(72,628)
Impairment during the period/year	<u>–</u>	<u>(8,483)</u>
	<u>(81,111)</u>	<u>(81,111)</u>
Net carrying amount:		
At end of the period/year	<u>126,469</u>	<u>126,469</u>

Impairment testing of goodwill

Network system integration cash-generating unit

Goodwill related to the network system integration cash-generating unit arose from the acquisition of Fortune Grace Management Limited in 2015. Details of the acquisition are set out in the announcements of the Company dated 6 and 13 November 2015.

In the opinion of the directors of the Company, during the six months ended 30 June 2025, there was no material changes on the network system integration business and no material event occurred or circumstance changes that would reduce the recoverable amount of the network system integration cash-generating unit below its carrying value. Considering the reasons above and the requirement under IAS 36, the directors of the Company did not identify any impairment indicator of the network system integration cash-generating unit, and no impairment testing of goodwill was performed during the six months ended 30 June 2025.

12. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	185,648	132,182
Impairment	(10,249)	(9,194)
Trade receivables, net	175,399	122,988
Contract assets	167,776	155,853
Bills receivables	745	1,726
	343,920	280,567

Trade receivables of the Group represented proceeds receivable from the sale of goods and rendering of services. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit term generally ranges from 30 to 90 days, and a longer credit term will be granted to certain major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control management system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, as at 30 June 2025, except for the amount due from one (31 December 2024: one) customer exceeding 10% of the Group's total trade and bills receivables, the remaining balances of the trade receivables related to a large number of diversified customers. There is no significant concentration of credit risk as at 30 June 2025. Trade receivables were interest-free and unsecured as at 30 June 2025.

Contract assets arise from construction services for communication network infrastructure and network system upgrade infrastructure. It primarily relates to the Group's right to consideration for work completed but not yet unconditional at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. Additionally, approximately 5% of the contract sum is kept in contract assets until the end of the retention period as the Group's entitlement to it is conditional on the Group's work satisfactorily passing inspection.

The movements of the contract assets are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year	155,853	133,580
Transfer in the period from contract assets to trade receivables	(18,842)	(75,428)
Increase in contract assets as a result of changing in measure of progress	35,260	93,193
Exchange realignment	(4,495)	4,508
	<hr/>	<hr/>
At end of period/year	167,776	155,853

An aging analysis of the trade receivables and contract assets of the Group as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	244,815	206,051
3 to 6 months	31,199	27,846
6 to 12 months	28,354	18,638
1 to 2 years	20,342	17,536
Over 2 years	18,465	8,770
	<hr/>	<hr/>
	343,175	278,841

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of the period/year	9,194	10,102
Provision for/(reversal of) impairment losses, net	1,092	(763)
Amounts written off as uncollectible	(21)	(157)
Exchange realignment	(16)	12
	<hr/>	<hr/>
At end of the period/year	10,249	9,194

The maturity profile of the bills receivables of the Group as at the end of the reporting period is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	745	28
3 to 6 months	—	1,698
	<u>745</u>	<u>1,726</u>

13. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Listed equity investments, at fair value	<u>1,456</u>	<u>2,014</u>

The balance represented listed equity securities investments that offer the Group the opportunity for return by way of fair value changes and dividend income. The equity investments are classified as held for trading and measured at fair value through profit or loss.

As at 30 June 2025, equity investments at fair value through profit or loss represents an investment portfolio comprising eight (31 December 2024: nine) equity securities listed in Hong Kong of which seven (31 December 2024: eight) are listed on the Main Board of the Stock Exchange and the remaining one (31 December 2024: one) are listed on GEM of the Stock Exchange.

A fair value gain of RMB375,000 was recognised for changes in fair value of equity investments at fair value through profit or loss in “Other income and gains” in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 (six months ended 30 June 2024: loss of RMB2,941,000 in “Other losses”).

The fair values of equity investments as at 30 June 2025 have been determined by reference to the quoted market prices available on the Stock Exchange.

14. TRADE PAYABLES

An aging analysis of the trade payables of the Group, based on the invoice date, as at the end of the reporting period is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	92,778	47,439
3 to 12 months	43,373	43,366
1 to 2 years	21,010	25,508
Over 2 years	36,305	31,250
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	193,466	147,563
	<hr/> <hr/>	<hr/> <hr/>

The Group normally obtains credit terms ranging from 1 to 3 months from its suppliers. Trade payables are unsecured and interest-free.

FINANCIAL REVIEW

Revenue and cost of sales

Revenue of the Group for the Period was approximately RMB247.3 million (six months ended 30 June 2024: approximately RMB227.3 million), representing an increase of approximately RMB20.0 million, or approximately 8.8% as compared with that of the corresponding period in 2024. The increase in revenue was mainly due to the slight growth of revenue derived from the IT infrastructure system integration business in China during the Period.

The cost of sales of the Group increased by approximately RMB13.4 million, or approximately 6.6% to approximately RMB217.4 million for the Period (six months ended 30 June 2024: approximately RMB204.0 million). The increase in cost of sales was in line with the increase in revenue of the Group.

Gross profit and gross profit margin

The Group achieved gross profit for the Period amounted to approximately RMB29.9 million (six months ended 30 June 2024: approximately RMB23.3 million), representing an increase of approximately RMB6.6 million, or approximately 28.3% as compared with that of the corresponding period in 2024. The gross profit margin for the Period was approximately 12.1% (six months ended 30 June 2024: approximately 10.3%), representing an increase of approximately 1.8% (in absolute amount) as compared with that of the corresponding period in 2024.

Other income and gains

The Group recorded other income and gains of approximately RMB2.9 million for the Period (six months ended 30 June 2024: approximately RMB2.2 million), mainly consisted of (i) rental income from investment properties of approximately RMB1.1 million (six months ended 30 June 2024: approximately RMB1.1 million); and (ii) the government grants released to the Group of approximately RMB0.9 million (six months ended 30 June 2024: approximately RMB0.8 million).

Selling and distribution expenses

The selling and distribution expenses of the Group increased by approximately RMB1.4 million or approximately 13.5% to approximately RMB11.8 million for the Period (six months ended 30 June 2024: approximately RMB10.4 million), primarily due to the increase in sales commission expenses.

Administrative expenses

The administrative expenses of the Group decreased by approximately RMB1.0 million or approximately 3.1% to approximately RMB31.0 million for the Period (six months ended 30 June 2024: approximately RMB32.0 million). The administrative expenses for the Period was comparable to that of the corresponding period in 2024.

Other losses

The other losses for the Period represented the fair value loss on investment properties of approximately RMB4.1 million (six months ended 30 June 2024: approximately RMB14.9 million). The other losses in the corresponding period in 2024 also included net fair value loss on equity investments at fair value through profit or loss of approximately RMB2.9 million.

Finance costs

The finance costs of the Group amounted to approximately RMB6.2 million for the Period (six months ended 30 June 2024: approximately RMB6.2 million). The finance costs for the Period was comparable to that of the corresponding period in 2024.

Income tax

The income tax of the Group comprised provision of income tax and deferred tax.

The Group recorded tax credit for the Period of approximately RMB7.4 million (six months ended 30 June 2024: approximately RMB1.4 million), primarily due to (i) the recognition of the deferred tax credit of approximately RMB1.5 million (six months ended 30 June 2024: approximately RMB1.4 million) arising from the amortisation of other intangible assets, and (ii) reversal of overprovision of tax in prior years of approximately RMB5.9 million (six months ended 30 June 2024: Nil). The Group did not record income tax expense derived by the assessable profit of the Company's subsidiaries during the Period (six months ended 30 June 2024: Nil).

Loss for the Period

The Group recorded a loss for the Period of approximately RMB14.1 million for the Period (six months ended 30 June 2024: approximately RMB40.5 million). The decrease in loss was mainly attributable to (i) the decrease in fair value loss on investment properties by approximately RMB10.8 million; and (ii) the increase in gross profit by approximately RMB6.6 million resulting from the improved sales performance derived by the Group's IT infrastructure system integration business in China.

Liquidity and financial resources

As at 30 June 2025, the Group's gearing ratio, which is calculated by total of interest-bearing bank and other borrowings and promissory note payable divided by total assets, was approximately 33.4% (31 December 2024: approximately 33.7%). The gearing ratio of the Group remained stable.

As at 30 June 2025, the total interest-bearing bank and other borrowings of the Group amounted to approximately RMB200.9 million (31 December 2024: approximately RMB201.4 million), among which approximately RMB123.5 million (31 December 2024: approximately RMB122.7 million) was unsecured and guaranteed by a director of the Company, and approximately RMB18.7 million (31 December 2024: approximately RMB19.8 million) was secured and guaranteed by a director of the Company. As at 30 June 2025, the interest-bearing bank and other borrowings of approximately RMB43.6 million (31 December 2024: approximately RMB43.9 million) carried at fixed interest rates and approximately RMB157.3 million (31 December 2024: approximately RMB157.5 million) carried at floating interest rates.

Save as aforesaid or as otherwise disclosed in this announcement, and apart from intragroup liabilities, the Company did not have any other outstanding indebtednesses or contingent liabilities as at 30 June 2025.

Foreign currency risk

As certain of the Group's trade and other receivables, cash and cash equivalents and trade and other payables are denominated in foreign currency, exposure to exchange rate fluctuation arises. The Group has relevant policy to monitor the risk associated with the fluctuation of foreign currency and control such risk, if necessary.

Cash flows

The net cash used in operating activities for the Period amounted to approximately RMB49.3 million.

The net cash used in investing activities for the Period of approximately RMB0.3 million was mainly attributable to the combined effects of (i) net increase in pledged deposits of approximately RMB1.2 million; and (ii) proceeds from disposal of equity investments at fair value through profit or loss of approximately RMB0.9 million.

The net cash used in financing activities for the Period of approximately RMB2.7 million was primarily attributable to the combined effects of (i) new bank and other borrowings of approximately RMB76.0 million; (ii) repayment of bank and other borrowings of approximately RMB75.4 million; and (iii) payment of principal portion of lease payments of approximately RMB3.3 million.

Charge on assets

As at 30 June 2025, investment properties of approximately RMB54.8 million (31 December 2024: approximately RMB59.4 million) were pledged as security for interest-bearing bank and other borrowings of the Group.

Capital expenditures

The Group had capital expenditures of approximately RMB3.6 million for the Period (six months ended 30 June 2024: approximately RMB0.8 million) for additions to property, plant and equipment and right-of-use assets.

Capital commitments

As at 30 June 2025, the Group had no significant capital commitment (31 December 2024: Nil).

CAPITAL STRUCTURE

As at 30 June 2025, the capital of the Company comprised ordinary shares only.

INVESTMENT IN LISTED EQUITY INVESTMENTS

During the Period, the Group recorded fair value gain on equity investments at fair value through profit or loss of approximately RMB0.4 million (six months ended 30 June 2024: fair value loss of approximately RMB2.9 million), which was related to the fair value gain from the Group's investment in listed securities. As at 30 June 2025, the Group's equity investments at fair value through profit or loss consisted of eight listed equity investments (31 December 2024: nine), all of them were shares listed on the Stock Exchange.

As at 30 June 2025, the fair value of each of the equity investments at fair value through profit or loss was less than 5% of the Group's total assets.

EMPLOYEES

As at 30 June 2025, the total number of employees of the Group was 316 (31 December 2024: 323). The breakdown of employees of the Group as at 30 June 2025 and 31 December 2024 is as follows:

	As at 30 June 2025	As at 31 December 2024
Manufacturing and technical engineering	136	136
Sales and marketing	54	55
General and administration	51	50
Research and development	75	82
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Total	316	323

Compensation policy of the Group is determined by evaluating individual performance of the employees and has been reviewed regularly. The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs.

EVENT AFTER THE END OF THE REPORTING PERIOD

The Group has no significant event taken place subsequent to 30 June 2025 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating the elements of good corporate governance into the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company (“Shareholders”) as a whole. The Board strives to uphold good corporate governance and adopt sound corporate governance practices continuously in the interest of Shareholders to enhance the overall performance of the Group. The Company has adopted and complied with the principles and applicable code provisions set out in part 2 of the Corporate Governance Code (the “CG Code”) contained in the Appendix C1 to the Listing Rules then in force throughout the six months ended 30 June 2025 except for the following deviations:

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. Being aware of the said deviation from code provision C.2.1, but in view of the current rapid development of the Group, the Board believes that with the support of the management, vesting the roles of both chairman and CEO by Mr. Chan Sek Keung, Ringo can facilitate execution of the Group’s business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which consists of three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. The Company will seek to re-comply with code provision C.2.1 by identifying and appointing a suitable and qualified candidate to the position of the CEO in future.

AUDIT COMMITTEE

The primary responsibilities of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee the risk management and internal control procedures of the Company. As at 30 June 2025 and up to the date of this announcement, the Audit Committee consists of three independent non-executive Directors, being Mr. Hon Ming Sang, Mr. Tang Shu Pui, Simon and Mr. Tsang Siu Yan, Patrick. Mr. Hon Ming Sang currently serves as the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the Listing Rules and the CG Code. During the six months ended 30 June 2025, the Audit Committee convened one meeting.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed about the auditing, risk management, internal controls, and financial reporting matters including the review of the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTION BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. On specific enquiries made, all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding the Directors’ securities transactions during the six months ended 30 June 2025.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

REVIEW OF INTERIM CONSOLIDATED RESULTS

The interim consolidated results of the Group for the six months ended 30 June 2025 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the six months ended 30 June 2025.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2025 containing all the applicable information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.investech-holdings.com) in due course in accordance with the Listing Rules.

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

Hong Kong, 27 August 2025

As at the date of this announcement, the executive Directors are Mr. Chan Sek Keung, Ringo (Chairman and Chief Executive Officer), Ms. Tin Yat Yu, Carol and Mr. Zhou Yi, the non-executive Director is Mr. Wong Tsu Wai, Derek and the independent non-executive Directors are Mr. Hon Ming Sang, Mr. Tang Shu Pui, Simon and Mr. Tsang Siu Yan, Patrick.