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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Comba Telecom Systems Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying proxy form to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Hong Kong Stock Code: 2342)
(Singapore Stock Code: STC)

**POSSIBLE MAJOR TRANSACTION AND DEEMED DISPOSAL
IN RELATION TO THE PROPOSED SPIN-OFF AND
SEPARATE LISTING OF THE SPIN-OFF CO
AND
NOTICE OF EGM**

**Independent financial adviser
to the Independent Board Committee and the Shareholders**



A notice convening the extraordinary general meeting (the “EGM”) of the Company to be held at Unit 611, Building 8W, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on Thursday, 14 September 2023 at 11:00 a.m. (Hong Kong time) is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for use at the EGM is enclosed with this circular. Such proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, the website of Singapore Exchange Securities Trading Limited at www.sgx.com and the website of the Company at www.comba-telecom.com.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying proxy form, in accordance with the instructions printed thereon and deposit the same at the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong shareholders of the Company), or to the Company’s Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or by email to shareregistry@incorp.asia (for Singapore shareholders of the Company), as soon as possible and in any event no later than Tuesday, 12 September 2023 at 11:00 a.m. (Hong Kong time) or not less than 48 hours before the time appointed for holding of any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

29 August 2023

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“A-share(s)”	ordinary share(s) denominated in RMB of a company listed on the PRC Stock Exchange
“associates”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CDP”	The Central Depository (Pte) Limited
“Company”	Comba Telecom Systems Holdings Limited (京信通信系統控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the issued Shares of which are primary listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2342) and secondary listed on the Main Board of the SGX-ST (stock code: STC)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the resolution in relation to the Proposed Spin-off
“GM Capital”	Grand Moore Capital Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Shareholders on the Proposed Spin-off
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“holding company”	has the meaning ascribed to it under the Hong Kong Listing Rules

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as may be amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Shareholders on the Proposed Spin-off
“Latest Practicable Date”	20 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Manual”	the listing manual of the SGX-ST, as may be amended from time to time
“PN15”	Practice Note 15 of the Hong Kong Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan region
“PRC Sponsor”	the sponsor acting for the Spin-off Co in relation to the Proposed A-Share Listing
“PRC Stock Exchange”	the Shanghai Stock Exchange in the PRC
“Proposed A-Share Listing”	the proposed listing of the A-shares of the Spin-off Co on the PRC Stock Exchange
“Proposed Spin-off”	the proposed spin-off of the Spin-off Co by the Company for a separate listing of the A-shares of the Spin-off Co on the PRC Stock Exchange
“Remaining Business”	the principal business of the Remaining Group as described in this circular
“Remaining Group”	the Group excluding the Spin-off Group
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Securities Accounts”	securities accounts maintained by Depositors with CDP, but not including securities accounts maintained with a Depository Agent
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) for the time being of Shares. Where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, refer to the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“Singapore Listing Rules”	the listing rules of the SGX-ST as set out in the Listing Manual
“Spin-off Business”	the principal business of the Spin-off Group
“Spin-off Co”	京信網絡系統股份有限公司 (Comba Network Systems Company Limited), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Spin-off Group”	the Spin-off Co and its subsidiaries
“subsidiary(ies)”	has the meaning as ascribed to it under the Hong Kong Listing Rules
“USA”	the United States of America
“Waiver”	the waiver from strict compliance with paragraph 3(f) of PN15 in respect of the assured entitlement under the Proposed Spin-off
“%”	per cent.

* *In this circular, the English translation/transliteration of the Chinese names denoted is for illustration purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

DEFINITIONS

The expressions “Depositor(s)”, “Depository Register” and “Depository Agent” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Hong Kong Listing Rules, the SFO, the Singapore Listing Rules and the Securities and Futures Act 2001 of Singapore, or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Hong Kong Listing Rules, the SFO, the Singapore Listing Rules and the Securities and Futures Act 2001 of Singapore or any modification thereof, as the case may be..

Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Hong Kong Stock Code: 2342)

(Singapore Stock Code: STC)

Executive Directors:

Mr. FOK Tung Ling (*Chairman*)
Mr. ZHANG Yue Jun (*Vice Chairman*)
Mr. XU Huijun (*President*)
Mr. CHANG Fei Fu
Ms. HUO Xinru

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Director:

Mr. WU Tielong

*Head office and principal place of
business in Hong Kong:*

Unit 611
Building 8W
Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

Independent non-executive Directors:

Mr. LAU Siu Ki, Kevin
Ms. NG Yi Kum
Ms. WONG Lok Lam

29 August 2023

To the Shareholders

Dear Sir or Madam,

**POSSIBLE MAJOR TRANSACTION AND DEEMED DISPOSAL
IN RELATION TO THE PROPOSED SPIN-OFF AND
SEPARATE LISTING OF THE SPIN-OFF CO**

INTRODUCTION

As at the Latest Practicable Date, the Group indirectly held approximately 78.5% equity interest in the Spin-off Co and the Spin-off Business mainly includes research and development, design, sale of network system products and solutions and service ancillary to products sold such as commissioning and after-sale services etc. The Company submitted an application in relation to the Proposed Spin-off pursuant to PN15 to the Hong Kong Stock Exchange for approval and the Hong Kong Stock Exchange confirmed on 3 September 2021 that the Company might proceed with the Proposed Spin-off.

LETTER FROM THE BOARD

Due to the impact of the outbreak of COVID-19 on relevant processes, the Company postponed the Proposed Spin-off and the submission of the listing application for the Proposed A-Share Listing which was initially scheduled in the second half of 2021.

As the COVID-19 pandemic situation has improved recently, the Company has decided to resume and proceed with the Proposed Spin-off under PN15 and the listing application for the Proposed A-Share Listing, which is planned to be submitted in September 2023.

As at the Latest Practicable Date, the Group indirectly held approximately 78.5% equity interest in the Spin-off Co. The listing of the Spin-off Co is expected to involve the issue of new A-shares of the Spin-off Co by way of public offer and/or placing. It is intended that the number of new A-shares to be issued under the Proposed A-Share Listing will not be more than 25% of the enlarged issued share capital of the Spin-off Co after the aforesaid public offer and/or placing, following which the ownership of the Group in the Spin-off Co will be diluted to not less than 58.9%. Accordingly, the Proposed Spin-off and the Proposed A-Share Listing, if materialized, will constitute a deemed disposal of the Group's interest in the Spin-off Co under Rule 14.29 of the Hong Kong Listing Rules. The highest applicable percentage ratio under Rule 14.07 of the Hong Kong Listing Rules in respect of the Proposed Spin-off is expected to exceed 25% but will be less than 75%. Accordingly, the Proposed Spin-off, if proceeded, will constitute a major disposal and not a very substantial disposal of the Company under Chapter 14 of the Hong Kong Listing Rules and will be subject to the reporting, announcement and Shareholders' approval requirements under PN15 and Chapter 14 of the Hong Kong Listing Rules.

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Proposed Spin-off. The Independent Board Committee comprising Mr. Lau Siu Ki, Kevin, Ms. Ng Yi Kum and Ms. Wong Lok Lam, being all the independent non-executive Directors, has been established to advise the Shareholders in respect of the Proposed Spin-off. GM Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard.

The purpose of this circular is to provide you with, among other things, (i) the information of the Proposed Spin-off and the Waiver in respect of the assured entitlement requirement under the Proposed Spin-off; (ii) the letter of recommendation from the Independent Board Committee to the Shareholders in respect of the Proposed Spin-off; (iii) the letter of advice from GM Capital to the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off; (iv) the financial information of the Group; and (v) other information as required under the Hong Kong Listing Rules. The notice of EGM is set out on pages EGM-1 to EGM-3.

LETTER FROM THE BOARD

THE PROPOSED SPIN-OFF AND THE PROPOSED A-SHARE LISTING

Subject to fulfilment of the conditions set out in the paragraph headed “Conditions of the Proposed Spin-off” below, it is proposed that the Spin-off Co will apply for a separate listing of its A-shares on the PRC Stock Exchange and will be spun-off from the Group. The listing of the Spin-off Co is expected to involve the issue of new A-shares of the Spin-off Co by way of public offer and/or placing. It is intended that the number of new A-shares to be issued under the Proposed A-Share Listing will not be more than 25% of the enlarged issued share capital of the Spin-off Co after the aforesaid public offer and/or placing. The actual number of new A-shares of the Spin-off Co to be issued will be determined at a later stage subject to regulatory approvals by the PRC Stock Exchange and the CSRC, discussions among the management of the Spin-off Co, the PRC Sponsor and other advisers for the Proposed A-Share Listing and, in particular, the market conditions. In any event, the Group is expected to hold not less than 58.9% of the enlarged issued share capital of the Spin-off Co following completion of the Proposed A-Share Listing, and the Spin-off Co will remain as a subsidiary of the Company.

Based on the current timetable, it is expected that the listing application of the Spin-off Co will be made in September 2023 and the listing of the A-shares of the Spin-off Co on the PRC Stock Exchange, if approved and proceeded with, will be around the second half of 2024.

Conditions of the Proposed Spin-off and the Proposed A-Share Listing

Based on the information currently available to the Board, the Proposed Spin-off will be conditional upon, among other things, the fulfillment of the following conditions:

- (i) the approval by the CSRC, the PRC Stock Exchange and other authorities in relation to the Proposed A-Share Listing;
- (ii) the approval by the Shareholders in relation to the Proposed Spin-off at the EGM; and
- (iii) the approval by any other applicable PRC regulatory authorities for the listing of and permission to deal in the A-shares to be issued by the Spin-off Co.

As at the Latest Practicable Date, none of these conditions have been fulfilled. If any of these conditions is not fulfilled or waived, if applicable, the Proposed Spin-off and the Proposed A-Share Listing will not proceed and the Company will publish an announcement as soon as practicable thereafter.

Proceeds to be raised from the Proposed A-Share Listing and proposed use of proceeds

The Directors and the directors of the Spin-off Co currently expect the gross proceeds to be raised under the Proposed A-Share Listing will be within the range of approximately RMB750 million to approximately RMB1,700 million, on the assumption that the proposed offering size represents 25% of the Spin-off Co’s enlarged issued share capital and the estimated market capitalizations of not less than approximately

LETTER FROM THE BOARD

RMB3,000 million and not more than approximately RMB6,814 million. Having consulted the PRC Sponsor and considered the Spin-off Group was loss-making in the financial year ended 31 December 2022 and is asset-light in nature, the price-to-sales (P/S) valuation metrics has been adopted to estimate the market capitalization of the Spin-off Co upon the Proposed A-Share Listing. The upper range of the estimated market capitalization of the Spin-off Co of approximately RMB6,814 million was calculated by multiplying the unaudited consolidated revenue of the Spin-off Group for the financial year ended 31 December 2022 of RMB1,063 million with the average P/S ratio of 6.41 times of five selected comparable companies. These five selected comparable companies are all A-share listed companies: four of which are Spin-off Co's industry peers that provide base station products, radio frequency products and 5G+ industrial application products, and one of which is Spin-off Co's direct competitor that provides 5G small cell base station products to mobile network operators in the PRC. The lower range of the estimated market capitalization of RMB3,000 million was chosen by reference to the minimum market capitalization requirement of RMB3 billion, which is one of the listing criteria applicable for the Proposed A-Share Listing pursuant to the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange 《上海證券交易所科創板股票上市規則》(2020 Revision).

At this stage, the actual amount of proceeds to be raised cannot be determined as the size of the offering under the Proposed A-Share Listing (including the exact number of offer shares and the final offer price of the Spin-off Co's offering) has not been fixed yet.

Pursuant to the Securities Issuance and Underwriting Management Measures 《證券發行與承銷管理辦法》(2023 Revision) issued by the CSRC, relevant consultations and enquiries shall be made with professional and institutional investors with rich experience in investment and company valuation (including companies involved in securities, fund management, futures, trusts, insurance and finance, other qualified foreign investors and private fund managers) and other specified investors in order to determine the final offer price under the Proposed Spin-off and the Proposed A-Share Listing. In determining the offer price, the aforementioned investors should determine their price quotations under the principles of honesty, objectiveness and independence, and shall not negotiate the quotations nor deliberately provide a higher or lower quotation.

Based on the discussions between the management of the Spin-off Co and the PRC Sponsor, the number and the final offer price of new A-shares to be issued under the Proposed A-Share Listing will ultimately be determined by the Spin-off Co and the lead underwriter in accordance with relevant laws and regulations, or other requirements by the CSRC or the PRC Stock Exchange and will be determined with reference to the then responses to the price consultation and other method(s) to be agreed between the Spin-off Co and the lead underwriter. In determining the offer price of the offering under the Proposed A-Share Listing, the Spin-off Co will take into account, among other things, (i) the financial performance of the Spin-off Group as reflected its historical operating results; (ii) the business prospects and expected performance of the Spin-off Group; (iii) the capital needs of the Spin-off Group and the proposed use of proceeds as further discussed below; (iv) the then responses to price consultation with potential subscribers in the book-building process for the Proposed A-Share Listing; (v) the prevailing A-share market conditions and market sentiment at the time of the Proposed A-Share Listing; (vi)

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the appropriate valuations to be determined by the Spin-off Co and the lead underwriter having considered those of comparable companies listed in the PRC in the same industry as the Spin-off Co; and (vii) the applicable laws and regulations, including the Securities Issuance and Underwriting Management Measures (2023 Revision) and the Implementing Rules of the Shanghai Stock Exchange for the Issuance and Underwriting Business for Initial Public Offerings of Securities 《上海證券交易所首次公開發行證券發行與承銷業務實施細則》. Having considered the above, the Board is of the view that the aforementioned basis of determining the offer price of the Proposed A-Share Listing is fair and reasonable.

The Spin-off Co intends to apply the net proceeds from the Proposed A-Share Listing (after deducting related expenses) for the development of the Spin-off Business, in the following manner:

- (i) approximately 38% will be used for a research and development project of communication base station products and industry solutions based on 5G technology, which is projected to complete in 2026;
- (ii) approximately 10% will be used for a research and development project of a new generation of multi-mode and multi-frequency remote radio unit, which is projected to complete in 2026;
- (iii) approximately 14% will be used for a research and development project of a co-constructed and shared high-performance distributed digital radio remote system for 2G/3G/4G/5G, which is projected to complete in 2026;
- (iv) approximately 8% will be used for a construction project of intelligent upgrade for the next generation of 5G+ communication products, which is projected to complete in 2025; and
- (v) approximately 30% will be used to supplement the working capital of the Spin-off Group.

The above timeline is based on current estimation by the management of the Spin-off Group and will be subject to change depending on the actual construction/upgrade progress.

Details of the Proposed Spin-off and the Proposed A-Share Listing will be available at a later stage. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Hong Kong Listing Rules. Shareholders and potential investors of the Company should be aware that the expected offer size and the estimated gross proceeds as referred to above is for illustration purposes only and the actual amount to be raised and the proposed use of proceeds shall be subject to the listing application documents to be submitted by the Spin-off Co taking into account, among others, the PRC domestic market conditions at the time of the materialization of the Proposed A-Share Listing as well as the business development of the Spin-off Group, and may vary substantially from the amounts estimated above.

LETTER FROM THE BOARD

Lock-up undertakings

As required by the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 《上海證券交易所股票上市規則》 relevant to the Proposed A-Share Listing and in accordance with normal market practice, certain members of the Group (being the direct shareholder of the Spin-off Co and its parties acting in concert), Mr. Fok Tung Ling, certain senior management of the Group and the Spin-off Group and other existing shareholders of the Spin-off Co will provide lock-up undertakings in relation to shares in the Spin-off Co. As far as the Group is concerned, each of the relevant members of the Group will undertake that, amongst others,

- (a) within a period of 36 months from the date of listing of the Spin-off Co's shares (the "**Lock-up Period**"), it will not transfer or entrust others to manage the Spin-off Co's shares it has directly or indirectly held before the Proposed A-Share Listing, nor allow the Spin-off Co repurchase these shares;
- (b) if the closing prices of the Spin-off Co's A-shares are all lower than the issue price during a period of 20 consecutive trading days within the first 6 months after the date of listing of the Spin-off Co's A-shares, or the closing price at the date falling the expiry of 6 months from the date of listing (if such day is not a trading day, then immediately following trading day) the lock-up period of the Spin-off Co's A-shares directly or indirectly held before the listing by it will be automatically extended for 6 months;
- (c) if the Spin-off Co's A-shares held by it are reduced within two years after the expiry of the Lock-up Period, the disposal price shall not be lower than the issue price of the Proposed A-Share Listing; and
- (d) if the Spin-off Co does not make a profit at the time of listing, before the Spin-off Co turns profit-making, it shall not dispose of the shares of the Spin-off Co it holds before listing during the first three full financial years after the date of listing of the Spin-off Co's shares; during the fourth and fifth financial years from the date of initial listing, it shall not dispose more than 2% of the Spin-off Co's total issued shares each year; and after the Spin-off Co has become profit-making, it may dispose of the shares in the Spin-off Co held by it before listing from the following day after the publication of the annual report of that financial year and shall comply with the relevant requirements on share reduction.

Whilst the Company has no present intention to dispose of the shares in the Spin-off Co upon and immediately after the Proposed A-Share Listing, the Directors believe that, notwithstanding the lock-up requirement as mentioned above, the Proposed Spin-off will be beneficial to the Company and Shareholders in the long run as the Proposed A-Share Listing will render the Group's investment in the Spin-off Group a publicly tradable asset, as a result of which the Group will be able to trade the shares of the Spin-off Co through an open trading platform as it sees fit in the future.

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In addition, given that (i) the Spin-off Group and the Remaining Group, whether before or after the Proposed A-Share Listing, have separate and independent management teams to conduct their respective business; (ii) the Spin-off Group has already established its own financial and management information system, which is independent from that of the Remaining Group; and (iii) there is sufficient delineation in terms of business, director and management, purchase and sales function, finance and operation, between the Spin-off Group and the Remaining Group, the Directors believe that the lock-up undertakings to be provided by the undertakers are not expected to have any material adverse impact on the operations and businesses of the Remaining Group following completion of the Proposed A-Share Listing.

INFORMATION ON THE GROUP AND THE SPIN-OFF GROUP

The Group was established in 1997 and is a global leading wireless solutions provider with its own research and development facilities, manufacturing base and sales and service teams. The Company has been primary listed on the Main Board of the Hong Kong Stock Exchange since 2003 and secondary listed on the Main Board of the SGX-ST since 2023. The Group is principally engaged in the provision of products and solutions for antenna and subsystems and network products. For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments, namely, (i) wireless telecommunications network system equipment and services; and (ii) operator telecommunication services and their value-added services. The wireless telecommunications network system equipment and services comprise two main lines of business — (i) the antenna and subsystems operation; and (ii) the network systems operation (i.e. the Spin-off Business).

The Spin-off Group

The Spin-off Co is a company established in September 2003 in the PRC and was subsequently transformed into a joint stock limited company for the purpose of taking up the Spin-off Business from the Group to achieve better delineation between the Remaining Business and the Spin-off Business.

As at the Latest Practicable Date, the Group indirectly held approximately 78.5% equity interest in the Spin-off Co and the Spin-off Co had 15 wholly-owned subsidiaries.

The Spin-off Business

The Spin-off Business mainly includes research and development, design, sale of network system products and solutions and service ancillary to products sold such as commissioning and after-sale services etc. The main products are network products which includes (i) base station products including integrated base station, extending base station, high-power base station and (ii) radio frequency products including coverage extender products, including distributed antenna system solutions and repeater stations, and Open RAN Remote Radio Unit products, and 5G industry basic network platform, all of which are crucial to the deployment of 5G technology. Customers of the Spin-off Business are mainly mobile network operators.

LETTER FROM THE BOARD

Financial information

The following table summarises the unaudited consolidated financial information of the Spin-off Group extracted from its management accounts included in the audited consolidated financial statements of the Group for the years ended 31 December 2021 and 2022:

	For the year ended	
	31 December	
	2021	2022
	<i>(HK\$' million)⁽¹⁾</i>	<i>(HK\$' million)⁽²⁾</i>
	(unaudited)	(unaudited)
Revenue	1,400	1,239
Profit (loss) before taxation and extraordinary items ⁽³⁾	10	(10)
Profit (loss) after taxation and extraordinary items ⁽³⁾	4	(12)

Notes:

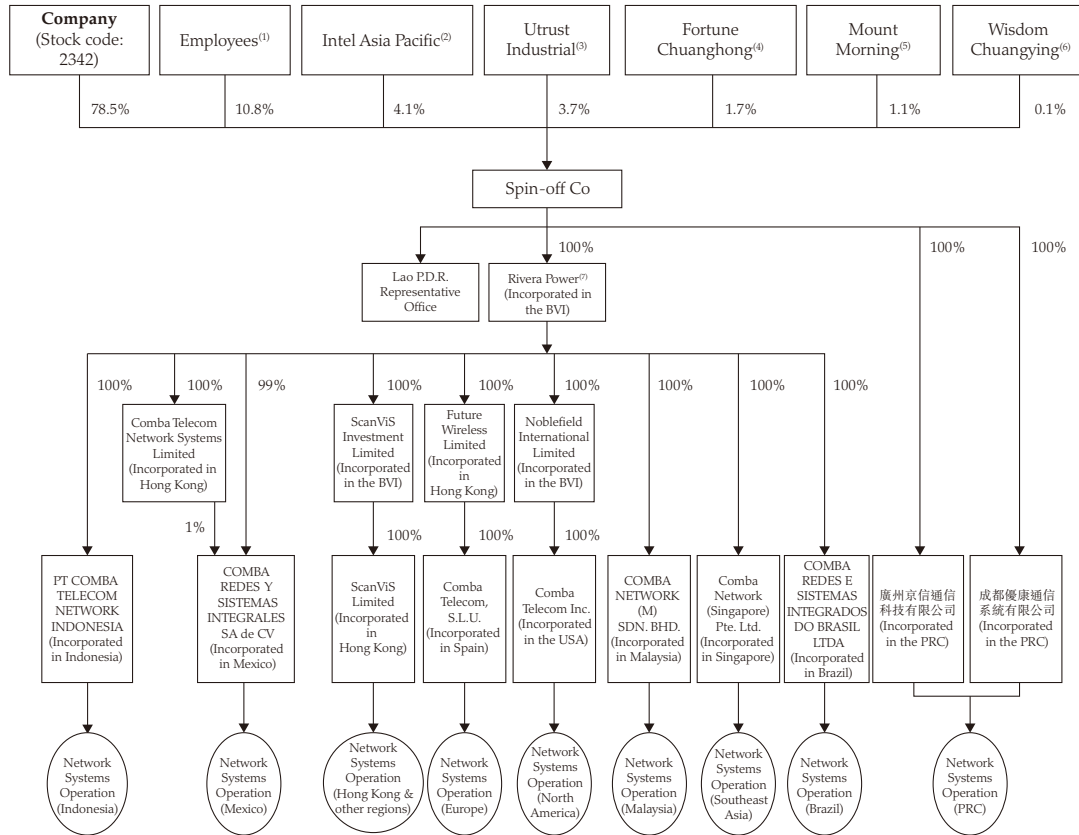
- (1) The exchange rate adopted for conversion of RMB to HKD for the 2021 financial year was based on the average exchange rate of RMB1 to HKD1.2047.
- (2) The exchange rate adopted for conversion of RMB to HKD for the 2022 financial year was based on the average exchange rate of RMB1 to HKD1.1656.
- (3) The unaudited consolidated financial statements of the Spin-off Group contained no extraordinary items for the financial years ended 31 December 2021 and 2022.

As at 31 December 2022, the unaudited consolidated net asset value of the Spin-off Group was approximately RMB294.5 million (equivalent to approximately HK\$333.3 million).

LETTER FROM THE BOARD

Effect of the Proposed Spin-off on the shareholding structure of the Spin-off Co

Set out below is the shareholding structure of the Spin-off Co as at the Latest Practicable Date:



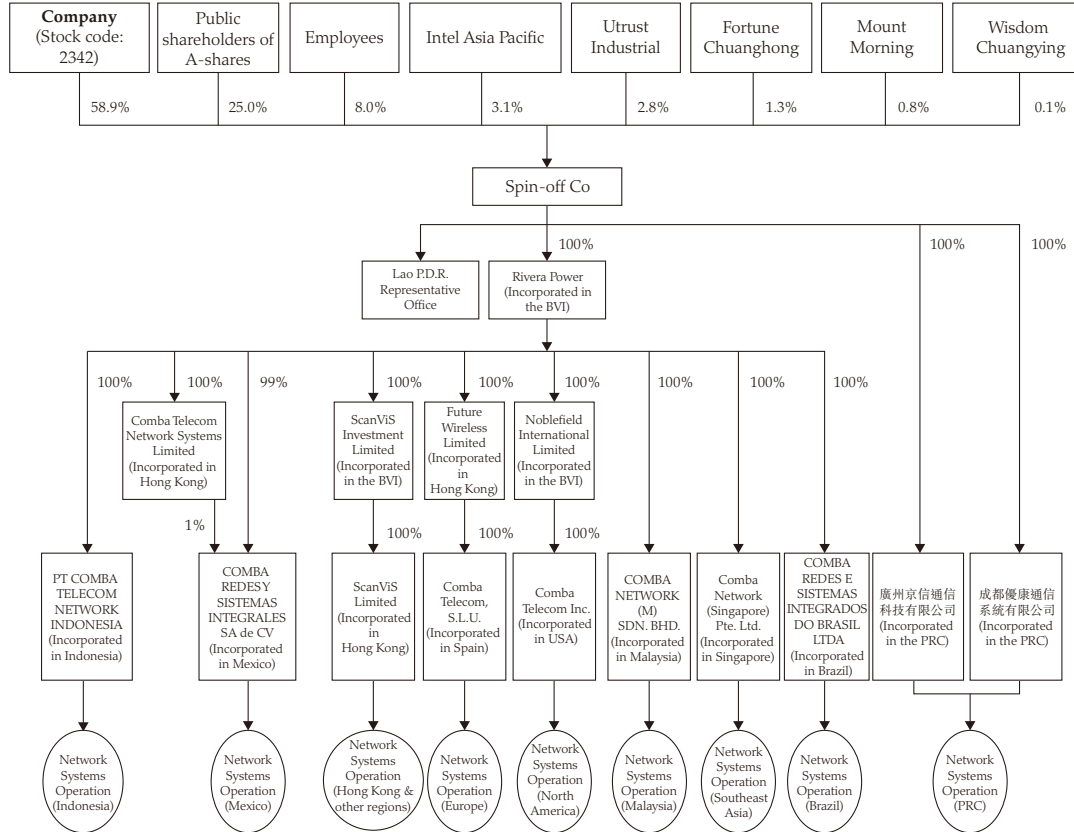
LETTER FROM THE BOARD

Notes:

- (1) As of the Latest Practicable Date, the employees of the Group collectively held approximately 10.8% equity interest in Spin-off Co through 11 limited partnerships established under the laws of the PRC, namely (i) Xin Han Tong No.1 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通一號企業管理(珠海)合夥企業(有限合夥)); (ii) Xin Han Tong No.2 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通二號企業管理(珠海)合夥企業(有限合夥)); (iii) Xin Han Tong No.3 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通三號企業管理(珠海)合夥企業(有限合夥)); (iv) Xin Han Tong No.5 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通五號企業管理(珠海)合夥企業(有限合夥)); (v) Xin Han Tong No.6 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通六號企業管理(珠海)合夥企業(有限合夥)); (vi) Xin Han Tong No.7 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通七號企業管理(珠海)合夥企業(有限合夥)); (vii) Xin Han Tong No.8 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通八號企業管理(珠海)合夥企業(有限合夥)); (viii) Xin Han Tong No.9 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通九號企業管理(珠海)合夥企業(有限合夥)); (ix) Xin Han Tong No.10 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通十號企業管理(珠海)合夥企業(有限合夥)); (x) Xin Han Tong No.11 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通十一號企業管理(珠海)合夥企業(有限合夥)) and (xi) Xin Han Tong No.12 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通十二號企業管理(珠海)合夥企業(有限合夥)).
- (2) As of the Latest Practicable Date, Intel Asia Pacific Research and Development Ltd. (英特爾亞太研發有限公司) (“**Intel Asia Pacific**”) held approximately 4.1% equity interest in Spin-off Co.
- (3) Guangdong Utrust Industrial Investment Fund Partnership (Limited Partnership)* (廣東粵財產業投資基金合夥企業(有限合夥)) (“**Utrust Industrial**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Utrust Industrial held approximately 3.7% equity interest in Spin-off Co.
- (4) Shenzhen Fortune Chuanghong Private Equity Investment Company (Limited Partnership)* (深圳市達晨創鴻私募股權投資企業(有限合夥)) (“**Fortune Chuanghong**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Fortune Chuanghong held approximately 1.7% equity interest in Spin-off Co.
- (5) Beijing Mount Morning Venture Capital Fund Partnership (Limited Partnership)* (北京晨山創業投資基金合夥企業(有限合夥)) (“**Mount Morning**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Mount Morning held approximately 1.1% equity interest in Spin-off Co.
- (6) Shenzhen Wisdom Chuangying Private Equity Investment Company (Limited Partnership)* (深圳市財智創贏私募股權投資企業(有限合夥)) (“**Wisdom Chuangying**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Wisdom Chuangying held approximately 0.1% equity interest in Spin-off Co.
- (7) Rivera Power Limited (“**Rivera Power**”) is a limited company incorporated under the laws of the British Virgin Islands and is a wholly-owned subsidiary of Spin-off Co.

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Set out below is the shareholding structure of the Spin-off Co immediately upon completion of the Proposed Spin-off assuming that the number of new A-shares of the Spin-off Co to be issued under the Proposed A-Share Listing represents 25.0% of the enlarged issued share capital of the Spin-off Co:



It is expected that immediately upon completion of the Proposed Spin-off, the Group will indirectly hold not less than 58.9% equity interest in the Spin-off Co and the Spin-off Co will remain as a subsidiary of the Company.

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The Remaining Group

After completion of the Proposed Spin-off, the Remaining Group will be principally engaged in the Remaining Business comprising (i) the antenna and subsystems operation, which connects and transfers data over a distance (the “**Antenna and Subsystems Business**”); (ii) the provision of comprehensive engineering services to operators; (iii) the provision of operator telecommunication services and value-added services in Lao People’s Democratic Republic; and (iv) the research and development, manufacturing and trading of microwave communication system, digital microwave system equipment and intelligent machinery. The products of the Remaining Group transfer and convert high frequency current and electromagnetic spectrums from the antenna mounted on towers or located on top of buildings.

The Directors believe that, upon completion of the Proposed Spin-off and Proposed A-Share Listing, (i) the Remaining Group will retain a sufficient level of operations and sufficient assets for the Company to maintain its listing status; and (ii) the Spin-off Business and the Remaining Business will be distinct and independent from each other, and thus will satisfy the requirements under PN15.

Set out below are key areas of delineation between the Remaining Group and the Spin-off Group in terms of business delineation, management independence and financial independence.

(i) *Clear delineation of business and products*

- *Different industry:* The Spin-off Business is primarily involved in the operation of network systems which includes research and development, design, sale of network system products and solutions and service ancillary to products sold, whereas the Remaining Business is primarily involved in the antenna and subsystems operation.
- *Difference in applications and functions of the products:* Products under the Spin-off Business are usually tailored to realize specific needs of different industries, including the mobile network industry and others, whereas products under the Remaining Business primarily serves the telecommunication industry as antennas are usually operated by mobile network providers, internet service providers and telecommunication equipment manufacturers.
- *Difference in technologies required to operate the products:* Products under the Spin-off Business primarily focus on the distribution of frequencies and tailoring the frequencies for the customers’ specific needs, whereas products under the Remaining Business primarily focus on different transmission methods over a long distance, such as transferring and converting high frequency current and electromagnetic spectrums from the antenna mounted on towers or located on top of buildings.
- *Difference in target industries:* The Spin-off Business primarily targets the industrial internet industry, the energy industry, the chemical industry,

LETTER FROM THE BOARD

the transportation industry and the healthcare industry, whereas the Remaining Business primarily focuses on the base station antenna market, telecommunication equipment manufacturers and integrators, as well as internet service providers. Due to the oligopolistic nature of the telecommunications industry and the wide spectrum of telecommunication services and products offered by major mobile network operators, both the Spin-off Business and the Remaining Business will have major mobile network operators as their overlapping customers following the Proposed Spin-off. However, as the Spin-off Group and the Remaining Group provide distinctive products, the overlapping customers do not cause any hindrance in the delineation of business between the Spin-off Group and the Remaining Group.

(ii) Management independence

Following completion of the Proposed Spin-off and the Proposed A-Share Listing, the Spin-off Group will be managed separately and independently from the Remaining Group. The Spin-off Group will have nine directors at Spin-off Co level and three senior management, the Remaining Group will have nine directors (comprising five executive Directors, one non-executive Director and three independent non-executive Directors at the Company level) and four senior management. Amongst the directors and senior management of Spin-off Co and the Company following the Proposed Spin-off, there will be five overlapping directors and no overlapping senior management, which contributes to just over half of the nine directors for Spin-off Co and for the Company. As the Spin-off Co will remain a subsidiary of the Company after the Proposed Spin-off, it is ordinary and in the best interest of the Shareholders for the Group to retain control over the board of the Spin-off Co.

(iii) Financial independence

Prior to the Proposed Spin-off, it is natural and accords with normal commercial practice that banks request guarantee from the Company when extending credit facilities to the Spin-off Co. In addition, some banking facilities were granted to the Group as a whole, which included the Spin-off Group. As a matter of fact the amount of banking facilities where the Group has acted as guarantor for the Spin-off Group's banking facilities is not material relative to the Spin-off Group's total asset. It is envisaged that following the Proposed Spin-off, the Spin-off Co as a listed company on its own will be able to tap on the capital market and obtaining credit facilities without the need of corporate guarantee from the Company to meet its funding needs.

(iv) Operational independence

The Spin-off Group has set up its own administrative, manufacturing and research and development capabilities with a team of independent staff, and its own organizational structure with independent function to adapt to the Spin-off Group's development demands, each with specific areas of responsibility carrying out essential operational functions without the Group's support.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE PROPOSED SPIN-OFF ON THE GROUP

Following completion of the Proposed Spin-off, the Group is expected to hold not less than 58.9% of the enlarged issued share capital of the Spin-off Co, and the Spin-off Co will continue to be accounted for as a subsidiary in the consolidated financial statements of the Group. The expected financial impacts of the Proposed Spin-off on the Group are as follows:

Earnings

The Proposed Spin-off, which is expected to involve the issue of new A-shares of the Spin-off Co, will constitute a deemed disposal of the Group's interest in the Spin-off Co. It is expected that the difference between the net proceeds from the issue of new A-shares of the Spin-off Co and the change of share of consolidated net asset value of the Spin-off Group by the non-controlling interests upon completion of the Proposed A-Share Listing will be recorded in equity attributable to owners of the Company.

Based on the assumption that the number of A-shares of the Spin-off Co to be issued at the Proposed A-Share Listing represents 25% of the enlarged share capital of the Spin-off Co, the Proposed A-Share Listing will result in a dilution of the Group's interest in the Spin-off Co from approximately 78.5% as at the Latest Practicable Date to approximately 58.9% immediately after the completion of the Proposed A-Share Listing.

Assets and liabilities

The Proposed Spin-off, which is expected to involve the issue of new A-shares of the Spin-off Co for cash, is expected to increase the amount of cash recorded in the consolidated statement of financial position of the Group and the total assets of the Group correspondingly.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off will be beneficial to both the Remaining Group and the Spin-off Group for the following reasons:

(i) Adoption of different business strategies

The Proposed Spin-off will enable the respective management teams of the Company and the Spin-off Co to dedicate their time on building the core businesses of the Remaining Group and the Spin-off Group, respectively, to adopt different business strategies in order to better suit their respective businesses, and increase their responsiveness to market changes and opportunities specific to the business of the relevant group. The Proposed Spin-off will also provide greater financial transparency and business coherence and clearer corporate structure to each of the Remaining Group and the Spin-off Group and to allow the Spin-off Group to create a more defined business focus and efficient resource allocation, thus enhancing operation efficiency of each of the Remaining Group and the Spin-off Group.

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(ii) Alternative valuation for the businesses

The Spin-off Business has grown to a sufficient size to warrant a separate listing. The Proposed Spin-off substantively separates the Spin-off Business from the Remaining Business, thereby enabling investors and financiers to appraise the strategies, functional exposures, risks and returns of the respective businesses separately and to make their investment decisions accordingly. The Proposed Spin-off will allow the Company and the Shareholders an opportunity to realise their fair value of investment in the Spin-off Co; and the Company will continue to be the beneficial owner of a majority of shares in the Spin-off Co upon completion of the Proposed Spin-off and to benefit from any enhanced value of the Spin-off Group through consolidation of the Spin-off Group's accounts and receipt of dividend distributions (if any).

(iii) New sources of fund raising and financing opportunities

The Proposed Spin-off will enable the Remaining Group and the Spin-off Group to have their separate fund raising platforms to directly and independently access both the debt and equity capital markets, which in turn may provide greater aggregate financing capacity to both the Remaining Group and the Spin-off Group to deploy their funds towards their respective developments, operations and investment opportunities, as there will be greater clarity on the respective financial status of each of the Remaining Group and the Spin-off Group. In addition, the cash proceeds to be received from the public offering and placing of A-shares of the Spin-off Co will provide capital to the Spin-off Group for its operations and expansion plan. The Proposed Spin-off will potentially provide greater debt capacity due to greater clarity for credit profiling of each of the Company and the Spin-off Co respectively by financial institutions that wish to extend credit or financing to the Company or the Spin-off Co.

(iv) Segregation of different business

The Proposed Spin-off and a separate listing of the shares of the Spin-off Co will not only enhance the Spin-off Group's profile amongst its customers, suppliers and other business partners, but will also improve the Spin-off Group's ability to recruit, motivate and retain key management personnel by enhanced management incentives through adoption of equity-based incentive program.

(v) Ability to attract and form strategic partnerships

The Proposed Spin-off will enable the Spin-off Group to enhance its corporate profile, thereby increasing its ability to attract strategic investors, who can produce synergy for the Spin-off Group, for investment in and forming strategic partnerships with the Spin-off Group.

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(vi) Enhanced corporate governance of the Spin-off Group

The Proposed Spin-off will increase the operational and financial transparency and enhance the corporate governance of the Spin-off Group and provide investors, financial institutions and rating agencies with greater clarity on the business and financial status of each of the Remaining Group and the Spin-off Group on a stand-alone basis, and such enhancement will help to build investor confidence in forming investment decisions based on their assessment of the performance, management, strategy, risks and returns of both the Remaining Group and the Spin-off Group.

Having considered the above, the Directors are of the view that the Proposed Spin-off is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WAIVER IN RESPECT OF ASSURED ENTITLEMENT

In accordance with the requirements of paragraph 3(f) of PN15, the Company is required to give due regard to the interests of the existing Shareholders by providing them with an assured entitlement to the A-shares of the Spin-off Co if the Proposed A-Share Listing proceeds. However, the Board considers that it is not practicable to provide assured entitlement of the A-shares of the Spin-off Co as further explained below and that the requirement of paragraph 3(f) of PN15 cannot be met. Accordingly, the Company made an application for the Waiver to the Hong Kong Stock Exchange, which subsequently has granted the Waiver.

In determining the venue for the proposed listing of the Spin-off Co, the Board has made due and careful consideration, taking into account, among other things, the nature of the Spin-off Business, the jurisdiction in which the Spin-off Co was established and had been operating its business, and the characteristics of different capital markets, and concluded that it is more suitable to seek a listing of the Spin-off Co on the A-share market in the PRC.

Based on the legal advice from the Company's PRC legal counsel, according to applicable PRC laws, only certain qualified foreign investors are allowed to subscribe for or participate in the offering of A-shares, which include, among others, (a) qualified foreign institutional investors; (b) qualified domestic institutional investors of the PRC; (c) foreign strategic investors approved by Ministry of Commerce of the PRC; (d) individuals with permanent residence in the PRC; and (e) residents of Hong Kong, Macao Special Administrative Region or Taiwan region who live and work in the PRC. Based on the shareholders register of the Company as at the Latest Practicable Date, most of the registered Shareholders are individuals with addresses in Hong Kong. The Board believes most of these Shareholders are not PRC residents. Further, Mr. Fok Tung Ling and Mr. Zhang Yue Jun, who are both Directors and Shareholders, have confirmed that they are not qualified foreign investors for the purpose of investing in A-shares. In light of the above, the Board considers it impracticable to provide the Shareholders with assured entitlement

LETTER FROM THE BOARD

under the Proposed Spin-off in light of the legal restrictions for foreign investors to subscribe for or participate in the offering of A-shares.

Moreover, the Securities Law and the Administrative Measures on Issuance and Underwriting of Securities of the PRC provides that any issuing entities upon public offering shall obtain the approval from the securities regulatory and management authorities. "Public Offering" includes the issuance by offline distribution and online subscription to investors in compliance with the quotation, subscription procedures and rules. For offline distribution, existing Shareholders may participate in the offline distribution on the condition that they could provide effective quotations according to the PRC law. Even if they could provide such effective quotation, the Company would be unable to make any preferential allocations of the offer shares to its existing Shareholders on the ground that all investors should be treated equally. For online subscription, after the effective subscription amount is confirmed, all valid subscription would need to be assigned through balloting. Accordingly, in implementing the proposal for the Proposed A-Share Listing, it would be impossible for the Company to issue shares in the Spin-off Co to specific people and reserve shares for Shareholders in Hong Kong pursuant to the existing laws of the PRC.

It is contemplated that the Group will hold not less than 58.9% of the issued share capital in the Spin-off Co and will continue to be the holding company of the Spin-off Co after the Proposed Spin-off. The financial results of the Spin-off Co will continue to be consolidated into the Group's financial statements, and the Shareholders will continue to enjoy the contribution from the Spin-off Co as well as the benefits of the Proposed Spin-off as described above through their holdings in the Shares. The Board is of the view that the interest of the Shareholders would not be materially prejudiced by not providing assured entitlement to the A-shares of the Spin-off Co to the Shareholders.

Having considered the above and the reasons for and benefits of the Proposed Spin-off mentioned above, the Board is of the view that the Proposed Spin-off and the Waiver are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Furthermore, the Board considers that it is not practicable to provide assured entitlement of the A-shares of the Spin-off Co and that the requirement of paragraph 3(f) of PN15 cannot be met. Thus, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement under Paragraph 3(f) of PN15.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Group indirectly held approximately 78.5% equity interest in the Spin-off Co. The listing of the Spin-off Co is expected to involve the issue of new A-shares of the Spin-off Co by way of public offer and/or placing. It is intended that the number of new A-shares to be issued under the Proposed Spin-off will not be more than 25% of the enlarged issued share capital of the Spin-off Co after the aforesaid public offer and/or placing, following which the ownership of the Group in the Spin-off Co will be diluted to not less than 58.9%. Accordingly, the Proposed Spin-off and the Proposed A-Share Listing, if materialized, will constitute a deemed disposal of the Group's interest in the Spin-off Co under Rule 14.29 of the Hong Kong Listing Rules.

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Based on the upper end of the currently expected offer size of approximately RMB1,700 million under the Proposed A-Share Listing, the highest applicable percentage ratio under Rule 14.07 of the Hong Kong Listing Rules, in respect of the Proposed Spin-off is expected to exceed 25% but will be less than 75%. Accordingly, the Proposed Spin-off, if proceeded, will constitute a major disposal and not a very substantial disposal of the Company under Chapter 14 of the Hong Kong Listing Rules and will be subject to the reporting, announcement and Shareholders' approval requirements under PN15 and Chapter 14 of the Hong Kong Listing Rules.

Shareholders and potential investors of the Company should note that the Proposed Spin-off and the Proposed A-Share Listing are subject to, among other things, approval(s) from the relevant PRC regulatory authorities in accordance with all applicable regulations and suitable market conditions, thus may or may not materialize. Accordingly, Shareholders and potential investors of the Company should be aware that the Company does not guarantee that the Proposed Spin-off will materialize nor the timing thereof, and are advised to exercise caution when dealing in the securities of the Company.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Lau Siu Ki, Kevin, Ms. Ng Yi Kum and Ms. Wong Lok Lam, being all the independent non-executive Directors, has been established to advise the Shareholders in respect of the Proposed Spin-off. GM Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off. The letters from the Independent Board Committee and GM Capital are set out on page 25 and pages 26 to 54 of this circular respectively.

EGM

A notice convening the EGM to be held at Unit 611, Building 8W, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong, on Thursday, 14 September 2023 at 11:00 a.m. (Hong Kong time) is set out on pages EGM-1 to EGM-3 of this circular. Ordinary resolution will be proposed at the EGM to approve, among other things, the Proposed Spin-off. As at the Latest Practicable Date, none of the Shareholders and their respective associates has any material interest in the Proposed Spin-off and therefore no Shareholder will be required to abstain from voting on the resolution in respect of the Proposed Spin-off at the EGM.

For the purpose of determination of the Shareholders registered under the Company's register of members in Hong Kong and register of members in Singapore for submission of proxy forms to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited or Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. respectively, any removal of the Shares between the Company's register of members in Hong Kong and register of members in Singapore has to be made by the Shareholders no later than 4:00 p.m. (both Hong Kong and Singapore times) on Tuesday, 29 August 2023.

LETTER FROM THE BOARD

For Hong Kong Shareholders

The record date for determination of entitlements of the Hong Kong Shareholders to attend and vote at the EGM will be on Friday, 8 September 2023. Hong Kong Shareholders whose names appear on the register of members of the Company in Hong Kong on Friday, 8 September 2023 will be entitled to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 8 September 2023.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than Tuesday, 12 September 2023 at 11:00 a.m. (Hong Kong time) or not less than 48 hours before the time appointed for the holding of any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Such proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, the website of the SGX-ST at www.sgx.com and the website of the Company at www.comba-telecom.com.

For Singapore Shareholders

In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 for registration no later than 5:00 p.m. (Singapore time) on Friday, 8 September 2023.

Depositors who wish to attend and vote at the EGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the EGM (i.e. on Tuesday, 12 September 2023 at 11:00 a.m. (Hong Kong time)) or any adjourned meeting supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any proxy form. Such Depositors who are unable to attend personally and wish to appoint nominees to attend and vote on their behalf, and such Depositors who are not individuals, will find enclosed a depositor proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon and deposit the same at the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or by email to shareregistry@incorp.asia, as soon as possible and in any event no later than Tuesday, 12 September 2023 at 11:00 a.m. (Hong Kong time) or not less than 48 hours before the time appointed for the holding of any adjourned meeting. The completion and return of a depositor proxy form by a

LETTER FROM THE BOARD

Depositor who is an individual does not preclude him/her from attending and voting in person at the EGM in place of his/her nominee if he/she finds he/she is able to do so. Such depositor proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, the website of the SGX-ST at www.sgx.com and the website of the Company at www.comba-telecom.com.

All the resolution(s) proposed to be approved at the EGM will be taken by poll in accordance with rule 13.39(4) of the Hong Kong Listing Rules. An announcement on the poll results of the EGM will be made by the Company after the EGM in compliance with the Hong Kong Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors having taken into account of the advice of GM Capital) consider that the terms of the Proposed Spin-off are fair and reasonable so far as the Company and the Shareholders are concerned, and that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Spin-off.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from GM Capital, additional information set out in the appendices to this circular and the notice of the EGM.

Yours faithfully,
For and on behalf of the Board of
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman

Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Hong Kong Stock Code: 2342)

(Singapore Stock Code: STC)

29 August 2023

To the Shareholders

Dear Sir or Madam,

**POSSIBLE MAJOR TRANSACTION AND DEEMED DISPOSAL
IN RELATION TO THE PROPOSED SPIN-OFF AND
SEPARATE LISTING OF THE SPIN-OFF CO**

We refer to the circular of the Company dated 29 August 2023 (the “Circular”) of which this letter forms part. Capitalized terms used herein have the same meanings as defined in the Circular unless otherwise specified.

We have been appointed as members of the Independent Board Committee to advise the Shareholders as to whether the Proposed Spin-off is fair and reasonable and in the interests of the Company and its Shareholders as a whole and as to the voting action that should be taken.

We wish to draw your attention to the letter from the Board and the letter of advice from GM Capital, the independent financial adviser appointed to advise you and us in respect of the Proposed Spin-off, as set out in the Circular.

Having taken into account the advice given by GM Capital (together with the principal factors and reasons considered in arriving at such advice), we are of the opinion that the terms of the Proposed Spin-off are fair and reasonable so far as the Company and the Shareholders are concerned, and that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Spin-off.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Lau Siu Ki, Kevin
*Independent Non-executive
Director*

Ms. Ng Yi Kum
*Independent Non-executive
Director*

Ms. Wong Lok Lam
*Independent Non-executive
Director*

LETTER FROM GM CAPITAL

The following is the full text of the letter from GM Capital, the independent financial adviser to the Independent Board Committee and the Shareholders setting out its advice in respect of the terms of the Proposed Spin-off, which has been prepared for the purpose of inclusion in this circular.



中毅資本有限公司
Grand Moore Capital Limited

Unit 1401, 14/F,
Lippo Sun Plaza,
28 Canton Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

29 August 2023

*To the Independent Board Committee
and the Shareholders of
Comba Telecom Systems Holdings Limited*

Dear Sirs,

POSSIBLE MAJOR TRANSACTION AND DEEMED DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE SPIN-OFF CO

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off, the details of which are set forth in the “Letter from the Board” (the “**Board Letter**”) contained in the circular issued by the Company to the Shareholders dated 29 August 2023 (the “**Circular**”), of which this letter forms apart. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, the Group indirectly held approximately 78.5% equity interest in the Spin-off Co and the Spin-off Business mainly includes research and development, design, sale of network system products and solutions and service ancillary to products sold such as commissioning and after-sale services etc. The Company submitted an application in relation to the Proposed Spin-off pursuant to PN15 to the Hong Kong Stock Exchange for approval and the Hong Kong Stock Exchange confirmed on 3 September 2021 that the Company might proceed with the Proposed Spin-off.

Due to the impact of the outbreak of COVID-19 on relevant processes, the Company postponed the Proposed Spin-off and the submission of the listing application for the Proposed A-Share Listing which was initially scheduled in the second half of 2021.

As the COVID-19 pandemic situation has improved recently, the Company has decided to resume and proceed with the Proposed Spin-off under PN15 and the listing application for the Proposed A-Share Listing, which is planned to be submitted in September 2023.

LETTER FROM GM CAPITAL

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Lau Siu Ki, Kevin, Ms. Ng Yi Kum and Ms. Wong Lok Lam, being all the independent non-executive Directors, has been established to advise the Shareholders in respect of the Proposed Spin-off. We, Grand Moore Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company or any of its respective substantial Shareholders, Directors or chief executives, or any of their respective associates and accordingly, are considered suitable to give independent advice to the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off.

In the past two years, we have not acted in any financial adviser role to the Company. Save for the appointment as the independent financial adviser, there was no other relationship and/or engagement between the Company and us in the past two years.

With regards to our independence from the Company, it is noted that (i) apart from normal professional fees paid or payable to us in connection with the current appointment as the independent financial adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries or their respective controlling Shareholders that could reasonably be regarded as relevant to our independence; and (ii) the aggregate professional fees paid or to be paid to us do not make up a significant portion of our revenue during the relevant period which would affect our independence. Accordingly, we consider that we are independent to act as the independent financial adviser in respect of the Proposed Spin-off pursuant to Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Shareholders, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the Group's annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"); (iii) other information provided by the Directors and/or the senior management of the Company (the "**Management**"); (iv) the opinions expressed by and the representations of the Directors and the Management; and (v) our review of the relevant public information. We have assumed that all information and representations that have been provided by the Directors and the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful

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consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, the Management (where applicable), which have been provided to us. The Directors have confirmed that, to the best of their knowledge, they believe that no material fact or information has been omitted from the information supplied to us and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules. We, as the independent financial adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company, nor conducted any independent in-depth investigation into the business affairs, assets and liabilities or future prospects of the Company, their respective subsidiaries or associates (if applicable) or any of the other parties involved in the Proposed Spin-off, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Spin-off. The Company has been separately advised by its own professional advisers with respect to the Proposed Spin-off and the preparation of the Circular (other than this letter).

We have assumed that the Proposed Spin-off will be consummated in accordance with the terms and conditions set forth in the Circular without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Proposed Spin-off, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Proposed Spin-off. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the Proposed Spin-off, we have taken into account the following principal factors and reasons:

1. Background information and financial overview of the Group

As stated in the Board Letter, the Group was established in 1997 and is a global leading wireless solutions provider with its own research and development facilities, manufacturing base and sales and service teams. The Company has been primary listed on the Main Board of the Hong Kong Stock Exchange since 2003 and secondary listed on the Main Board of the SGX-ST since 2023. The Group is principally engaged in the provision of products and solutions for antenna and subsystems and network products. For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments, namely, (i) wireless telecommunications network system equipment and services; and (ii) operator telecommunication services and their value-added services. The wireless telecommunications network system equipment and services comprise two main lines of business – (i) the antenna and subsystems operation; and (ii) the network systems operation (i.e. the Spin-off Business). Certain summary financial information of the Group as extracted from the 2022 Annual Report for the years ended 31 December 2021 and 2022 (“FY2021” and “FY2022” respectively) is set out below:

	For the year ended	
	31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	6,364,677	5,869,666
Gross profit	1,873,531	1,422,831
Profit/(loss) attributable to owners of the parent	190,237	(592,567)

The Group’s consolidated revenue increased from approximately HK\$5,869,666,000 for FY2021 to approximately HK\$6,364,677,000 for FY2022, representing an increase of approximately HK\$495,011,000 or 8.4%. As per the 2022 Annual Report, the increase of revenue was primarily attributable to the Group’s success in tenders for centralized procurement of various antenna products in Mainland China and the completion of international tender projects of antenna products as scheduled, which contributed to a significant growth in the number of orders, which achieved record high, of base station antenna products, as compared to that in FY2021. The Group’s gross profit increased from approximately HK\$1,422,831,000 for FY2021 to approximately HK\$1,873,531,000 for FY2022, representing an increase of approximately HK\$450,700,000 or 31.7%. As stated in the 2022 Annual Report, the Group’s gross profit was mainly benefitted from the optimization of revenue structure of the Group’s products during FY2022 with

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increased revenue from core products yielding higher gross profit and hence achieving economies of scale, coupled with the reduction in costs of production as a result of the optimization of the production system through research and development in design. The Group recorded a profit attributable to owners of the parent of approximately HK\$190,237,000 for FY2022, as compared to a loss attributable to owners of the parent of approximately HK\$592,567,000 for FY2021. Such turnaround in profit attributable to owners of the parent was mainly due to the significant increases in revenue and gross profit of the Group in FY2022, as well as the reduction in the operating expenses ratio resulting from effective cost and expenses control measures implemented by the Group, which has substantially increased the Group's overall efficiency.

	As at 31 December 2022 HK\$'000 (audited)	As at 31 December 2021 HK\$'000 (audited)
Cash and cash equivalents	1,531,669	1,652,228
Current assets	7,617,095	8,217,952
Net current assets	2,100,202	2,256,324
Total assets	10,575,862	11,512,579
Current liabilities	5,516,893	5,961,628
Total liabilities	6,611,136	7,328,762
Equity attributable to owners of the parent	3,728,305	3,774,716

The Group's cash and cash equivalents amounted to approximately HK\$1,531,669,000 as at 31 December 2022, representing a decrease of approximately HK\$120,559,000 or 7.3%, as compared to that of approximately HK\$1,652,228,000 as at 31 December 2021. The Group recorded net current assets of approximately HK\$2,100,202,000 as at 31 December 2022, representing a decrease of approximately HK\$156,122,000 or 6.9%, as compared to that of approximately HK\$2,256,324,000 as at 31 December 2021. Such decrease was mainly attributable to the combined effects from a decrease in current assets of approximately HK\$600,857,000 or 7.3% and a decrease in current liabilities of approximately HK\$444,735,000 or 7.5% as at 31 December 2022, as compared to that of 31 December 2021. We note from the 2022 Annual Report that the decrease in current assets is mainly attributable to the decreases in trade receivables, prepayments, other receivables and other assets, and cash and cash equivalents. Meanwhile, the decrease in current liabilities is mainly due to the decrease in trade and bills payables, and other payables and accruals. The improvement in liquidity and solvency gives rise to a slight increase in current ratio from approximately 1.378 times as at 31 December 2021 to approximately 1.381 times as at 31 December 2022.

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The Group's total liabilities decreased by approximately HK\$717,626,000 or 9.8%, from approximately HK\$7,328,762,000 as at 31 December 2021 to approximately HK\$6,611,136,000 as at 31 December 2022. Such decrease was mainly attributable to the aforementioned factors related to the decrease in current liabilities and the decrease in interest-bearing bank borrowings (non-current portion). As at 31 December 2022, interest-bearing bank borrowings of the Group amounted to approximately HK\$1,341,993,000, of which the interest-bearing bank borrowings (current portion) amounted to approximately HK\$751,993,000 and interest-bearing bank borrowings (non-current portion) amounted to approximately HK\$590,000,000. Apart from the interest-bearing bank borrowings, the Group also had trade and bills payable of approximately HK\$4,051,703,000, other payables and accruals of approximately HK\$571,506,000, and redeemable preferred shares in a subsidiary of approximately HK\$274,028,000 as at 31 December 2022.

The Group recorded equity attributable to owners of the parent of approximately HK\$3,728,305,000 as at 31 December 2022, which represents a decrease of approximately HK\$46,411,000 or 1.2%, from equity attributable to owners of the parent of approximately HK\$3,774,716,000 as at 31 December 2021. This was mainly attributable to decreases in the Group's property, plant and equipment, trade receivables, prepayments, other receivables and other assets, intangible assets, and cash and cash equivalents as at 31 December 2022.

2. Background information and financial overview of the Spin-off Group

It is stated in the Board Letter that the Spin-off Co is a company established in September 2003 in the PRC and was subsequently transformed into a joint stock limited company for the purpose of taking up the Spin-off Business from the Group to achieve better delineation between the Remaining Business and the Spin-off Business. As at the Latest Practicable Date, the Group indirectly held approximately 78.5% equity interest in the Spin-off Co and the Spin-off Co had 15 wholly-owned subsidiaries. The Spin-off Business mainly includes research and development, design, sale of network system products and solutions and service ancillary to products sold such as commissioning and after-sale services etc. The main products are network products which includes (i) base station products including integrated base station, extending base station, high-power base station and (ii) radio frequency products including coverage extender products, including distributed antenna system solutions and repeater stations, and Open RAN Remote Radio Unit products, and 5G industry basic network platform, all of which are crucial to the deployment of 5G technology. Customers of the Spin-off Business are mainly mobile network operators. Certain summary financial information of the Spin-off Group as

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extracted from the Board Letter and advised by the Management for FY2021 and FY2022 is set out below:

	For the year ended	
	31 December	
	2022	2021
	<i>HK\$' million</i> ⁽¹⁾	<i>HK\$' million</i> ⁽²⁾
	(unaudited)	(unaudited)
Revenue	1,239	1,400
Profit/(loss) before taxation and extraordinary items ⁽³⁾	(10)	10
Profit/(loss) after taxation and extraordinary items ⁽³⁾	(12)	4

Notes:

- (1) The exchange rate adopted for conversion of RMB to HKD for FY2021 was based on the average exchange rate of RMB1 to HKD1.2047.
- (2) The exchange rate adopted for conversion of RMB to HKD for FY2022 was based on the average exchange rate of RMB1 to HKD1.1656.
- (3) The audited consolidated financial statements of the Spin-off Group contained no extraordinary items for the financial years ended 31 December 2021 and 2022.

The Spin-off Group's revenue decreased from approximately HK\$1,400 million for FY2021 to approximately HK\$1,239 million for FY2022, representing a decrease of approximately HK\$161 million or 11.5%. As discussed with Management, the decrease of revenue was primarily attributable to decrease in sales generated from the outstanding orders of antenna business which does not belong to main business of the Spin-off Group in FY2022, as compared to that of FY2021. The Spin-off Group recorded a loss before taxation and extraordinary items of approximately HK\$10 million for FY2022, as compared to a profit before taxation and extraordinary items of approximately HK\$10 million for FY2021. Such turnaround in profit before taxation and extraordinary items was mainly due to aforementioned decrease in sales generated from the outstanding orders of antenna business. The Spin-off Group recorded a loss after taxation and extraordinary items of approximately HK\$12 million for FY2022, as compared to a profit after taxation and extraordinary items of approximately HK\$4 million for FY2021. Such turnaround in profit after taxation and extraordinary items was mainly due to aforementioned decrease in sales generated from the outstanding orders of antenna business.

	As at	As at
	31 December	31 December
	2022	2021
	<i>HK\$' million</i> ⁽⁴⁾	<i>HK\$' million</i> ⁽⁵⁾
	(unaudited)	(unaudited)
Net asset value	333.3	359.2

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Notes:

- (4) The exchange rate adopted for conversion of RMB to HKD for FY2021 was based on the period end exchange rate of RMB1 to HKD1.22574.
- (5) The exchange rate adopted for conversion of RMB to HKD for FY2022 was based on the period end exchange rate of RMB1 to HKD1.13181.

The Spin-off Group recorded a consolidated net asset value of approximately HK\$333.3 million for FY2022, representing a decrease of approximately HK\$25.9 million or 7.2%, as compared to a consolidated net asset value of approximately HK\$359.2 million for FY2021. Such decrease in consolidated net asset value was mainly due to the net loss in FY2022 and the impact of foreign currency statement translation differences.

3. The Proposed Spin-off and the Proposed A-Share Listing

The Board Letter further states that subject to fulfilment of the conditions set out in the paragraph headed “Conditions of the Proposed Spin-off” below, it is proposed that the Spin-off Co will apply for a separate listing of its A-shares on the PRC Stock Exchange and will be spun-off from the Group. The listing of the Spin-off Co is expected to involve the issue of new A-shares of the Spin-off Co by way of public offer and/or placing. It is intended that the number of new A-shares to be issued under the Proposed A-Share Listing will not be more than 25% of the enlarged issued share capital of the Spin-off Co after the aforesaid public offer and/or placing. The actual number of new A-shares of the Spin-off Co to be issued will be determined at a later stage subject to regulatory approvals by the PRC Stock Exchange and the CSRC, discussions among the management of the Spin-off Co, the PRC Sponsor and other advisers for the Proposed A-Share Listing and, in particular, the market conditions. In any event, the Group is expected to hold not less than 58.9% of the enlarged issued share capital of the Spin-off Co following completion of the Proposed A-Share Listing, and the Spin-off Co will remain as a subsidiary of the Company.

Based on the current timetable, it is expected that the listing application of the Spin-off Co will be made in September 2023 and the listing of the A-shares of the Spin-off Co on the PRC Stock Exchange, if approved and proceeded with, will be around the second half of 2024.

Conditions of the Proposed Spin-off and the Proposed A-Share Listing

As stated in the Board Letter, based on the information currently available to the Board, the Proposed Spin-off will be conditional upon, among other things, the fulfillment of the following conditions:

- (i) the approval by the CSRC, the PRC Stock Exchange and other authorities in relation to the Proposed A-Share Listing;
- (ii) the approval by the Shareholders in relation to the Proposed Spin-off at the EGM; and

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- (iii) the approval by any other applicable PRC regulatory authorities for the listing of and permission to deal in the A-shares to be issued by the Spin-off Co.

As at the Latest Practicable Date, none of these conditions have been fulfilled. If any of these conditions is not fulfilled or waived, if applicable, the Proposed Spin-off and the Proposed A-Share Listing will not proceed and the Company will publish an announcement as soon as practicable thereafter.

Proceeds to be raised from the Proposed A-Share Listing and proposed use of proceeds

It is stated in the Board Letter that the Directors and the directors of the Spin-off Co currently expect the gross proceeds to be raised under the Proposed A-Share Listing will be within the range of approximately RMB750 million to approximately RMB1,700 million, on the assumption that the proposed offering size represents 25% of the Spin-off Co's enlarged issued share capital and the estimated market capitalizations of not less than approximately RMB3,000 million and not more than approximately RMB6,814 million. Having consulted the PRC Sponsor and considered the Spin-off Group was loss-making in FY2022 and is asset-light in nature, the price-to-sales (P/S) valuation metrics has been adopted to estimate the market capitalization of the Spin-off Co upon the Proposed A-Share Listing. The upper range of the estimated market capitalization of the Spin-off Co of approximately RMB6,814 million was calculated by multiplying the unaudited consolidated revenue of the Spin-off Group for FY2022 of RMB1,063 million with the average P/S ratio of 6.41 times of five selected comparable companies. These five selected comparable companies are all A-share listed companies: four of which are Spin-off Co's industry peers that provide base station products, radio frequency products and 5G+ industrial application products, and one of which is Spin-off Co's direct competitor that provides 5G small cell base station products to mobile network operators in the PRC. The lower range of the estimated market capitalization of RMB3,000 million was chosen by reference to the minimum market capitalization requirement of RMB3 billion, which is one of the listing criteria applicable for the Proposed A-Share Listing pursuant to the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange 《上海證券交易所科創板股票上市規則》(2020 Revision).

At this stage, the actual amount of proceeds to be raised cannot be determined as the size of the offering under the Proposed A-Share Listing (including the exact number of offer shares and the final offer price of the Spin-off Co's offering) has not been fixed yet.

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Pursuant to the Securities Issuance and Underwriting Management Measures 《證券發行與承銷管理辦法》 (2023 Revision) issued by the CSRC, relevant consultations and enquiries shall be made with professional and institutional investors with rich experience in investment and company valuation (including companies involved in securities, fund management, futures, trusts, insurance and finance, other qualified foreign investors and private fund managers) and other specified investors in order to determine the final offer price under the Proposed Spin-off and the Proposed A-Share Listing. In determining the offer price, the aforementioned investors should determine their price quotations under the principles of honesty, objectiveness and independence, and shall not negotiate the quotations nor deliberately provide a higher or lower quotation.

Based on the discussions between the management of the Spin-off Co and the PRC Sponsor, the number and the final offer price of new A-shares to be issued under the Proposed A-Share Listing will ultimately be determined by the Spin-off Co and the lead underwriter in accordance with relevant laws and regulations, or other requirements by the CSRC or the PRC Stock Exchange and will be determined with reference to the then responses to the price consultation and other method(s) to be agreed between the Spin-off Co and the lead underwriter. In determining the offer price of the offering under the Proposed A-Share Listing, the Spin-off Co will take into account, among other things, (i) the financial performance of the Spin-off Group as reflected its historical operating results; (ii) the business prospects and expected performance of the Spin-off Group; (iii) the capital needs of the Spin-off Group and the proposed use of proceeds as further discussed below; (iv) the then responses to price consultation with potential subscribers in the book-building process for the Proposed A-Share Listing; (v) the prevailing A-share market conditions and market sentiment at the time of the Proposed A-Share Listing; (vi) the appropriate valuations to be determined by the Spin-off Co and the lead underwriter having considered those of comparable companies listed in the PRC in the same industry as the Spin-off Co; and (vii) the applicable laws and regulations, including the Securities Issuance and Underwriting Management Measures (2023 Revision) and the Implementing Rules of the Shanghai Stock Exchange for the Issuance and Underwriting Business for Initial Public Offerings of Securities 《上海證券交易所首次公開發行證券發行與承銷業務實施細則》. Having considered the above, the Board is of the view that the aforementioned basis of determining the offer price of the Proposed A-Share Listing is fair and reasonable.

The Spin-off Co intends to apply the net proceeds from the Proposed A-Share Listing (after deducting related expenses) for the development of the Spin-off Business, in the following manner:

- (i) approximately 38% will be used for a research and development project of communication base station products and industry solutions based on 5G technology, which is projected to complete in 2026;

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- (ii) approximately 10% will be used for a research and development project of a new generation of multi-mode and multi-frequency remote radio unit, which is projected to complete in 2026;
- (iii) approximately 14% will be used for a research and development project of a co-constructed and shared high-performance distributed digital radio remote system for 2G/3G/4G/5G, which is projected to complete in 2026;
- (iv) approximately 8% will be used for a construction project of intelligent upgrade for the next generation of 5G+ communication products, which is projected to complete in 2025; and
- (v) approximately 30% will be used to supplement the working capital of the Spin-off Group.

The above timeline is based on current estimation by the management of the Spin-off Group and will be subject to change depending on the actual construction/upgrade progress.

Details of the Proposed Spin-off and the Proposed A-Share Listing will be available at a later stage. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Hong Kong Listing Rules. Shareholders and potential investors of the Company should be aware that the expected offer size and the estimated gross proceeds as referred to above is for illustration purposes only and the actual amount to be raised and the proposed use of proceeds shall be subject to the listing application documents to be submitted by the Spin-off Co taking into account, among others, the PRC domestic market conditions at the time of the materialization of the Proposed A-Share Listing as well as the business development of the Spin-off Group, and may vary substantially from the amounts estimated above.

Lock-up undertakings

It is stated in the Board Letter that, as required by the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 《上海證券交易所股票上市規則》 relevant to the Proposed A-Share Listing and in accordance with normal market practice, certain members of the Group (being the direct shareholder of the Spin-off Co and its parties acting in concert), Mr. Fok Tung Ling, certain senior management of the Group and the Spin-off Group and other existing

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shareholders of the Spin-off Co will provide lock-up undertakings in relation to shares in the Spin-off Co. As far as the Group is concerned, each of the relevant members of the Group will undertake that, amongst others,

- (a) within a period of 36 months from the date of listing of the Spin-off Co's shares (the "**Lock-up Period**"), it will not transfer or entrust others to manage the Spin-off Co's shares it has directly or indirectly held before the Proposed A-Share Listing, nor allow the Spin-off Co repurchase these shares;
- (b) if the closing prices of the Spin-off Co's A-shares are all lower than the issue price during a period of 20 consecutive trading days within the first 6 months after the date of listing of the Spin-off Co's A-shares, or the closing price at the date falling the expiry of 6 months from the date of listing (if such day is not a trading day, then immediately following trading day) the lock-up period of the Spin-off Co's A shares directly or indirectly held before the listing by it will be automatically extended for 6 months;
- (c) if the Spin-off Co's A-shares held by it are reduced within two years after the expiry of the Lock-up Period, the disposal price shall not be lower than the issue price of the Proposed A-Share Listing; and
- (d) if the Spin-off Co does not make a profit at the time of listing, before the Spin-off Co turns profit-making, it shall not dispose of the shares of the Spin-off Co it holds before listing during the first three full financial years after the date of listing of the Spin-off Co's shares; during the fourth and fifth financial years from the date of initial listing, it shall not dispose more than 2% of the Spin-off Co's total issued shares each year; and after the Spin-off Co has become profit-making, it may dispose of the shares in the Spin-off Co held by it before listing from the following day after the publication of the annual report of that financial year and shall comply with the relevant requirements on share reduction.

Whilst the Company has no present intention to dispose of the shares in the Spin-off Co upon and immediately after the Proposed A-Share Listing, the Directors believe that, notwithstanding the lock-up requirement as mentioned above, the Proposed Spin-off will be beneficial to the Company and Shareholders in the long run as the Proposed A-Share Listing will render the Group's investment in the Spin-off Group a publicly tradable asset, as a result of which the Group will be able to trade the shares of the Spin-off Co through an open trading platform as it sees fit in the future.

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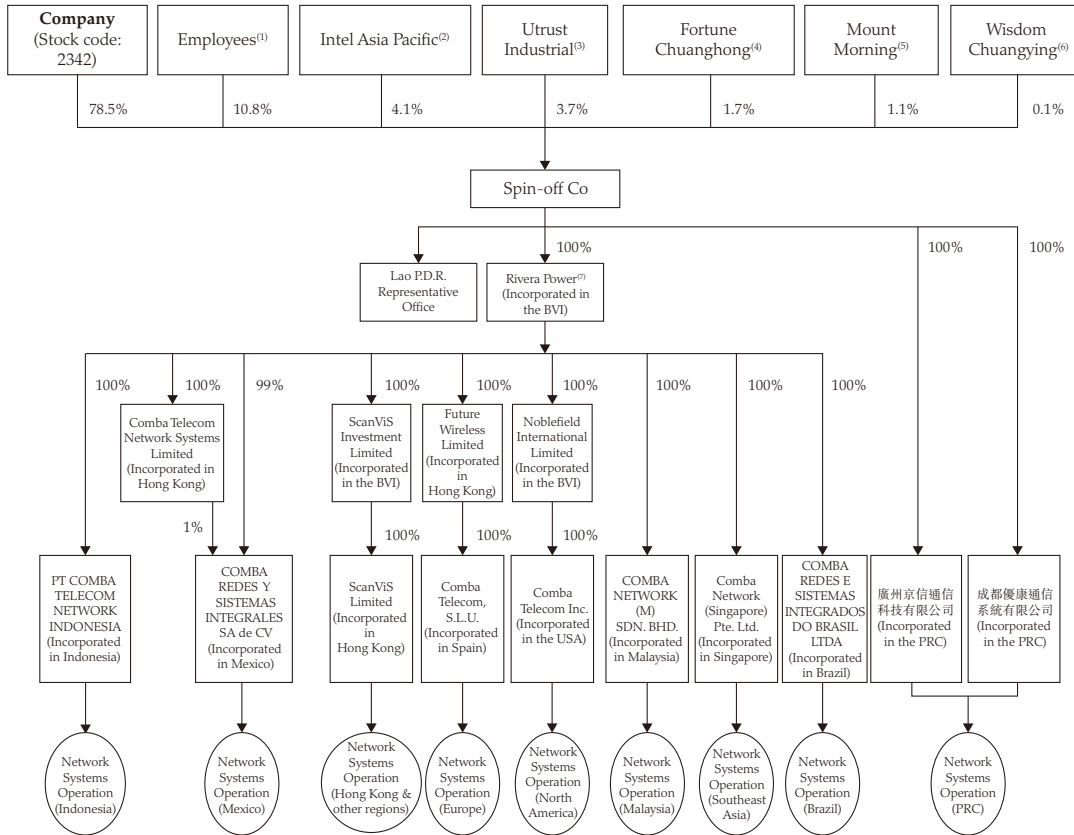
In addition, given that (i) the Spin-off Group and the Remaining Group, whether before or after the Proposed A-Share Listing, have separate and independent management teams to conduct their respective business; (ii) the Spin-off Group has already established its own financial and management information system, which is independent from that of the Remaining Group; and (iii) there is sufficient delineation in terms of business, director and management, purchase and sales function, finance and operation, between the Spin-off Group and the Remaining Group, the Directors believe that the lock-up undertakings to be provided by the undertakers are not expected to have any material adverse impact on the operations and businesses of the Remaining Group following completion of the Proposed A-Share Listing.

We understand from the Directors that the Company has no present intention to dispose of the shares in the Spin-off Co upon and immediately after the Proposed Spin-off and the Proposed A-Share Listing. As such, we concur with the Directors that notwithstanding the lock-up requirement as mentioned above, the Proposed Spin-off will be beneficial to the Company and Shareholders in the long run as the Proposed A-Share Listing will render the Group's investment in the Spin-off Co a publicly tradable asset, as a result of which the Group will be able to trade the shares of the Spin-off Co through an open trading platform as it sees fit in the future. In addition, given the aforementioned independence and delineation of (i) management, (ii) financial and management information system as well as (iii) business, director and management, purchase and sales function, finance and operation between the Spin-off Group and the Remaining Group, we concur with the Directors that the lock-up undertakings to be provided by the undertakers are not expected to have any material adverse impact on the operations and businesses of the Remaining Group following completion of the Proposed A-Share Listing.

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Effect of the Proposed Spin-off on the shareholding structure of the Spin-off Co

Set out below is the shareholding structure of the Spin-off Co as at the Latest Practicable Date as extracted from the Board Letter:



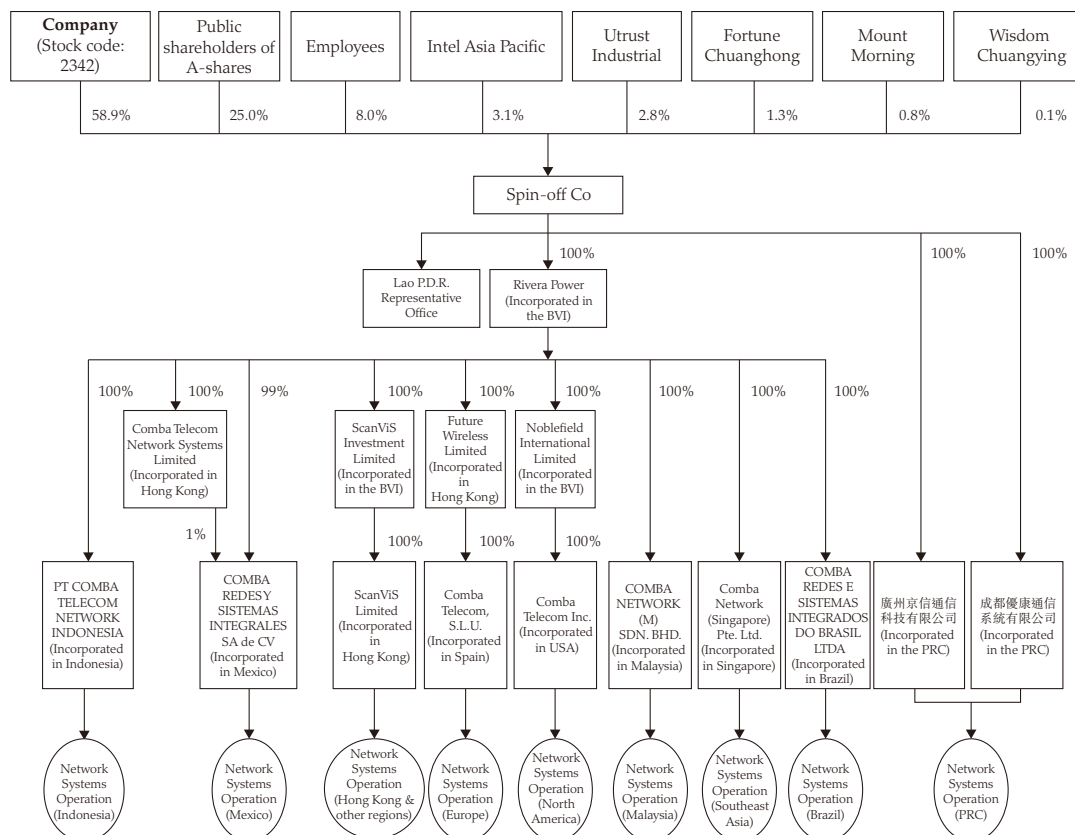
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Notes:

- (1) As of the Latest Practicable Date, the employees of the Group collectively held approximately 10.8% equity interest in Spin-off Co through 11 limited partnerships established under the laws of the PRC, namely (i) Xin Han Tong No.1 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通一號企業管理(珠海)合夥企業(有限合夥)); (ii) Xin Han Tong No.2 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通二號企業管理(珠海)合夥企業(有限合夥)); (iii) Xin Han Tong No.3 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通三號企業管理(珠海)合夥企業(有限合夥)); (iv) Xin Han Tong No.5 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通五號企業管理(珠海)合夥企業(有限合夥)); (v) Xin Han Tong No.6 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通六號企業管理(珠海)合夥企業(有限合夥)); (vi) Xin Han Tong No.7 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通七號企業管理(珠海)合夥企業(有限合夥)); (vii) Xin Han Tong No.8 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通八號企業管理(珠海)合夥企業(有限合夥)); (viii) Xin Han Tong No.9 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通九號企業管理(珠海)合夥企業(有限合夥)); (ix) Xin Han Tong No.10 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通十號企業管理(珠海)合夥企業(有限合夥)); (x) Xin Han Tong No.11 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通十一號企業管理(珠海)合夥企業(有限合夥)) and (xi) Xin Han Tong No.12 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通十二號企業管理(珠海)合夥企業(有限合夥)).
- (2) As of the Latest Practicable Date, Intel Asia Pacific Research and Development Ltd. (英特爾亞太研發有限公司) (“**Intel Asia Pacific**”) held approximately 4.1% equity interest in Spin-off Co.
- (3) Guangdong Utrust Industrial Investment Fund Partnership (Limited Partnership)* (廣東粵財產業投資基金合夥企業(有限合夥)) (“**Utrust Industrial**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Utrust Industrial held approximately 3.7% equity interest in Spin-off Co.
- (4) Shenzhen Fortune Chuanghong Private Equity Investment Company (Limited Partnership)* (深圳市達晨創鴻私募股權投資企業(有限合夥)) (“**Fortune Chuanghong**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Fortune Chuanghong held approximately 1.7% equity interest in Spin-off Co.
- (5) Beijing Mount Morning Venture Capital Fund Partnership (Limited Partnership)* (北京晨山創業投資基金合夥企業(有限合夥)) (“**Mount Morning**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Mount Morning held approximately 1.1% equity interest in Spin-off Co.
- (6) Shenzhen Wisdom Chuangying Private Equity Investment Company (Limited Partnership)* (深圳市財智創贏私募股權投資企業(有限合夥)) (“**Wisdom Chuangying**”) is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Wisdom Chuangying held approximately 0.1% equity interest in Spin-off Co.
- (7) Rivera Power Limited (“**Rivera Power**”) is a limited company incorporated under the laws of the British Virgin Islands and is a wholly-owned subsidiary of Spin-off Co.

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Set out below is the shareholding structure of the Spin-off Co immediately upon completion of the Proposed Spin-off assuming that the number of new A-shares of the Spin-off Co to be issued under the Proposed A-Share Listing represents 25.0% of the enlarged issued share capital of the Spin-off Co:



It is expected that immediately upon completion of the Proposed Spin-off, the Group will indirectly hold not less than 58.9% equity interest in the Spin-off Co and the Spin-off Co will remain as a subsidiary of the Company.

The Remaining Group

The Board Letter states that after completion of the Proposed Spin-off, the Remaining Group will be principally engaged in the Remaining Business comprising (i) the antenna and subsystems operation, which connects and transfers data over a distance (the “**Antenna and Subsystems Business**”); (ii) the provision of comprehensive engineering services to operators; (iii) the provision of operator telecommunication services and value-added services in Lao People’s Democratic Republic; and (iv) the research and development, manufacturing and trading of microwave communication system, digital microwave system equipment and intelligent machinery. The products of the Remaining Group transfer and convert high frequency current and electromagnetic spectrums from the antenna mounted on towers or located on top of buildings.

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The Directors believe that, upon completion of the Proposed Spin-off and Proposed A-Share Listing, (i) the Remaining Group will retain a sufficient level of operations and sufficient assets for the Company to maintain its listing status; and (ii) the Spin-off Business and the Remaining Business will be distinct and independent from each other, and thus will satisfy the requirements under PN15.

Set out below are key areas of delineation between the Remaining Group and the Spin-off Group in terms of business delineation, management independence and financial independence.

(i) *Clear delineation of business and products*

- *Different industry:* The Spin-off Business is primarily involved in the operation of network systems which includes research and development, design, sale of network system products and solutions and service ancillary to products sold, whereas the Remaining Business is primarily involved in the antenna and subsystems operation.
- *Difference in applications and functions of the products:* Products under the Spin-off Business are usually tailored to realize specific needs of different industries, including the mobile network industry and others, whereas products under the Remaining Business primarily serves the telecommunication industry as antennas are usually operated by mobile network providers, internet service providers and telecommunication equipment manufacturers.
- *Difference in technologies required to operate the products:* Products under the Spin-off Business primarily focus on the distribution of frequencies and tailoring the frequencies for the customers' specific needs, whereas products under the Remaining Business primarily focus on different transmission methods over a long distance, such as transferring and converting high frequency current and electromagnetic spectrums from the antenna mounted on towers or located on top of buildings.
- *Difference in target industries:* The Spin-off Business primarily targets the industrial internet industry, the energy industry, the chemical industry, the transportation industry and the healthcare industry, whereas the Remaining Business primarily focuses on the base station antenna market, telecommunication equipment manufacturers and integrators, as well as internet service providers. Due to the oligopolistic nature of the telecommunications industry and the wide spectrum of telecommunication services and products offered by major mobile network operators, both the Spin-off Business and the Remaining

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Business will have major mobile network operators as their overlapping customers following the Proposed Spin-off. However, as the Spin-off Group and the Remaining Group provide distinctive products, the overlapping customers do not cause any hindrance in the delineation of business between the Spin-off Group and the Remaining Group.

(ii) Management independence

Following completion of the Proposed Spin-off and the Proposed A-Share Listing, the Spin-off Group will be managed separately and independently from the Remaining Group. The Spin-off Group will have nine directors at Spin-off Co level and three senior management, the Remaining Group will have nine directors (comprising five executive Directors, one non-executive Director and three independent non-executive Directors at the Company level) and four senior management. Amongst the directors and senior management of Spin-off Co and the Company following the Proposed Spin-off, there will be five overlapping directors and no overlapping senior management, which contributes to just over half of the nine directors for Spin-off Co and for the Company. As the Spin-off Co will remain a subsidiary of the Company after the Proposed Spin-off, it is ordinary and in the best interest of the Shareholders for the Group to retain control over the board of the Spin-off Co.

(iii) Financial independence

Prior to the Proposed Spin-off, it is natural and accords with normal commercial practice that banks request guarantee from the Company when extending credit facilities to the Spin-off Co. In addition, some banking facilities were granted to the Group as a whole, which included the Spin-off Group. As a matter of fact the amount of banking facilities where the Group has acted as guarantor for the Spin-off Group's banking facilities is not material relative to the Spin-off Group's total asset. It is envisaged that following the Proposed Spin-off, the Spin-off Co as a listed company on its own will be able to tap on the capital market and obtaining credit facilities without the need of corporate guarantee from the Company to meet its funding needs.

(iv) Operational independence

The Spin-off Group has set up its own administrative, manufacturing and research and development capabilities with a team of independent staff, and its own organizational structure with independent function to adapt to the Spin-off Group's development demands, each with specific areas of responsibility carrying out essential operational functions without the Group's support.

4. Reasons for and benefits of the Proposed Spin-Off

As stated in the Board Letter, the Board considers that the Proposed Spin-off will be beneficial to both the Remaining Group and the Spin-off Group for the following reasons:

(i) Adoption of different business strategies

The Proposed Spin-off will enable the respective management teams of the Company and the Spin-off Co to dedicate their time on building the core businesses of the Remaining Group and the Spin-off Group, respectively, to adopt different business strategies in order to better suit their respective businesses, and increase their responsiveness to market changes and opportunities specific to the business of the relevant group. The Proposed Spin-off will also provide greater financial transparency and business coherence and clearer corporate structure to each of the Remaining Group and the Spin-off Group and to allow the Spin-off Group to create a more defined business focus and efficient resource allocation, thus enhancing operation efficiency of each of the Remaining Group and the Spin-off Group.

(ii) Alternative valuation for the businesses

The Spin-off Business has grown to a sufficient size to warrant a separate listing. The Proposed Spin-off substantively separates the Spin-off Business from the Remaining Business, thereby enabling investors and financiers to appraise the strategies, functional exposures, risks and returns of the respective businesses separately and to make their investment decisions accordingly. The Proposed Spin-off will allow the Company and the Shareholders an opportunity to realise their fair value of investment in the Spin-off Co; and the Company will continue to be the beneficial owner of a majority of shares in the Spin-off Co upon completion of the Proposed Spin-off and to benefit from any enhanced value of the Spin-off Group through consolidation of the Spin-off Group's accounts and receipt of dividend distributions (if any).

(iii) New sources of fund raising and financing opportunities

The Proposed Spin-off will enable the Remaining Group and the Spin-off Group to have their separate fund raising platforms to directly and independently access both the debt and equity capital markets, which in turn may provide greater aggregate financing capacity to both the Remaining Group and the Spin-off Group to deploy their funds towards their respective developments, operations and investment opportunities, as there will be greater clarity on the respective financial status of each of the Remaining Group and the Spin-off Group. In addition, the cash proceeds to be received from the public offering and placing of A-shares of the Spin-off Co will provide capital to the Spin-off Group for its operations and expansion plan. The Proposed Spin-off will potentially provide greater debt capacity due to greater clarity for credit profiling of each of the Company and the Spin-off Co

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respectively by financial institutions that wish to extend credit or financing to the Company or the Spin-off Co.

(iv) Segregation of different business

The Proposed Spin-off and a separate listing of the shares of the Spin-off Co will not only enhance the Spin-off Group's profile amongst its customers, suppliers and other business partners, but will also improve the Spin-off Group's ability to recruit, motivate and retain key management personnel by enhanced management incentives through adoption of equity-based incentive program.

(v) Ability to attract and form strategic partnerships

The Proposed Spin-off will enable the Spin-off Group to enhance its corporate profile, thereby increasing its ability to attract strategic investors, who can produce synergy for the Spin-off Group, for investment in and forming strategic partnerships with the Spin-off Group.

(vi) Enhanced corporate governance of the Spin-off Group

The Proposed Spin-off will increase the operational and financial transparency and enhance the corporate governance of the Spin-off Group and provide investors, financial institutions and rating agencies with greater clarity on the business and financial status of each of the Remaining Group and the Spin-off Group on a stand-alone basis, and such enhancement will help to build investor confidence in forming investment decisions based on their assessment of the performance, management, strategy, risks and returns of both the Remaining Group and the Spin-off Group.

After we have considered the following factors:

- (i) the Proposed Spin-off will provide greater financial transparency and business coherence and clearer corporate structure to each of the Remaining Group and the Spin-off Group and to allow the Spin-off Group to create a more defined business focus and efficient resource allocation, thus enhancing operation efficiency of each of the Remaining Group and the Spin-off Group;
- (ii) The Spin-off Business itself has grown to a sufficient size to warrant a separate listing, and the Proposed Spin-off substantively separates the Spin-off Business from the Remaining Businesses, thereby enabling investors and financiers to appraise the strategies, functional exposures, risks and returns of the respective businesses separately and to make their investment decisions accordingly. The benefits of unlocking and realising the value of the Spin-off Business will be further illustrated in the section headed "5. Comparable Companies" below;
- (iii) the Company will continue to be the beneficial owner of a majority of shares in the Spin-off Co upon completion of the

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Proposed Spin-off and to benefit from any enhanced value of the Spin-off Group through consolidation of the Spin-off Group's accounts and receipt of dividend distributions;

- (iv) the cash proceeds from the Proposed Spin-off will provide additional funding source for the future development of the Spin-off Group;
- (v) the Proposed Spin-off will potentially provide greater debt capacity due to greater clarity for credit profiling of each of the Company and the Spin-off Co respectively by financial institutions that wish to extend credit or financing to the Company or the Spin-off Co;
- (vi) upon the completion of the Proposed Spin-off, the Spin-off Co will become a listed company with its A-shares listed on the PRC Stock Exchange with fund-raising capacity as a listed company on its own; and
- (vii) the Implied P/S Ratio (Low) and the Implied P/B Ratio (Low) are considered favorable to the Group as compared to the P/S ratios and P/B ratios of the Comparable Companies as discussed in the section headed "5. Comparable Companies" below,

we are of the view the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole.

5. Comparable Companies

In order to provide the Shareholders with a general reference regarding the valuation of companies engaging in a business similar to that of the Spin-off Co, we performed our independent analysis on the valuation of the deemed disposal as a result of the Proposed Spin-off. We noted that the trading multiples analysis such as price-to-sales ("P/S") ratio, price-to-book ("P/B") ratio and price-to-earnings ratio ("P/E") ratio, are commonly adopted valuation methods in the market. As mentioned in the section headed "2. Background information and financial overview of the Spin-off Group" above, the Spin-off Group was loss-making in FY2022 and accordingly, the P/E ratio is deemed inappropriate to be adopted for our analysis. As a result, we consider that the P/S ratio and P/B ratio are appropriate benchmarks for our trading multiples analysis.

Based on (i) the Spin-off Co's enlarged issued share capital and the estimated market capitalisations of not less than approximately RMB3,000 million and not more than approximately RMB6,814 million, as mentioned in the Board Letter, implying that the mid-point of the enlarged issued share capital and the estimated market capitalisations to be approximately RMB4,907 million; and (ii) the Spin-off Co's consolidated revenue for FY2022 of approximately RMB1,063.3 million, the implied P/S ratio of the Spin-off Co will be within the range of approximately 2.82 times (the "**Implied P/S Ratio (Low)**") and 6.41 times (the "**Implied P/S Ratio (High)**"), with a mid-point of P/S ratio of 4.61 times (the "**Implied P/S Ratio (Mid)**").

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Furthermore, based on (i) the abovementioned Spin-off Co's enlarged issued share capital and the estimated market capitalisations of not less than approximately RMB3,000 million and not more than approximately RMB6,814 million, and the implication of the mid-point of the enlarged issued share capital and the estimated market capitalisations to be approximately RMB4,907 million; and (ii) the Spin-off Co's consolidated net asset value for FY2022 of approximately RMB294.5 million, the implied P/B ratio of the Spin-off Co will be within the range of approximately 10.19 times (the "**Implied P/B Ratio (Low)**") and 23.14 times (the "**Implied P/B Ratio (High)**"), with a mid-point of P/B ratio of 16.66 times (the "**Implied P/B Ratio (Mid)**").

We note from the Board Letter that, in order to assess the upper range of the estimate market capitalisations of the Spin-off Group upon the Proposed A-Share Listing, P/S ratios of five A-share listed companies (the "**Market Capitalisation Comparable Companies**") have been considered, four of which are Spin-off Co's industry peers that provide base station products, radio frequency products and 5G+ industrial application products. In order for the aforementioned P/S ratio to reflect foreseeable market competition, one of the five comparable companies is a direct competitor of the Spin-off Co and it provides 5G small cell base station products to mobile network operators in the PRC. Looking at a wider extent, we have conducted a search on Bloomberg for other companies which are listed on the stock exchanges in both Hong Kong and the PRC and are principally engaged in similar industry as the Spin-off Co (i.e. engaged in manufacturing and sale of network and telecommunication products) and compiled an exhaustive list of the following 9 comparable companies (the "**Comparable Companies**") meeting our aforementioned selection criteria as identified by us based on our best information, knowledge and belief. The following table sets out the comparison of P/S ratios and P/B ratios of the Comparable Companies, the Spin-off Co and the Company:

Company name (stock code)	Principal business (Note 1)	Market Capitalisation (RMB million) (as at the date of the announcement of the Proposed Spin-Off, i.e. 8 August 2023)	P/S ratio (Note 2)	P/B ratio (Note 2)
CETC Potevio Science & Technology Co., Ltd (002544 CH Equity)	Develops, designs, and sells electronic and information products	16,043.32	2.23	4.20
CICT Mobile Communication Technology Co., Ltd (688387 CH Equity)	Manufactures and distributes telecommunications equipment	25,127.81	3.11	3.64

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Company name (stock code)	Principal business <i>(Note 1)</i>	Market Capitalisation (RMB million) (as at the date of the announcement of the Proposed Spin-Off, i.e. 8 August 2023)	P/S ratio <i>(Note 2)</i>	P/B ratio <i>(Note 2)</i>
CIG Shanghai Co., Ltd (603083 CH Equity)	Develops, manufactures, and sells telecom broadband terminals, wireless network equipment, and smart home gateway products	14,651.94	3.18	7.02
Raisecom Technology Co., Ltd (603803 CH Equity)	Manufactures and distributes telecommunication equipment	3,511.55	1.69	1.76
Shenzhen Kexin Communication Technologies Co., Ltd (300565 CH Equity)	Designs, produces, and sells network cabinet, wireless, and transmission network equipment	3,471.52	4.01	6.92
Sichuan Tianyi Comheart Telecom Co., Ltd (300504 CH Equity)	Researches, develops, produces, and sells network connection and protection equipment, mobile communication network optimization systems, and broadband network terminal solutions	4,928.01	1.64	2.13
ZTE Corporation (000063 CH Equity) (763 HK Equity)	Operates carrier network business	169,347.06	1.43	2.90
Jushri Technologies, Inc (300762 CH Equity) (the "Outlier")	Researches and manufactures broadband mobile communication equipment	9,215.79	19.99 <i>(Note 5)</i>	3.43 <i>(Note 5)</i>
Ruijie Networks Co., Ltd (301165 CH Equity)	Develops network software products	29,357.95	2.30	6.84
		Minimum	1.43	1.76
		Maximum	19.99	7.02
		Average	4.40	4.31
		Median	2.30	3.64

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Company name (stock code)	Principal business <i>(Note 1)</i>	Market Capitalisation (RMB million) (as at the date of the announcement of the Proposed Spin-Off, i.e. 8 August 2023)	P/S ratio <i>(Note 2)</i>	P/B ratio <i>(Note 2)</i>
		Minimum (excluding the Outlier)	1.43	1.76
		Maximum (excluding the Outlier)	4.01	7.02
		Average (excluding the Outlier)	2.45	4.42
		Median (excluding the Outlier)	2.27	3.92
The Spin-off Co	Research and development, design, sale of network system products and solutions and service ancillary to products sold such as commissioning and after-sale services	Implied P/S Ratio (Low) and Implied P/B Ratio (Low)	2.82 <i>(Note 3)</i>	10.19 <i>(Note 4)</i>
		Implied P/S Ratio (Mid) and Implied P/B Ratio (Mid)	4.61 <i>(Note 3)</i>	16.66 <i>(Note 4)</i>
		Implied P/S Ratio (High) and Implied P/B Ratio (High)	6.41 <i>(Note 3)</i>	23.14 <i>(Note 4)</i>
The Company	Research, development, manufacture and sale of wireless telecommunications network system equipment and the provision of related engineering services	3,194.03	0.55	0.93

Source: Bloomberg

Notes:

1. The principal activities of the Comparable Companies are sourced from Bloomberg.
2. P/S ratios and P/B ratios of the Comparable Companies and the Company are calculated from data extracted from Bloomberg.
3. The implied P/S ratios of the Spin-off Co is based on the estimated market value of the Spin-off Co's enlarged issued share capital upon the Proposed A-Share Listing and the Spin-off Co's consolidated revenue for FY2022.
4. The implied P/B ratios of the Spin-off Co is based on the estimated market value of the Spin-off Co's enlarged issued share capital upon the Proposed A-Share Listing and the Spin-off Co's consolidated net asset value for FY2022.

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5. The P/S ratio of Jushri Technologies, Inc of approximately 19.99 times is almost 5 times of the P/S Ratio of Shenzhen Kexin Communication Technologies Co., Ltd of approximately 4.01 times (which has the second highest P/S ratio among the Comparable Companies) and is exceptionally high as compared with those of the other Comparable Companies, and thus is considered as an outlier.
6. The Spin-off Group was loss-making in FY2022 and accordingly, the P/E ratio is deemed inappropriate to be adopted for our analysis.
7. The above Comparable Companies cover all of the Market Capitalisation Comparable Companies.

As depicted from the above table, the P/S ratios of the Comparable Companies ranged from approximately 1.43 times to approximately 19.99 times, with an average of approximately 4.40 times and a median of approximately 2.30 times.

Pursuant to one of the listing criteria applicable for the Proposed A-Share Listing pursuant to the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange 《上海證券交易所科創板股票上市規則》(2020 Revision), there is a minimum market capitalization requirement of RMB3,000 million, meaning that in the event the Proposed A-Share Listing is materialized, the lowest possible market capitalization of the Spin-off Group upon the Proposed A-Share Listing amounts to RMB3,000 million. On the other hand, on the basis that the Spin-off Co's consolidated revenue of approximately RMB1,063.3 million and consolidated net assets value of approximately RMB294.5 million for FY2022 are adopted, the lowest possible P/S ratio and P/B ratio of the Spin-off Co upon the Proposed A-Share Listing are 2.82 and 10.19 respectively.

We noted that even having the Outlier with exceptionally high P/S Ratio of approximately 19.9 times included in the Comparable Companies, the Implied P/S Ratio (Low) of approximately 2.82 times, being calculated based on the lowest end of the Spin-off Co's enlarged issued share capital upon the Proposed A-Share Listing and the estimated market capitalisations, is within the range of the P/S ratios of the Comparable Companies and is higher than the median P/S ratio of the Comparable Companies of approximately 2.30 times, which means that the lowest end of the estimated market capitalization of the Spin-off Group being released upon the Proposed Spin-off is already higher than derived by the median P/S ratio of the Comparable Companies, and is considered fair and reasonable to the Group. Concurrently, the Implied P/S Ratio (Mid) of approximately 4.61 times is higher than the average and median P/S ratio of the Comparable Companies of approximately 4.40 times and 2.30 times, respectively, which means that the mid-point of the estimated market capitalization of the Spin-off Group being released upon the Proposed Spin-off is already higher than derived by the median and average P/S ratios of the Comparable Companies, and is considered favorable to the Group.

In addition, if the Outlier with exceptionally high P/S Ratio of approximately 19.9 times is excluded from the Comparable Companies, we noted that the Implied

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P/S Ratio (Low) of approximately 2.82 times, being calculated based on the lowest end of the Spin-off Co's enlarged issued share capital upon the Proposed A-Share Listing and the estimated market capitalisations, is within the range of the P/S ratios of the Comparable Companies (excluding the Outlier) and is already higher than the average and median P/S ratio of the Comparable Companies (excluding the Outlier) of approximately 2.45 times and 2.27 times, respectively, which means that the lowest end of the estimated market capitalization of the Spin-off Group being released upon the Proposed Spin-off is already higher than that derived by the median and average P/S ratios of the Comparable Companies, and is considered favorable to the Group.

We also noted that the Implied P/B Ratio (Low) of approximately 10.19 times, being calculated based on the lowest end of the Spin-off Co's enlarged issued share capital upon the Proposed A-Share Listing and the estimated market capitalisations, is already higher than the maximum P/B ratio of the Comparable Companies of approximately 7.02 times, which means that the lowest end of the estimated market capitalization of the Spin-off Group being released upon the Proposed Spin-off is already higher than that derived by the maximum P/B ratio of the Comparable Companies, and is considered favorable to the Group.

Furthermore, as Implied P/S Ratio (Low) of approximately 2.82 times and the Implied P/B Ratio (Low) of approximately 10.19 times are much higher than the Company's own P/S ratio and P/B ratio of approximately 0.55 times and 0.93 times, respectively, the Proposed Spin-off allows the Spin-off Business to be appraised separately and offers the Company and the Shareholders an opportunity to realise their fair value of investment in the Spin-off Co and is likely to unlock the value of the Spin-off Co and attain higher market valuation.

Taking into account the principal factors as discussed above, we consider that the Proposed Spin-off allows the Spin-off Business to be appraised separately and the estimated market capitalization of the Spin-off Group being released upon the Proposed Spin-off is favorable compared to that derived by the P/S and P/B ratios of the Comparable Companies, the terms of the Proposed Spin-off are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

6. Financial effects of the Proposed Spin-off on the Group

It is stated in the Board Letter that following completion of the Proposed Spin-off, the Group is expected to hold not less than 58.9% of the enlarged issued share capital of the Spin-off Co, and the Spin-off Co will continue to be accounted for as a subsidiary in the consolidated financial statements of the Group. The expected financial impacts of the Proposed Spin-off on the Group are as follows:

Earnings

With reference to the Board Letter, the Proposed Spin-off, which is expected to involve the issue of new A-shares of the Spin-off Co, will constitute a deemed disposal of the Group's interest in the Spin-off Co. It is

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expected that the difference between the net proceeds from the issue of new A-shares of the Spin-off Co and the change of share of consolidated net asset value of the Spin-off Group by the non-controlling interests upon completion of the Proposed A-Share Listing will be recorded in equity attributable to owners of the Company.

Based on the assumption that the number of A-shares of the Spin-off Co to be issued at the Proposed A-Share Listing represents 25% of the enlarged share capital of the Spin-off Co, the Proposed A-Share Listing will result in a dilution of the Group's interest in the Spin-off Co from approximately 78.5% as at the Latest Practicable Date to approximately 58.9% immediately after the completion of the Proposed A-Share Listing.

Assets and liabilities

With reference to the Board Letter, the Proposed Spin-off, which is expected to involve the issue of new A-shares of the Spin-off Co for cash, is expected to increase the amount of cash recorded in the consolidated statement of financial position of the Group and the total assets of the Group correspondingly.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Proposed Spin-off.

7. Waiver in respect of assured entitlement

As stated in the Board Letter, in accordance with the requirements of paragraph 3(f) of PN15, the Company is required to give due regard to the interests of the existing Shareholders by providing them with an assured entitlement to the A-shares of the Spin-off Co if the Proposed A-Share Listing proceeds. However, the Board considers that it is not practicable to provide assured entitlement of the A-shares of the Spin-off Co as further explained below and that the requirement of paragraph 3(f) of PN15 cannot be met. Accordingly, the Company made an application for the Waiver to the Hong Kong Stock Exchange, which subsequently has granted the Waiver.

In determining the venue for the proposed listing of the Spin-off Co, the Board has made due and careful consideration, taking into account, among other things, the nature of the Spin-off Business, the jurisdiction in which the Spin-off Co was established and had been operating its business, and the characteristics of different capital markets, and concluded that it is more suitable to seek a listing of the Spin-off Co on the A-share market in the PRC.

Based on the legal advice from the Company's PRC legal counsel, according to applicable PRC laws, only certain qualified foreign investors are allowed to subscribe for or participate in the offering of A-shares, which include, among others, (a) qualified foreign institutional investors; (b) qualified domestic institutional

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investors of the PRC; (c) foreign strategic investors approved by Ministry of Commerce of the PRC; (d) individuals with permanent residence in the PRC; and (e) residents of Hong Kong, Macao Special Administrative Region or Taiwan region who live and work in the PRC. Based on the shareholders register of the Company as at the Latest Practicable Date, most of the registered Shareholders are individuals with addresses in Hong Kong. The Board believes most of these Shareholders are not PRC residents. Further, Mr. Fok Tung Ling and Mr. Zhang Yue Jun, who are both Directors and Shareholders have confirmed that they are not qualified foreign investors for the purpose of investing in A-shares. In light of the above, the Board considers it impracticable to provide the Shareholders with assured entitlement under the Proposed Spin-off in light of the legal restrictions for foreign investors to subscribe for or participate in the offering of A-shares.

Moreover, the Securities Law and the Administrative Measures on Issuance and Underwriting of Securities of the PRC provides that any issuing entities upon public offering shall obtain the approval from the securities regulatory and management authorities. "Public Offering" includes the issuance by offline distribution and online subscription to investors in compliance with the quotation, subscription procedures and rules. For offline distribution, existing Shareholders may participate in the offline distribution on the condition that they could provide effective quotations according to the PRC law. Even if they could provide such effective quotation, the Company would be unable to make any preferential allocations of the offer shares to its existing Shareholders on the ground that all investors should be treated equally. For online subscription, after the effective subscription amount is confirmed, all valid subscription would need to be assigned through balloting. Accordingly, in implementing the proposal for the Proposed A Share Listing, it would be impossible for the Company to issue shares in the Spin-off Co to specific people and reserve shares for Shareholders in Hong Kong pursuant to the existing laws of the PRC.

It is contemplated that the Group will hold not less than 58.9% of the issued share capital in the Spin-off Co and will continue to be the holding company of the Spin-off Co after the Proposed Spin-off. The financial results of the Spin-off Co will continue to be consolidated into the Group's financial statements, and the Shareholders will continue to enjoy the contribution from the Spin-off Co as well as the benefits of the Proposed Spin-off as described above through their holdings in the Shares.

The Board is of the view that the interest of the Shareholders would not be materially prejudiced by not providing assured entitlement to the A-shares of the Spin-off Co to the Shareholders.

Having considered the above and the reasons for and benefits of the Proposed Spin-off mentioned above, the Board is of the view that the Proposed Spin-off and the Waiver are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LETTER FROM GM CAPITAL

Furthermore, the Board considers that it is not practicable to provide assured entitlement of the A-shares of the Spin-off Co and that the requirement of paragraph 3(f) of PN15 cannot be met. Thus, the Company has applied for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirement under Paragraph 3(f) of PN15.

Taking into consideration the legal restrictions under the applicable PRC laws in providing the existing Shareholders with an assured entitlement referred to above and the Shareholders will continue to enjoy the contribution from the Spin-off Co as well as the benefits of upon the completion of the Proposed Spin-off through their holdings in the Shares, we concur with the view of the Board that, the interest of the Shareholders would not be materially prejudiced by not providing assured entitlement to the A-shares of the Spin-off Co to the Shareholders.

OPINION AND RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the Proposed Spin-off, although not in the ordinary and usual course of business, is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, we would recommend (i) the Independent Board Committee to advise the Shareholders; and (ii) the Shareholders, to vote in favor of the ordinary resolution(s) to approve the Proposed Spin-off at the EGM.

Yours faithfully,

For and on behalf of

Grand Moore Capital Limited

Kevin So

Florence Ng

Managing Director –

Associate Director

Investment Banking

Department

Note:

Mr. Kevin So is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Mr. So has over 20 years of experience in the corporate finance industry in Hong Kong.

Ms. Florence Ng is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Ms. Ng has over 10 years of experience in the corporate finance industry in Hong Kong.

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements for each of the three years ended 31 December 2020, 2021 and 2022 of the Company together with relevant notes thereto are disclosed in the following documents which have been published on both the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.comba-telecom.com). Please refer to the hyperlinks as stated below:

- pages 80 to 183 of the annual report of the Company for the year ended 31 December 2020 published on 27 April 2021 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700515.pdf>)
- pages 76 to 181 of the annual report of the Company for the year ended 31 December 2021 published on 26 April 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601041.pdf>)
- pages 84 to 189 of the annual report of the Company for the year ended 31 December 2022 published on 25 April 2023 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042501505.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding indebtedness of approximately HK\$1,057.2 million, comprising aggregate guaranteed bank loans of approximately HK\$968.0 million and aggregate lease liability of approximately HK\$89.2 million as detailed below:

	<i>HK\$'million</i>
Current	
Bank loans, guaranteed	968.0
Lease liabilities	49.6
	<hr/>
	1,017.6
	<hr/>
Non-current	
Bank loans, guaranteed	–
Lease liabilities	39.6
	<hr/>
	39.6
	<hr/>
Total	1,057.2
	<hr/> <hr/>

As at 30 June 2023, the Group's banking facilities were supported by corporate guarantees from the Company and certain of its subsidiaries.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 30 June 2023, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors are not aware of any material adverse change in the Group's indebtedness position and contingent liabilities since 30 June 2023.

3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Group's internal resources, available credit facilities and the estimated net proceeds from the Proposed A-Share Listing, the Group has sufficient working capital for its requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a global leading wireless solutions provider with its own research and development facilities, manufacturing base and sales and service teams, and offers a comprehensive suite of products and services including antenna and subsystems, network products, services and wireless transmission to its global customers. The Group has two reportable operating segments including (i) wireless telecommunications network system equipment and services; and (ii) operator telecommunication services.

The stage of development of wireless networks in different parts of the world is very uneven, and countries seeking to upgrade their wireless networks to 5G are also expected to drive significant demand for network equipment and antenna feeder products in the next few years. Looking ahead, the Group expect to ride on its global network to increase its sales in other regions, as more countries advance their 5G development towards more extensive coverage and multiple commercial uses.

In 2023, the three major telecom operators in Mainland China are actively pushing forward the strategy of shifting the focus of the development of fundamental networks from extensive coverage to in-depth coverage. Looking ahead, the Group will continue to focus on the provision of scenario-based and highly cost effective solutions as before. The Group believe that the development of in-depth coverage by the operators will bring about more business opportunities for the Group, enabling the Group to cater to the demands of different customers and firmly seize the opportunities arising from the development of 5G networks by the operators.

The Group also expects to ride on the growth in consumer and infrastructure spending in emerging markets, especially those with relatively young demographics but relatively low 5G network coverage. The Group expects to ride on the favourable demographics and relatively low 5G network coverage of such emerging markets to grow our sales and market share in these markets.

In addition, an increased emphasis in low carbon environmental protection by corporations and government around the world, as well as the society at large, has prompted mobile communication network equipment users to upgrade their equipment and this is expected to drive demand for the Group's green base station antennas and small cells.

The Group believe that through its leading position in the field of antennas and small cells, its first-mover advantage in Open RAN, and its focus on green antennas and emphasis on low carbon manufacturing processes, the Group is able to build on its industry-leading innovation capabilities, its extensive global network, and customer base to further grow its market presence globally.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, the total number of issued Shares was 2,765,752,668 Shares.

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Hong Kong Listed Issuers (the "Model Code") contained in the Hong Kong Listing Rules, were as follows:

Long positions in Shares

Name of Directors	Notes	Number of Shares held, capacity and nature of interest			Percentage of the Company's issued share capital (Approximately)
		Directly beneficially owned	Through controlled corporation	Total	
Mr. Fok Tung Ling	(1)	10,364,339	678,115,129	688,479,468	24.89%
Mr. Zhang Yue Jun	(2)	-	228,225,410	228,225,410	8.25%
Mr. Xu Huijun		11,000,000	-	11,000,000	0.39%
Mr. Wu Tielong		2,342,049	-	2,342,049	0.08%
Mr. Lau Siu Ki, Kevin		310,000	-	310,000	0.01%

Long positions in shares options of the Company

Name of Directors	Number of share options directly beneficially owned
Mr. Xu Huijun	18,734,000
Mr. Chang Fei Fu	7,000,000
Ms. Huo Xinru	7,000,000
Mr. Wu Tielong	5,000,000
Mr. Lau Siu Ki, Kevin	200,000
Ms. Ng Yi Kum	200,000

Notes:

- (1) These 678,115,129 Shares are beneficially owned by Prime Choice Investments Limited, which is wholly owned by Mr. Fok Tung Ling. As such, Mr. Fok Tung Ling is deemed or taken to be interested in the 678,115,129 Shares owned by Prime Choice Investments Limited under the SFO.
- (2) These 228,225,410 Shares are beneficially owned by Wise Logic Investments Limited, which is wholly owned by Mr. Zhang Yue Jun. As such, Mr. Zhang Yue Jun is deemed or taken to be interested in the 228,225,410 Shares owned by Wise Logic Investments Limited under the SFO.

Mr. Xu Huijun, Mr. Chang Fei Fu and Ms. Huo Xinru beneficially holding approximately 32.12%, 10.90% and 10.90% equity interest respectively in Xin Han Tong No.2 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通二號企業管理(珠海)合夥企業(有限合夥)), and Mr. Wu Tielong beneficially holding approximately 17.68% equity interest in Xin Han Tong No.3 Enterprise Management (Zhuhai) Partnership (Limited Partnership)* (鑫瀚通三號企業管理(珠海)合夥企業(有限合夥)), both of which are subsidiaries of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(ii) **Substantial shareholders' interests and short positions in Shares and underlying Shares**

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executives of the Company) in the Shares, underlying Shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any member of the Group were as follows:

Long positions in Shares

Name	Notes	Capacity and nature of Interest	Number of Shares held	Percentage of the Company's issued share capital (Approximately)
Prime Choice Investment Limited		Beneficial owner	678,115,129	24.51%
Madam Chen Jing Na	(1)	Interest of spouse	688,479,468	24.89%
Wise Logic Investment Limited		Beneficial owner	228,225,410	8.25%
Madam Cai Hui Ni	(2)	Interest of spouse	228,225,410	8.25%

Notes:

- (1) Madam Chen Jing Na is the spouse of Mr. Fok Tung Ling and is deemed to be interested in the 688,479,468 Shares in which Mr. Fok Tung Ling is interested or deemed to be interested under the SFO, including the 678,115,129 Shares beneficially owned by Prime Choice Investments Limited.
- (2) Madam Cai Hui Ni is the spouse of Mr. Zhang Yue Jun and is deemed to be interested in the 228,225,410 Shares in which Mr. Zhang Yue Jun is interested or deemed to be interested under the SFO, including the 228,225,410 Shares beneficially owned by Wise Logic Investments Limited.

Saved as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any member of the Group.

3. DIRECTOR'S INTERESTS**(i) Interests in assets and contracts of the Group**

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

(ii) Service contracts

As at Latest Practicable Date, none of the Directors has entered or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

(iii) Interests in competing businesses

As at the Latest Practicable Date, none of the Directors or any of their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

5. MATERIAL CONTRACT

No material contract (not being contracts entered into in the ordinary course of business) has been entered into by the Group within the two years preceding the date of this circular.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinions, letter or advices contained in this circular:

Name	Qualification
GM Capital	a licensed corporation permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Shareholders as to the Proposed Spin-off

As at the Latest Practicable Date, GM Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have been, since 31 December 2022 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

GM Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they are included.

7. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Chan Siu Man. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants.
- (ii) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (iii) The head office and principal place of business of the Company in Hong Kong is at Unit 611, Building 8W, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.
- (iv) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (v) The Singapore share transfer agent of the Company is In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

- (vi) This circular is prepared in both English and Chinese. In the case of any inconsistency, the English text of this circular shall prevail over the Chinese text.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be (i) published and displayed on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.comba-telecom.com) for a period of 14 days from the date of this circular (both days inclusive) and (ii) published on the website of the SGX-ST (www.sgx.com):

- (i) the letter from GM Capital, the text of which is set out on pages 26 to 54 of this circular; and
- (ii) the written consent of GM Capital as referred to in the paragraph headed “6. Expert and consent” in this appendix.

NOTICE OF EGM

Comba

COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Hong Kong Stock Code: 2342)

(Singapore Stock Code: STC)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Comba Telecom Systems Holdings Limited (the “**Company**”) will be held at Unit 611, Building 8W, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on Thursday, 14 September 2023 at 11:00 a.m. (Hong Kong time), (or, in case tropical cyclone warning signal No. 8 or above is hoisted, or a black rainstorm warning signal or “extreme conditions caused by super typhoons” announced by the Hong Kong Government is in force in Hong Kong at any time between 9:00 a.m. (Hong Kong time) and 11:00 a.m. (Hong Kong time) on that day, at the same time and place on Friday, 15 September 2023) to transact the following businesses and for the purposes of considering and, if thought fit, passing the following resolution of the Company with or without amendments:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the spin-off of 京信網絡系統股份有限公司 (Comba Network Systems Company Limited) (the “**Spin-off Co**”), currently an indirect non-wholly owned subsidiary of the Company, and a separate listing of the ordinary shares of the Spin-off Co on the Shanghai Stock Exchange in the People’s Republic of China (the “**Proposed Spin-off**”) be and is hereby approved; and
- (b) any director of the Company be and is hereby authorized on behalf of the Company to do all such acts and sign or execute all such documents and to enter into all such transactions and arrangements as such director may in his/her opinion consider necessary, appropriate or desirable for the purpose of implementing and giving effect to the Proposed Spin-off.”

By order of the Board
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman

Hong Kong, 29 August 2023

NOTICE OF EGM

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Unit 611
Building 8W
Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

Notes:

1. A member entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the extraordinary general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares (the “Shares”) of the Company in respect of which each such proxy is so appointed.
2. For Hong Kong shareholders (the “Shareholder(s)”) of the Company, in order to be valid, the proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than Tuesday, 12 September 2023 at 11:00 a.m. (Hong Kong time) or not less than 48 hours before the time appointed for holding of any adjourned meeting. Completion and return of a proxy form will not preclude a Shareholder from attending in person and voting at the extraordinary general meeting or any adjournment thereof, should he/she so wish.
3. For Singapore Shareholders, in order to be valid, the depositor proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company’s Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or by email to shareregistry@incorp.asia, no later than Tuesday, 12 September 2023 at 11:00 a.m. (Hong Kong time) or not less than 48 hours before the time appointed for holding of any adjourned meeting. Completion and return of a proxy form will not preclude a Shareholder from attending in person and voting at the extraordinary general meeting or any adjournment thereof, should he/she so wish.
4. For the purpose of determination of the Shareholders registered under the Company’s register of members in Hong Kong and register of members in Singapore for submission of proxy forms to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited or Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. respectively, any removal of the Shares between the Company’s register of members in Hong Kong and register of members in Singapore has to be made by the Shareholders no later than 4:00 p.m. (both Hong Kong and Singapore times) on Tuesday, 29 August 2023.

For Hong Kong Shareholders, the record date for determination of entitlements to attend and vote at the extraordinary general meeting will be on Friday, 8 September 2023. Hong Kong Shareholders whose names appear on the register of members of the Company in Hong Kong on Friday, 8 September 2023 will be entitled to attend and vote at the extraordinary general meeting. In order to qualify for attending and voting at the extraordinary general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 8 September 2023.

NOTICE OF EGM

For Singapore Shareholders, in order to qualify for attending and voting at the extraordinary general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 for registration no later than 5:00 p.m. (Singapore time) on Friday, 8 September 2023.

5. In case tropical cyclone warning signal no. 8 or above is hoisted, or a black rainstorm warning signal or "extreme conditions after super typhoons" announced by the Hong Kong Government is in force in Hong Kong at any time between 9:00 a.m. (Hong Kong time) and 11:00 a.m. (Hong Kong time) on the date of the extraordinary general meeting, the meeting will be automatically postponed and, by virtue of this notice, be held at the same time and place on Friday, 15 September 2023 instead.

The extraordinary general meeting will be held as scheduled when an amber or a red rainstorm warning signal or a tropical cyclone warning signal no. 3 or below is in force. Shareholders should make their own decision whether they would attend the extraordinary general meeting under bad weather conditions. If they choose to do so, they are advised to exercise due care and caution.

6. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.

此乃要件 請即處理

閣下如對本通函任何方面或應採取之行動有任何疑問，應諮詢閣下之持牌證券商、證券註冊機構、銀行經理、律師、專業會計師或其他專業顧問。

閣下如已售出或轉讓名下所有京信通信系統控股有限公司（「本公司」）之股份，應立即將本通函連同隨附之代表委任表格交予買主或承讓人或經手買賣或轉讓之銀行、持牌證券商、證券註冊機構或其他代理商，以便轉交買主或承讓人。

香港交易及結算所有限公司、香港聯合交易所有限公司及新加坡證券交易所有限公司對本通函之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不就因本通函全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本通函僅供參考用途，概不構成於香港、中國或其他地方向本公司股東或任何其他人士提出收購、購買或認購本公司或其附屬公司證券之邀請或要約。

Comba

COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(於開曼群島註冊成立之有限公司)

(香港股份代號：2342)

(新加坡股份代號：STC)

有關分拆公司進行建議分拆及獨立上市 之可能主要交易及視作出售 及 股東特別大會通告

獨立董事委員會及股東之獨立財務顧問



中毅資本有限公司
Grand Moore Capital Limited

本公司謹訂於二零二三年九月十四日(星期四)上午十一時正(香港時間)於香港新界白石角香港科學園8W大樓611室舉行股東特別大會(「股東特別大會」)，召開股東特別大會之通告載於本通函第EGM-1頁至第EGM-3頁。本通函隨附股東特別大會適用之代表委任表格。該代表委任表格亦刊載於香港交易及結算所有限公司網站www.hkexnews.hk、新加坡證券交易所有限公司網站www.sgx.com及本公司網站www.comba-telecom.com。

無論閣下能否出席股東特別大會，務請儘早將隨附之代表委任表格按其印列之指示填妥，並交回本公司香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17M樓(就本公司之香港股東而言)，或本公司新加坡股份過戶代理人彥德企業服務有限公司，地址為30 Cecil Street, #19-08 Prudential Tower, Singapore 049712或電郵至shareregistry@incorp.asia(就本公司之新加坡股東而言)，而無論如何須不遲於二零二三年九月十二日(星期二)上午十一時正(香港時間)或任何續會指定舉行時間48小時前送達。填妥及交回代表委任表格後，閣下屆時仍可依願親身出席股東特別大會或其任何續會，並於會上投票，而在此情況下，代表委任表格將視作已撤銷。

本通函以英文及中文刊發。如有任何歧義，概以英文版本為準。

二零二三年八月二十九日

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釋 義

於本通函內，除文義另有所指外，下列詞彙具有下文所載涵義：

「A股」	指	中國證券交易所上市公司以人民幣計值之普通股
「聯繫人士」	指	具香港上市規則所賦予之涵義
「董事會」	指	董事會
「英屬處女群島」	指	英屬處女群島
「CDP」	指	The Central Depository (Pte) Limited
「本公司」	指	京信通信系統控股有限公司，一家根據開曼群島法律註冊成立之有限公司，其已發行股份於香港聯交所主板主要上市(股份代號：2342)及於新交所主板第二上市(股份代號：STC)
「中國證監會」	指	中國證券監督管理委員會
「董事」	指	本公司董事
「股東特別大會」	指	本公司將召開及舉行之股東特別大會，以供股東考慮及酌情批准有關建議分拆之決議案
「中毅資本」	指	中毅資本有限公司，根據證券及期貨條例獲准從事第1類(證券交易)及第6類(就機構融資提供意見)受規管活動之持牌法團，為獲委任就建議分拆向獨立董事委員會及股東提供意見之獨立財務顧問
「本集團」	指	本公司及其附屬公司
「港元」	指	香港法定貨幣港元
「控股公司」	指	具香港上市規則所賦予之涵義

釋 義

「香港」	指	中國香港特別行政區
「香港上市規則」	指	香港聯交所證券上市規則(可能經不時修訂)
「香港聯交所」	指	香港聯合交易所有限公司
「獨立董事委員會」	指	董事會之獨立委員會，由全體獨立非執行董事組成，為就建議分拆向股東提供意見而成立
「最後實際可行日期」	指	二零二三年八月二十日，即本通函付印前就確定本通函所載若干資料之最後實際可行日期
「上市手冊」	指	新交所上市手冊(可能經不時修訂)
「第15項應用指引」	指	香港上市規則第15項應用指引
「中國」	指	中華人民共和國，就本通函而言，不包括香港、澳門特別行政區及台灣地區
「中國保薦人」	指	就建議A股上市為分拆公司行事之保薦人
「中國證券交易所」	指	中國上海證券交易所
「建議A股上市」	指	建議分拆公司之A股於中國證券交易所上市
「建議分拆」	指	本公司建議分拆公司進行分拆，使分拆公司之A股於中國證券交易所獨立上市
「餘下業務」	指	本通函所述之餘下集團主要業務
「餘下集團」	指	本集團(不包括分拆集團)
「人民幣」	指	中國法定貨幣人民幣

釋 義

「證券賬戶」	指	寄存人於CDP存置之證券賬戶，但不包括寄存代理存置之證券賬戶
「證券及期貨條例」	指	香港法例第571章證券及期貨條例
「新交所」	指	新加坡證券交易所有限公司
「股份」	指	本公司股本中每股面值0.1港元之普通股
「股東」	指	股份當時之登記持有人。倘登記持有人為CDP，則「股東」一詞就該等股份而言及在文義許可下，指於CDP(證券賬戶內寄存該等股份)存置之寄存登記冊內名列為寄存人之人士
「新加坡上市規則」	指	上市手冊所載新交所上市規則
「分拆業務」	指	分拆集團之主要業務
「分拆公司」	指	京信網絡系統股份有限公司，一家於中國成立之有限公司，為本公司之間接非全資附屬公司
「分拆集團」	指	分拆公司及其附屬公司
「附屬公司」	指	具香港上市規則所賦予之涵義
「美國」	指	美利堅合眾國
「豁免」	指	豁免就建議分拆項下之保證配額嚴格遵守第15項應用指引第3(f)段
「%」	指	百分比

釋 義

「寄存人」、「寄存登記冊」及「寄存代理」等詞彙具新加坡二零零一年證券及期貨法第81SF條分別所賦予之涵義。

本通函所提述之任何法令指當時已修訂或重新頒行之法令。香港上市規則、證券及期貨條例、新加坡上市規則及新加坡二零零一年證券及期貨法或其任何修改下界定並於本通函內使用之任何詞彙，應(如適用)具香港上市規則、證券及期貨條例、新加坡上市規則及新加坡二零零一年證券及期貨法或其任何修改(視情況而定)所賦予之涵義。

Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司

(於開曼群島註冊成立之有限公司)

(香港股份代號：2342)

(新加坡股份代號：STC)

執行董事：

霍東齡先生(主席)
張躍軍先生(副主席)
徐慧俊先生(總裁)
張飛虎先生
霍欣茹女士

註冊辦事處：

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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

非執行董事：

吳鐵龍先生

香港總辦事處及

主要營業地點：

獨立非執行董事：

劉紹基先生
伍綺琴女士
王洛琳女士

香港

新界

白石角

香港科學園

8W大樓

611室

敬啟者：

**有關分拆公司進行建議分拆及獨立上市
之可能主要交易及視作出售**

緒言

於最後實際可行日期，本集團間接持有分拆公司約78.5%股權，而分拆業務主要包括研發、設計、銷售網絡系統產品及解決方案，以及已售產品之配套服務(如調試及售後服務等)。本公司根據第15項應用指引向香港聯交所遞交有關建議分拆之申請以供審批，而香港聯交所於二零二一年九月三日確認本公司可進行建議分拆。

董事會函件

由於新冠疫情爆發影響相關進程，本公司延遲建議分拆及就建議A股上市遞交原定於二零二一年下半年作出之上市申請。

由於近期新冠疫情情況好轉，本公司已決定根據第15項應用指引恢復及進行建議分拆，並計劃於二零二三年九月遞交建議A股上市之上市申請。

於最後實際可行日期，本集團間接持有分拆公司約78.5%股權。預期分拆公司上市將涉及透過公開發售及／或配售方式發行分拆公司的新A股。建議A股上市項下將予發行的新A股數目擬不超過上述公開發售及／或配售後分拆公司經擴大已發行股本的25%，其後本集團於分拆公司之所有權將攤薄至不少於58.9%。因此，根據香港上市規則第14.29條，建議分拆及建議A股上市一經落實，將構成視作出售本集團於分拆公司的權益。建議分拆根據香港上市規則第14.07條之最高適用百分比率預期將超過25%但將低於75%。因此，根據香港上市規則第14章，建議分拆一經進行，將構成本公司的主要出售事項但不屬非常重大出售事項，並將須遵守第15項應用指引及香港上市規則第14章項下的申報、公告及股東批准規定。

本公司將召開及舉行股東特別大會，以供股東考慮及酌情批准建議分拆。本公司已成立獨立董事委員會(由全體獨立非執行董事劉紹基先生、伍綺琴女士及王洛琳女士組成)，以就建議分拆向股東提供意見。中毅資本已獲委任為獨立財務顧問，以就此向獨立董事委員會及股東提供意見。

本通函旨在向閣下提供(其中包括)(i)有關建議分拆及建議分拆項下有關保證配額規定之豁免之資料；(ii)獨立董事委員會就建議分拆致股東之推薦意見函件；(iii)中毅資本就建議分拆致獨立董事委員會及股東之意見函件；(iv)本集團之財務資料；及(v)香港上市規則規定之其他資料。股東特別大會通告載於第EGM-1至EGM-3頁。

建議分拆及建議A股上市

建議待下文「建議分拆之條件」一段所載條件獲達成後，分拆公司將申請將其A股於中國證券交易所獨立上市，並將從本集團分拆。預期分拆公司上市將涉及透過公開發售及／或配售方式發行分拆公司之新A股。建議A股上市項下將予發行之新A股數目擬不超過上述公開發售及／或配售後分拆公司經擴大已發行股本之25%。將予發行之分拆公司新A股之實際數目將視乎中國證券交易所及中國證監會之監管審批、分拆公司管理層、中國保薦人及建議A股上市之其他顧問之討論以及(尤其是)市況而於較後階段釐定。在任何情況下，本集團預期將於建議A股上市完成後持有分拆公司經擴大已發行股本不少於58.9%，而分拆公司將仍為本公司之附屬公司。

根據目前的時間表，預期將於二零二三年九月提交分拆公司之上市申請，而倘分拆公司A股於中國證券交易所上市獲批准及進行，則上市將於二零二四年下半年左右落實。

建議分拆及建議A股上市之條件

基於董事會現時可得資料，建議分拆將須待(其中包括)下列條件獲達成後，方可作實：

- (i) 中國證監會、中國證券交易所及其他機構就建議A股上市授出批准；
- (ii) 股東於股東特別大會上批准建議分拆；及
- (iii) 任何其他適用中國監管機構批准分拆公司將予發行之A股上市及買賣。

於最後實際可行日期，概無該等條件獲達成。倘任何該等條件未能獲達成或豁免(如適用)，則建議分拆及建議A股上市將不會進行，而本公司將於其後在實際可行情況下儘早刊發公告。

建議A股上市將籌集之所得款項及所得款項之建議用途

假設建議發售規模佔分拆公司經擴大已發行股本之25%及估計市值不低於約人民幣3,000百萬元且不高於約人民幣6,814百萬元，董事及分拆公司董事目前預期根據建議A股上市將予籌集之所得款項總額將介乎約人民幣750百萬元至約人民幣1,700百萬元。經諮詢中國保薦人後及考慮到分拆集團於截至二零二二年十二月三十一日止財政年度錄得虧損且屬輕資產性質，市銷率估值指標已獲採

董事會函件

納估計分拆公司於建議A股上市後之市值。分拆公司之估計市值上限約人民幣6,814百萬元乃按分拆集團截至二零二二年十二月三十一日止財政年度之未經審核綜合收入人民幣1,063百萬元乘以五家經甄選可資比較公司之平均市銷率6.41倍計算得出。該五家經甄選可資比較公司均為A股上市公司：其中四家為分拆公司之同行業公司，該等公司提供基站產品、射頻類產品及5G+工業應用產品，而其中一家則為分拆公司之直接競爭公司，其向中國之移動網絡運營商提供5G小基站產品。估計市值下限人民幣3,000百萬元乃參考最低市值規定人民幣30億元作出挑選，該規定為《上海證券交易所科創板股票上市規則》(二零二零年修訂版)項下適用於建議A股上市之上市標準之一。

現階段，由於未能確定建議A股上市下的發售規模(包括發售股份的實際數目及分拆公司進行發售的最終發售價)，故此尚無法確定將予籌集之所得款項之實際金額。

根據中國證監會頒佈之《證券發行與承銷管理辦法》(二零二三年修訂版)，應向具備豐富投資及公司估值(包括業務涉及證券、基金管理、期貨、信託、保險及財務之公司、其他合格境外投資者及私募基金管理人)經驗之專業機構投資者及其他特定投資者進行相關諮詢及查詢，以釐定建議分拆及建議A股上市項下之最終發售價。於釐定發售價時，上述投資者應按誠實、客觀及獨立原則確定彼等之報價，且不得議價，亦不得刻意抬高或壓低報價。

根據分拆公司管理層與中國保薦人之間的討論，建議A股上市項下將予發行之新A股數目及最終發售價將最終由分拆公司及主承銷商按照相關法律及法規或中國證監會或中國證券交易所之其他規定釐定，並將參考當時對價格磋商所作的回應及其他分拆公司與主承銷商協定之方法而釐定。於釐定建議A股上市項下發售之發售價時，分拆公司將考慮(其中包括)：(i)分拆集團過往經營業績所反映之財務表現；(ii)分拆集團之業務前景及預期表現；(iii)下文所進一步論述分拆集團之資金需要及所得款項之建議用途；(iv)潛在認購人當時於累計競投過程中就建議A股上市對價格磋商所作的回應；(v)建議A股上市時之當前A股市場狀況及氣氛；(vi)分拆公司及主承銷商經考慮與分拆公司同一行業而於中國上市之可資比較公司之估值後將予釐定之適當估值；及(vii)適用法律及法規，包括《證券

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發行與承銷管理辦法》(二零二三年修訂版)及《上海證券交易所首次公開發行證券發行與承銷業務實施細則》。考慮到上述各項，董事會認為上述釐定建議A股上市之發售價之基準屬公平合理。

分拆公司擬按以下方式將建議A股上市之所得款項淨額(扣除相關費用後)用於發展分拆業務：

- (i) 約38%將用於基於5G技術的通信基站產品及行業解決方案研發項目，預計該項目將於二零二六年完成；
- (ii) 約10%將用於新一代研發多模多頻射頻拉遠單元研發項目，預計該項目將於二零二六年完成；
- (iii) 約14%將用於面向2G/3G/4G/5G的共建共享型高性能分佈式數字射頻拉遠系統研發項目，預計該項目將於二零二六年完成；
- (iv) 約8%將用於5G+新一代通信產品智能升級建設項目，預計該項目將於二零二五年完成；及
- (v) 約30%將用作分拆集團的補充流動資金。

上述時間線乃基於分拆集團管理層目前之估算，將根據實際建設／升級進度而有所改變。

建議分拆及建議A股上市之詳情將於較後階段發佈。本公司將根據香港上市規則適時作出進一步公告。本公司股東及潛在投資者務請注意，上述預期發售規模及估計所得款項總額僅作說明用途，而將予籌集之實際金額及所得款項之建議用途將以分拆公司將提交之上市申請文件為準，當中計及(其中包括)中國國內市場於建議A股上市落實時之情況以及分拆集團之業務發展，且可能與上述估計金額存在重大差異。

禁售承諾

按照《上海證券交易所股票上市規則》有關建議A股上市之規定及根據一般市場慣例，本集團之若干成員公司(即分拆公司之直接股東及其一致行動人士)、霍東齡先生、本集團及分拆集團之若干高級管理人員以及分拆公司之其他現有股東將就分拆公司股份提供禁售承諾。就本集團而言，本集團之各相關成員公司將承諾(其中包括)，

- (a) 於分拆公司股份上市日期起計36個月期間(「禁售期」)內，其將不會轉讓或委託他人管理其於建議A股上市前直接或間接持有之分拆公司股份，亦不允許分拆公司購回該等股份；
- (b) 倘分拆公司A股之收市價於分拆公司A股上市日期後首6個月內連續20個交易日期間均低於發行價或自上市日期起計6個月屆滿當日(倘該日並非交易日，則緊隨下一個交易日)之收市價，則其於上市前直接或間接持有之分拆公司A股之禁售期將自動延長6個月；
- (c) 倘於禁售期屆滿後兩年內減持其所持有之分拆公司A股，則出售價不得低於建議A股上市之發行價；及
- (d) 倘分拆公司於上市時並未錄得溢利，則於分拆公司實現溢利前，其於分拆公司股份上市日期後首三個完整財政年度內不得出售其於上市前持有之分拆公司股份；於首次上市日期起計第四個及第五個財政年度內，其於各年均不得出售超過分拆公司已發行股份總數之2%；且於分拆公司實現溢利後，其可自該財政年度之年報刊發後翌日起出售其於上市前持有之分拆公司股份，並須遵守減持股份之相關規定。

本公司目前無意於及緊隨建議A股上市後出售分拆公司股份，董事相信，儘管存在上述禁售規定，建議分拆將符合本公司及股東之長遠利益，原因為建議A股上市將使本集團於分拆集團之投資成為可公開交易之資產，因此本集團日後將能夠透過其認為合適之開放交易平台買賣分拆公司之股份。

此外，鑒於(i)不論建議A股上市之前或之後，分拆集團及餘下集團擁有分開及獨立管理團隊以進行其各自之業務；(ii)分拆集團已成立其自身財務及管理資訊系統，並獨立於餘下集團；及(iii)分拆集團與餘下集團之業務、董事及管理層、買賣職能、財務及營運有充分區分，董事相信，承諾人將提供之禁售承諾預期不會對餘下集團於建議A股上市完成後之營運及業務造成任何重大不利影響。

有關本集團及分拆集團之資料

本集團成立於一九九七年，是一家全球領先並集研發、生產、銷售及服務於一體的無線解決方案供應商。本公司自二零零三年起在香港聯交所主板主要上市及自二零二三年起在新交所主板第二上市。本集團主要從事提供天線及子系統產品及解決方案以及網絡產品。就管理而言，本集團根據其產品及服務劃分業務單位，並擁有兩個可呈報經營分部，即(i)無線電信網絡系統設備及服務；及(ii)運營商電信服務及其增值服務。無線電信網絡系統設備及服務包括兩大主要業務線：(i)天線及子系統營運；及(ii)網絡系統營運(即分拆業務)。

分拆集團

分拆公司為一家於二零零三年九月在中國成立之公司，其後為了從本集團承接分拆業務而轉為股份有限公司，從而更清楚劃分餘下業務及分拆業務。

於最後實際可行日期，本集團間接持有分拆公司約78.5%股權，而分拆公司擁有15家全資附屬公司。

分拆業務

分拆業務主要包括研發、設計、銷售網絡系統產品及解決方案，以及已售產品之配套服務(如調試及售後服務等)。主要產品為網絡產品，其中包括(i)一體化基站、擴展型基站及大功率基站等基站類產品，及(ii)延伸覆蓋產品等射頻類產品，包括分佈式天線系統解決方案及直放站、Open RAN拉遠單元產品及5G行業基礎網絡平台，該等產品對應用5G技術而言至關重要。分拆業務之客戶主要為移動網絡運營商。

董事會函件

財務資料

下表概述分拆集團之未經審核綜合財務資料，其乃摘錄自本集團於截至二零二一年及二零二二年十二月三十一日止年度之經審核綜合財務報表所載之分拆集團管理賬目：

	截至十二月三十一日止年度	
	二零二一年 (百萬港元) ⁽¹⁾ (未經審核)	二零二二年 (百萬港元) ⁽²⁾ (未經審核)
收入	1,400	1,239
除稅及特殊項目前溢利(虧損) ⁽³⁾	10	(10)
除稅及特殊項目後溢利(虧損) ⁽³⁾	4	(12)

附註：

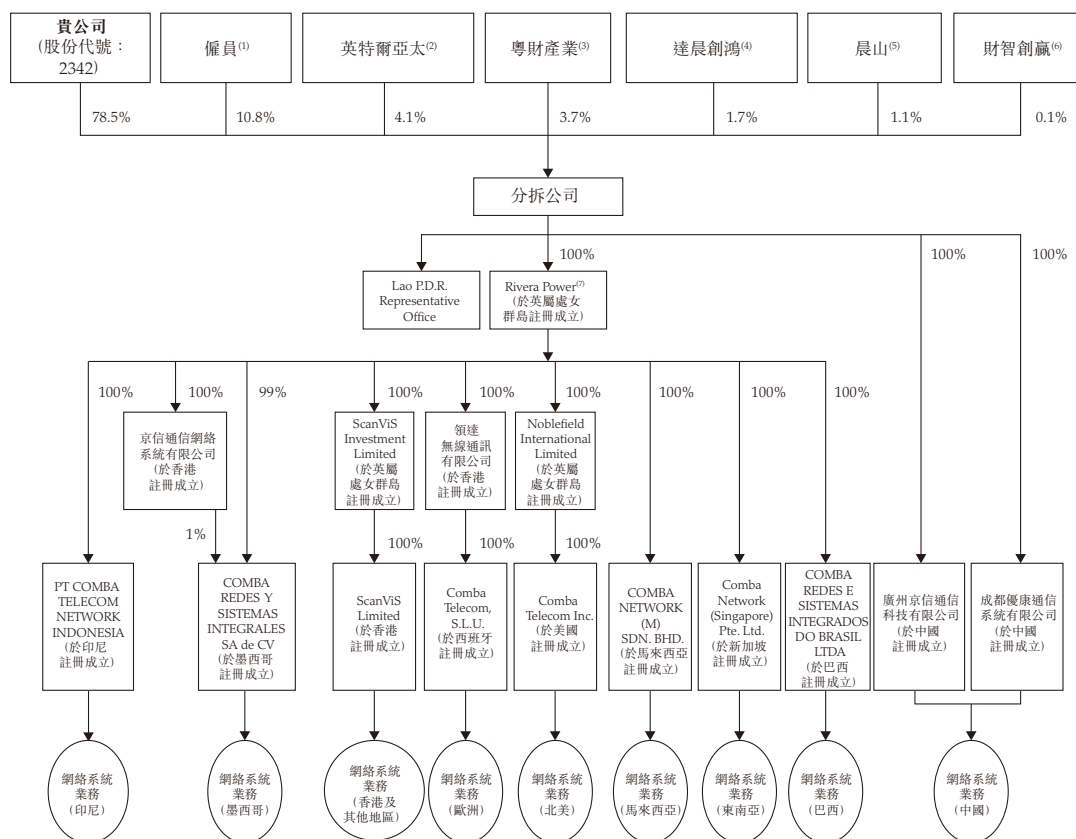
- (1) 二零二一年財政年度所採用之人民幣兌換港元之匯率乃基於人民幣1元兌1.2047港元之平均匯率。
- (2) 二零二二年財政年度所採用之人民幣兌換港元之匯率乃基於人民幣1元兌1.1656港元之平均匯率。
- (3) 分拆集團截至二零二一年及二零二二年十二月三十一日止財政年度之未經審核綜合財務報表不包含特殊項目。

於二零二二年十二月三十一日，分拆集團之未經審核綜合資產淨值約為人民幣294.5百萬元(相等於約333.3百萬港元)。

董事會函件

建議分拆對分拆公司的股權架構的影響

下文載列分拆公司於最後實際可行日期的股權架構：

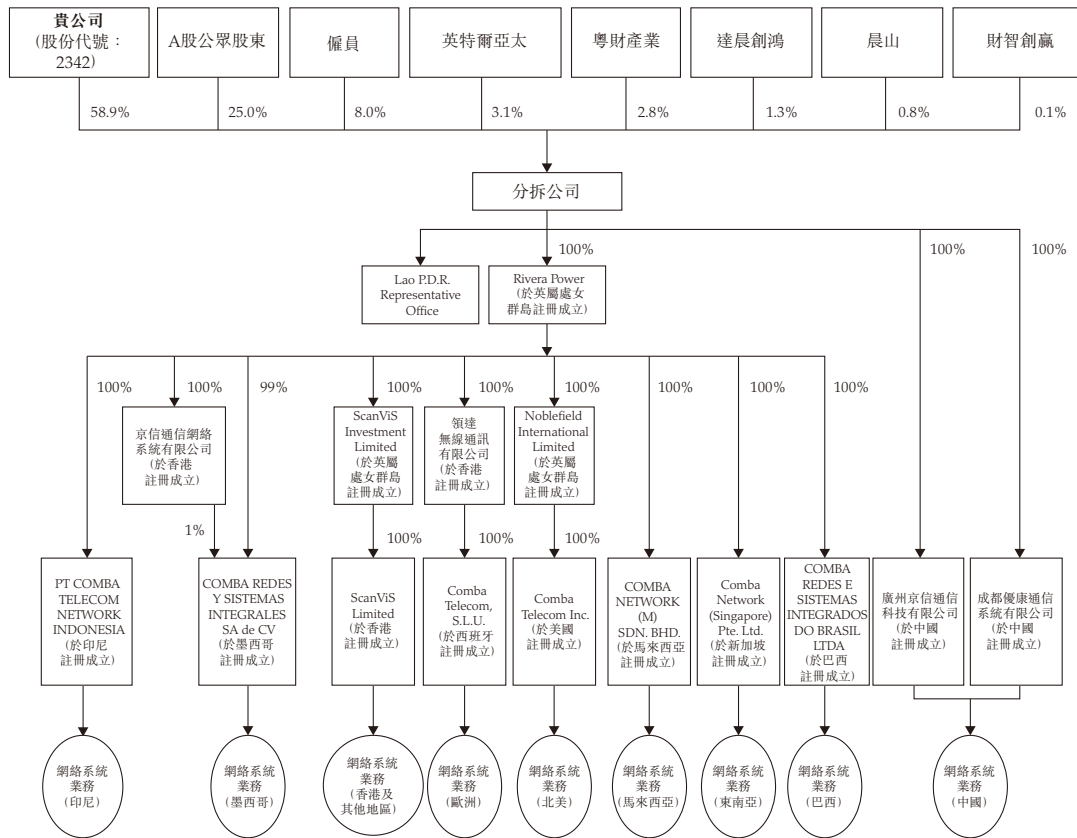


附註：

- (1) 截至最後實際可行日期，本集團的僱員通過根據中國法律成立的11家有限合夥企業共同持有分拆公司約10.8%的股權，即(i)鑫瀚通一號企業管理(珠海)合夥企業(有限合夥)；(ii)鑫瀚通二號企業管理(珠海)合夥企業(有限合夥)；(iii)鑫瀚通三號企業管理(珠海)合夥企業(有限合夥)；(iv)鑫瀚通五號企業管理(珠海)合夥企業(有限合夥)；(v)鑫瀚通六號企業管理(珠海)合夥企業(有限合夥)；(vi)鑫瀚通七號企業管理(珠海)合夥企業(有限合夥)；(vii)鑫瀚通八號企業管理(珠海)合夥企業(有限合夥)；(viii)鑫瀚通九號企業管理(珠海)合夥企業(有限合夥)；(ix)鑫瀚通十號企業管理(珠海)合夥企業(有限合夥)；(x)鑫瀚通十一號企業管理(珠海)合夥企業(有限合夥)；及(xi)鑫瀚通十二號企業管理(珠海)合夥企業(有限合夥)。
- (2) 截至最後實際可行日期，英特爾亞太研發有限公司(「英特爾亞太」)持有分拆公司約4.1%的股權。
- (3) 廣東粵財產業投資基金合夥企業(有限合夥)(「粵財產業」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，粵財產業持有分拆公司約3.7%的股權。
- (4) 深圳市達晨創鴻私募股權投資企業(有限合夥)(「達晨創鴻」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，達晨創鴻持有分拆公司約1.7%的股權。
- (5) 北京晨山創業投資基金合夥企業(有限合夥)(「晨山」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，晨山持有分拆公司約1.1%的股權。
- (6) 深圳市財智創贏私募股權投資企業(有限合夥)(「財智創贏」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，財智創贏持有分拆公司約0.1%的股權。
- (7) Rivera Power Limited(「Rivera Power」)為根據英屬處女群島法律註冊成立的有限公司，並為分拆公司的全資附屬公司。

董事會函件

下文載列分拆公司於緊隨建議分拆完成後的股權架構(假設分拆公司根據建議A股上市將予發行的新A股數目佔分拆公司經擴大已發行股本的25.0%)：



預期緊隨建議分拆完成後，本集團將間接持有分拆公司不少於58.9%的股權，而分拆公司將仍為本公司的附屬公司。

餘下集團

於建議分拆完成後，餘下集團將主要從事餘下業務，包括(i)天線及子系統營運，從而遠程連接及傳輸數據(「天線及子系統業務」)；(ii)為運營商提供綜合的工程服務；(iii)在老撾人民民主共和國提供運營商電訊服務及增值服務；及(iv)微波通訊系統、數字微波系統設備及智能機械的研發、製造及貿易。餘下集團的產品從安裝在鐵塔或建築物頂部的天線傳輸及轉換高頻電流及電磁頻譜。

董事相信，於建議分拆及建議A股上市完成後，(i)餘下集團將維持足夠的業務運作及足夠資產，使本公司得以維持其上市地位；及(ii)分拆業務與餘下業務有所分別且相互獨立，因此將符合第15項應用指引項下之規定。

下文載列餘下集團與分拆集團在業務區分、管理獨立性及財務獨立性方面的主要區分領域。

(i) 業務及產品之清晰區分

- **不同行業：**分拆業務主要從事網絡系統之營運，當中包括網絡系統產品及解決方案之研發、設計、銷售及已出售產品之配套服務，而餘下業務則主要從事天線及子系統營運。
- **產品應用及功能之差異：**分拆業務項下之產品通常為實現不同行業(包括移動網絡行業等)之特定需求而定製，而餘下業務項下之產品則主要服務通信行業，原因為天線通常由移動網絡供應商、互聯網服務供應商及通信設備製造商營運。
- **營運產品所需技術之差異：**分拆業務項下之產品主要專注於頻率分配及按客戶之特定需求定製頻率，而餘下業務項下之產品則主要專注於不同之遠距離傳輸方式，如自安裝在塔上或建築物頂部之天線傳輸及轉換高頻電流及電磁頻譜。
- **目標行業之差異：**分拆業務主要目標為工業互聯網行業、能源行業、化工行業、運輸行業及醫療保健行業，而餘下業務則主要專注於基站天線市場、通信設備製造商及集成商以及互聯網服務供

應商。由於通信行業的寡頭壟斷性質以及主要流動網絡運營商所提供的通信服務及產品種類繁多，故於建議分拆後，主要流動網絡運營商將會是分拆業務及餘下業務的重疊客戶。然而，由於分拆集團及餘下集團提供獨特的產品，故此重疊客戶不會對區分分拆集團及餘下集團的業務構成任何障礙。

(ii) 管理獨立性

於建議分拆及建議A股上市完成後，分拆集團將會與餘下集團分開及獨立管理。分拆集團於分拆公司層面將擁有九名董事及三名高級管理層，而餘下集團將擁有九名董事(包括於本公司層面的五名執行董事、一名非執行董事及三名獨立非執行董事)及四名高級管理層。在進行建議分拆後的分拆公司及本公司董事及高級管理層中，將有五名重疊董事，但並無重疊高級管理層，即僅僅佔分拆公司及本公司九名董事的超過一半。由於分拆公司於建議分拆後將繼續為本公司的附屬公司，故此由本集團保留對分拆公司董事會的控制權符合股東的一般及最佳權益。

(iii) 財政獨立性

於建議分拆前，銀行在向分拆公司提供信貸融資時要求本公司提供擔保乃屬自然而然的舉動並符合一般商業慣例。此外，部分銀行融資乃授予本集團整體，當中包括分拆集團。事實上，本集團就分拆集團銀行融資擔任擔保人的銀行融資金額與分拆集團總資產相比並不重大。預計於建議分拆後，分拆公司本身作為上市公司將有能力涉足資本市場，並在毋須本公司提供公司擔保的情況下取得信貸融資，以應付其資金需求。

(iv) 營運獨立性

分拆集團已建立了本身的行政、製造及研發能力，並設有獨立的員工團隊，以及其本身具有獨立職能的組織架構，以適應分拆集團的發展需求，各有特定職責範圍，在並無本集團支持的情況下履行必要的營運職能。

建議分拆對本集團的財務影響

於建議分拆完成後，本集團預期將持有分拆公司經擴大已發行股本不少於58.9%，而分拆公司將繼續作為附屬公司於本集團的綜合財務報表中入賬。建議分拆對本集團的預期財務影響如下：

盈利

建議分拆(預期將涉及發行分拆公司新A股)將構成視作出售本集團於分拆公司的權益。預期發行分拆公司新A股的所得款項淨額與建議A股上市完成時非控股權益應佔的分拆集團綜合資產淨值的變動之差額將計入本公司擁有人應佔權益中。

基於假設建議A股上市時將予發行的分拆公司A股數目佔分拆公司經擴大股本的25%，建議A股上市將導致本集團於分拆公司的權益由最後實際可行日期的約78.5%攤薄至緊隨建議A股上市完成後的約58.9%。

資產及負債

建議分拆(預期將涉及發行分拆公司新A股以換取現金)預期將增加在本集團綜合財務狀況表入賬的現金數額，以及本集團的總資產。

建議分拆之理由及裨益

董事會認為建議分拆對餘下集團及分拆集團均有利，理由如下：

(i) 採納不同業務策略

建議分拆將使本公司及分拆公司各自的管理團隊能夠分別將其時間用於發展餘下集團及分拆集團的核心業務，以更有針對性地根據各自業務採取不同的業務策略，並提升其應對市場變化及與相關集團有關的業務機會的速度。建議分拆亦將為餘下集團及分拆集團各自帶來更高的財務透明度及業務一致性以及更清晰的企業架構，並使分拆集團建立更明確的業務重點及有效的資源分配，從而提升餘下集團及分拆集團各自的營運效率。

(ii) 業務之替代估值

分拆業務已發展至足以獨立上市的規模。建議分拆實質上將分拆業務與餘下業務分開，從而使投資者及融資者能獨立評估各業務的策略、功能、風險及回報，並據此作出投資決定。建議分拆將使本公司及股東有機會實現其於分拆公司投資的公平值；建議分拆完成後，本公司將繼續作為分拆公司大部分股份的實益擁有人，並透過合併分拆集團的賬目及收取股息分派(如有)而從分拆集團的任何增值中受益。

(iii) 募集資金及融資機會之新來源

建議分拆將使餘下集團及分拆集團得以擁有各自獨立的集資平台，可直接及獨立地進入債務及股權資本市場。因此，由於餘下集團及分拆集團各自的財務狀況將更為清晰，此舉可能會增加餘下集團及分拆集團的總體融資能力，為彼等各自的發展、營運及投資機會部署資金。此外，分拆公司A股的公開發售及配售將收到的現金所得款項將為分拆集團提供其營運及擴展計劃所需的資金。由於希望向本公司或分拆公司提供信貸或融資的金融機構對本公司及分拆公司信貸評估更加清晰，建議分拆將可能提高借貸能力。

(iv) 分立不同業務

建議分拆及分拆公司股份獨立上市不僅將提升分拆集團於其客戶、供應商及其他業務合作夥伴之間的形象，亦將透過採納以股權為基礎的激勵計劃，改善對管理層的激勵措施，從而提升分拆集團招募、激勵及挽留主要管理人員的能力。

(v) 吸引及建立戰略夥伴關係的能力

建議分拆將有助分拆集團提升其企業形象，從而提高分拆集團吸引可與其形成協同效應的戰略投資者的能力，實現對分拆集團作出投資及達成戰略夥伴關係。

(vi) 加強分拆集團的企業管治

建議分拆將提高分拆集團的營運及財務透明度，並加強分拆集團的企業管治，令投資者、金融機構及評級機構更清晰了解餘下集團及分拆集團各自獨立的業務及財務狀況，而有關提升將有助建立投資者的信心，使其可根據對餘下集團及分拆集團的表現、管理、策略、風險及回報的評估作出投資決定。

考慮到上述各項，董事認為建議分拆屬公平合理，並符合本公司及股東的整體利益。

有關保證配額之豁免

根據第15項應用指引第3(f)段的規定，倘建議A股上市進行，本公司須恰當考慮其現有股東之利益，可向其現有股東提供分拆公司A股之保證配額。然而，董事會認為，誠如下文所進一步闡釋，提供分拆公司A股的保證配額並不切實可行，且未能符合第15項應用指引第3(f)段的規定。因此，本公司已向香港聯交所申請豁免，而香港聯交所其後已授出豁免。

於釐定分拆公司建議上市地點時，董事會已作出充分及審慎考慮，當中計及(其中包括)分拆業務的性質、分拆公司成立及經營其業務的司法權區以及不同資本市場的特徵，並得出結論，認為尋求分拆公司在中國A股市場上市更為合適。

基於本公司之中國法律顧問之法律意見，根據適用中國法律，僅若干合資格境外投資者方會獲准認購A股或參與A股發售，包括(其中包括)(a)合資格境外機構投資者；(b)中國合資格境內機構投資者；(c)中國商務部批准的境外策略投資者；(d)可在中國永久居留的人士；及(e)在中國居住及工作的香港、澳門特別行政區或台灣地區居民。基於本公司於最後實際可行日期的股東名冊，大多數登記股東為地址位於香港的個人。董事會相信，大部分股東並非中國居民。此外，董事兼股東霍東齡先生及張躍軍先生已確認，彼等就投資A股而言並非合資格境外

投資者。基於上述因素，董事會認為，鑒於境外投資者認購A股或參與A股發售的法律限制，向股東提供建議分拆項下的保證配額乃不切實際。

此外，中國《證券法》及《證券發行與承銷管理辦法》規定，任何發行實體均須獲得證券監管及管理機構的批准，方可進行公開發售。「公開發售」包括遵照報價、認購程序及規則通過網下配售及網上申購向投資者發行股份。就網下配售而言，根據中國法律，現有股東可以參與網下配售的前提是彼等能夠提供有效報價。即使假設彼等能夠提供有關有效的報價，本公司仍將無法向其現有股東優先分配發售股份，務求令所有投資者獲得公平待遇。就網上申購而言，在有效申購額獲確認後，所有有效申購將需通過抽籤作出分配。因此，在實行建議A股上市時，根據中國現行法律，本公司不能向特定人士發行分拆公司的股份及為香港股東預留股份。

預期本集團將於建議分拆後持有分拆公司不少於58.9%已發行股本，並將繼續作為分拆公司的控股公司。分拆公司的財務業績將繼續於本集團財務報表綜合入賬，而股東將繼續透過彼等所持股份享有分拆公司的分派以及上述建議分拆的裨益。董事會認為，不向股東提供分拆公司A股的保證配額將不會嚴重損害股東的利益。

考慮到上述各項及上述建議分拆的理由及裨益，董事會認為，建議分拆及豁免乃屬公平合理，並符合本公司及股東的整體利益。此外，董事會認為，提供分拆公司A股的保證配額並不切實可行，且未能符合第15項應用指引第3(f)段的規定。因此，本公司已申請，而香港聯交所已批准豁免嚴格遵守第15項應用指引第3(f)段的規定。

上市規則之涵義

於最後實際可行日期，本集團間接持有分拆公司約78.5%股權。預期分拆公司上市將涉及透過公開發售及／或配售方式發行分拆公司的新A股。建議分拆項下將予發行的新A股數目擬不超過上述公開發售及／或配售後分拆公司經擴大已發行股本的25%，其後本集團於分拆公司之所有權將攤薄至不少於58.9%。因此，根據香港上市規則第14.29條，建議分拆及建議A股上市一經落實，將構成視作出售本集團於分拆公司的權益。

董事會函件

基於建議A股上市項下目前預期的發售規模上限約人民幣1,700百萬元，建議分拆根據香港上市規則第14.07條之最高適用百分比率預期將超過25%但將低於75%。因此，根據香港上市規則第14章，建議分拆一經進行，將構成本公司的主要出售事項但不屬非常重大出售事項，並將須遵守第15項應用指引及香港上市規則第14章項下的申報、公告及股東批准規定。

本公司股東及潛在投資者務請注意，建議分拆及建議A股上市須待(其中包括)中國相關監管機構按照所有適用法規予以批准後方告作實，並須視乎合適市況而定，故未必會落實。因此，本公司股東及潛在投資者應知悉，本公司並不保證建議分拆將會落實，亦不保證其落實時間，故在買賣本公司證券時務請審慎行事。

獨立董事委員會及獨立財務顧問

本公司已成立獨立董事委員會(由全體獨立非執行董事劉紹基先生、伍綺琴女士及王洛琳女士組成)，以就建議分拆向股東提供意見。中毅資本已獲委任為獨立財務顧問，以就建議分拆向獨立董事委員會及股東提供意見。獨立董事委員會函件及中毅資本函件分別載於本通函第25頁及第26頁至第54頁。

股東特別大會

召開於二零二三年九月十四日(星期四)上午十一時正(香港時間)於香港新界白石角香港科學園8W大樓611室舉行之股東特別大會之通告刊載於本通函第EGM-1頁至第EGM-3頁。本公司將於股東特別大會上提呈普通決議案以批准(其中包括)建議分拆。於最後實際可行日期，概無股東及彼等各自的聯繫人士於建議分拆中擁有任何重大權益，因此概無股東將須於股東特別大會上就有關建議分拆的決議案放棄投票。

為釐定本公司香港股東名冊及新加坡股東名冊之登記股東以分別遞交代表委任表格至本公司香港股份過戶登記分處香港中央證券登記有限公司或新加坡股份過戶代理人彥德企業服務有限公司，於本公司香港股東名冊及新加坡股東名冊之間的任何股份轉移，最遲須由股東於二零二三年八月二十九日(星期二)下午四時正(香港時間及新加坡時間)前提交。

香港股東

釐定可參加股東特別大會並在會上投票之香港股東資格之記錄日期將為二零二三年九月八日(星期五)。於二零二三年九月八日(星期五)名列本公司香港股東名冊之香港股東將有權參加股東特別大會並在會上投票。為符合資格出席股東特別大會及於會上投票，請於二零二三年九月八日(星期五)下午四時三十分(香港時間)前將所有股份過戶文件連同有關之股票送交本公司香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖登記。

本通函隨附股東特別大會適用之代表委任表格。無論閣下能否出席股東特別大會，務請儘早將隨附之代表委任表格按其印列之指示填妥，並交回本公司香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17M樓，而無論如何須不遲於二零二三年九月十二日(星期二)上午十一時正(香港時間)或任何續會指定舉行時間48小時前送達。填妥及交回代表委任表格後，閣下屆時仍可依願親身出席股東特別大會或其任何續會，並於會上投票。該代表委任表格亦刊載於香港交易及結算所有限公司網站www.hkexnews.hk、新交所網站www.sgx.com及本公司網站www.comba-telecom.com。

新加坡股東

為符合資格出席股東特別大會並於會上投票，請於二零二三年九月八日(星期五)下午五時正(新加坡時間)前將所有股份過戶文件連同有關之股票送交本公司新加坡股份過戶代理人彥德企業服務有限公司，地址為30 Cecil Street, #19-08 Prudential Tower, Singapore 049712登記。

寄存人如欲出席股東特別大會並於會上投票，而在不早於股東特別大會或任何續會舉行時間48小時前的時間(即二零二三年九月十二日(星期二)上午十一時正(香港時間))名列CDP向本公司提供之CDP記錄可作為CDP之受委代表出席。有關寄存人如屬個人，並欲親身出席股東特別大會，則不需採取任何進一步行動，並可出席股東特別大會且於會上投票，而毋須交回任何代表委任表格。有關寄存人如未能親身出席，並欲委任代名人代其出席及投票，而有關寄存人如非個人，則將收到隨附之寄存人代表委任表格，要求其儘早按其上印列之指示填妥、簽署並交回本公司之新加坡股份過戶代理人彥德企業服務有限公司，地址為30 Cecil Street, #19-08 Prudential Tower, Singapore 049712或電郵至shareregistry@incorp.asia，而無論如何須不遲於二零二三年九月十二日(星期二)上午十一時正(香港時間)或任何續會指定舉行時間48小時前送達。個人寄存人

董事會函件

填妥及交回寄存人代表委任表格後，如其能出席大會，其仍可代替其代名人親身出席股東特別大會並於會上投票。該寄存人代表委任表格亦刊載於香港交易及結算所有限公司網站www.hkexnews.hk、新交所網站www.sgx.com及本公司網站www.comba-telecom.com。

所有於股東特別大會提呈以獲批准之決議案將根據香港上市規則第13.39(4)條之規定以投票方式表決。本公司將遵照香港上市規則於股東特別大會後就股東特別大會之投票結果作出公告。

推薦意見

董事(包括獨立非執行董事，經考慮中毅資本的意見後)認為，建議分拆的條款對本公司及股東而言屬公平合理，且建議分拆符合本公司及股東的整體利益。因此，董事(包括獨立非執行董事)推薦股東投票贊成將於股東特別大會上提呈以批准建議分拆的決議案。

其他資料

敬希閣下垂注獨立董事委員會函件、中毅資本函件、本通函附錄所載之其他資料及股東特別大會通告。

此 致

列位股東 台照

代表董事會
京信通信系統控股有限公司
主席
霍東齡
謹啟

二零二三年八月二十九日

Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司

(於開曼群島註冊成立之有限公司)

(香港股份代號：2342)

(新加坡股份代號：STC)

敬啟者：

**有關分拆公司進行建議分拆及獨立上市
之可能主要交易及視作出售**

吾等謹此提述本公司日期為二零二三年八月二十九日之通函(「通函」)，而本函件為其一部份。除文義另有所指外，通函內所界定之詞彙在本函件具有相同涵義。

吾等已獲委任為獨立董事委員會成員，以就建議分拆是否屬公平合理且符合本公司及其股東之整體利益及應採取之投票措施向股東提供意見。

吾等謹此提請閣下垂注通函所載董事會函件及中毅資本(就建議分拆向閣下及吾等提供意見而獲委任的獨立財務顧問)意見函件。

經考慮中毅資本出具的意見(連同達致該意見所考慮的主要因素及理由)後，吾等認為建議分拆的條款對本公司及股東而言屬公平合理，且建議分拆符合本公司及股東之整體利益。

因此，吾等建議股東投票贊成將於股東特別大會上提呈以批准建議分拆之決議案。

此 致

列位股東 台照

代表

獨立董事委員會

獨立非執行董事

劉紹基先生

獨立非執行董事

伍綺琴女士

謹啟

獨立非執行董事

王洛琳女士

二零二三年八月二十九日

中毅資本函件

以下為獨立財務顧問中毅資本致獨立董事委員會及股東之函件全文，當中載列其就建議分拆之條款提供之意見，乃為載入本通函而編製。



中毅資本有限公司
Grand Moore Capital Limited

香港九龍尖沙咀
廣東道28號
力寶太陽廣場14樓1401室

敬啟者：

有關分拆公司進行建議分拆及獨立上市 之可能主要交易及視作出售

緒言

茲提述吾等獲委任為獨立財務顧問，以就建議分拆向獨立董事委員會及股東提供意見，其詳情載於 貴公司向股東刊發日期為二零二三年八月二十九日的通函（「**通函**」，本函件構成其一部分）所載的「**董事會函件**」（「**董事會函件**」）。除非文義另有所指，否則本函件所用詞彙與通函所界定者具有相同涵義。

於最後實際可行日期，貴集團間接持有分拆公司約78.5%股權，而分拆業務主要包括研發、設計、銷售網絡系統產品及解決方案，以及已售產品之配套服務（如調試及售後服務等）。貴公司根據第15項應用指引向香港聯交所遞交有關建議分拆之申請以供審批，而香港聯交所於二零二一年九月三日確認 貴公司可進行建議分拆。

由於新冠疫情爆發影響相關進程，貴公司延遲建議分拆及就建議A股上市遞交原定於二零二一年下半年作出之上市申請。

由於近期新冠疫情情況好轉，貴公司已決定根據第15項應用指引恢復及進行建議分拆，並計劃於二零二三年九月遞交建議A股上市之上市申請。

獨立董事委員會

貴公司已成立獨立董事委員會(由全體獨立非執行董事劉紹基先生、伍綺琴女士及王洛琳女士組成)，以就建議分拆向股東提供意見。吾等(中毅資本有限公司)已獲委任為獨立財務顧問，以就建議分拆向獨立董事委員會及股東提供意見。

吾等之獨立性

於最後實際可行日期，吾等與 貴公司或其各自任何主要股東、董事或行政總裁或彼等各自之任何聯繫人士概無任何關連，因此，吾等被認為適合就建議分拆向獨立董事委員會及股東提供獨立意見。

於過去兩年，吾等概無作為 貴公司的任何財務顧問角色行事。除獲委任為獨立財務顧問外， 貴公司與吾等於過去兩年並無其他關係及／或委聘關係。

就吾等對 貴公司之獨立性而言，吾等注意到(i)除就目前獲委任為獨立財務顧問而已付或應付予吾等之正常專業費用外，概無存在其他安排以使吾等已從或將從 貴公司、其附屬公司或彼等各自之控股股東收取任何費用或利益而會被合理認為與吾等的獨立性有關；及(ii)已付或將付予吾等之專業費用總額並不佔相關期間內吾等收入之重大部分而會影響吾等之獨立性。因此，根據香港上市規則第13.84條，吾等認為就建議分拆而言，吾等具備擔任獨立財務顧問之獨立性。

吾等意見之基準

於達致吾等致獨立董事委員會及股東之意見時，吾等已倚賴(i)通函所載或提述的資料及事實；(ii) 貴集團截至二零二二年十二月三十一日止年度之年報(「二零二二年年報」)；(iii) 貴公司董事及／或高級管理層(「管理層」)提供的其他資料；(iv)由董事及管理層所表達之意見及聲明；及(v)吾等對相關公開資料之審閱。吾等已假設董事及管理層提供之一切資料及聲明(彼等須就此承擔唯一及全部責任)乃於作出時屬真實及準確，且將於最後實際可行日期繼續屬真實及準確，而倘於最後實際可行日期後吾等的意見出現任何重大變動，將儘快告知股東。吾等亦已假設董事於通函作出之一切信念、意見、預期及意向陳述乃經適當查詢及審慎考慮後合理作出。吾等並無理由懷疑任何重大事實或資料遭隱瞞，或質疑通函所載資料及事實之真實性、準確性及完整性，或吾等獲提供之 貴公司、其顧問及／

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或董事、管理層(倘適用)表達之意見之合理性。董事已確認，就彼等所深知，彼等相信提供予吾等之資料概無遺漏任何重大事實或資料，且所作出陳述或所表達意見均經適當及審慎考慮後達致，及概無遺漏其他事實或陳述，足以令致通函(包括本函件)中之任何聲明產生誤導。

吾等認為，吾等已遵照香港上市規則第13.80條採取足夠及必要步驟，為達致吾等之意見提供合理基礎及知情見解。吾等作為獨立財務顧問，概不對通函任何部分(本意見函件除外)之內容負責。吾等認為，吾等已獲提供足夠資料以達致知情見解，並為吾等意見提供合理基礎。然而，吾等並無對由 貴公司或代表 貴公司出具或作出的資料、意見或聲明進行任何獨立核證，亦無對 貴公司、其各自附屬公司或聯繫人士(倘適用)或建議分拆涉及的任何其他人士的業務事務、資產及負債或未來前景進行任何獨立深入調查，且並無考慮建議分拆對 貴集團或股東產生之稅務影響。 貴公司已就建議分拆及編製通函(除本函件外)獲其本身專業顧問另行提供意見。

吾等已假設建議分拆將會在並無任何豁免、修訂、增訂或延遲執行任何條款或條件之情況下，根據通函所載條款及條件完成。吾等已假設就取得建議分拆所需之所有必要政府、監管或其他批准及同意而言，將不會出現任何延遲、限制、條件或約束，以致於對建議分拆預期衍生之擬定利益構成重大不利影響。此外，吾等之意見必然以最後實際可行日期當時之金融、市場、經濟、特定行業及其他條件以及於該日吾等可獲得之資料為基礎。

本函件之中英文版本如有歧義，概以英文版本為準。

所考慮之主要因素及理由

於達致吾等有關建議分拆之意見及推薦建議時，吾等已考慮下列主要因素及理由：

1. 貴集團的背景資料及財務概覽

誠如董事會函件所述，貴集團成立於一九九七年，是一家全球領先並集研發、生產、銷售及服務於一體的無線解決方案供應商。貴公司自二零零三年起在香港聯交所主板主要上市及自二零二三年起在新交所主板第二上市。貴集團主要從事提供天線及子系統產品及解決方案以及網絡產品。就管理而言，貴集團根據其產品及服務劃分業務單位，並擁有兩個可呈報經營分部，即(i)無線電信網絡系統設備及服務；及(ii)運營商電信服務及其增值服務。無線電信網絡系統設備及服務包括兩大主要業務線：(i)天線及子系統營運；及(ii)網絡系統營運(即分拆業務)。摘錄自二零二二年年報之「貴集團截至二零二一年及二零二二年十二月三十一日止年度(分別為「二零二一年財政年度」及「二零二二年財政年度」)之若干財務資料概要載列如下：

	截至十二月三十一日止年度	
	二零二二年	二零二一年
	千港元	千港元
	(經審核)	(經審核)
收入	6,364,677	5,869,666
毛利	1,873,531	1,422,831
母公司擁有人應佔溢利／(虧損)	190,237	(592,567)

貴集團的綜合收入由二零二一年財政年度的約5,869,666,000港元增加至二零二二年財政年度的約6,364,677,000港元，增加約495,011,000港元或8.4%。根據二零二二年年報，收入上升主要因為貴集團於中國國內多個天線產品集採招標成績斐然，於國際的天線產品投標項目亦按預期達成，導致基站天線產品訂單較二零二一年財政年度大幅增長，創下歷史新高。貴集團的毛利由二零二一年財政年度的約1,422,831,000港元增加至二零二二年財政年度的約1,873,531,000港元，增加約450,700,000港元或31.7%。誠如二零二二年年報所述，貴集團的毛利主要受惠於二零二二年財政年度貴集團產品收入結構的優化，高毛利的核心產品收入上升達致規模效應，以及通過研

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發設計，優化生產系統，降低生產成本。貴集團於二零二二年財政年度錄得母公司擁有人應佔溢利約190,237,000港元，而於二零二一年財政年度則錄得母公司擁有人應佔虧損約592,567,000港元。母公司擁有人應佔溢利轉虧為盈乃主要由於二零二二年財政年度貴集團的收入和毛利均有明顯增幅及貴集團實施有效成本和費用控制措施使營運費用率下降，大幅提升貴集團的整體效益。

	於二零二二年 十二月 三十一日 千港元 (經審核)	於二零二一年 十二月 三十一日 千港元 (經審核)
現金及現金等值物	1,531,669	1,652,228
流動資產	7,617,095	8,217,952
流動資產淨值	2,100,202	2,256,324
資產總值	10,575,862	11,512,579
流動負債	5,516,893	5,961,628
負債總值	6,611,136	7,328,762
母公司擁有人應佔權益	3,728,305	3,774,716

貴集團於二零二二年十二月三十一日的現金及現金等值物約為1,531,669,000港元，較於二零二一年十二月三十一日的約1,652,228,000港元減少約120,559,000港元或7.3%。貴集團於二零二二年十二月三十一日錄得流動資產淨值約2,100,202,000港元，較於二零二一年十二月三十一日的約2,256,324,000港元減少約156,122,000港元或6.9%。該減少主要由於二零二二年十二月三十一日的流動資產及流動負債分別較二零二一年十二月三十一日減少約600,857,000港元或7.3%以及約444,735,000港元或7.5%的綜合影響所致。吾等從二零二二年年報注意到，流動資產減少主要由於貿易應收賬款、預付賬款、其他應收賬款及其他資產以及現金及現金等值物減少所致。同時，流動負債減少主要由於貿易及票據應付賬款以及其他應付賬款及預提款項減少所致。流動性及償付能力改善導致流動比率從二零二一年十二月三十一日的約1.378倍輕微上升至二零二二年十二月三十一日的約1.381倍。

貴集團的負債總值由二零二一年十二月三十一日的約7,328,762,000港元減少約717,626,000港元或9.8%至二零二二年十二月三十一日的約6,611,136,000港元。該跌幅主要由於上述有關流動負債減少及計息銀行借貸(非即期部份)減少的因素所致。於二零二二年十二月三十一日，貴集團的計息銀行借貸約為1,341,993,000港元，其中，計息銀行借貸(即期部份)約為751,993,000港元，而計息銀行借貸(非即期部份)則約為590,000,000港元。除計息銀行借貸外，貴集團於二零二二年十二月三十一日亦擁有貿易及票據應付賬款約4,051,703,000港元、其他應付賬款及預提款項約571,506,000港元及於一家附屬公司之可贖回優先股約274,028,000港元。

貴集團於二零二二年十二月三十一日錄得母公司擁有人應佔權益約3,728,305,000港元，較於二零二一年十二月三十一日的母公司擁有人應佔權益約3,774,716,000港元減少約46,411,000港元或1.2%，此乃主要由於貴集團於二零二二年十二月三十一日的物業、廠房及設備、貿易應收賬款、預付賬款、其他應收賬款及其他資產、無形資產以及現金及現金等值物減少所致。

2. 分拆集團的背景資料及財務概覽

誠如董事會函件所述，分拆公司為一家於二零零三年九月在中國成立之公司，其後為了從貴集團承接分拆業務而轉為股份有限公司，從而更清楚劃分餘下業務及分拆業務。於最後實際可行日期，貴集團間接持有分拆公司約78.5%股權，而分拆公司擁有15家全資附屬公司。分拆業務主要包括研發、設計、銷售網絡系統產品及解決方案，以及已售產品之配套服務(如調試及售後服務等)。主要產品為網絡產品，其中包括(i)一體化基站、擴展型基站及大功率基站等基站類產品，及(ii)延伸覆蓋產品等射頻類產品，包括分佈式天線系統解決方案及直放站、Open RAN拉遠單元產品及5G行業基礎網絡平台，該等產品對應用5G技術而言至關重要。分拆業務之客戶主

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要為移動網絡運營商。摘錄自董事會函件及由管理層所告知之分拆集團於二零二一年財政年度及二零二二年財政年度之若干財務資料概要載列如下：

	截至十二月三十一日止年度	
	二零二二年 百萬港元 ⁽¹⁾ (未經審核)	二零二一年 百萬港元 ⁽²⁾ (未經審核)
收入	1,239	1,400
除稅及特殊項目前溢利／(虧損) ⁽³⁾	(10)	10
除稅及特殊項目後溢利／(虧損) ⁽³⁾	(12)	4

附註：

- (1) 二零二一年財政年度所採納人民幣兌港元之匯率乃根據人民幣1元兌1.2047港元之平均匯率釐定。
- (2) 二零二二年財政年度所採納人民幣兌港元之匯率乃根據人民幣1元兌1.1656港元之平均匯率釐定。
- (3) 分拆集團截至二零二一年及二零二二年十二月三十一日止財政年度之未經審核綜合財務報表不包含特殊項目。

分拆集團之收入由二零二一年財政年度之約1,400百萬港元減少至二零二二年財政年度之約1,239百萬港元，減少約161百萬港元或11.5%。誠如與管理層之討論，收入減少主要乃由於二零二二年財政年度來自天線業務(並不屬於分拆集團的主要業務)的未完成訂單的銷售額較二零二一年財政年度有所下降。分拆集團於二零二二年財政年度錄得除稅及特殊項目前虧損約10百萬港元，而於二零二一年財政年度則錄得除稅及特殊項目前溢利約10百萬港元。該除稅前溢利扭轉為虧損主要乃由於上述來自天線業務的未完成訂單的銷售額下降所致。分拆集團於二零二二年財政年度錄得除稅及特殊項目後虧損約12百萬港元，而於二零二一年財政年度則錄得除稅及特殊項目後溢利約4百萬港元。該除稅及特殊項目後溢利扭轉為虧損主要乃由於上述來自天線業務的未完成訂單的銷售額下降所致。

	於二零二二年 十二月 三十一日 百萬港元 ⁽⁴⁾ (未經審核)	於二零二一年 十二月 三十一日 百萬港元 ⁽⁵⁾ (未經審核)
	資產淨值	333.3

附註：

- (4) 二零二一年財政年度所採納人民幣兌港元之匯率乃根據人民幣1元兌1.22574港元之期末匯率釐定。
- (5) 二零二二年財政年度所採納人民幣兌港元之匯率乃根據人民幣1元兌1.13181港元之期末匯率釐定。

分拆集團於二零二二年財政年度錄得綜合資產淨值約333.3百萬港元，較二零二一年財政年度之綜合資產淨值約359.2百萬港元減少約25.9百萬港元或7.2%。該綜合資產淨值減少主要乃由於二零二二年財政年度之淨虧損及外幣報表匯兌差額之影響所致。

3. 建議分拆及建議A股上市

董事會函件進一步說明，建議待下文「建議分拆之條件」一段所載條件獲達成後，分拆公司將申請將其A股於中國證券交易所獨立上市，並將從 貴集團分拆。預期分拆公司上市將涉及透過公开发售及／或配售方式發行分拆公司之新A股。建議A股上市項下將予發行之新A股數目擬不超過上述公开发售及／或配售後分拆公司經擴大已發行股本之25%。將予發行之分拆公司新A股之實際數目將視乎中國證券交易所及中國證監會之監管審批、分拆公司管理層、中國保薦人及建議A股上市之其他顧問之討論以及(尤其是)市況而於較後階段釐定。在任何情況下， 貴集團預期將於建議A股上市完成後持有分拆公司經擴大已發行股本不少於58.9%，而分拆公司將仍為 貴公司之附屬公司。

根據目前的時間表，預期將於二零二三年九月提交分拆公司之上市申請，而倘分拆公司A股於中國證券交易所上市獲批准及進行，則上市將於二零二四年下半年左右落實。

建議分拆及建議A股上市之條件

誠如董事會函件所述，基於董事會現時可得資料，建議分拆將須待(其中包括)下列條件獲達成後，方可作實：

- (i) 中國證監會、中國證券交易所及其他機構就建議A股上市授出批准；
- (ii) 股東於股東特別大會上批准建議分拆；及

(iii) 任何其他適用中國監管機構批准分拆公司將予發行之A股上市及買賣。

於最後實際可行日期，概無該等條件獲達成。倘任何該等條件未能獲達成或豁免(如適用)，則建議分拆及建議A股上市將不會進行，而貴公司將於其後在實際可行情況下儘早刊發公告。

建議A股上市將籌集之所得款項及所得款項之建議用途

誠如董事會函件所述，假設建議發售規模佔分拆公司經擴大已發行股本之25%及估計市值不低於約人民幣3,000百萬元且不高於約人民幣6,814百萬元，董事及分拆公司董事目前預期根據建議A股上市將予籌集之所得款項總額將介乎約人民幣750百萬元至約人民幣1,700百萬元。經諮詢中國保薦人後及考慮到分拆集團於二零二二年財政年度錄得虧損且屬輕資產性質，市銷率估值指標已獲採納估計分拆公司於建議A股上市後之市值。分拆公司之估計市值上限約人民幣6,814百萬元乃按分拆集團於二零二二年財政年度之未經審核綜合收入人民幣1,063百萬元乘以五家經甄選可資比較公司之平均市銷率6.41倍計算得出。該五家經甄選可資比較公司均為A股上市公司：其中四家為分拆公司之同行業公司，該等公司提供基站產品、射頻類產品及5G+工業應用產品，而其中一家則為分拆公司之直接競爭公司，其向中國之移動網絡運營商提供5G小基站產品。估計市值下限人民幣3,000百萬元乃參考最低市值規定人民幣30億元作出挑選，該規定為《上海證券交易所科創板股票上市規則》(二零二零年修訂版)項下適用於建議A股上市之上市標準之一。

現階段，由於未能確定建議A股上市下的發售規模(包括發售股份的實際數目及分拆公司進行發售的最終發售價)，故此尚無法確定將予籌集之所得款項之實際金額。

根據中國證監會頒佈之《證券發行與承銷管理辦法》(二零二三年修訂版)，應向具備豐富投資及公司估值(包括業務涉及證券、基金管理、期貨、信託、保險及財務之公司、其他合格境外投資者及私募基金管理人)經驗之專業機構投資者及其他特定投資者進行相關諮詢及查詢，以釐定建議分拆及建議A股上市項下之最終發售價。於釐定發售價時，上述投資者應按誠實、客觀及獨立原則確定彼等之報價，且不得議價，亦不得刻意抬高或壓低報價。

根據分拆公司管理層與中國保薦人之間的討論，建議A股上市項下將予發行之新A股數目及最終發售價將最終由分拆公司及主承銷商按照相關法律及法規或中國證監會或中國證券交易所之其他規定釐定，並將參考當時對價格磋商所作的回應及其他分拆公司與主承銷商協定之方法而釐定。於釐定建議A股上市項下發售之發售價時，分拆公司將考慮(其中包括)：(i)分拆集團過往經營業績所反映之財務表現；(ii)分拆集團之業務前景及預期表現；(iii)下文所進一步論述分拆集團之資金需要及所得款項之建議用途；(iv)潛在認購人當時於累計競投過程中就建議A股上市對價格磋商所作的回應；(v)建議A股上市時之當前A股市場狀況及氣氛；(vi)分拆公司及主承銷商經考慮與分拆公司同一行業而於中國上市之可資比較公司之估值後將予釐定之適當估值；及(vii)適用法律及法規，包括《證券發行與承銷管理辦法》(二零二三年修訂版)及《上海證券交易所首次公開發行證券發行與承銷業務實施細則》。考慮到上述各項，董事會認為上述釐定建議A股上市之發售價之基準屬公平合理。

分拆公司擬按以下方式將建議A股上市之所得款項淨額(扣除相關費用後)用於發展分拆業務：

- (i) 約38%將用於基於5G技術的通信基站產品及行業解決方案研發項目，預計該項目將於二零二六年完成；

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- (ii) 約10%將用於新一代研發多模多頻射頻拉遠單元研發項目，預計該項目將於二零二六年完成；
- (iii) 約14%將用於面向2G/3G/4G/5G的共建共享型高性能分佈式數字射頻拉遠系統研發項目，預計該項目將於二零二六年完成；
- (iv) 約8%將用於5G+新一代通信產品智能升級建設項目，預計該項目將於二零二五年完成；及
- (v) 約30%將用作分拆集團的補充流動資金。

上述時間線乃基於分拆集團管理層目前之估算，將根據實際建設／升級進度而有所改變。

建議分拆及建議A股上市之詳情將於較後階段發佈。貴公司將根據香港上市規則適時作出進一步公告。貴公司股東及潛在投資者務請注意，上述預期發售規模及估計所得款項總額僅作說明用途，而將予籌集之實際金額及所得款項之建議用途將以分拆公司將提交之上市申請文件為準，當中計及(其中包括)中國內地市場於建議A股上市落實時之情況以及分拆集團之業務發展，且可能與上述估計金額存在重大差異。

禁售承諾

誠如董事會函件所述，按照《上海證券交易所股票上市規則》有關建議A股上市之規定及根據一般市場慣例，貴集團之若干成員公司(即分拆公司之直接股東及其一致行動人士)、霍東齡先生、貴集團及分拆集團之若干高級管理人員以及分拆公司之其他現有股東將就分拆公

司股份提供禁售承諾。就 貴集團而言， 貴集團之各相關成員公司將承諾(其中包括)，

- (a) 於分拆公司股份上市日期起計36個月期間(「禁售期」)內，其將不會轉讓或委託他人管理其於建議A股上市前直接或間接持有之分拆公司股份，亦不允許分拆公司購回該等股份；
- (b) 倘分拆公司A股之收市價於分拆公司A股上市日期後首6個月內連續20個交易日期間均低於發行價或自上市日期起計6個月屆滿當日(倘該日並非交易日，則緊隨下一個交易日)之收市價，則其於上市前直接或間接持有之分拆公司A股之禁售期將自動延長6個月；
- (c) 倘於禁售期屆滿後兩年內減持其所持有之分拆公司A股，則出售價不得低於建議A股上市之發行價；及
- (d) 倘分拆公司於上市時並未錄得溢利，則於分拆公司實現溢利前，其於分拆公司股份上市日期後首三個完整財政年度內不得出售其於上市前持有之分拆公司股份；於首次上市日期起計第四個及第五個財政年度內，其於各年均不得出售超過分拆公司已發行股份總數之2%；且於分拆公司實現溢利後，其可自該財政年度之年報刊發後翌日起出售其於上市前持有之分拆公司股份，並須遵守減持股份之相關規定。

貴公司目前無意於及緊隨建議A股上市後出售分拆公司股份，董事相信，儘管存在上述禁售規定，建議分拆將符合 貴公司及股東之長遠利益，原因為建議A股上市將使 貴集團於分拆集團之投資成為可公開交易之資產，因此 貴集團日後將能夠透過其認為合適之開放交易平台買賣分拆公司之股份。

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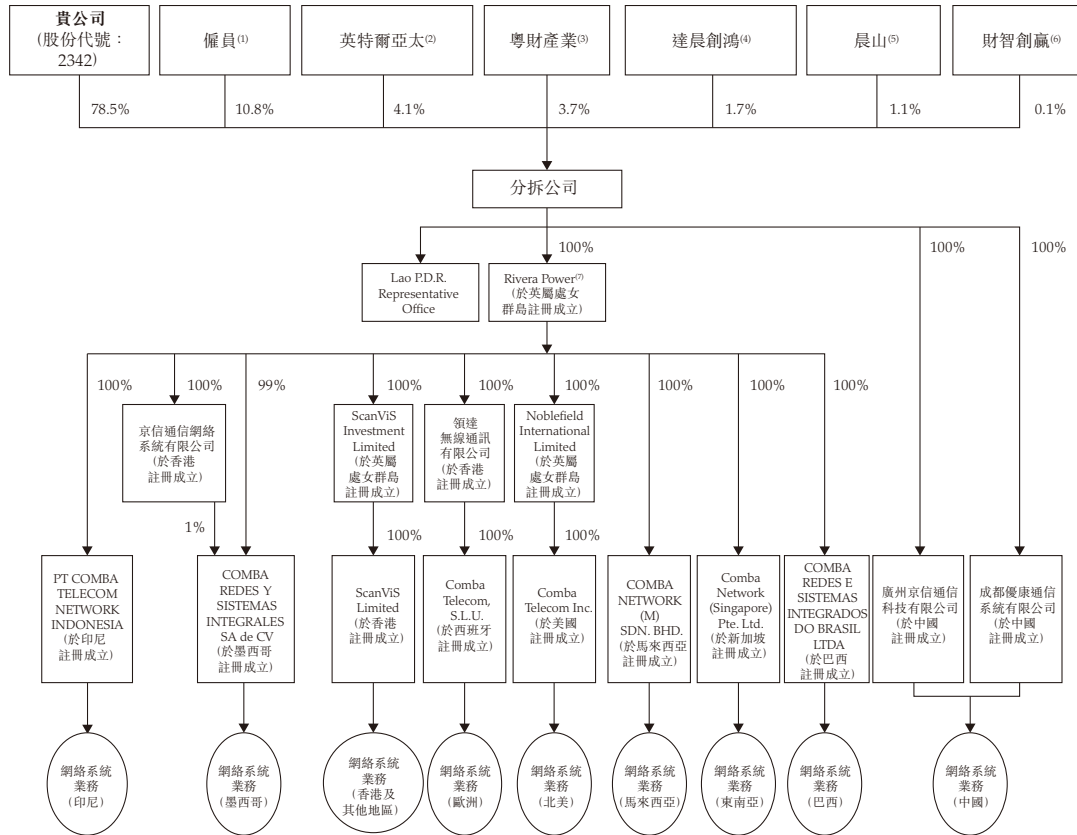
此外，鑒於(i)不論建議A股上市之前或之後，分拆集團及餘下集團擁有分開及獨立管理團隊以進行其各自之業務；(ii)分拆集團已成立其自身財務及管理資訊系統，並獨立於餘下集團；及(iii)分拆集團與餘下集團之業務、董事及管理層、買賣職能、財務及營運有充分區分，董事相信，承諾人將提供之禁售承諾預期不會對餘下集團於建議A股上市完成後之營運及業務造成任何重大不利影響。

吾等自董事獲悉，貴公司目前無意於及緊隨建議分拆及建議A股上市後出售分拆公司股份。因此，吾等與董事一致認為，儘管存在上述禁售規定，建議分拆將符合貴公司及股東之長遠利益，原因為建議A股上市將使貴集團於分拆集團之投資成為可公開交易之資產，因此貴集團日後將能夠透過其認為合適之開放交易平台買賣分拆公司之股份。此外，鑒於上述分拆集團與餘下集團在以下方面之獨立性及區分：(i)管理；(ii)財務及管理資訊系統；及(iii)業務、董事及管理層、買賣職能、財務及營運，吾等與董事一致認為，承諾人將提供之禁售承諾預期不會對餘下集團於建議A股上市完成後之營運及業務造成任何重大不利影響。

中毅資本函件

建議分拆對分拆公司的股權架構的影響

下文載列摘錄自董事會函件之分拆公司於最後實際可行日期的股權架構：

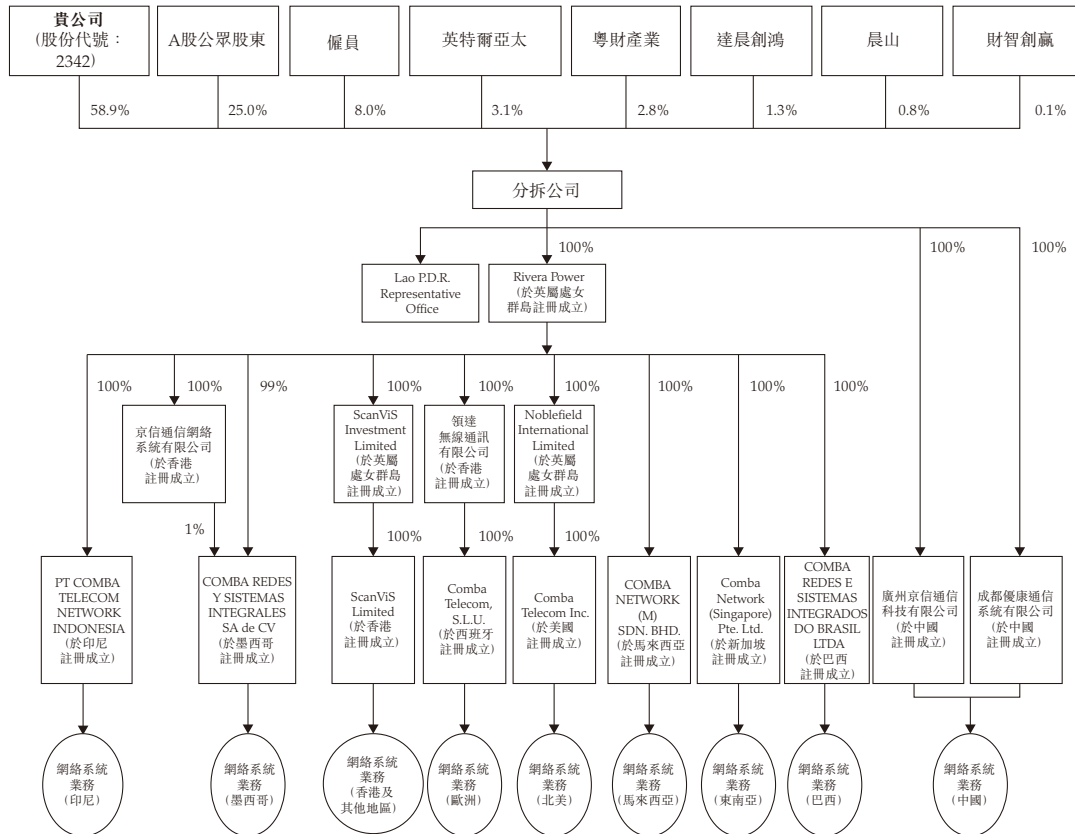


附註：

- (1) 截至最後實際可行日期，貴集團的僱員通過根據中國法律成立的11家有限合夥企業共同持有分拆公司約10.8%的股權，即(i)鑫瀚通一號企業管理(珠海)合夥企業(有限合夥)；(ii)鑫瀚通二號企業管理(珠海)合夥企業(有限合夥)；(iii)鑫瀚通三號企業管理(珠海)合夥企業(有限合夥)；(iv)鑫瀚通五號企業管理(珠海)合夥企業(有限合夥)；(v)鑫瀚通六號企業管理(珠海)合夥企業(有限合夥)；(vi)鑫瀚通七號企業管理(珠海)合夥企業(有限合夥)；(vii)鑫瀚通八號企業管理(珠海)合夥企業(有限合夥)；(viii)鑫瀚通九號企業管理(珠海)合夥企業(有限合夥)；(ix)鑫瀚通十號企業管理(珠海)合夥企業(有限合夥)；(x)鑫瀚通十一號企業管理(珠海)合夥企業(有限合夥)；及(xi)鑫瀚通十二號企業管理(珠海)合夥企業(有限合夥)。
- (2) 截至最後實際可行日期，英特爾亞太研發有限公司(「英特爾亞太」)持有分拆公司約4.1%的股權。
- (3) 廣東粵財產業投資基金合夥企業(有限合夥)(「粵財產業」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，粵財產業持有分拆公司約3.7%的股權。
- (4) 深圳市達晨創鴻私募股權投資企業(有限合夥)(「達晨創鴻」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，達晨創鴻持有分拆公司約1.7%的股權。
- (5) 北京晨山創業投資基金合夥企業(有限合夥)(「晨山」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，晨山持有分拆公司約1.1%的股權。
- (6) 深圳市財智創贏私募股權投資企業(有限合夥)(「財智創贏」)為根據中國法律成立的有限合夥企業。截至最後實際可行日期，財智創贏持有分拆公司約0.1%的股權。
- (7) Rivera Power Limited(「Rivera Power」)為根據英屬處女群島法律註冊成立的有限公司，並為分拆公司的全資附屬公司。

中毅資本函件

下文載列分拆公司於緊隨建議分拆完成後的股權架構(假設分拆公司根據建議A股上市將予發行的新A股數目佔分拆公司經擴大已發行股本的25.0%)：



預期緊隨建議分拆完成後，貴集團將間接持有分拆公司不少於58.9%的股權，而分拆公司將仍為貴公司的附屬公司。

餘下集團

如董事會函件所述，於建議分拆完成後，餘下集團將主要從事餘下業務，包括(i)天線及子系統營運，從而遠程連接及傳輸數據(「天線及子系統業務」)；(ii)為運營商提供綜合的工程服務；(iii)在老撾人民民主共和國提供運營商電訊服務及增值服務；及(iv)微波通訊系統、數字微波系統設備及智能機械的研發、製造及貿易。餘下集團的產品從安裝在鐵塔或建築物頂部的天線傳輸及轉換高頻電流及電磁頻譜。

董事相信，於建議分拆及建議A股上市完成後，(i)餘下集團將維持足夠的業務運作及足夠資產，使 貴公司得以維持其上市地位；及(ii)分拆業務與餘下業務有所分別且相互獨立，因此將符合第15項應用指引項下之規定。

下文載列餘下集團與分拆集團在業務區分、管理獨立性及財務獨立性方面的主要區分領域。

(i) 業務及產品之清晰區分

- *不同行業*：分拆業務主要從事網絡系統之營運，當中包括網絡系統產品及解決方案之研發、設計、銷售及已出售產品之配套服務，而餘下業務則主要從事天線及子系統營運。
- *產品應用及功能之差異*：分拆業務項下之產品通常為實現不同行業(包括移動網絡行業等)之特定需求而定製，而餘下業務項下之產品則主要服務通信行業，原因為天線通常由移動網絡供應商、互聯網服務供應商及通信設備製造商營運。
- *營運產品所需技術之差異*：分拆業務項下之產品主要專注於頻率分配及按客戶之特定需求定製頻率，而餘下業務項下之產品則主要專注於不同之遠距離傳輸方式，如自安裝在塔上或建築物頂部之天線傳輸及轉換高頻電流及電磁頻譜。
- *目標行業之差異*：分拆業務主要目標為工業互聯網行業、能源行業、化工行業、運輸行業及醫療保健行業，而餘下業務則主要專注於基站天線市場、通信設備製造商及集成商以及互聯網服務供應商。由於通信行業的寡頭壟斷性質以及主要流動網絡運營商所提供的通信服務及產品種類繁多，

故於建議分拆後，主要流動網絡運營商將會是分拆業務及餘下業務的重疊客戶。然而，由於分拆集團及餘下集團提供獨特的產品，故此重疊客戶不會對區分分拆集團及餘下集團的業務構成任何障礙。

(ii) 管理獨立性

於建議分拆及建議A股上市完成後，分拆集團將會與餘下集團分開及獨立管理。分拆集團於分拆公司層面將擁有九名董事及三名高級管理層，而餘下集團將擁有九名董事(包括於 貴公司層面的五名執行董事、一名非執行董事及三名獨立非執行董事)及四名高級管理層。在進行建議分拆後的分拆公司及 貴公司董事及高級管理層中，將有五名重疊董事，但並無重疊高級管理層，即僅僅佔分拆公司及 貴公司九名董事的超過一半。由於分拆公司於建議分拆後將繼續為 貴公司的附屬公司，故此由 貴集團保留對分拆公司董事會的控制權符合股東的一般及最佳權益。

(iii) 財政獨立性

於建議分拆前，銀行在向分拆公司提供信貸融資時要求 貴公司提供擔保乃屬自然而然之舉動並符合一般商業慣例。此外，部分銀行融資乃授予 貴集團整體，當中包括分拆集團。事實上， 貴集團就分拆集團銀行融資擔任擔保人的銀行融資金額與分拆集團總資產相比並不重大。預計於建議分拆後，分拆公司本身作為上市公司將有能力涉足資本市場，並在毋須 貴公司提供公司擔保的情況下取得信貸融資，以應付其資金需求。

(iv) 營運獨立性

分拆集團已建立了本身的行政、製造及研發能力，並設有獨立的員工團隊，以及其本身具有獨立職能的組織架構，以適應分拆集團的發展需求，各有特定職責範圍，在並無 貴集團支持的情況下履行必要的營運職能。

4. 建議分拆之理由及裨益

如董事會函件所述，董事會認為建議分拆對餘下集團及分拆集團均有利，理由如下：

(i) 採納不同業務策略

建議分拆將使 貴公司及分拆公司各自的管理團隊能夠分別將其時間用於發展餘下集團及分拆集團的核心業務，以更有針對性地根據各自業務採取不同的業務策略，並提升其應對市場變化及與相關集團有關的業務機會的速度。建議分拆亦將為餘下集團及分拆集團各自帶來更高的財務透明度及業務一致性以及更清晰的企業架構，並使分拆集團建立更明確的業務重點及有效的資源分配，從而提升餘下集團及分拆集團各自的營運效率。

(ii) 業務之替代估值

分拆業務已發展至足以獨立上市的規模。建議分拆實質上將分拆業務與餘下業務分開，從而使投資者及融資者能獨立評估各業務的策略、功能、風險及回報，並據此作出投資決定。建議分拆將使 貴公司及股東有機會變現其於分拆公司投資的公平值；建議分拆完成後， 貴公司將繼續作為分拆公司大部分股份的實益擁有人，並透過合併分拆集團的賬目及收取股息分派(如有)而從分拆集團的任何增值中受益。

(iii) 募集資金及融資機會之新來源

建議分拆將使餘下集團及分拆集團得以擁有各自獨立的集資平台，可直接及獨立地進入債務及股權資本市場。因此，由於餘下集團及分拆集團各自的財務狀況將更為清晰，此舉可能會增加餘下集團及分拆集團的總體融資能力，為彼等各自的發展、營運及投資機會部署資金。此外，分拆公司A股的公開發售及配售將收到的現金所得款項將為分拆集團提供其營運及擴展計劃所需的資金。由於希望向 貴公司或分

拆公司提供信貸或融資的金融機構對 貴公司及分拆公司信貸評估更加清晰，建議分拆將可能提高借貸能力。

(iv) 分立不同業務

建議分拆及分拆公司股份獨立上市不僅將提升分拆集團於其客戶、供應商及其他業務合作夥伴之間的形象，亦將透過採納以股權為基礎的激勵計劃，改善對管理層的激勵措施，從而提升分拆集團招募、激勵及挽留主要管理人員的能力。

(v) 吸引及建立戰略夥伴關係的能力

建議分拆將有助分拆集團提升其企業形象，從而提高分拆集團吸引可與其形成協同效應的戰略投資者的能力，實現對分拆集團作出投資及達成戰略夥伴關係。

(vi) 加強分拆集團的企業管治

建議分拆將提高分拆集團的營運及財務透明度，並加強分拆集團的企業管治，令投資者、金融機構及評級機構更清晰了解餘下集團及分拆集團各自獨立的業務及財務狀況，而有關提升將有助建立投資者的信心，使其可根據對餘下集團及分拆集團的表現、管理、策略、風險及回報的評估作出投資決定。

經吾等考慮下列因素後：

- (i) 建議分拆將為餘下集團及分拆集團各自帶來更高的財務透明度及業務一致性以及更清晰的企業架構，並使分拆集團建立更明確的業務重點及有效的資源分配，從而提升餘下集團及分拆集團各自的營運效率；
- (ii) 分拆業務自身已發展至足以獨立上市的規模，且建議分拆實質上將分拆業務與餘下業務分開，從而使投資者及融資者能獨立評估各業務的策略、功能、風險及回報，並據此作出投資決定。釋放及變現分拆業務的價值的裨益將於下文「5.可資比較公司」一節進一步闡述；
- (iii) 建議分拆完成後， 貴公司將繼續作為分拆公司大部分股份

的實益擁有人，並透過合併分拆集團的賬目及收取股息分派而從分拆集團的任何增值中受益；

- (iv) 建議分拆所得現金所得款項將為分拆集團的未來發展提供額外資金來源；
- (v) 由於希望向 貴公司或分拆公司提供信貸或融資的金融機構對 貴公司及分拆公司信貸評估更加清晰，建議分拆將可能提高借貸能力；
- (vi) 於建議分拆完成後，分拆公司將成為上市公司，其A股將於中國證券交易所上市，且作為上市公司，其本身將具有集資能力；及
- (vii) 如下文「5.可資比較公司」一節所討論，與可資比較公司的市銷率及市賬率相比，隱含市銷率(低)及隱含市賬率(低)被視為有利於 貴集團，

吾等認為建議分拆符合 貴公司及股東之整體利益。

5. 可資比較公司

為向股東提供有關與分拆公司從事類似業務的公司的一般估值參考，吾等已就因建議分拆而視作出售之估值進行獨立分析。吾等注意到交易倍數分析(如市銷(「市銷」)率、市賬(「市賬」)率及市盈(「市盈」)率)為市場上普遍採納的估值方法。如上文「2.分拆集團的背景資料及財務概覽」一節所述，分拆集團於二零二二年財政年度處於虧損，因此，市盈率被視為不適合用於吾等之分析。因此，吾等認為市銷率及市賬率為吾等交易倍數分析的適當基準。

基於(i)董事會函件所述分拆公司之經擴大已發行股本及估計市值不低於約人民幣3,000百萬元且不高於約人民幣6,814百萬元，意味著經擴大已發行股本及估計市值之中位數將為約人民幣4,907百萬元；及(ii)分拆公司於二零二二年財政年度的綜合收入約人民幣1,063.3百萬元，分拆公司的隱含市銷率將處於約2.82倍(「隱含市銷率(低)」)及6.41倍(「隱含市銷率(高)」)的範圍，市銷率中位數為4.61倍(「隱含市銷率(中)」)。

中 毅 資 本 函 件

此外，根據(i)上述分拆公司之經擴大已發行股本及估計市值將不低於約人民幣3,000百萬元且不高於約人民幣6,814百萬元，以及經擴大已發行股本及估計市值之隱含中位數將為約人民幣4,907百萬元；及(ii)分拆公司於二零二二年財政年度的綜合資產淨值約人民幣294.5百萬元，分拆公司的隱含市賬率將處於約10.19倍(「隱含市賬率(低)」)及23.14倍(「隱含市賬率(高)」)的範圍，市賬率中位數為16.66倍(「隱含市賬率(中)」)。

吾等從董事會函件中注意到，為評估建議A股上市後分拆集團的估計市值上限範圍，已考慮五家A股上市公司(「**市值可資比較公司**」)之市銷率，其中四家為分拆公司之同行業公司，該等公司提供基站產品、射頻類產品及5G+工業應用產品。為了上述市銷率得以反映可預見市場競爭，五家可資比較公司中其中一家為分拆公司之直接競爭公司，其向中國之移動網絡運營商提供5G小基站產品。從更廣範圍看，吾等於彭博搜尋於香港及中國證券交易所均上市且主要從事與分拆公司類似行業(即從事製造及銷售網絡及電信產品)的其他公司，並編製一份載有下列9家由吾等基於吾等所深知、所悉及所信識別出的滿足前述挑選標準的可資比較公司(「**可資比較公司**」)的詳盡清單。下表載列可資比較公司、分拆公司及 貴公司市銷率與市賬率的比較：

公司名稱(股份代號)	主要業務(附註1)	市值 (人民幣百萬元) (於建議分拆公告日期 (即二零二三年 八月八日))		
		市銷率 (附註2)	市賬率 (附註2)	市賬率 (附註2)
中電科普天科技股份有限公司 (002544 CH Equity)	開發、設計及銷售電子及信息產品	16,043.32	2.23	4.20
中信科移動通信技術股份有限公司 (688387 CH Equity)	製造及分銷電信設備	25,127.81	3.11	3.64

中 毅 資 本 函 件

公司名稱(股份代號)	主要業務(附註1)	市值		
		(於建議分拆公告日期 (即二零二三年 八月八日))	市銷率 (附註2)	市賬率 (附註2)
上海劍橋科技股份有限公司 (603083 CH Equity)	開發、製造及銷售電信寬帶終端、 無線網絡設備及智能家庭網關產品	14,651.94	3.18	7.02
瑞斯康達科技發展股份有限公司 (603803 CH Equity)	製造及分銷電信設備	3,511.55	1.69	1.76
深圳市科信通信技術股份有限公司 (300565 CH Equity)	設計、生產及銷售網櫃、 無線及傳輸網絡設備	3,471.52	4.01	6.92
四川天邑康和通信股份有限公司 (300504 CH Equity)	研發、生產及銷售網絡連接與保護設備、 移動通信網絡優化系統及 寬帶網絡終端解決方案	4,928.01	1.64	2.13
中興通訊股份有限公司 (000063 CH Equity) (763 HK Equity)	運營承載網絡業務	169,347.06	1.43	2.90
上海瀚訊信息技術股份有限公司 (300762 CH Equity) (「離群值」)	研製寬帶移動通信設備	9,215.79	19.99 (附註5)	3.43 (附註5)
銳捷網絡股份有限公司 (301165 CH Equity)	開發網絡軟件產品	29,357.95	2.30	6.84
		最小值	1.43	1.76
		最大值	19.99	7.02
		平均值	4.40	4.31
		中位數	2.30	3.64

中 毅 資 本 函 件

公司名稱(股份代號)	主要業務(附註1)	市值 (人民幣百萬元)		
		(於建議分拆公告日期 (即二零二三年 八月八日))	市銷率 (附註2)	市賬率 (附註2)
		最小值(不包括離群值)	1.43	1.76
		最大值(不包括離群值)	4.01	7.02
		平均值(不包括離群值)	2.45	4.42
		中位數(不包括離群值)	2.27	3.92
分拆公司	研發、設計、銷售網絡系統產品及 解決方案，以及已售產品之 配套服務(如調試及售後服務)	隱含市銷率(低)及 隱含市賬率(低)	2.82 (附註3)	10.19 (附註4)
		隱含市銷率(中)及 隱含市賬率(中)	4.61 (附註3)	16.66 (附註4)
		隱含市銷率(高)及 隱含市賬率(高)	6.41 (附註3)	23.14 (附註4)
貴公司	研究、開發、製造及銷售無線電信網絡 系統設備及提供相關工程服務		3,194.03	0.55
				0.93

資料來源：彭博

附註：

1. 可資比較公司的主要業務源自彭博。
2. 可資比較公司及 貴公司的市銷率及市賬率按摘錄自彭博的數據計算。
3. 分拆公司的隱含市銷率乃按建議A股上市後分拆公司經擴大已發行股本的估計市值及分拆公司於二零二二年財政年度的綜合收入計算。
4. 分拆公司的隱含市賬率乃按建議A股上市後分拆公司經擴大已發行股本的估計市值及分拆公司於二零二二年財政年度的綜合資產淨值計算。

中毅資本函件

5. 上海瀚訊信息技術股份有限公司的市銷率為約19.99倍，為深圳市科信通信技術股份有限公司市銷率約4.01倍(其市銷率在可資比較公司間排名第二)的近五倍，較其他可資比較公司的市銷率異常高，因此，被視為離群值。
6. 分拆集團於二零二二年財政年度處於虧損，因此，市盈率被視為不適合用於吾等之分析。
7. 上述可資比較公司涵蓋所有市值可資比較公司。

如上表所示，可資比較公司的市銷率介乎約1.43倍至約19.99倍，平均值為約4.40倍，中位數為約2.30倍。

根據《上海證券交易所科創板股票上市規則》(二零二零年修訂版)項下有關建議A股上市適用之上市標準之一，最低市值規定為人民幣30億元，即倘建議A股上市得以落實，建議A股上市後分拆集團的最低可能市值為人民幣3,000百萬元。另一方面，於採用分拆公司二零二二年財政年度綜合收入約人民幣1,063.3百萬元及綜合資產淨值約人民幣294.5百萬元的基礎上，建議A股上市後分拆公司的最低可能市銷率及市賬率分別為2.82及10.19。

吾等注意到，即使可資比較公司計入的市銷率為約19.9倍異常高的離群值，但隱含市銷率(低)約2.82倍(即按建議A股上市及估計市值後分拆公司經擴大已發行股本的下限計算)處於可資比較公司的市銷率範圍內，且高於可資比較公司的市銷率中位數約2.30倍，意味著分拆集團於建議分拆後釋放的估計市值的下限已高於可資比較公司的市銷率中位數，故被視為對 貴集團而言屬公平合理。同時，隱含市銷率(中)約4.61倍高於可資比較公司的市銷率平均值及中位數分別約4.40倍及2.30倍，意味著分拆集團於建議分拆後釋放的估計市值的中位數已高於可資比較公司的市銷率中位數及平均值，故被視為對 貴集團有利。

此外，倘可資比較公司不計入市銷率為約19.9倍異常高的離群值，吾等注意到隱含市銷率(低)約2.82倍(即按建議A股上市及估計市值後分拆公

司經擴大已發行股本的下限計算)處於可資比較公司的市銷率範圍內(不包括離群值)，且已高於可資比較公司的市銷率平均值及中位數(不包括離群值)分別約2.45倍及2.27倍，意味著分拆集團於建議分拆後釋放的估計市值的下限已高於可資比較公司的市銷率中位數及平均值，故被視為對 貴集團有利。

吾等亦注意到隱含市賬率(低)約10.19倍(即按建議A股上市及估計市值後分拆公司經擴大已發行股本的下限計算)已高於可資比較公司的市賬率最大值約7.02倍，意味著分拆集團於建議分拆後釋放的估計市值的下限已高於可資比較公司的市賬率最大值，故被視為對 貴集團有利。

此外，由於隱含市銷率(低)約2.82倍及隱含市賬率(低)約10.19倍大幅高於 貴公司自身的市銷率及市賬率分別約0.55倍及0.93倍，故建議分拆允許分拆業務單獨評估，並為 貴公司及股東提供了變現彼等於分拆公司的投資的公平值的機會，且有可能釋放分拆公司的價值，從而獲得更高的市場估值。

經計入上文所討論的主要因素，吾等認為建議分拆允許分拆業務單獨評估，且與可資比較公司的市銷率及市賬率相比，分拆集團於建議分拆後釋放的估計市值有利，故建議分拆的條款屬公平合理，且符合 貴公司及股東之整體利益。

6. 建議分拆對 貴集團的財務影響

如董事會函件所述，於建議分拆完成後， 貴集團預期將持有分拆公司經擴大已發行股本不少於58.9%，而分拆公司將繼續作為附屬公司於 貴集團的綜合財務報表中入賬。建議分拆對 貴集團的預期財務影響如下：

盈利

經參考董事會函件，建議分拆(預期將涉及發行分拆公司新A股)將構成視作出售 貴集團於分拆公司的權益。預期發行分拆公司新A股的所得款

項淨額與建議A股上市完成後非控股權益應佔的分拆集團綜合資產淨值的變動之差額將計入 貴公司擁有人應佔權益中。

基於假設建議A股上市時將予發行的分拆公司A股數目佔分拆公司經擴大股本的25%，建議A股上市將導致 貴集團於分拆公司的權益由最後實際可行日期的約78.5%攤薄至緊隨建議A股上市完成後的約58.9%。

資產及負債

經參考董事會函件，建議分拆(預期將涉及發行分拆公司新A股以換取現金)預期將增加在 貴集團綜合財務狀況表入賬的現金數額，以及 貴集團的總資產。

務請注意，上述分析僅供說明用途，並非旨在反映 貴集團將於建議分拆完成後的財務狀況。

7. 有關保證配額之豁免

如董事會函件所述，根據第15項應用指引第3(f)段的規定，倘建議A股上市進行， 貴公司須恰當考慮其現有股東之利益，向其現有股東提供分拆公司A股之保證配額。然而，董事會認為，提供分拆公司A股的保證配額並不切實可行(如下文進一步所闡釋)，且未能符合第15項應用指引第3(f)段的規定。因此， 貴公司已向香港聯交所申請豁免，而香港聯交所其後已批准豁免。

於釐定分拆公司建議上市地點時，董事會已作出充分及審慎考慮，當中計及(其中包括)分拆業務的性質、分拆公司成立及經營其業務的司法權區以及不同資本市場的特徵，並得出結論，認為尋求分拆公司在中國A股市場上市更為合適。

根據 貴公司中國法律顧問之法律意見，根據適用中國法律，僅若干合資格境外投資者方會獲准認購A股或參與A股發售，包括(其中包括)(a)合資格境外機構投資者；(b)中國合資格境內機構投資者；(c)中國商務部批准

的境外策略投資者；(d)可在中國永久居留的人士；及(e)在中國居住及工作的香港、澳門特別行政區或台灣地區居民。基於 貴公司於最後實際可行日期的股東名冊，大多數登記股東為地址位於香港的個人。董事會相信，大部分股東並非中國居民。此外，董事兼股東霍東齡先生及張躍軍先生已確認，彼等就投資A股而言並非合資格境外投資者。基於上述因素，董事會認為，鑒於境外投資者認購A股或參與A股發售的法律限制，向股東提供建議分拆項下的保證配額乃不切實際。

此外，《證券法》及《證券發行與承銷管理辦法》規定，任何發行實體均須獲得證券監管及管理機構的批准，方可進行公開發售。「公開發售」包括遵照報價、認購程序及規則通過網下配售及網上申購向投資者發行股份。就網下配售而言，根據中國法律，現有股東可以參與網下配售的前提是彼等能夠提供有效報價。即使假設彼等能夠提供有關有效的報價， 貴公司仍將無法向其現有股東優先分配發售股份，務求令所有投資者獲得公平待遇。就網上申購而言，在有效申購額獲確認後，所有有效申購將需通過抽籤作出分配。因此，在實行建議A股上市時，根據中國現行法律， 貴公司不能向特定人士發行分拆公司的股份及為香港股東預留股份。

預期 貴集團將於建議分拆後持有分拆公司不少於58.9%已發行股本，並將繼續作為分拆公司的控股公司。分拆公司的財務業績將繼續於 貴集團財務報表綜合入賬，而股東將繼續透過彼等所持股份享有分拆公司的貢獻以及上述建議分拆的裨益。

董事會認為，不向股東提供分拆公司A股的保證配額將不會嚴重損害股東的利益。

考慮到上述各項及上述建議分拆的理由及裨益，董事會認為，建議分拆及豁免乃屬公平合理，並符合 貴公司及股東之整體利益。

中毅資本函件

此外，董事會認為，提供分拆公司A股的保證配額並不切實可行，且未能符合第15項應用指引第3(f)段的規定。因此，貴公司已申請，而香港聯交所已批准豁免嚴格遵守第15項應用指引第3(f)段的規定。

考慮到適用中國法律項下對向現有股東提供上文所指的保證配額的法律限制及股東將繼續透過彼等所持股份享有分拆公司的貢獻以及於建議分拆完成後的裨益，吾等認同董事會的意見，認為不向股東提供分拆公司A股的保證配額將不會嚴重損害股東的利益。

意見及推薦建議

經考慮上文所討論的主要因素及理由，吾等認為儘管建議分拆並非於日常及一般業務過程中進行但其符合正常商業條款，屬公平合理，且符合貴公司及股東之整體利益。因此，吾等建議(i)獨立董事委員會向股東提供意見；及(ii)股東投票贊成將於股東特別大會上提呈以批准建議分拆之普通決議案。

此 致

京信通信系統控股有限公司
獨立董事委員會及列位股東 台照

代表

中毅資本有限公司

投資銀行部董事總經理

聯席董事

蘇凱澤

吳旻珊

謹啟

二零二三年八月二十九日

附註：

蘇凱澤先生為根據證券及期貨條例可從事第6類(就機構融資提供意見)受規管活動的持牌人士及就中毅資本有限公司第6類(就機構融資提供意見)受規管活動的負責人員。蘇先生於香港機構融資行業擁有逾20年經驗。

吳旻珊女士為根據證券及期貨條例可從事第6類(就機構融資提供意見)受規管活動的持牌人士及就中毅資本有限公司第6類(就機構融資提供意見)受規管活動的負責人員。吳女士於香港機構融資行業擁有逾10年經驗。

1. 本集團之財務資料

本公司截至二零二零年、二零二一年及二零二二年十二月三十一日止三個年度各年之經審核綜合財務報表連同其相關附註於下列文件中披露，而有關文件已登載於香港交易及結算所有限公司網站(www.hkexnews.hk)及本公司網站(www.comba-telecom.com)。請參閱下列超連結：

- 本公司於二零二一年四月二十七日刊發截至二零二零年十二月三十一日止年度之年度報告第80至183頁 (https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700516_c.pdf)
- 本公司於二零二二年四月二十六日刊發截至二零二一年十二月三十一日止年度之年度報告第76至181頁 (https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601042_c.pdf)
- 本公司於二零二三年四月二十五日刊發截至二零二二年十二月三十一日止年度之年度報告第84至189頁 (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042501506_c.pdf)

2. 債務聲明

於二零二三年六月三十日(即本通函付印前就本債務聲明而言的最後可行日期)營業時間結束時，本集團之未償還債務總額約為1,057.2百萬港元(包括有擔保銀行貸款總額約968.0百萬港元及租賃負債總額約89.2百萬港元)，詳情如下：

	百萬港元
即期	
有擔保銀行貸款	968.0
租賃負債	49.6
	<u>1,017.6</u>
非即期	
有擔保銀行貸款	—
租賃負債	39.6
	<u>39.6</u>
總計	<u><u>1,057.2</u></u>

於二零二三年六月三十日，本集團之銀行融資由本公司及其若干附屬公司之公司擔保作支持。

除上述者外，及除正常業務過程中集團內公司間負債及正常貿易應付款項外，於二零二三年六月三十日營業時間結束時，本集團並無任何其他已發行及尚未償還或同意發行之貸款資本、銀行透支、貸款或其他類似債項、承兌負債(正常商業票據除外)或承兌信貸、債券、按揭、押記、租購承擔、擔保或其他重大或然負債。

董事並不知悉本集團自二零二三年六月三十日起的債務狀況及或然負債有任何重大不利變動。

3. 營運資金

在並無不可預見之情況下，經考慮本集團之內部資源、可動用信貸融資及估計建議A股上市所得款項淨額後，董事認為，本集團有充足之營運資金應付其自本通函日期起計至少十二個月之需要。

4. 重大不利變動

董事確認，於最後實際可行日期，本集團之財政或貿易狀況自二零二二年十二月三十一日(即編製本集團最近刊發經審核綜合財務報表之日期)以來並無任何重大不利變動。

5. 本集團財務及貿易前景

本集團是一家全球領先並集研發、生產、銷售及服務於一體的無線解決方案供應商，為全球客戶提供天線及子系統、網絡產品、服務、無線傳輸等多元化產品及服務。本集團擁有兩個可呈報經營分部，包括(i)無線電信網絡系統設備及服務；及(ii)運營商電信服務。

全球不同地區的無線網絡的發展階段很不均衡，尋求將無線網絡升級至5G的國家亦期望在未來幾年帶動對網絡設備及天饋產品的龐大需求。展望未來，隨著更多國家推進其5G發展，實現更廣泛的覆蓋及多種商業用途，本集團預期憑藉其全球網絡增加其於其他地區的銷售額。

二零二三年，中國國內三大電信運營商正積極推進從廣覆蓋到深度覆蓋的基礎網絡建設戰略。展望未來，本集團將一如既往，繼續致力於提供場景化、高性價比的解決方案。本集團相信運營商發展深度覆蓋將為本集團帶來更多商機，使本集團能夠針對性滿足不同客戶的需求，牢牢抓住運營商5G建設的機遇。

本集團亦預期借助新興市場消費及基礎設施支出的增長，尤其是人口結構相對年輕但5G網絡覆蓋率相對較低的市場。本集團預期借助該等新興市場有利的人口結構及相對較低的5G網絡覆蓋率，擴大我們在該等市場的銷售額及市場份額。

此外，全球企業及政府以及社會各界對低碳環保的日益重視，促使移動通信網絡設備用戶對其設備進行升級，預計這將帶動對本集團綠色基站天線及小基站的需求。

本集團相信，憑藉其在天線及小基站領域的領先地位、在Open RAN領域的先發優勢、對綠色天線及對低碳製造流程的重視，本集團能夠憑藉其行業領先的創新能力、廣泛的全球網絡及客戶基礎，進一步擴大其全球市場份額。

1. 責任聲明

本通函的資料乃遵照香港上市規則而刊載，旨在提供有關本公司的資料；董事願就本通函的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本通函所載資料在各重要方面均準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本通函或其所載任何陳述產生誤導。

2. 披露權益

(i) 董事及主要行政人員於股份及相關股份之權益及淡倉

於最後實際可行日期，已發行股份總數為2,765,752,668股。

於最後實際可行日期，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益及淡倉(包括根據證券及期貨條例規定彼等當作或視為擁有之權益或淡倉)；或(ii)根據證券及期貨條例第352條須記入該條所述名冊內的權益及淡倉；或(iii)根據香港上市規則香港上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯交所的權益及淡倉如下：

於股份的好倉

		所持股份數目、身份及權益性質			佔本公司 已發行股本 百分比 (概約)
董事姓名	附註	直接 實益擁有	透過 受控制公司	總計	
霍東齡先生	(1)	10,364,339	678,115,129	688,479,468	24.89%
張躍軍先生	(2)	-	228,225,410	228,225,410	8.25%
徐慧俊先生		11,000,000	-	11,000,000	0.39%
吳鐵龍先生		2,342,049	-	2,342,049	0.08%
劉紹基先生		310,000	-	310,000	0.01%

於本公司購股權的好倉

董事姓名	直接 實益擁有的 購股權數目
徐慧俊先生	18,734,000
張飛虎先生	7,000,000
霍欣茹女士	7,000,000
吳鐵龍先生	5,000,000
劉紹基先生	200,000
伍綺琴女士	200,000

附註：

- (1) Prime Choice Investments Limited (由霍東齡先生全資擁有) 實益擁有該等 678,115,129 股股份。因此，根據證券及期貨條例，霍東齡先生被視為或當作於 Prime Choice Investments Limited 擁有之 678,115,129 股股份擁有權益。
- (2) Wise Logic Investments Limited (由張躍軍先生全資擁有) 實益擁有該等 228,225,410 股股份。因此，根據證券及期貨條例，張躍軍先生被視為或當作於 Wise Logic Investments Limited 擁有之 228,225,410 股股份擁有權益。

徐慧俊先生、張飛虎先生及霍欣茹女士分別實益持有鑫瀚通二號企業管理(珠海)合夥企業(有限合夥)約32.12%、10.90%及10.90%股本權益和吳鐵龍先生實益持有鑫瀚通三號企業管理(珠海)合夥企業(有限合夥)約17.68%股本權益(兩者均為本公司之附屬公司)。

除上文所披露者外，於最後實際可行日期，概無本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的任何權益或淡倉(包括根據證券及期貨條例規定彼等當作或視為擁有之權益或淡倉)；或(ii)根據證券及期貨條例第352條須記入該條所述名冊內的任何權益或淡倉；或(iii)根據標準守則須知會本公司及香港聯交所的任何權益或淡倉。

除上文所披露者外，於最後實際可行日期，概無董事擔任某公司董事或僱員，而該公司於股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及香港聯交所披露的權益或淡倉。

(ii) 主要股東於股份及相關股份之權益及淡倉

於最後實際可行日期，就任何董事所知，以下人士（並非本公司董事或主要行政人員）於本公司之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉，或須記入本公司根據證券及期貨條例第336條須予存置的名冊內的權益或淡倉，或彼等直接或間接於本集團任何成員公司的具表決權已發行股份中擁有10%或以上的權益：

於股份的好倉

姓名／名稱	附註	身份及 權益性質	所持 股份數目	佔本公司 已發行股本 百分比 (概約)
Prime Choice Investment				
Limited		實益擁有人	678,115,129	24.51%
陳靜娜女士	(1)	配偶權益	688,479,468	24.89%
Wise Logic Investment				
Limited		實益擁有人	228,225,410	8.25%
蔡輝妮女士	(2)	配偶權益	228,225,410	8.25%

附註：

- (1) 陳靜娜女士為霍東齡先生的配偶，根據證券及期貨條例，彼被視為於霍東齡先生擁有或被視為擁有之688,479,468股股份中擁有權益（包括Prime Choice Investments Limited實益擁有的678,115,129股股份）。
- (2) 蔡輝妮女士為張躍軍先生的配偶，根據證券及期貨條例，彼被視為於張躍軍先生擁有或被視為擁有之228,225,410股股份中擁有權益（包括Wise Logic Investments Limited實益擁有的228,225,410股股份）。

除上文所披露者外，於最後實際可行日期，就董事所知，概無任何人士（並非本公司董事或主要行政人員）於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的任何權益或淡倉，或須記入本公司根據證券及期貨條例第336條須予存置的名冊內的任何權益或淡倉，或彼等直接或間接於本集團任何成員公司的具表決權已發行股份中擁有10%或以上的權益。

3. 董事之權益

(i) 於本集團資產及合約之權益

於最後實際可行日期：

- (a) 概無董事於本集團任何成員公司自二零二二年十二月三十一日(即本集團最近期公佈之經審核財務報表的編製日期)以來所收購、出售或租賃或擬收購、出售或租賃之任何資產中擁有任何直接或間接權益；及
- (b) 概無董事於最後實際可行日期仍然存續且與本集團業務有重大關係的任何合約或安排中擁有重大權益。

(ii) 服務合約

於最後實際可行日期，概無董事與本集團任何成員公司訂立或建議訂立本集團不可於一年內終止而毋須賠償(法定賠償除外)的服務合約。

(iii) 於競爭業務之權益

於最後實際可行日期，概無董事或任何彼等各自之緊密聯繫人士於與本集團業務存在或可能存在直接或間接競爭的業務中擁有權益。

4. 訴訟

於最後實際可行日期，概無尚未了結或對本公司或其任何附屬公司構成威脅的重大訴訟或索償。

5. 重大合約

本集團於本通函日期前兩年內概無訂立任何其他重大合約(並非於日常業務過程中訂立的合約)。

6. 專家及同意書

以下為名列本通函或提供本通函所載意見、函件或建議的專家的資格：

名稱	資格
中毅資本	根據證券及期貨條例獲准從事第1類(證券交易)及第6類(就機構融資提供意見)受規管活動之持牌法團，為獨立董事委員會及股東有關建議分拆之獨立財務顧問

於最後實際可行日期，中毅資本並無於本集團任何成員公司擁有任何股權或可認購或提名他人認購本集團任何成員公司證券之權利(不論可否依法強制執行)，亦無於自二零二二年十二月三十一日(即本集團最近期刊發經審核賬目之編製日期)以來本集團任何成員公司所收購、出售或租賃或本集團任何成員公司擬收購、出售或租賃之任何資產中擁有任何直接或間接權益。

中毅資本已就刊發本通函發出同意書，表示同意按本通函之格式及內容載入其函件及引述其名稱，且迄今並無撤回其同意書。

7. 其他事項

- (i) 本公司的公司秘書為陳少文先生。彼為香港會計師公會及特許公認會計師公會資深會員。
- (ii) 本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。
- (iii) 本公司香港總辦事處及主要營業地點位於香港新界白石角香港科學園8W大樓611室。
- (iv) 本公司香港股份過戶登記分處為香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。
- (v) 本公司新加坡股份過戶代理人為彥德企業服務有限公司，地址為30 Cecil Street, #19-08 Prudential Tower, Singapore 049712。

(vi) 本通函以中英文編製。如有任何歧義，應以英文版本為準。

8. 展示文件

下列文件副本將(i)由本通函日期起計14日期間內(包括首尾兩日)刊載於香港交易及結算所有限公司網站(www.hkexnews.hk)及本公司網站(www.comba-telecom.com)及(ii)刊載於新交所網站(www.sgx.com)：

- (i) 中毅資本函件，其全文載於本通函第26至54頁；及
- (ii) 本附錄「6.專家及同意書」一段所述之中毅資本之同意書。

Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司

(於開曼群島註冊成立之有限公司)

(香港股份代號：2342)

(新加坡股份代號：STC)

股東特別大會通告

茲通告京信通信系統控股有限公司(「本公司」)謹訂於二零二三年九月十四日(星期四)上午十一時正(香港時間)(或倘香港於當日上午九時正(香港時間)至上午十一時正(香港時間)任何時間懸掛8號或以上熱帶氣旋警告信號或黑色暴雨警告信號，或香港政府宣佈的「超強颱風引起之極端情況」生效，則於二零二三年九月十五日(星期五)相同時間及地點)於香港新界白石角香港科學園8W大樓611室舉行股東特別大會，藉以進行下列事項並考慮及酌情通過下列本公司決議案(不論修訂與否)：

普通決議案

1. 「動議：

- (a) 批准分拆京信網絡系統股份有限公司(「分拆公司」，現為本公司之間接非全資附屬公司)及分拆公司之普通股於中華人民共和國上海證券交易所獨立上市(「建議分拆」)；及
- (b) 授權本公司任何董事代表本公司作出彼可能認為必要、適當或可取之一切有關行動及簽署或簽立一切有關文件以及訂立一切有關交易及安排，以實行及落實建議分拆。」

承董事會命

京信通信系統控股有限公司

主席

霍東齡

謹啟

香港，二零二三年八月二十九日

股東特別大會通告

註冊辦事處：

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

總辦事處及

香港主要營業地點：

香港

新界

白石角

香港科學園

8W大樓

611室

附註：

1. 凡有權出席以上通告召開之股東特別大會及於會上投票之股東，均有權委任一位或以上受委代表代其出席及根據本公司章程細則之條文代其投票。受委代表毋須為本公司之股東，惟必須親身出席股東特別大會以代表股東。倘超過一名受委代表獲委任，則委任書上須註明每位受委任之受委任代表所代表之有關本公司股份(「股份」)數目與類別。
2. 就本公司香港股東(「股東」)而言，代表委任表格須連同已簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，須不遲於二零二三年九月十二日(星期二)上午十一時正(香港時間)或任何續會指定舉行時間48小時前送達本公司香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17M樓，方為有效。填妥及交回代表委任表格後，股東仍可依願親身出席股東特別大會或其任何續會，並於會上投票。
3. 就新加坡股東而言，寄存人代表委任表格須連同已簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，須不遲於二零二三年九月十二日(星期二)上午十一時正(香港時間)或任何續會指定舉行時間48小時前送達本公司新加坡股份過戶代理人彥德企業服務有限公司，地址為30 Cecil Street, #19-08 Prudential Tower, Singapore 049712或電郵至shareregistry@incorp.asia，方為有效。填妥及交回代表委任表格後，股東仍可依願親身出席股東特別大會或其任何續會，並於會上投票。
4. 為釐定本公司香港股東名冊及新加坡股東名冊之登記股東以分別遞交代表委任表格至本公司香港股份過戶登記分處香港中央證券登記有限公司或新加坡股份過戶代理人彥德企業服務有限公司，任何在本公司香港股東名冊及新加坡股東名冊之間的股份轉移必須由股東於二零二三年八月二十九日(星期二)下午四時正(香港及新加坡時間)前提交。

就香港股東而言，釐定可參加股東特別大會並在會上投票之資格之記錄日期將為二零二三年九月八日(星期五)。於二零二三年九月八日(星期五)名列本公司香港股東名冊之香港股東將有權參加股東特別大會並在會上投票。為符合資格出席股東特別大會並於會上投票，請於二零二三年九月八日(星期五)下午四時三十分(香港時間)前將所有股份過戶文件連同有關之股票送交本公司香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖登記。

股東特別大會通告

就新加坡股東而言，為符合資格出席股東特別大會並於會上投票，請於二零二三年九月八日(星期五)下午五時正(新加坡時間)前將所有股份過戶文件連同有關之股票送交本公司新加坡股份過戶代理人彥德企業服務有限公司，地址為30 Cecil Street, #19-08 Prudential Tower, Singapore 049712登記。

5. 倘香港於股東特別大會當日上午九時正(香港時間)至上午十一時正(香港時間)任何時間懸掛8號或以上熱帶氣旋警告信號或黑色暴雨警告信號，或香港政府宣佈的「超強颱風引起之極端情況」生效，則大會將根據本通告自動延後，並改為於二零二三年九月十五日(星期五)相同時間及地點舉行。

在黃色或紅色暴雨警告信號或3號或以下熱帶氣旋警告信號生效期間，股東特別大會將會如期舉行。股東應自行決定是否在惡劣天氣情況下出席股東特別大會。如決定出席，務請小心謹慎行事。

6. 本通告中文譯本僅供參考，如有任何歧義，應以英文版本為準。