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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)

(Stock Code: 2342)

ADOPTION OF SHARE INCENTIVE SCHEME, CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION – DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

ADOPTION OF SHARE INCENTIVE SCHEME

The Board is pleased to announce that the Company has resolved to adopt a share incentive scheme to recognise the contributions by the Selected Participants to the Group (in particular, Comba China Group). Comba China is an indirect wholly-owned subsidiary of the Company and it currently focuses on R&D, manufacturing and sales for network system products, including macro cells, small cells, related extended & in-depth coverage solutions and OpenRAN products as well as providing network solutions for 5G vertical industry.

Pursuant to the Scheme,

- (1) the relevant Incentive Shares to be awarded to the Selected Participants would be the shares of Comba China;
- (2) Comba Consulting (an indirect wholly-owned subsidiary of the Company) will act as general partner, together with the relevant Selected Participants (as limited partners), to set up seven limited liability partnerships in the PRC;
- (3) the Partnerships are divided into two categories: G Partnership and Non-G Partnership. There will be four G Partnerships which will be set up to hold the relevant Incentive Shares for and on behalf of the relevant employees of Comba China Group while the remaining three Non-G Partnerships will be holding the relevant Incentive Shares for and on behalf of the relevant employees and consultants of the Group (other than Comba China Group); and
- (4) for the purpose of vesting of the Incentive Shares to the Selected Participants, G Partnerships will acquire certain new shares of Comba China by way of capital increase while the Non-G Partnerships will purchase certain existing shares of Comba China from CTSL (a wholly-owned subsidiary of the Company).

Transactions in relation to the Non-G Partnerships

For the purpose of implementation of the Scheme, on 10 June 2020, Comba Consulting, a wholly-owned subsidiary of the Company, as general partner, entered into the Non-G Limited Partnership Agreements with the Non-G Limited Partners, as limited partners, in relation to the establishment and management of the Non-G Partnerships. The total capital commitment of the Non-G Partnerships is RMB57.70 million, including RMB11.20 million to be contributed by Comba Consulting as the general partner, and RMB46.50 million to be contributed by the Non-G Limited Partners, as limited partners, respectively. Each of the Non-G Partnerships will be accounted for as a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

Upon the duly establishment, the Non-G Partnerships will purchase and CTSL will sell certain existing shares of Comba China at the total consideration of RMB57.70 million, which is equivalent to the capital contribution made by both Comba Consulting and the Non-G Limited Partners at the time of establishment. Upon completion of the aforesaid equity transfer, the Non-G Partnerships will be holding approximately 5.37% of the enlarged equity interest of Comba China (assuming the relevant capital increase to be made by the G Partnerships have been completed simultaneously).

Transactions in relation to the G Partnerships

For the purpose of implementation of the Scheme, on 1 June 2020 and 10 June 2020, Comba Consulting, as general partner, entered into the G Limited Partnership Agreements with the G Limited Partners, as limited partners, respectively, in relation to the establishment and management of the G Partnerships. The total capital commitment of the G Partnerships is RMB54.40 million, including RMB14.67 million to be contributed by Comba Consulting as general partner, and RMB39.73 million to be contributed by the G Limited Partners, as limited partners, respectively. Each of the G Partnerships will be accounted for as a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

Upon the duly establishment, the G Partnerships will subscribe for and Comba China will issue certain new shares at the consideration of RMB54.40 million, which is equivalent to the capital contribution made by both Comba Consulting and the G Limited Partners at the time of the establishment. Upon completion of the aforesaid capital increase, the G Partnerships will be holding approximately 5.06% of the enlarged equity interest of Comba China (assuming the relevant equity transfers by CTSL to the Non-G Partnerships have been completed simultaneously).

LISTING RULES IMPLICATIONS

Adoption of Share Incentive Scheme

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required to adopt the Scheme.

Transactions in relation to the Connected Partnerships

Some limited partners of the Connected Partnerships are connected persons of the Company (at the issuer level) and they will together hold more than 10% of the partnership interest in each Connected Partnership (a subsidiary of the Company). Therefore, each Connected Partnership is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules and hence a connected person of the Company. The relevant Share Acquisitions to be made by the Connected Partnerships would constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Upon completion of the relevant Share Acquisitions, the Connected Partnerships will acquire approximately 4.01% of the equity interest in Comba China at the consideration of RMB43.07 million. Given that the highest applicable percentage ratio in relation to the transactions of the Connected Partnerships pursuant to the Scheme is more than 0.1% but less than 5%, the transactions of the Connected Partnerships pursuant to the Scheme are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Deemed Disposal of Equity Interest in a Subsidiary

Upon completion of all the Share Acquisitions, the Company's interest in Comba China would decrease from 100% to approximately 89.57%. Therefore, the Share Acquisitions would constitute a deemed disposal of the Company under the Listing Rules. Comba China will remain as a subsidiary of the Company upon completion of the Share Acquisitions.

As the highest applicable percentage ratio (as defined under the Listing Rules) under the Listing Rules in respect of the Share Acquisitions (on an aggregate basis) exceeds 5% but all applicable percentage ratios are less than 25%, the Share Acquisitions (on an aggregate basis) would constitute a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that the Company has resolved to adopt a share incentive scheme to recognise the contributions by the Selected Participants to the Group (in particular, Comba China Group). Comba China is an indirect wholly-owned subsidiary of the Company and it currently focuses on R&D, manufacturing and sales for network system products, including macro cells, small cells, related extended & in-depth coverage solutions and OpenRAN products as well as providing network solutions for 5G vertical industry.

Pursuant to the Scheme,

- (1) the relevant Incentive Shares to be awarded to the Selected Participants would be the shares of Comba China;
- (2) Comba Consulting (an indirect wholly-owned subsidiary of the Company) will act as general partner, together with the relevant Selected Participants (as limited partners), to set up seven limited liability partnerships in the PRC;
- (3) the Partnerships are divided into two categories: G Partnership and Non-G Partnership. There will be four G Partnerships which will be set up to hold the relevant Incentive Shares for and on behalf of the relevant employees of Comba China Group while the remaining three Non-G Partnerships will be holding the relevant Incentive Shares for and on behalf of the relevant employees and consultants of the Group (other than Comba China Group); and
- (4) for the purpose of vesting of the Incentive Shares to the Selected Participants, G Partnerships will acquire certain new shares of Comba China by way of capital increase while the Non-G Partnerships will purchase certain existing shares of Comba China from CTSL (a wholly-owned subsidiary of the Company).

ADOPTION OF THE SHARE INCENTIVE SCHEME

Pursuant to the Scheme, it is anticipated that upon completion of the Share Acquisitions, Non-G Partnerships and G Partnerships will acquire approximately 5.37% and 5.06% of the equity interest in Comba China, respectively. The principal terms of the Scheme are set out below.

Purpose

The purpose of the Scheme is to recognise and reward the contributions of certain Eligible Person(s) for the growth and development of and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group, in particular, Comba China Group.

Incentive Shares

the new or existing share(s) of Comba China.

Administration	The Scheme shall be subject to the administration of the President of the Company (with the assistance from the Company's Human Resources and Administration Department) in accordance with the Scheme Rules.
Duration	Subject to any termination of the Scheme in accordance with the Scheme Rules, there is no fixed term for the Scheme.
Eligible Persons	The eligibility of any Eligible Persons to an Incentive Share is determined in accordance with the Scheme Rules. The President of the Company shall determine the Selected Participants from time to time as authorised by the Board as to his/her contribution and/or future contribution to the development and growth of the Group.
Scheme Limit	Pursuant to the Scheme Rules, there is no limit regarding the maximum number of Incentive Shares.
Grant and restrictions	The President of the Company may, from time to time, at its discretion select any Eligible Person to be a Selected Participant in accordance with the Scheme Rules.
Operation	Pursuant to the Scheme Rules, the Selected Participants shall establish the Partnerships for the purpose of acquisition of the Incentive Shares. The Partnerships will hold the Incentive Shares for and on behalf of the Selected Participants.
Alteration	The Scheme may be altered in any respect by a resolution of the Board in accordance with the Scheme Rules.

PRINCIPAL TERMS OF THE LIMITED PARTNERSHIP AGREEMENTS

Non-G Limited Partnership Agreements

Principal terms of each Non-G Limited Partnership Agreement are identical to each other, the typical terms of the Non-G Limited Partnership Agreements are as follows:

Date	10 June 2020 (in respect of XHT No.2, No.7 and No.8 Partnerships)
Partners	<i>Non-G General Partner/Non-G Executive Partner</i> Comba Consulting
	<i>Non-G Limited Partners</i>
	(1) Directors: Mr. XU Huijun, Mr. CHANG Fei Fu, Mr. BU Binlong and Ms. HUO Xinru
	(2) five directors of the relevant subsidiaries of the Company

(3) 98 employees of the Group (other than Comba China Group)

(4) three consultants of the Group (other than Comba China Group)

Comba Consulting is a wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, other than the four Directors and relevant directors at the subsidiary level above, none of the Non-G Limited Partners is a connected person of the Company.

Purpose of the Non-G Partnership

For the purpose of implementation of the Scheme, the Non-G Partnership is established to hold the Incentive Shares for and on behalf of the relevant Selected Participants, in order to protect the partnership interests and maximise the profit for all Non-G Partners.

Term of operation of the Non-G Partnership

Subject to any dissolution decision in accordance with the Non-G Limited Partnership Agreements and the Scheme Rules, the term for the Non-G Partnership is ten years from the date of its duly establishment.

Committed capital contribution

The total capital commitment of the Non-G Partnerships is RMB57.70 million, including RMB11.20 million to be contributed by Comba Consulting as the general partner, and RMB46.50 million to be contributed by Non-G Limited Partners, as the limited partners, respectively. Each of the Non-G Partnerships will be accounted for as a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

Out of the three Non-G Partnerships, XHT No.2 Partnership is a Connected Partnership. The total capital commitment of the XHT No.2 Partnership is RMB23.85 million. The capital commitment of Mr. XU Huijin, Mr. CHANG Fei Fu, Mr. BU Binlong and Ms. HUO Xinru would be RMB5.0 million, RMB2.4 million, RMB2.4 million and RMB2.4 million, respectively.

The total capital commitment of the Non-G Partnership and the amount of capital contribution of each Partner are determined (i) after arm's length negotiations among the relevant Partners having taken into account the expected size of the relevant Share Acquisitions to be made by the Non-G Partnerships and (ii) on the basis of the valuation of the assets of Comba China as at 31 December 2019 appraised by an independent PRC valuer engaged by Comba China for the purpose of the Scheme.

The contribution of each of Non-G Limited Partners and Non-G General Partner is expected to be funded by individual resources and internal resources, respectively.

Payment of the capital contribution All the Non-G Partners shall pay up their respective capital contribution in cash on or before 30 June 2020.

Management Comba Consulting shall serve as the executive partner of the Non-G Partnership, and is responsible for the daily operation and management of the Non-G Partnerships pursuant to the Non-G Limited Partnership Agreements and the Scheme Rules. Comba Consulting shall be authorised to act on behalf of the Non-G Partnerships and, if necessary or appropriate, in the name of the Non-G Partnerships, to do all such acts to achieve part or all of the purposes of the Non-G Partnerships, to conclude and perform all contracts and other commitments.

Transfer of interest No transfer of partnership interest in the Non-G Partnership by a Non-G Limited Partner in part or in full may be made without the consent of the Non-G Executive Partner.

**Profit distribution/
Loss sharing** Pursuant to the Non-G Limited Partnership Agreement, there is no management fee payable to the Non-G Executive Partner.

Any loss/debts of the Non-G Partnership shall be shared by all Non-G Partners in proportion to and limited to their respective capital contribution to the Non-G Partnership.

G Limited Partnership Agreements

Principal terms of each G Limited Partnership Agreement are identical to each other. Save as disclosed below, the principal terms of the G Limited Partnership Agreements are identical to those of the Non-G Limited Partnership Agreements, please refer to the paragraph headed “Non-G Limited Partnership Agreements” in this announcement for details of other principal terms of the G Limited Partnership Agreements.

Date 1 June 2020 (in respect of XHT No. 1 Partnership)
10 June 2020 (in respect of XHT No.3, No.5 and No.6 Partnerships)

Partners *G General Partner/G Executive Partner*
Comba Consulting

G Limited Partners

- (1) Director and the general manager of Comba China:
Mr. WU Tielong
- (2) three directors of the relevant subsidiaries of the Company
- (3) 119 employees of the Comba China Group

Comba Consulting is a wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, other than Mr. WU Tielong and the relevant directors at the subsidiary level, none of the G Limited Partners is a connected person of the Company.

Committed capital contribution

The total capital commitment of the G Partnerships is RMB54.40 million, including RMB14.67 million to be contributed by Comba Consulting as the general partner, and RMB39.73 million to be contributed by G Limited Partners, as the limited partners, respectively. Each of the G Partnerships will be accounted for as a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

Out of the four G Partnerships, XHT No.3 Partnership is a Connected Partnership. The total capital commitment of the XHT No.3 Partnership is RMB19.22 million. The capital commitment of Mr. WU Tielong would be RMB2.8 million.

The total capital commitment of the G Partnerships and the amount of capital contribution of each Partner are determined (i) after arm's length negotiations among the relevant Partners having taken into account the expected size of the relevant Share Acquisitions to be made by the G Partnerships and (ii) on the basis of the valuation of the assets of Comba China as at 31 December 2019 appraised by an independent PRC valuer engaged by Comba China for the purpose of the Scheme.

The contribution of each of G Limited Partners and G General Partner is expected to be funded by the individual resources and internal resources, respectively.

Payment of the capital contribution

All the G Partners shall pay up their respective capital contribution in cash on or before 30 June 2020.

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

Upon completion of the Share Acquisitions, the Company's interest in Comba China would decrease from 100% to approximately 89.57%. Therefore, the Share Acquisitions would constitute a deemed disposal of the Company under the Listing Rules. Comba China will remain as a subsidiary of the Company upon completion of the Share Acquisitions.

The consideration of the Share Acquisitions payable by the Partnerships would be RMB112.10 million, which is equivalent to the total capital commitment of the Partnerships at the time of their establishment. For the basis of this consideration, please refer to the paragraphs headed "Non-G Limited Partnership Agreements – Committed capital contribution" and "G Limited Partnership Agreements – Committed capital contribution" of this announcement.

In anticipation of the promising market of 5G technology development and application, the Company intends to apply the net proceeds to be received by it for (i) 5G technologies R&D and production capacity expansion and (ii) general working capital of the Group.

The shareholding structure of Comba China immediately before and immediately after the completion of contemplated transactions under the Scheme will be as follows:

Shareholder	As at the date of this announcement	Immediately after completion of the Share Acquisitions
	<i>%</i>	<i>approximately %</i>
CTSL ¹	100	89.57
Non-G Partnerships	–	5.37
G Partnerships	–	5.06
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Total	100	100
	<hr/>	<hr/>

Note:

1. CTSL is a wholly-owned subsidiary of the Company.

INFORMATION ABOUT THE PARTIES

Comba China is a company established in the PRC with limited liability and principally engaged in manufacture and sale of wireless telecommunications network system equipment and provision of related engineering services. It currently focuses on R&D, manufacturing and sales for network system products, including macro cells, small cells, related extended & in-depth coverage solutions and OpenRAN products as well as providing network solutions for 5G vertical industry. It is a wholly-owned subsidiary of the Company.

Based on the consolidated management accounts of Comba China, the relevant financial information on Comba China for the two financial years immediately preceding the date of this announcement are as follows:

	For the years ended 31 December 2018	For the years ended 31 December 2019
	<i>(Approximately RMB' million)</i>	<i>(Approximately RMB' million)</i>
(Loss) before tax	(226)	(197)
(Loss) after tax	(231)	(186)

On the basis of the valuation of the assets of Comba China as at 31 December 2019 appraised by an independent PRC valuer engaged by Comba China for the purpose of the Scheme, the equity market value of Comba China is RMB1,020 million.

As the Share Acquisitions will not result in the Company's loss of control over Comba China, the Share Acquisitions will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income.

Comba Consulting is a company established in the PRC with limited liability and principally engaged in provisions of advisory services.

Non-G Partnerships and G Partnerships are established for the purpose of the Scheme. For the details of the Partnerships and their partners, please refer to the paragraph headed "Principle Terms of the Limited Partnership Agreements".

The Company is principally engaged in investment holding while its subsidiaries are principally engaged in the research, development, manufacture and sale of wireless telecommunications network system equipment and the provision of related engineering services and the provision of operator telecommunication services and their value added services.

REASONS FOR AND BENEFIT OF ADOPTION THE SCHEME AND ESTABLISHMENT OF THE PARTNERSHIPS

The Board is of the view that the Scheme will enable the Group (i) to establish and optimise the performance-oriented culture for value creation for its Shareholders; (ii) to secure long-term stable development of the Group; (iii) to optimise the basic remuneration, short-term incentives and long-term incentives of the management, technical and skilled talents of the Group so as to retain different talents in a more flexible and effective manner for better promotion of the development of the Group; and (iv) to effectively motivate enthusiasm of key personnel to make best efforts to enhance their performance so as to strengthen the core competitiveness of the Group.

The Board considers that the terms and conditions of the Scheme are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. The Partnerships are to be established pursuant to the Scheme Rules for the purpose of implementation of the Scheme.

In respect of the transactions under the Scheme which would constitute connected transactions of the Company, the Directors (including the independent non-executive Directors) are of the view that the relevant transactions are on normal commercial terms and the terms of these transactions are fair and reasonable, and in the interests of the Company and its Shareholders as a whole despite that the transactions contemplated thereunder are not in the ordinary and usual course of business of the Company.

In view of their interests in the relevant Partnerships, Mr. FOK Tung Ling, Mr. XU Huijun, Mr. CHANG Fei Fu, Mr. BU Binlong, Ms. HUO Xinru and Mr. WU Tielong have abstained from voting on the Board resolutions approving the Scheme and the Limited Partnership Agreements. Save as disclosed above, none of the Directors has any material interest in the transactions under the Scheme and none of them has abstained from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

Adoption of Share Incentive Scheme

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required to adopt the Scheme.

Transactions in relation to the Connected Partnerships

Some limited partners of the Connected Partnerships are connected persons of the Company (at the issuer level) and they will together hold more than 10% of the partnership interest in each Connected Partnership (a subsidiary of the Company). Therefore, each Connected Partnership is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules and hence a connected person of the Company. The relevant Share Acquisitions to be made by the Connected Partnerships would constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Upon completion of the relevant Share Acquisitions, the Connected Partnerships will acquire approximately 4.01% of the equity interest in Comba China at the consideration of RMB43.07 million. Given that the highest applicable percentage ratio in relation to the transactions of the Connected Partnerships pursuant to the Scheme is more than 0.1% but less than 5%, the transactions of the Connected Partnerships pursuant to the Scheme are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Deemed Disposal of Equity Interest in a Subsidiary

Upon completion of all the Share Acquisitions, the Company's interest in Comba China would decrease from 100% to approximately 89.57%. Therefore, the Share Acquisitions would constitute a deemed disposal of the Company under the Listing Rules. Comba China will remain as a subsidiary of the Company upon completion of the Share Acquisitions.

As the highest applicable percentage ratio (as defined under the Listing Rules) under the Listing Rules in respect of the Share Acquisitions (on an aggregate basis) exceeds 5% but all applicable percentage ratios are less than 25%, the Share Acquisitions (on an aggregate basis) constitute a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“Comba China”	Comba Telecom Systems (China) Limited* (京信通信系統 (中國) 有限公司), a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Comba China Group”	Comba China and its subsidiaries
“Comba Consulting”	Comba Business Consulting (Guangzhou) Limited* (京信企業諮詢 (廣州) 有限公司), a limited liability company established in the PRC, and a wholly-owned subsidiary of the Company as at the date of this announcement
“Company”	Comba Telecom Systems Holdings Limited (京信通信系統控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange
“connected person(s)”	has the same meaning as defined in the Listing Rules
“Connected Partnerships”	XHT No.2 Partnership and XHT No.3 Partnership
“CTSL”	Comba Telecom Systems Limited (京信通信系統有限公司), a limited liability company incorporated in Hong Kong, a wholly-owned subsidiary of the Company and the sole shareholder of Comba China as at the date of this announcement

* For identification purpose only

“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any individual who is an employee or consultant of the Group, including management, key employee or any other person who is considered by the Board, in its discretion, to have contributed to or will contribute to the Group, and is selected by the Board for achieving the purposes of the Scheme
“General Partners”	G General Partner and Non-G General Partner
“G General Partner”	Comba Consulting
“G Limited Partner(s)”	limited partners of the G Partnerships, and each a “G Limited Partner”
“G Limited Partnership Agreements”	one limited partnership agreement dated 1 June 2020 and three limited partnership agreements dated 10 June 2020 entered into between the G General Partner and G Limited Partners, together with any supplemental and/or ancillary agreement, in relation to the establishment and management of each of the G Partnership pursuant to the Scheme
“G Partners”	G General Partner and G Limited Partners
“G Partnerships”	XHT No.1 Partnership, XHT No.3 Partnership, XHT No.5 Partnership and XHT No.6 Partnership, each a limited partnership established and/or to be established in the PRC under the relevant G Limited Partnership Agreement and the Scheme Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Incentive Share(s)”	the new or existing share(s) of Comba China to be awarded to Selected Participants pursuant to the Scheme
“Limited Partnership Agreements”	Non-G Limited Partnership Agreements and G Limited Partnership Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Non-G General Partner”	Comba Consulting

“Non-G Limited Partner(s)”	limited partners of the Non-G Limited Partnerships, and each a “Non-G Limited Partner”
“Non-G Limited Partnership Agreements”	three limited partnership agreements dated 10 June 2020 entered into between the Non-G Partners and Non-G Limited Partners, together with any supplemental and/or ancillary agreement, in relation to the establishment and management of the Non-G Partnerships pursuant to the Scheme
“Non-G Partners”	Non-G General Partner and Non-G Limited Partners
“Non-G Partnerships”	XHT No.2 Partnership, XHT No.7 Partnership and XHT No.8 Partnership, each a limited partnership to be established in the PRC under the Non-G Limited Partnership Agreements and the Scheme Rules
“Partners”	General Partners and Limited Partners, each a “Partner”
“Partnerships”	Non-G Partnerships and G Partnerships
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the share incentive scheme of the Company adopted by the Board in accordance with the Scheme Rules on 29 May 2020
“Scheme Rules”	the rules relating to the Scheme adopted by the Board in respect of G Partnerships and Non-G Partnerships
“Selected Participant(s)”	any Eligible Person selected by the Board for and on behalf of whom the Partnerships hold the Incentive Shares pursuant to the Scheme Rules, and each a “Selected Participant”
“Share Acquisitions”	the proposed acquisitions of the Incentive Shares by the G Partnerships and Non-G Partnerships under the Scheme
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“XHT No.1 Partnership”	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)), a limited partnership established on 2 June 2020 in the PRC under the relevant G Partnership Agreement and the Scheme Rules

“XHT No.2 Partnership”	a limited partnership to be established in the PRC under the relevant Non-G Partnership Agreement and the Scheme Rules
“XHT No.3 Partnership”	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)), a limited partnership established on 10 June 2020 in the PRC under the relevant G Partnership Agreement and the Scheme Rules
“XHT No.5 Partnership”	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)), a limited partnership established on 10 June 2020 in the PRC under the relevant G Partnership Agreement and the Scheme Rules
“XHT No.6 Partnership”	a limited partnership to be established in the PRC under the relevant G Partnership Agreement and the Scheme Rules
“XHT No.7 Partnership”	a limited partnership to be established in the PRC under the relevant Non-G Partnership Agreement and the Scheme Rules
“XHT No.8 Partnership”	a limited partnership to be established in the PRC under the relevant Non-G Partnership Agreement and the Scheme Rules
“%”	Percentage

* for identification purpose only

On behalf of the Board
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman

Hong Kong, 10 June 2020

As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. XU Huijun, Mr. CHANG Fei Fu, Mr. BU Binlong and Ms. HUO Xinru; the following non-executive Director: Mr. WU Tielong; and the following independent non-executive Directors: Mr. LAU Siu Ki, Kevin, Dr. LIN Jin Tong, Ms. NG Yi Kum and Ms. LEUNG Hoi Wai.