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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)

VOLUNTARY ANNOUNCEMENT

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

This announcement is made by Comba Telecom Systems Holdings Limited (the “**Company**”) on a voluntary basis.

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that on 23 July 2021, Comba Network Systems Company Limited (京信網絡系統股份有限公司) (“**Comba Network**”), a subsidiary of the Company, approved a capital increase agreement (the “**Agreement**”) entered into by and among Comba Network, 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**”), 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**”, together with Fortune Chuanghong, collectively the “**Investors**”) and the existing shareholders, and the Subscription (as defined below) under the Agreement came into effective from 23 July 2021. Pursuant to the Agreement, Comba Network has agreed to allot and issue an aggregate of 7,371,696 shares of Comba Network to the Investors at a total consideration of RMB50 million, representing approximately 1.84% of the enlarged equity interest in Comba Network. Fortune Chuanghong has agreed to subscribe for 6,929,394 shares of Comba Network, representing approximately 1.73% of the enlarged equity interest in Comba Network, at a consideration of RMB47 million; and Wisdom Chuangying has agreed to subscribe for 442,302 shares of Comba Network, representing approximately 0.11% of the enlarged equity interest in Comba Network, at a consideration of RMB3 million (the “**Subscription**”).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Board considers that the Subscription will strengthen the financial position of Comba Network as well as broaden the shareholder base of Comba Network, and the net proceeds from the Subscription will also provide Comba Network with additional funds for the development of its business and for general working capital purpose. In view of the above, the Board considers the Subscription to be in the interest of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE INVESTORS

Both of the Investors are equity investment funds managed by Shenzhen Fortune Wisdom Venture Capital Management Co., Ltd.* (深圳市達晨財智創業投資管理有限公司) (“**Fortune Wisdom**”). Established in 2008 and headquartered in Shenzhen, Fortune Wisdom is among the first batch of local venture capital institutions that was formed and adopted market-oriented operation in China. Since its establishment, in tandem with the rapid growth of the Chinese economy and the continuous improvement of multi-level capital markets, and under the care and support from all sectors of society, Fortune Wisdom focused on information technology, intelligent manufacturing, energy saving and environmental protection, medical and healthcare, general consumption and corporate services, culture and media, military and other aspects, and developed itself into one of the largest and most influential venture capital institutions with the strongest investment capability in China at present. In addition, it was elected as the vice president unit of numerous professional associations, namely the Equity and Venture Investment Special Committee of the Investment Association of China* (中國投資協會股權與創業投資專業委員會), China Association of Private Equity (中國股權投資基金協會), Shenzhen Association of Private Funds (深圳私募基金業協會), Shenzhen Venture Capital Association (深圳市創業投資同業公會), Shenzhen Asset Management Association (深圳市投資基金同業公會) and Shenzhen Entrepreneur Association* (深圳市企業家聯合會).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investors and the ultimate beneficial owners of the Investors are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

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

Hong Kong, 26 July 2021

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. WONG Lok Lam.

** For identification purpose only*