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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 18 June 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, 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)) (“**Guangdong Utrust Industrial Investment**”), 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 Capital**”, together with Guangdong Utrust Industrial Investment, collectively the “**Investors**”) and the existing shareholders, and the Subscription (as defined below) under the Agreement came into effective from 18 June 2021. Pursuant to the Agreement, Comba Network has agreed to allot and issue an aggregate of 19,166,409 shares of Comba Network to the Investors at a total consideration of RMB130 million, representing approximately 4.86% of the enlarged equity interest in Comba Network. Guangdong Utrust Industrial Investment has agreed to subscribe for 14,743,392 shares of Comba Network, representing approximately 3.74% of the enlarged equity interest in Comba Network, at a consideration of RMB100 million; and Mount Morning Capital has agreed to subscribe for 4,423,017 shares of Comba Network, representing approximately 1.12% of the enlarged equity interest in Comba Network, at a consideration of RMB30 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

The managers of Guangdong Utrust Industrial Investment are Guangdong Utrust Fund Management Co., Ltd.* (廣東粵財基金管理有限公司) (“**Guangdong Utrust Fund Management**”) and Guangdong Utrust Investment Holdings Limited* (廣東粵財投資控股有限公司). Guangdong Utrust Fund Management was established on 22 January 2016 with a registered capital of RMB500 million, and is a wholly-owned subsidiary of Guangdong Utrust Investment Holdings Limited, which is a large-scale financial group company directly administered by the People’s Government of Guangdong Province. Guangdong Utrust Fund Management has been entrusted to manage two equity investment funds (fund of funds), namely Guangdong Industrial Development Fund* (廣東省產業發展基金) and Guangdong Semiconductor and Integrated Circuit Industry Investment Fund* (廣東省半導體及集成電路產業投資基金). Meanwhile, it also manages various policy-oriented investment funds, including the Advanced Equipment Manufacturing Industry Development Fund of the West Bank of Pearl River in Guangdong* (廣東珠江西岸先進裝備製造產業發展基金), the Guangdong Silk Road Fund* (廣東絲路基金) and the Guangdong Medium, Small and Micro-scale Enterprises Development Fund* (廣東省中小微企業發展基金). As of the end of 2020, the scale of the funds managed by Guangdong Utrust Fund Management exceeded RMB50 billion, which is one of the important investment platforms to promote the development of “dual-district driven and dual-core interconnected in the Guangdong Province” (廣東省雙區驅動、雙核聯動) and the implementation of the “Core, Coastal Belt and Zone Initiative” (一核一帶一區).

Mount Morning Capital focuses on the investment in innovation enterprises that engaged in “data-driven industry internet”. With more than ten years of industry expertise in the information and communications technology (ICT) field, the investment team has historically invested in numerous industry-leading innovation enterprises, including Meituan, Tuya Smart, LongShine Technology, Focus Media, AsiaInfo Technologies, Yuanian Technology, Asiainfo Security, Tongdun Technology and LinkDoc.

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, 21 June 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*