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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)

SUBSCRIPTIONS OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that, on 17 February 2025 (after trading hours), the Company entered into (a) Subscription Agreement-A with Subscriber-A, pursuant to which Subscriber-A conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 310,407,322 new Shares at the Subscription Price of HK\$1.09 per Share; and (b) Subscription Agreement-B with Subscriber-B, pursuant to which Subscriber-B conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 31,040,732 new Shares at the Subscription Price of HK\$1.09 per Share.

Completion of Subscription-A and Subscription-B are not inter-conditional upon each other.

The issue of Subscription Shares-A and Subscription Shares-B are not subject to the approval by the Shareholders. Subscription Shares-A and Subscription Shares-B will be issued under the General Mandate granted to the Directors at the AGM.

Given that completion of each of Subscription-A and Subscription-B is subject to the fulfilment of the conditions and each of Subscription-A and Subscription-B may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that, on 17 February 2025 (after trading hours), the Company entered into (a) Subscription Agreement-A with Subscriber-A, pursuant to which Subscriber-A conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 310,407,322 new Shares at the Subscription Price of HK\$1.09 per Share; and (b) Subscription Agreement-B with Subscriber-B, pursuant to which Subscriber-B conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 31,040,732 new Shares at the Subscription Price of HK\$1.09 per Share.

SUBSCRIPTION AGREEMENT-A

The major terms of Subscription Agreement-A are as follows:

Date:	17 February 2025
Parties:	(1) The Company (as issuer); and (2) Subscriber-A (as subscriber)
Number of Shares subscribed for:	310,407,322 Shares
Total subscription proceeds:	HK\$338,343,980.98

Subscription Shares-A

Subscription Shares-A in aggregate represent (i) approximately 11.24% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 10.10% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares-A (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the date of completion of Subscription-A save for the allotment and issue of Subscription Shares-A); and (iii) approximately 9.99% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares-A and Subscription Shares-B (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the date of the latter of the respective completions of Subscription-A and Subscription-B save for the allotment and issue of Subscription Shares-A and Subscription Shares-B). The aggregate nominal value of Subscription Shares-A will be HK\$31,040,732.

Ranking of Subscription Shares-A

Subscription Shares-A, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of issue and allotment of Subscription Shares-A (including, if issued by the Company under Subscription Agreement-B, Subscription Shares-B), including the right to receive all future dividends and distributions which may be declared, made or paid by the Company with a record date falling on or after the date of allotment and issue of Subscription Shares-A.

Subscription Price

The Subscription Price is HK\$1.09 per Subscription Shares-A, which represents:

- (a) a discount of approximately 1.80% to the closing price of HK\$1.110 per Share as quoted on the Hong Kong Stock Exchange on the date of Subscription Agreement-A; and
- (b) a premium of approximately 2.25% to the average of the closing prices of approximately HK\$1.066 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days immediately prior to the date of Subscription Agreement-A.

The total Subscription Price for Subscription-A shall be paid by Subscriber-A to the Company in cash before or upon completion.

The Subscription Price was determined after arm's length negotiations between the Company and Subscriber-A and with reference to the prevailing and recent market prices, the trading volume of the Shares and current market conditions.

Conditions Precedent to Subscription-A

Completion of Subscription-A is conditional upon the satisfaction of the following conditions:

- (a) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of and permission to deal in Subscription Shares-A (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing Subscription Shares-A);
- (b) all representations, warranties or undertakings made by the Company under Subscription Agreement-A remain to be true, accurate, complete and not misleading in all material respects from the date of Subscription Agreement-A till the date of completion of Subscription-A;
- (c) there not having been any suspension or limitation of trading in any of the Company's securities by the Hong Kong Stock Exchange and/or SGX-ST (save and except for any trading halt in relation to Subscription-A);
- (d) there not having been any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group as a whole; and
- (e) all representations, warranties or undertakings made by Subscriber-A under Subscription Agreement-A remain to be true, accurate, complete and not misleading in all material respects from the date of Subscription Agreement-A till the date of completion of Subscription-A.

Except that Subscriber-A shall be entitled in its absolute discretion, by written notice to the Company, to waive any of the condition(s) set out in paragraphs (b), (c) and (d) above under Subscription Agreement-A, and the Company shall be entitled in its absolute discretion, by written notice to Subscriber-A, to waive the condition set out in paragraph (e) above under Subscription Agreement-A, the conditions precedent set out above are not waivable at all times.

Completion of Subscription-A is not conditional upon completion of Subscription-B.

In the event that any of the conditions precedent shall not have been fulfilled (or waived) prior to Long Stop Date-A, all respective rights, obligations and liabilities of the Company and Subscriber-A in relation to Subscription-A shall cease and determine and none of the Company and Subscriber-A shall have any claim against any other, save for antecedent breaches.

Completion

Completion of Subscription-A shall take place on the fifth Business Day after fulfillment (or wavier) of the conditions precedent set out in Subscription Agreement-A (or such other date as the Company and Subscriber-A may agree in writing).

Subscriber-A's right to nominate a person for appointment as Director

The Company shall use its best endeavours to procure that, for so long as Subscriber-A and/or its associates and/or Affiliates together holds not less than (A) 310,407,322 Shares (or such number of Shares as adjusted following any sub-division of Shares); and (B) 10% in the total issued Shares, Subscriber-A shall from time to time have the right to nominate one person to be appointed as non-executive (excluding independent non-executive) Director (the "**Subscriber Director**") and the Subscriber Director will remain in office after their respective appointment. The Company shall use its best endeavours to procure the completion of the procedure for the appointment of the Subscriber Director as soon as practicable after the completion. If the Subscriber Director shall retire or vacate his/her office as required by applicable laws, Hong Kong Listing Rules or the articles of association of the Company, the Company shall use its best endeavours to procure that the Subscriber Director to be re-elected or re-appointed as non-executive (excluding independent non-executive) Director in the relevant general meeting of the Company. In the event that the Shares held by Subscriber-A and/or its associates and/or Affiliates fall below (i) 310,407,322 Shares (or such number of Shares as adjusted following any sub-division of Shares); or (ii) 10% of the total issued Shares by reason of disposal of any Shares by Subscriber-A, Subscriber-A shall procure the resignation of the Subscriber Director from his/her office of non-executive Director; any Shares that may be issued (a) pursuant to any employee incentive scheme(s) of the Group after the date of Subscription Agreement-A; and (b) under Subscription-B, shall be excluded for calculation of the issued share capital of the Company and hence the sum used as the denominator for the calculation of the percentage of Shares held by Subscriber-A, save and except where Subscriber-A has obtained the prior written consent from the Company for the Subscriber Director to remain in office.

SUBSCRIPTION AGREEMENT-B

The major terms of Subscription Agreement-B are as follows:

Date:	17 February 2025
Parties:	(1) The Company (as issuer); and (2) Subscriber-B (as subscriber)
Number of Shares subscribed for:	31,040,732 Shares
Total subscription proceeds:	HK\$33,834,397.88

Subscription Shares-B

Subscription Shares-B in aggregate represent (i) approximately 1.12% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 1.11% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares-B (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the date of completion of Subscription-B save for the allotment and issue of Subscription Shares-B); and (iii) approximately 1.00% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares-A and Subscription Shares-B (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the date of the latter of the respective completions of Subscription-A and Subscription-B save for the allotment and issue of Subscription Shares-A and Subscription Shares-B). The aggregate nominal value of Subscription Shares-B will be HK\$3,104,073.20.

Ranking of Subscription Shares-B

Subscription Shares-B, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of issue and allotment of Subscription Shares-B (including, if issue by the Company under Subscription Agreement-A, Subscription Shares-A), including the right to receive all future dividends and distributions which may be declared, made or paid by the Company with a record date falling on or after the date of allotment and issue of Subscription Shares-B.

Subscription Price

The Subscription Price is HK\$1.09 per Subscription Shares-B, which represents:

- (a) a discount of approximately 1.80% to the closing price of HK\$1.110 per Share as quoted on the Hong Kong Stock Exchange on the date of Subscription Agreement-B; and
- (b) a premium of approximately 2.25% to the average of the closing prices of approximately HK\$1.066 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days immediately prior to the date of Subscription Agreement-B.

The total Subscription Price for Subscription-B shall be paid by Subscriber-B to the Company in cash before or upon completion.

The Subscription Price was determined after arm's length negotiations between the Company and Subscriber-B and with reference to the prevailing and recent market prices, the trading volume of the Shares and current market conditions.

Conditions Precedent to Subscription-B

Completion of Subscription-B is conditional upon the satisfaction of the following conditions:

- (a) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of and permission to deal in Subscription Shares-B (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing Subscription Shares-B);
- (b) all representations, warranties or undertakings made by the Company under Subscription Agreement-B remain to be true, accurate, complete and not misleading in all material respects from the date of Subscription Agreement-B till the date of completion of Subscription-B;
- (c) there not having been any suspension or limitation of trading in any of the Company's securities by the Hong Kong Stock Exchange and/or SGX-ST (save and except for any trading halt in relation to Subscription-B);
- (d) there not having been any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group as a whole; and
- (e) all representations, warranties or undertakings made by Subscriber-B under Subscription Agreement-B remain to be true, accurate, complete and not misleading in all material respects from the date of Subscription Agreement-B till the date of completion of Subscription-B.

Except that Subscriber-B shall be entitled in its absolute discretion, by written notice to the Company, to waive any of the condition(s) set out in paragraphs (b), (c) and (d) above under Subscription Agreement-B, and the Company shall be entitled in its absolute discretion, by written notice to Subscriber-B, to waive the condition set out in paragraph (e) above under Subscription Agreement-B, the conditions precedent set out above are not waivable at all times.

Completion of Subscription-B is not conditional upon completion of Subscription-A.

In the event that any of the conditions precedent shall not have been fulfilled (or waived) prior to Long Stop Date-B, all respective rights, obligations and liabilities of the Company and Subscriber-B in relation to Subscription-B shall cease and determine and none of the Company and Subscriber-B shall have any claim against any other, save for antecedent breaches.

Completion

Completion of Subscription-B shall take place on the tenth Business Day after fulfillment (or wavier) of the conditions precedent set out in Subscription Agreement-B (or such other date as the Company and Subscriber-B may agree in writing).

INFORMATION OF THE GROUP, SUBSCRIBER-A AND SUBSCRIBER-B

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, the provision of related engineering services and the provision of operator telecommunication services and their value-added services.

Subscriber-A is an investment holding company incorporated in Samoa. Its ultimate beneficial owner is Mr. Yi Lei (易磊).

Subscriber-B is an investment holding company incorporated in Delaware, USA. The ultimate beneficial owner of Subscriber-B is Intel Corporation, a publicly traded company listed on the NASDAQ stock exchange.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Subscriber-A, Subscriber-B and their respective ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons.

GENERAL MANDATE TO ISSUE THE SHARES

Subscription Shares-A and Subscription Shares-B will be allotted and issued under the General Mandate, which has been granted to the Directors at the AGM to allot and issue up to 553,150,533 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. The General Mandate is sufficient for the allotment and issue of Subscription Shares-A and Subscription Shares-B, and the issue of Subscription Shares-A and Subscription Shares-B are not subject to the approval by the Shareholders.

APPLICATION FOR LISTING

Application will be made by the Company to the Hong Kong Stock Exchange for the listing of and permission to deal in Subscription Shares-A and Subscription-B.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement (after trading hours); and (ii) immediately after completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the respective dates of completion of Subscription-A and Subscription-B, is as follows:

	As at the date of this announcement (after trading hours)		Immediately after completion of Subscription-A (assuming Subscription-B is not completed)		Immediately after completion of Subscription-B (assuming Subscription-A is not completed)		Immediately after completion of Subscription-A and Subscription-B	
	<i>Number</i>	<i>Approx.</i>	<i>Number</i>	<i>Approx.</i>	<i>Number</i>	<i>Approx.</i>	<i>Number</i>	<i>Approx.</i>
	<i>of Shares</i>	<i>%^{Note 3}</i>	<i>of Shares</i>	<i>%^{Note 3}</i>	<i>of Shares</i>	<i>%^{Note 3}</i>	<i>of Shares</i>	<i>%^{Note 3}</i>
Substantial Shareholders and Directors								
Mr. Fok Tung Ling ("Mr. Fok") ^{Note 1}	694,417,468	25.13	694,417,468	22.59	694,417,468	24.85	694,417,468	22.37
Mr. Zhang Yue Jun ("Mr. Zhang") ^{Note 2}	228,225,410	8.26	228,225,410	7.42	228,225,410	8.16	228,225,410	7.35
Public Shareholders								
Subscriber-A	-	-	310,407,322	10.10	-	-	310,407,322	9.99
Subscriber-B	-	-	-	-	31,040,732	1.11	31,040,732	1.00
Other public Shareholders	1,839,982,290	66.61	1,839,982,290	59.89	1,839,982,290	65.88	1,839,982,290	59.29
Total	2,762,625,168	100	3,073,032,490	100	2,793,665,900	100	3,104,073,222	100

Notes:

- 678,115,129 Shares are beneficially owned by Prime Choice Investments Limited, which is wholly owned by Mr. Fok. As such, Mr. Fok is deemed or taken to be interested in the 678,115,129 Shares owned by Prime Choice Investments Limited under the SFO. Mr. Fok is also the legal and beneficial owner of 16,302,339 Shares.
- These 228,225,410 Shares are beneficially owned by Wise Logic Investments Limited, which is wholly owned by Mr. Zhang. As such, Mr. Zhang is deemed or taken to be interested in the 228,225,410 Shares owned by Wise Logic Investments Limited under the SFO.
- The percentage figures in this table are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF SUBSCRIPTION-A AND SUBSCRIPTION-B

Each of Subscription-A and Subscription-B represents a good opportunity to strengthen the Group's financial position and provide additional working capital to the Group whilst enlarging the shareholder base and the capital base of the Company. Further, neither Subscription-A nor Subscription-B will not result in interest costs, while each will ensure that the Company can obtain funds of a certain amount within a short time.

The Directors (including the independent non-executive Directors) believes that each of Subscription Agreement-A and Subscription Agreement-B is made on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The aggregate gross proceeds from Subscription-A and Subscription-B is approximately HK\$372,178,000. The estimated aggregate net proceeds from Subscription-A and Subscription-B (after deducting all applicable costs and expenses of Subscription-A and Subscription-B in aggregate) will be approximately HK\$371,991,000 and an estimated net issue price of approximately HK\$1.0895 per Share.

The Group intends to use the proceeds from both Subscription-A and Subscription-B for general working capital of the Group.

Given that completion of each of Subscription-A and Subscription-B is subject to the fulfilment of the conditions and each of Subscription-A and Subscription-B may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

- “Affiliate” in relation to a party to Subscription Agreement-A:
- (a) any subsidiary or parent company of that party and any subsidiary of any such parent company;
 - (b) any limited partnerships or funds in respect of which:
 - (i) such party or any entity mentioned in (a) above acts as the general partner; or

(ii) the general partner is held by such party and/or any entity mentioned in (a) above who can individually or collectively exercise or control the exercise of more than 50% of the voting rights at the general meetings (or equivalent thereof) of the general partner, or control the composition of a majority of the board of directors (or the governing body) of the general partner, provided always that any entity mentioned in (a) above is the fund manager and/or the asset manager of such limited partnership or fund; or

(c) any subsidiary undertaking of any such limited partnerships or funds mentioned in (b) above,

in each case, from time to time

“AGM” the annual general meeting of the Company held on 23 May 2024

“associate” has the meaning ascribed to it in the Hong Kong Listing Rules

“Board” the board of Directors

“Business Day” a day (other than Saturday, Sunday, public holiday or any day on which tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“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 and secondary listed on the Main Board of the SGX-ST

“connected person(s)” has the meaning ascribed to it in the Hong Kong Listing Rules

“Director(s)” the director(s) of the Company

“General Mandate” the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then number of the issued Shares (excluding treasury Shares) as at the date of the AGM

“Group” the Company and its subsidiaries

“Hong Kong”	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 amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Committee”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Long Stop Date-A”	30 June 2025, or such later date as the Company and Subscriber-A may agree
“Long Stop Date-B”	30 June 2025, or such later date as the Company and Subscriber-B may agree
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan region
“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 shareholder(s) of the Company
“Subscriber-A”	Ocean Link Investment Limited, a company incorporated under the laws of Samoa with limited liability
“Subscriber-B”	Intel Capital Corporation, a company incorporated in Delaware, USA
“Subscription-A”	the subscription of 310,407,322 new Shares at the Subscription Price by Subscriber-A pursuant to Subscription Agreement-A
“Subscription-B”	the subscription of 31,040,732 new Shares at the Subscription Price by Subscriber-B pursuant to Subscription Agreement-B
“Subscription Agreement-A”	the conditional subscription agreement entered into between the Company and Subscriber-A dated 17 February 2025 in relation to Subscription-A
“Subscription Agreement-B”	the conditional subscription agreement entered into between the Company and Subscriber-B dated 17 February 2025 in relation to Subscription-B

“Subscription Price”	HK\$1.09 per Share
“Subscription Shares-A”	310,407,322 new Shares to be issued by the Company to Subscriber-A pursuant to the terms of Subscription Agreement-A
“Subscription Shares-B”	31,040,732 new Shares to be issued by the Company to Subscriber-B pursuant to the terms of Subscription Agreement-B
“subsidiary(ies)”	has the meaning as ascribed to it under the Hong Kong Listing Rules
“USA”	United States of America
“%”	per cent.

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

Hong Kong, 17 February 2025

As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Ms. HUO Xinru and Mr. CHANG Fei Fu; and the following independent non-executive Directors: Ms. NG Yi Kum, Ms. WONG Lok Lam and Mr. CHONG Chee Keong, Chris.