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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**”, together with its subsidiaries, collectively the “**Group**”) 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 22 December 2020, Intel Asia Pacific Research and Development Ltd. (英特爾亞太研發有限公司) (the “**Investor**”) and Comba Network Systems Company Limited (京信網絡系統股份有限公司) (“**Comba Network**”), a subsidiary of the Company, entered into a subscription agreement, pursuant to which Comba Network has agreed to allot and issue, and the Investor has agreed to subscribe for 16,586,416 shares, representing 4.5% of the enlarged equity interest in Comba Network (the “**Subscription**”). The consideration for the Subscription is RMB94,241,000.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Board considers that the Subscription will deepen the business connection between the Investor and the Group and the net proceeds from the Subscription will also provide Comba Network with additional funds for development of its business and for general working capital. In view of the above, the Board considers that the Subscription to be in the interest of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE INVESTOR

The Investor is a wholly-owned subsidiary of Intel Corporation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investor and the ultimate beneficial owner of the Investor 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, 22 December 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. WONG Lok Lam.