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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)

INSIDE INFORMATION –
ADDITIONAL CAPITAL CONTRIBUTION TO
COMBA NETWORK SYSTEMS COMPANY LIMITED

This announcement is made by Comba Telecom Systems Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the Company’s announcements dated 7 April 2021 and 3 September 2021 in respect of the proposed spin-off and separate listing of Comba Network Systems Company Limited (“**Comba Network**”, together with its subsidiaries, collectively “**Comba Network Group**”) on the Shanghai Stock Exchange Science and Technology Innovation Board, also known as the Shanghai Stock Exchange STAR Market.

The reporting accountant of Comba Network Group has reported that certain adjustments have to be made to Comba Network’s financial statements for the period ended 30 June 2020. Such adjustments will have an impact on the net assets of Comba Network as at 30 June 2020, being the date of stock conversion for company limited by shares. In light of the foregoing, the Group is required to make additional capital contribution to the paid up capital of Comba Network in the estimated amount of approximately RMB220 million (“**Additional Capital Contribution**”).

As of the date of this announcement, the Company holds 79.66% of the equity interest in Comba Network and the Company's equity interest in Comba Network remains the same upon completing the Additional Capital Contribution. The non-controlling interests in Comba Network is not required to replenish the shortfall in capital through the Additional Capital Contribution.

Based on preliminary review of the financial statements of Comba Network Group and the Group by the board (the "Board") of directors (the "Director(s)") of the Company, the Additional Capital Contribution will have an impact on the Company's consolidated balance sheet for the year ended 31 December 2023 and the capital contribution that is attributable to the non-controlling interests in Comba Network in respect of the Additional Capital Contribution would be recognized in the 2023 consolidated balance sheet. The Additional Capital Contribution to be made to Comba Network will be retained in the Group and so there will be no cash outflow from the Group as a whole.

The Board still believes that the Group has solid fundamentals with healthy financial positions and stable cash flows. The Company will commit itself to create values for shareholders in a long-term and sustainable manner.

The information contained in this announcement is based on the preliminary assessment by the Board. Actual financial results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the announcement(s) of the Company in relation to the financial results of the Group.

Shareholders and potential investors of the Company should note that the proposed spin-off and separate listing are subject to, among others, approval(s) from the relevant PRC regulatory authorities in accordance with all applicable regulations and suitable market conditions, thus may or may not materialise.

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

Hong Kong, 28 February 2023

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.