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COGOBUY GROUP

科通芯城集團

(a company incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 400)

DISCLOSEABLE TRANSACTIONS

OCTOBER SUBSCRIPTION AGREEMENTS REGARDING A SUBSIDIARY AND DEEMED DISPOSAL

Reference is made to the announcements of the Company dated 10 September, 2020 and 25 September, 2020 (the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

Further to the August Subscription Agreements, the September Subscription Agreements and September Further Subscriptions Agreements (as set out in the Announcements), the Board is pleased to announce that the Company and Comtech Industrial, among others, entered into the October Subscription Agreements with the October Investors on 16 October 2020, pursuant to which the October Investors agreed to inject capital into Comtech Industrial in the aggregate amount of up to RMB77,000,000 for an aggregate equity interest of up to 2.81% of Comtech Industrial.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as the Subscription Agreements were entered into between the Group and the respective Investors within a 12-month period, the Company has aggregated the transactions contemplated under the Subscription Agreements for the purposes of calculating the percentage ratios under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Subscription, when aggregated, exceeds 5% but is less than 25%, the Subscriptions constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to the Subscription Agreements, on an aggregated basis, the Company's shareholding in Comtech Industrial (through Alphalink) will decrease from 75% to 65.65%, as such, the Subscriptions constitute a deemed disposal of 9.35% of the Company's equity interest in Comtech Industrial. Comtech Industrial will continue to be a subsidiary of the Company and the financial results of Comtech Industrial will continue to be consolidated into those of the Group.

Shareholders and potential investors should note that the October Subscriptions are subject to the satisfaction of certain conditions and, accordingly, the October Subscriptions may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE OCTOBER SUBSCRIPTION AGREEMENTS REGARDING A SUBSIDIARY

The Board is pleased to announce that the Company and Comtech Industrial, among others, entered into the October Subscription Agreements with the October Investors on 16 October 2020, pursuant to which the October Investors agreed to inject capital into Comtech Industrial in the aggregate amount of up to RMB77,000,000, for an aggregate equity interest of up to 2.81% of Comtech Industrial.

The principal terms of the October Subscription Agreements (with slight variation for each of the October Subscription Agreements) are as follows:

Date

16 October 2020

Parties

- (1) the Company;
- (2) Comtech Industrial;
- (3) Mr. Kang;
- (4) Alphalink;
- (5) Optimum; and
- (6) Jushidai Fund/CATIC Pingshan Fund/Gongqingcheng Kaisheng Fund/Chaoshang ASEAN Investment/Hongwen Capital/Woshun Investment/Anbaike Consulting (each in relation to their respective October Subscription Agreement only).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, apart from Anbaike Consulting as set out in the section headed “Information of the parties involved” below, each of the October Investors (and their ultimate beneficial owner(s)) are third parties independent of, and not connected with, the Company and its connected persons.

October Subscriptions

The Company, Comtech Industrial and the October Investors, among others, entered into the October Subscription Agreements, pursuant to which the October Investors agreed to inject capital into Comtech Industrial in the amount of up to RMB77,000,000 for an aggregate equity interest of up to 2.81% of Comtech Industrial.

Consideration

The aggregate capital injection of up to RMB77,000,000 by the October Investors as set out in the section headed “The October Subscriptions” above represents the consideration for the October Subscription Agreements. The October Investors shall transfer the relevant amount of consideration in a one-off payment to a designated bank account of the Company on the respective Completion Date.

The consideration was determined based on arm’s length negotiations between the parties with reference to, among others:

- (1) the valuation of Comtech Industrial of approximately RMB2,400,000,000 prepared by the Valuer based on the market-based approach, by which the Valuer performed trading multiple analysis of a number of comparable companies listed on a stock exchange in mainland China and primarily engaged in a business similar to the business of Comtech Industrial. The Valuer adopted the average of the price-to-earnings ratios (the “**P/E Ratio Average**”) and the price-to-sales ratios (the “**P/S Ratio Average**”) of the comparable companies as the indicators of the fair value of the comparable companies. The appraised value of Comtech Industrial was computed by multiplying (i) the historical pro-forma profit for the year attributable to the owners of Comtech Industrial and its subsidiaries and Shenzhen Ingdan Microelectronics Research Institute of approximately RMB85,809,000 for the year ended 31 December 2019 with the P/E Ratio Average, and (ii) the historical pro-forma total revenue of Comtech Industrial and its subsidiaries and Shenzhen Ingdan Microelectronics Research Institute of approximately RMB3,906,711,000 for the year ended 31 December 2019 with the P/S Ratio Average;
- (2) the Directors’ anticipated operating performance of Comtech Industrial and its subsidiaries, taking into account the operating performance of Comtech Industrial and its subsidiaries for the two years ended 31 December 2019, details of which are set out in the section headed “Information of the parties involved” below;
- (3) the assessment on the business development and future prospects of Comtech Industrial by the Company’s management; and

- (4) the benefits to be derived by the Group from the October Subscriptions as described in the section headed “Reasons for and benefits of the October Subscriptions” below.

Conditions precedent

Completion of each of the October Subscription Agreements shall be conditional upon fulfillment (or waiver in writing by the respective October Investor) of certain conditions precedent, including:

- (1) all representations and warranties made by the Company, Comtech Industrial, Mr. Kang and Alphalink remaining true, accurate, complete and not misleading and the Company, Comtech Industrial and Mr. Kang having performed and complied with all obligations under the respective October Subscription Agreement that are required to be performed or complied with by them on or before completion;
- (2) all necessary approvals, consents and authorisations from the shareholders of Comtech Industrial in relation to the respective October Subscription Agreement and the transactions contemplated thereunder having been obtained and all necessary documents required thereunder having been executed and delivered;
- (3) written confirmation(s) that any pre-emptive rights of Alphalink and Optimum will not be exercised;
- (4) all necessary approvals, consents, authorisations and registrations required (where applicable) under all applicable laws and regulations and by all relevant authorities (with the exception of the business change registration with the State Administration for Market Regulation) having been obtained and all necessary approvals and consents (where applicable) from creditors and other third parties (including but not limited to banks) having been obtained;
- (5) there not having any existing or potential claims brought by or against any organisation or individual in relation to any of the parties to the respective October Subscription Agreement that may have a material adverse effect on the October Subscriptions or any conditions thereunder (excluding those already disclosed by Comtech Industrial to the respective October Investor or their external consultants prior to the Completion Date); and
- (6) there not having occurred any material adverse events up to and including the Completion Date that (i) are inconsistent with the representations and warranties made by the Company, Comtech Industrial, Mr. Kang and Alphalink, (ii) are inconsistent with the information disclosed to the respective October Investor, and (iii) have a material adverse effect on the business environment, financial status and/or profitability of Comtech Industrial.

Pre-emptive rights

If Comtech Industrial proposes, at any time after three months following the Completion Date (in relation to the October Subscriptions), to obtain any new investment in its capital (except for, as approved by Comtech Industrial's general meeting where appropriate, (i) securities issued in connection with stock or share options granted to or to be granted pursuant to any share option scheme or share incentive plan; (ii) securities issued in connection with a bona fide merger with or acquisition of another business; (iii) securities issued in connection with a conversion of profits or capital reserve; or (iv) securities issued in connection with any share split, share dividend, combination, recapitalisation or similar transaction or securities issued during or after listing ((i) to (iv), the "**Carve-out Issuances**")), Comtech Industrial shall first offer to the October Investors on a pro-rata basis a right to invest up to its pro-rata shareholding of such new investment; provided, however, in the event that the exercise of any pre-emptive rights by the October Investors would require approval by the Shareholders pursuant to the Listing Rules, no pre-emptive rights shall be exercisable by the October Investors unless Shareholders' approval has been obtained.

Right of first refusal and co-sale right

If the Company, Mr. Kang or Alphalink (the "**Selling Shareholders**"), at any time after three months following the Completion Date (in relation to the October Subscription Agreements), proposes to sell or otherwise deal with or dispose of any equity interests in Comtech Industrial (the "**Offered Shares**") to any third party (the "**Transferee**") (with the exception of the Carve-out Issuances), the October Investors shall (i) have a right of first refusal to purchase a portion of such Offered Shares pro rata to the October Investors' existing equity interest in Comtech Industrial, and (ii) have the right to participate in the sale of such Offered Shares to the Transferee for the same price and on the same terms as those agreed between the Selling Shareholders and the Transferee.

Anti-dilution right

If, at any time after the Completion Date and without the prior written approval of the October Investors, Comtech Industrial issues its securities at a lower price than that paid by the October Investors ("**Dilutive Investments**") (with the exception of the Carve-out Issuances), the Company, Comtech Industrial, Mr. Kang and Alphalink shall, subject to compliance of the relevant requirements under the Listing Rules, take necessary actions to ensure that the price paid by the October Investors under the October Subscription Agreements is no higher than that paid for the Dilutive Investments, including (i) issuing new shares to the October Investors at a price lower than that paid for the Dilutive Investments (to the extent permitted under the laws of the PRC and the Listing Rules); (ii) transferring their existing equity interests to the October Investors (to the extent permitted under the laws of the PRC and the Listing Rules); (iii) compensating the investors with a cash amount or (iv) any other method permitted under the laws of the PRC and the Listing Rules.

Redemption right

The October Investors shall have the right (exercisable no later than the end of 2024) to request the Company to repurchase the equity interest in Comtech Industrial held by the respective October Investor should certain conditions set out in the October Subscription Agreements occur after the Completion Date, including:

- (1) the Company, Mr. Kang and Alphalink ceasing to control Comtech Industrial;
- (2) there existing causes of concern in relation to the integrity of dealings by Comtech Industrial and/or the Company, Mr. Kang and Alphalink;
- (3) the Company, Comtech Industrial, Mr. Kang or Alphalink receiving major administrative penalties or becoming the subject of investigations by public security or prosecutorial bureaus as a result of engaging in serious violations of applicable laws;
- (4) Comtech Industrial failing to conduct an initial public offering and the listing of its securities on the Shanghai Stock Exchange, the Shenzhen Stock Exchange or any other recognised stock exchange agreed to by the October Investors before 31 December 2023, unless such failure was a result of non-cooperation by the relevant October Investor or any force majeure events as set out in the Subscription Agreements;
- (5) the Company, Mr. Kang or Alphalink or any of its affiliates transferring the assets of Comtech Industrial in bad faith;
- (6) Comtech Industrial commencing administration, liquidation or bankruptcy proceedings;
- (7) Comtech Industrial being the subject of materially unfavourable litigation results which significantly impact its ability to conduct an initial public offering of its securities;
- (8) the production and business activities of Comtech Industrial ceasing for (i) a continuous period of six months or (ii) a cumulative period of six months in any financial year;
- (9) the net profit of Comtech Industrial or revenue from its main business segment decreasing by 50% or more year-on-year during a financial year where the relevant October Investor hold equity interests in Comtech Industrial; and
- (10) the exercise of a redemption right similar in effect by any other shareholder of Comtech Industrial,

provided, however, in the event that the repurchase by the Company would require approval by the Shareholders pursuant to the Listing Rules or any other securities laws or rules applicable to it (collectively, the “**Applicable Securities Laws**”), no repurchase shall take place unless the Company has obtained all applicable Shareholders’ and/or regulatory approval as may be required under the Applicable Securities Laws.

The redemption price shall be calculated as: $A \times (1 + 8\% \times \frac{T}{365}) - M$, where:

- A : the consideration paid for by the October Investor;
- T : the calendar days between the Completion Date and the date of receipt of the redemption price; and
- M : any cash income received by the October Investor between the Completion Date and the date of receipt of the redemption price by virtue of being a shareholder of Comtech Industrial.

Profit Guarantee

Pursuant to the October Subscription Agreements, Comtech Industrial undertakes to the October Investors that the audited net profit (after deducting non-recurring gains and losses) of Comtech Industrial for the year ending 31 December 2020 shall be no less than RMB160 million.

Should the audited net profit (after deducting non-recurring gains and losses) of Comtech Industrial for the year ending 31 December 2020 be less than RMB160 million, subject to compliance of the relevant requirements under the Listing Rules, the October Investors have the right to request compensation from the Company and Mr. Kang pursuant to one of the following formulas:

Cash compensation: $(\frac{A-B1}{A}) \times C$; or

Share compensation: $(\frac{A-B2}{A}) \times D$,

where

- A : RMB 160 million;
- B1 : the actual audited net profit (after deducting non-recurring gains and losses) of Comtech Industrial for the year ending 31 December 2020;
- B2 : the actual audited net profit of Comtech Industrial for the year ending 31 December 2020;
- C : amount of capital injection by the October Investor; and
- D : the registered capital held by the October Investor (prior to any compensation).

The Company and Mr. Kang shall complete any cash compensation or share compensation within three months of receiving any such request from an October Investor.

Completion

Completion of each of the October Subscription Agreements shall take place on the Completion Date, i.e. the day on which the respective Conditions Precedent have been fulfilled (or waived by the relevant October Investor in writing).

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE SUBSCRIPTIONS

The net proceeds from the Subscriptions, on an aggregated basis, of up to RMB341.9 million (after deducting expenses in relation to the Subscriptions) are expected to be used for the daily operation and business development of the Group and other purposes as agreed between the Company and the Investors.

Pursuant to the Subscription Agreements, on an aggregated basis, the Company's shareholding in Comtech Industrial (through Alphalink) will decrease from 75% to 65.65%, as such, the Subscriptions constitute a deemed disposal of 9.35% of the Company's equity interest in Comtech Industrial. Comtech Industrial will continue to be a subsidiary of the Company and the financial results of Comtech Industrial will continue to be consolidated into those of the Group.

As the decrease in the Company's shareholding in Comtech Industrial will not result in the Company ceasing to control Comtech Industrial, the Subscriptions will be accounted for as an equity transaction and the Company will not record any gain or loss in the consolidated statement of profit or loss from the Subscriptions under Hong Kong Financial Reporting Standards.

REASONS FOR AND BENEFITS OF THE OCTOBER SUBSCRIPTIONS

The Group expects that the demand for chips from customers in the PRC will increase greatly as a result of the widespread adoption and rapid development of 5G. As the Group's chip sales are conducted primarily through Comtech Industrial, the introduction of the October Investors as strategic investors will provide additional sources of capital for the daily operations of the Group to meet the increased demand and at the same time help to further expand the Group's business development and increase its market share in the industry.

The Directors believe that the terms of the October Subscriptions are fair and reasonable and in the interests of the shareholders as a whole.

INFORMATION OF THE PARTIES INVOLVED

The Company

The Company is a technology service company focusing on servicing global IC chips industry and AIoT ecosystem in China. The Group's two primary businesses focus on (i) the sales and promotion of IC chips to AIoT enterprises in China; and (ii) the research and development and sales of proprietary

products, as well as developing customized technical solutions, providing financing services and seeking investment or acquisition and merger opportunities in high-quality startups within the Group's AIoT ecosystem.

Comtech Industrial

Comtech Industrial, an indirect non-wholly owned subsidiary of the Company, is a company established in the PRC that is principally engaged in investment holding and the sales and promotion of IC chips to AIoT enterprises in China.

Set out below is the summary financial information of Comtech Industrial and its subsidiaries and Shenzhen Ingdan Microelectronics Research Institute for the two years ended 31 December 2019 based on its audited combined accounts:

	For the year ended 31 December 2018 (RMB'000)	For the year ended 31 December 2019 (RMB'000)
Net profit before tax	51,632	87,956
Net profit after tax	45,948	85,809

As at 31 December 2019, Comtech Industrial had net assets of approximately RMB71,836,000 as shown in its audited accounts.

Mr. Kang

Mr. Kang is the chief executive officer, chairman of the Board, an executive Director and the controlling shareholder of the Company.

Alphalink

Alphalink, a wholly owned subsidiary of the Company, is a limited liability company incorporated in the British Virgin Islands principally engaged in investment holding.

Optimum

Optimum is a limited liability company incorporated in Hong Kong principally engaged in investment holding.

Jushidai Fund

Jushidai Fund is a limited partnership established in the PRC principally engaged in equity investments and investment consultancy.

CATIC Pingshan Fund

CATIC Pingshan Fund is a limited partnership established in the PRC principally engaged in venture capital investments and consultancy.

Gongqingcheng Kaisheng Fund

Gongqingcheng Kaisheng Fund is a limited partnership established in the PRC principally engaged in equity investments and investment management.

Chaoshang ASEAN Investment

Chaoshang ASEAN Investment is a limited liability company established in the PRC principally engaged in equity investments and management.

Hongwen Capital

Hongwen Capital is a limited liability company established in the PRC principally engaged in project investments and investment management.

Woshun Investment

Woshun Investment is a limited partnership established in the PRC principally engaged in equity investments and investment management.

Anbaike Consulting

Anbaike Consulting a limited liability company established in the PRC principally engaged in business management consultancy and management.

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries which have not been independently verified, the Company would like to provide further information in relation to the Investors:

1. The Investors have significant financial, technical or marketing resources and are sophisticated in the Chinese high and new technology industries. The strategic relationships with these well-established and well-financed Investors may provide synergy for the Company's operations and services in the electronics manufacturing industry in China. In addition, the Subscriptions may provide favorable conditions in capital markets in which the Company may seek to raise funds.
2. Each of the Investors has different investment portfolios in the high and new technology industries, and their investments in Comtech Industrial are one of their investments in their portfolios.

3. Apart from (i) Yimi Kaide and Yimi VC which are ultimately controlled by Mr Zhang Jinxi (張錦喜), an independent third party and (ii) Changsheng Jiuliang Investment which is ultimately controlled by Mr Zhuo Chuguang (卓楚光), an independent third party, (iii) Chaoshang ASEAN Investment which is ultimately controlled by (a) Mr Zheng Guiquan (鄭桂泉), (b) Mr Huang Dawei (黃大衛), (c) Ms Wu Yudan (吳玉丹), (d) Mr Wu Mutang (吳木棠) and (e) Ms Zheng Mianjuan (鄭綿娟), each (a) to (e) an independent third party, (iv) Woshun Investment which is ultimately controlled by Mr Cheng Wendan (程文丹), an independent third party, and (v) Anbaike Consulting which is ultimately controlled by Mr Yang Donald Xiang-Dong (楊向東), a connected person pursuant to Rule 14A.06(7) of the Listing Rules by virtue of being the spouse of Ms Ni Hong, Hope (the non-executive Director of the Company), each of Yuecai Emerging, Chuangying Jianke, Zhongtai VC, IH Donghai, Homwon Capital, Pan-cultural VC, Shenbao Yiben, S&M CG Venture Investment, Shengdong Investment, Jushidai Fund, CATIC Pingshan Fund, Gongqingcheng Kaisheng Fund and Hongwen Capital is ultimately controlled by different branches of the PRC government in different locations.

VARIATION OF THE AUGUST SUBSCRIPTION AGREEMENTS

Reference is made to the announcement of the Company dated 10 September, 2020. The Company, Comtech Industrial, Mr. Kang, Alphalink and Optimum entered into the August Subscription Agreements with the August Investors on 6 August 2020, pursuant to which the August Investors agreed to inject capital into Comtech Industrial in the amount of up to RMB50,000,000, for an aggregate equity interest of up to 1.95% of Comtech Industrial.

On 16 October 2020, the Company, Comtech Industrial, Mr. Kang, Alphalink and Optimum entered into a variation agreement with the August Investors, pursuant to which each party agreed to decrease the amount of capital injection to up to RMB31,100,000 in relation to the August Subscription Agreements, representing an aggregate equity interest of up to 1.13% of Comtech Industrial taking into account all the Subscription Agreements entered into. Apart from this, the other terms of the August Subscription Agreements remain the same.

LISTING RULES IMPLICATIONS

Optimum entered into the Subscription Agreements as a shareholder of Comtech Industrial, whereas Mr. Kang entered into the Subscription Agreements as a controller of the Company (which currently holds a 75% interest in Comtech Industrial). Both Optimum and Mr. Kang were required under the Subscription Agreements to give the Investors certain representatives and warranties such as (i) due authorization of Comtech Industrial to enter into the Subscription Agreements, (ii) no conflicts of the Subscription Agreements against the constitutional documents of Comtech Industrial, (iii) due incorporation of Comtech Industrial, (iv) representation of matters concerning accounting, taxation, assets, intellectual property, litigation and employment, etc. Mr. Kang shall be liable jointly if Comtech Industrial breaches the terms of the Subscription Agreements and Mr. Kang and the Company shall be responsible for any cash compensation or share compensation in case the profit guarantee is not met. The Subscriptions do not constitute a transaction for the purpose of Chapter 14A of the Listing Rules.

In relation to the Subscription Agreement with Anbaike Consulting which is ultimately controlled by Mr Yang Donald Xiang-Dong (楊向東), a connected person pursuant to Rule 14A.06(7) of the Listing Rules by virtue of being the spouse of Ms Ni Hong, Hope (the non-executive Director of the Company), as all the percentage ratios of such transaction are less than 5% and the total investment amount by Anbaike Consulting into Comtech Industrial is RMB2,000,000, which is less than HKD3,000,000, the Subscription Agreement with Anbaike Consulting is fully exempted from the connected transaction requirements pursuant to Rule 14A.73 and Rule 14A.76 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, as the Subscription Agreements were entered into between the Group and the respective Investors within a 12-month period, the Company has aggregated the transactions contemplated under the Subscription Agreements for the purposes of calculating the percentage ratios under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Subscriptions, when aggregated, exceeds 5% but is less than 25%, the Subscriptions constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the October Subscriptions are subject to the satisfaction of certain conditions and, accordingly, the October Subscriptions may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings set out below:

“AI”	artificial intelligence
“AIoT”	AI and Internet of Things
“Alphalink”	Alphalink Global Limited, a wholly owned subsidiary of the Company and a shareholder as to 75% of the equity interests in Comtech Industrial
“Anbaike Consulting”	Anbaike (Shanghai) Business Information Consulting Co., Ltd.* (安拜客(上海)商務資訊諮詢有限公司)
“August Investors”	Yuecai Emerging and Chuangying Jianke
“August Subscription Agreements”	the subscription agreement entered into on 6 August 2020, between the Company, Comtech Industrial, Mr. Kang, Alphalink, Optimum and the August Investors
“Board”	the board of Directors

“CATIC Pingshan Fund”	Shenzhen CATIC Pingshan Integrated Circuit Venture Capital Partnership (Limited Partnership)* (深圳中航坪山積體電路創業投資合夥企業(有限合夥))
“Chuangying Jianke”	Guangzhou Chuangying Jianke Investment Partnership Enterprise (Limited Partnership)* (廣州創盈健科投資合夥企業(有限合夥))
“Changsheng Jiuliang Investment”	Guangzhou Changsheng Jiuliang High-end Manufacturing Investment Partnership (Limited Partnership)* (廣州長晟久量高端製造產業投資合夥企業(有限合夥))
“Chaoshang ASEAN Investment”	Chaoshang ASEAN Investment Fund Management Co., Ltd.* (潮商東盟投資基金管理有限公司)
“Company”	Cogobuy Group (科通芯城集團), a company incorporated under the laws of the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the day on which the Conditions Precedent under the relevant October Subscription Agreement have been fulfilled (or waived by the relevant Investor in writing)
“Comtech Industrial”	Comtech Industrial Technology (Shenzhen) Company Limited* (科通工業技術(深圳)有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Conditions Precedent”	the conditions precedent under the Subscription Agreements, details of which are set out under the section headed “The October Subscription Agreements regarding a subsidiary — Conditions precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Gongqingcheng Kaisheng Fund”	Gongqingcheng Kaisheng No. 3 Equity Investment Partnership (Limited Partnership)* (共青城凱晟三號股權投資合夥企業(有限合夥))
“Group”	the Company and its subsidiaries
“Homwon Capital”	Homwon Capital Management Co., Ltd. (弘灣資本管理有限公司)
“Hongwen Capital”	Shenzhen Hongwen Wenchuang Capital Co., Ltd* (深圳市弘文文創投資有限公司)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“IC”	integrated circuits
“IH Donghai”	Shenzhen Investment Holding Donghai Small, Medium and Micro Venture Capital Enterprise (Limited Partnership)* (深圳市投控東海中小微創業投資企業(有限合夥))
“Investors”, each an “Investor”	the August Investors, the September Investors, the September Further Investors and the October Investors
“Jushidai Fund”	Zhuzhou Jushidai Private Equity Fund Partnership (Limited Partnership)* (株洲聚時代私募股權基金合夥企業(有限合夥))
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Kang”	Kang Jingwei, Jeffrey, a Director and the controlling shareholder of the Company
“October Investors”, each a “October Investor”	Jushidai Fund, CATIC Pingshan Fund, Gongqingcheng Kaisheng Fund, Chaoshang ASEAN Investment, Hongwen Capital, Woshun Investment and Anbaike Consulting
“October Subscriptions”	the subscription of an aggregate amount of up to RMB77,000,000 in the capital of Comtech Industrial by the October Investors
“October Subscription Agreements”	the subscription agreements entered into on 16 October 2020 between the Company, Comtech Industrial, Mr. Kang, Alphalink, Optimum, and each of the October Investors
“Optimum”	Optimum Profuse Technology (HK) Limited, one of the shareholders of Comtech Industrial and a shareholder as to 25% of the equity interests in Comtech Industrial immediately prior to the Subscriptions
“Pan-cultural VC”	Shenzhen Bay Pan-cultural Venture Capital Partnership (Limited Partnership)* (深圳灣泛文化產業創業投資合夥企業(有限合夥))
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, Macao and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“September Further Investors”, each a “September Further Investor”	Pan-cultural VC, Shenbao Yiben, S&M CG Venture Investment, Shengdong Investment and Changsheng Jiuliang Investment
“September Further Subscription Agreements”, each a “September Further Subscription Agreement”	the subscription agreements entered into on 25 September 2020 between the Company, Comtech Industrial, Mr. Kang, Alphalink, Optimum, and each of the September Further Investors
“September Subscription Agreements”	the subscription agreements entered into on 10 September 2020 between the Company, Comtech Industrial, Mr. Kang, Alphalink, Optimum, and each of the September Investors
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Shenbao Yiben”	Shenzhen Shenbao Yiben Culture Equity Investment Fund Partnership (Limited Partnership)* (深圳市深報一本文化產業股權投資基金合夥企業(有限合夥))
“Shengdong Investment”	Liuzhou Shengdong Investment Center (Limited Partnership)* (柳州盛東投資中心(有限合夥))
“S&M CG Venture Investment”	Shenzhen S&M CG Venture Investment Co., Ltd.* (深圳市中小擔創業投資有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the subscription of an aggregate amount of up to RMB341,900,000 in the capital of Comtech Industrial in relation to the Subscription Agreements
“Subscription Agreements” each a “Subscription Agreement”	the August Subscription Agreements, the September Subscription Agreements, the September Further Subscription Agreements and the October Subscription Agreements (as appropriate)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Valuer”	Trinity Corporate Finance Limited, a third-party valuer
“Woshun Investment”	Liuzhou Woshun Investment Center (Limited Partnership)* (柳州沃順投資中心(有限合夥))

“Yuecai Emerging” Guangdong Yuecai Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership)* (廣東粵財新興產業股權投資基金合夥企業(有限合夥))

“Zhongtai VC” Zhongtai Venture Capital (Shenzhen) Co., Ltd.* (中泰創業投資(深圳)有限公司))

By order of the Board
Cogobuy Group
KANG Jingwei, Jeffrey
*Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, 16 October 2020

As at the date of this announcement, the executive Directors are Mr. KANG Jingwei, Jeffrey and Mr. WU Lun Cheung Allen; the non-executive Director is Ms. NI Hong, Hope; and the independent non-executive Director are Mr. YE Xin, Dr. MA, Qiyuan and Mr. HAO Chunyi, Charlie.

* *For identification purposes only*