
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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匯聚科技有限公司 TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1729)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY; AND (2) NOTICE OF EGM

Financial advisers to the Company

FRONTPAGE 富比

Independent financial adviser to the Independent Board Committee and
the Independent Shareholders



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 6 to 15 of this circular. The letter from the Independent Board Committee is set out on pages 16 to 17 of this circular. The letter from the Independent Financial Adviser is set out on pages 18 to 37 of this circular, which contains its advice to the Independent Board Committees and Independent Shareholders.

A notice convening the hybrid EGM to be held on Thursday, 15 July 2021 at 2:30 p.m. with the combination of a physical meeting at Boardroom, Unit 601, 6/F, Photonics Centre, 2 Science Park East Avenue, Hong Kong Science Park, Shatin, Hong Kong and a virtual meeting online via Tricor e-Meeting System is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person or online via Tricor e-Meeting System, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person or online via Tricor e-Meeting System at the EGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE EGM

Please refer to page 1 of this circular for precautionary measures being taken to prevent the spreading of Novel Coronavirus (COVID-19) at the EGM, including:

1. Compulsory body temperature checks
2. Compulsory wearing of surgical face mask
3. No refreshments or drinks will be provided and no corporate gifts or cake coupons will be distributed

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue, at the absolute discretion of the Company as permitted by the laws of Hong Kong. The Company also encourages Shareholders to consider attending the EGM via Tricor e-Meeting System or appointing the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM as an alternative to attending the EGM in person.

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PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE EGM

In view of the present Novel Coronavirus (COVID-19) pandemic and recent requirements (if any) for prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will implement the following precautionary measures at the EGM:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.3 degrees Celsius, or has flulike symptoms or is otherwise unwell will be denied entry into the EGM venue.
- (ii) Compulsory wearing of surgical face masks by all attendees prior to admission to the EGM venue and throughout the EGM.
- (iii) Maintenance of a safe distance between seats. The Company may limit the number of attendees at the EGM as may be necessary to avoid over-crowding.
- (iv) No refreshments or drinks will be provided and no corporate gifts or cake coupons will be distributed.

To the extent permitted by the laws of Hong Kong, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue so as to ensure the health and safety of the attendees at the EGM.

Subject to the development of the COVID-19 situation, the Company may implement additional precautionary measures as and when appropriate.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance at the EGM is not necessary for the purpose of exercising voting rights. As an alternative to attending the EGM in person, Shareholders are encouraged to consider appointing the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM by submitting the form of proxy with voting instructions inserted.

The form of proxy for the EGM is enclosed with this circular. Alternatively, the form of proxy can be downloaded from the Company's website at www.time-interconnect.com and the Stock Exchange website at www.hkexnews.hk.

If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued capital of the Target Company as contemplated under the S&P Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audited NAV”	the audited net assets value of the Target Group as at 31 March 2021 based on the audited financial statements of the Target Group for the year ended 31 March 2021
“Board”	the board of Directors
“business day(s)”	any day(s) except Saturday, Sunday or public holiday on which banks are open in Hong Kong and Singapore to the general public for business
“BVI”	the British Virgin Islands
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of the Company
“Company”	Time Interconnect Technology Limited (匯聚科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the S&P Agreement
“Completion Date”	the date of Completion, which shall take place on the tenth business days after the issue of the notice by the Purchaser that the last of the conditions precedent under the S&P Agreement has been satisfied, or any other date as the Vendor and the Purchaser may agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the purchase price of the entire issued share capital of the Target Company initially determined at HK\$69,000,000 payable by the Purchaser to the Vendor for the Acquisition, subject to adjustment in accordance with the S&P Agreement

DEFINITIONS

“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the hybrid extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the S&P Agreement and the transactions contemplated thereunder
“Gold Peak”	Gold Peak Industries (Holdings) Limited(金山工業(集團)有限公司), a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange (stock code: 40) and a Controlling Shareholder of the Company
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou GP Wiring”	Huizhou GP Wiring Technology Ltd. (惠州金山線束科技有限公司), a company established in the PRC with limited liability and registered and paid-up capital of US\$4,093,000
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the S&P Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Asian Capital Limited (卓亞融資有限公司), a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
“Independent Shareholders”	Shareholders who are entitled to attend and vote at the EGM, other than: (i) the Vendor and its associates; and (ii) all other Shareholders (if any) who are involved or interested in the Acquisition

DEFINITIONS

“Latest Practicable Date”	15 June 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Linkz Individual Shareholders”	consists of six individuals, namely Mr. Cua Tin Yin Simon, Mr. Sy Yuk Tsan, Mr. Li Ping Kuen, Mr. Chan Ting Hei, Ms. Lo Ching Yee and Mr. Wong Wai Hung, holding 1.09%, 0.72%, 0.09%, 0.09%, 0.04% and 0.02% (together representing 2.05%) of the issued ordinary share capital of Linkz Industries, respectively
“Linkz Industries”	Linkz Industries Limited, a company incorporated in Hong Kong with limited liability and a Controlling Shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	30 September 2021
“Mr. Paul Lo”	Mr. Lo Chung Wai Paul, the non-executive Director, the Chairman and a Controlling Shareholder of the Company
“Nickson Holdings”	Nickson Holdings Limited, a company incorporated in the BVI with limited liability, a Controlling Shareholder of the Company and is wholly owned by Mr. Paul Lo
“Permitted Dividend”	collectively, (i) dividend in the sum of HK\$21.4 million by the Target Group prior to Completion; and (ii) dividend(s) in such other sum(s) with the support of books and records of the Target Group to the satisfaction of the Purchaser in writing, such that following the declaration and payment thereof would not result in the then net asset value of the Target Group at Completion falling below the Audited NAV
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Time Interconnect Investment Limited, a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Singapore”	the Republic of Singapore

DEFINITIONS

“Singapore Exchange”	Singapore Exchange Securities Trading Limited
“S&P Agreement”	the conditional sale and purchase agreement dated 31 May 2021 entered into between the Purchaser and the Vendor in relation to the Acquisition
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	GP Industries Marketing Limited(金山工業貿易有限公司), a company incorporated in Hong Kong with limited liability and issued and paid-up share capital of HK\$21,000,000 which comprises of 1,300,000 ordinary shares and 800,000 non-voting deferred shares
“Target Group”	the Target Company and its subsidiaries after the implementation of the reorganisation of the Target Group prior to Completion, namely Huizhou GP Wiring
“Time Holdings”	Time Interconnect Holdings Limited, a company incorporated in the BVI with limited liability, a Controlling Shareholder of the Company and is wholly-owned by Linkz Industries
“Unaudited NAV”	the net asset value of the Target Group as at 31 March 2021 based on the unaudited management accounts of the Target Group for the year ended 31 March 2021
“US\$”	United States Dollars, the lawful currency of the United States
“Vendor”	GP Industries Limited, a company incorporated in Singapore whose shares are listed on the Singapore Exchange (stock code: G20) and a Controlling Shareholder of the Company
“%”	per cent

Unless the context requires otherwise, amounts in RMB in this circular have been translated into HK\$ at the rate of RMB1 = HK\$1.2. No representation is made that any amounts in HK\$ and RMB have been or could be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1729)

Executive Directors:

Mr. Cua Tin Yin Simon (*Chief Executive Officer*)
Mr. Wong Chi Kuen

Non-executive Director:

Mr. Lo Chung Wai Paul (*Chairman*)

Independent non-executive Directors:

Mr. Ho Hin Shun
Mr. Luk Wai Shing
Mr. Chan Chung Shun Eric

Registered office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 601, Photonics Centre,
2 Science Park East Avenue,
Hong Kong Science Park,
Shatin, Hong Kong

22 June 2021

To the Shareholders

Dear Sir or Madam,

**(1) DISCLOSEABLE AND
CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION
OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY; AND
(2) NOTICE OF EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 31 May 2021.

On 31 May 2021 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company at the initial consideration of HK\$69,000,000 (subject to adjustment), subject to the terms and conditions of the S&P Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Acquisition and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the EGM.

THE S&P AGREEMENT

The principal terms of the S&P Agreement are set out below:

Date

31 May 2021

Parties

Purchaser: Time Interconnect Investment Limited, a direct wholly-owned subsidiary of the Company

Vendor: GP Industries Limited

As at the Latest Practicable Date, Linkz Industries, which in turn holds 63.85% equity interest of the Company through Time Holdings, is owned as to 38.13% by the Vendor (which is owned as to 85.47% by Gold Peak), 39.68% by Mr. Paul Lo, 20.14% by Nickson Holdings and 2.05% by the Linkz Individual Shareholders, respectively. For the purpose of the Listing Rules, the Vendor, Gold Peak, Mr. Paul Lo, Nickson Holdings and the Linkz Individual Shareholders are a group of Controlling Shareholders by virtue of their holding interests commonly through Linkz Industries. As such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

Assets to be acquired

Pursuant to the S&P Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company, subject to the terms and conditions of the S&P Agreement. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company. For detailed information of the Target Group, please refer to the section headed “Information of the Target Group” below.

Consideration

The Consideration is initially determined at approximately HK\$69,000,000 after arm’s length negotiation between the Vendor and the Purchaser having taken into consideration (i) the Unaudited NAV amounted to approximately HK\$72,171,000; and (ii) the factors set out in the section headed “Reasons for and the benefits of the proposed Acquisition” below.

LETTER FROM THE BOARD

The Consideration shall be payable by the Purchaser to the Vendor in cash upon Completion. It is expected that approximately HK\$50,000,000 of the Consideration will be financed by a term loan granted by a leading bank in Hong Kong and the remaining portion of the Consideration will be financed by internal resources of the Group. According to the latest negotiations with the leading bank and the indicative term sheet, the Group will be granted a term loan by the bank with a tenor of three years and carry an interest rate of applicable HIBOR plus an agreed margin per annum.

Adjustment to Consideration

Pursuant to the S&P Agreement, the initial Consideration is subject to adjustment. Prior to Completion, auditors (or other qualified public accountants firm acceptable to or agreed by the Purchaser and the Vendor) shall be appointed to prepare the audited financial statements of the Target Group for the year ended 31 March 2021 as soon as practicable. In the event that the difference between the Unaudited NAV and the Audited NAV is more than 5%, the final Consideration shall be adjusted proportionately in accordance with the percentage change of the Audited NAV against the Unaudited NAV, provided that following the Consideration adjustment, the final Consideration shall be capped at HK\$80,000,000.

Conditions precedent

Unless otherwise agreed by the Vendor and the Purchaser in writing, Completion is conditional upon the following conditions precedent being satisfied on or before the Long Stop Date:

- (a) the Purchaser having obtained all necessary corporate authorisations including board resolutions and shareholder's resolutions approving the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (b) the Vendor having obtained all necessary corporate authorisations including board resolutions, regulatory approvals, consent and certificates required under the listing rules of the Singapore Exchange and the Singapore Exchange's approval and clearance in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (c) Gold Peak having obtained the approval of its shareholders at its general meeting (if required), all necessary regulatory approvals, consent and certificates required under the Listing Rules and the Stock Exchange's approval and clearance in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (d) the Company having obtained the approval of its shareholders at its general meeting, all necessary regulatory approvals, consent and certificates required under the Listing Rules and the Stock Exchange's approval and clearance in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;

LETTER FROM THE BOARD

- (e) the Company having obtained a term loan facility from a bank in Hong Kong in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (f) the reorganisation of the Target Group by transferring the entire equity interest of Huizhou GP Wiring to the Target Company having been completed;
- (g) the audited financial statements of the Target Group for the year ended 31 March 2021 having been prepared by auditors (or other qualified public accountants firm acceptable or agreed by the Purchaser and the Vendor);
- (h) each of the warranties made by the Vendor in the S&P Agreement remaining true and accurate in all material respects at the Completion Date;
- (i) the legal and financial due diligence on the business and operations of the Target Group by or on behalf of the Purchaser having completed to the satisfaction of the Purchaser; and
- (j) each of the Vendor and the Purchaser having obtained all necessary regulatory approvals, consent and certificates required pursuant to all applicable law, statute, regulation or ordinance and all necessary approvals, licenses, authorisations, consents, waivers or notifications necessary from third parties, governmental or regulatory authorities in the PRC, Singapore, Hong Kong, the BVI and the Cayman Islands in connection with the transactions required to be obtained having been granted and in effect.

The above-mentioned conditions precedent are not waivable by the Purchaser and the Vendor and there is no intention for the Purchaser and the Vendor to waive any of the conditions precedent in subsequent period. Save for conditions precedent (a) which has been fulfilled, none of the conditions precedent has been fulfilled or waived as at the Latest Practicable Date. If any of the conditions precedent shall not have been satisfied at or before 5:00 p.m. on the Long Stop Date, then, unless otherwise agreed in writing between the parties, the S&P Agreement and the terms and conditions hereof will immediately and automatically terminate, in which case, no party to the S&P Agreement shall have any further obligations or liabilities under or arising from the S&P Agreement.

Restricted Action

Prior to Completion, except for the declaration and payment of the Permitted Dividend, the Vendor shall procure that the Target Group will not declare, pay or make any dividends or other distributions.

Completion

Completion shall take place on the tenth business day (or on any other day as the Vendor and the Company may agree in writing) following the notice issued by the Purchaser to the Vendor informing the satisfaction of all the conditions precedent in the S&P Agreement.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

Information on the Purchaser

The Purchaser is an investment holding company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of the Company. The Group is principally engaged in the manufacturing and sales of cable assembly products and networking cables.

Information on the Vendor

The Vendor is a company incorporated in Singapore whose shares are listed on the Singapore Exchange (stock code: G20). The Vendor and its subsidiaries specialise in the development, manufacture and distribution of a wide range of products including electronics and acoustic products, batteries and battery-related products, and automotive wire harness. As at the Latest Practicable Date, to the best knowledge of the Directors, the Vendor is owned as to (i) 85.47% by Gold Peak, which is a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of Stock Exchange (stock code: 40) and is owned by Mr. Victor Lo Chung Wing, the brother of Mr. Paul Lo, as to 25.41%; (ii) 0.06% by Mr. Victor Lo Chung Wing directly; and (iii) the remaining shareholding of 14.47% by the public shareholders which are independent to the Group.

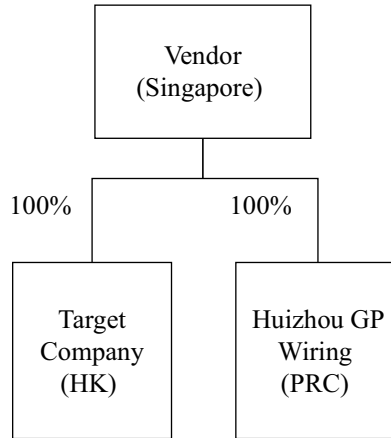
Information of the Target Group

The Vendor carries on its manufacturing and sales of automotive wire harness business through the Target Company and Huizhou GP Wiring. The Target Group's products are sold to customers on the OEM basis, which are produced to apply in the customers' products based on the specifications and designs provided by the customers. During the years ended 31 March 2020 and 2021, the Target Group has sold products to more than 20 customers which are mainly listed corporations engaged in manufacturing of automotive and automotive parts and accessories with operations globally or in the PRC. The Target Company was incorporated in Hong Kong with limited liability on 14 January 1992 and is principally engaged in the marketing and trading of automotive wire harness products. The Vendor acquired all issued shares of the Target Company by December 1996 at a total costs of approximately HK\$27,294,000. Established on 14 January 2000 in the PRC, Huizhou GP Wiring is mainly responsible for producing the automotive wire harness products. Huizhou GP Wiring has a production facility located in Huizhou with a total gross floor area of approximately 12,125 square meters. The production facility of Huizhou GP Wiring comprises 60 automated production lines installed with production machines having net book value of approximately HK\$11.6 million as at 31 March 2021. Under the existing production scale, Huizhou GP Wiring is able to make approximately 267.5 million crimps per year for the production of automotive wiring harness. In general, the major raw materials used for the Target Group's products are mainly copper cables, connectors and terminals, insulating materials such as PVC and electronic components such as PCBA. As at the Latest Practicable Date, the Target Group sources its raw materials from over 100 suppliers located in the PRC, Hong Kong, the United States and some European countries. The products manufactured by Huizhou GP Wiring are then sold to customers in the PRC directly by Huizhou GP Wiring or to the Target Company for further distribution to overseas customers. The Vendor shall undertake and

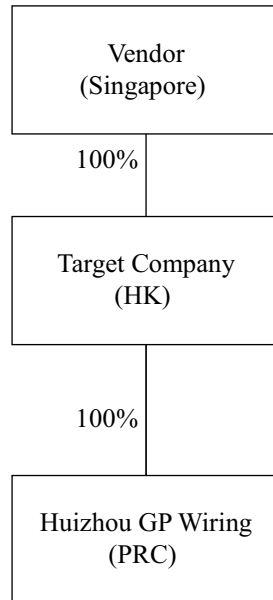
LETTER FROM THE BOARD

complete the reorganisation for the Target Group by transferring the entire equity interest capital of Huizhou GP Wiring to the Target Company prior to Completion pursuant to the S&P Agreement as shown below.

The shareholding structure of the Target Group as at the Latest Practicable Date



The shareholding structure of the Target Group immediately before Completion



LETTER FROM THE BOARD

Financial information of the Target Group

Based on the unaudited management accounts of the Target Group for the years ended 31 March 2020 and 2021, the turnover, the net profit (before and after taxation) and the net assets of the Target Group are as follows:

	For the year ended 31 March 2020 (unaudited) HK\$'000	For the year ended 31 March 2021 (unaudited) HK\$'000
Revenue	203,801	190,575
Profit before tax	12,499	10,014
Profit after tax	9,858	8,141

According to the unaudited management accounts of the Target Group, the Target Group recorded net assets of approximately HK\$72,171,000 as at 31 March 2021.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Over the past years, China has remained as the largest automotive market and automotive manufacturing country in the world. With the launch of certain industrial plans by the PRC government which focus on the technological advancements and the expectation that fossil fuel will be run out in the future, large corporations in China have announced their action to research and develop electric vehicles and/or autonomous driving technology. In October 2020, the State Council formulated a goal that by 2025, sales of new energy automobiles in China should account for 20% of the total sales of new vehicles. Against this backdrop, the Directors have noted that one of the Group's major customers has partnered with automotive manufacturers and launched their first electric model with the customer's brand name. The Directors considered that the Target Group's product of automotive wire harness will be a good opportunity for the Group to extend its product mix offered to this major customer and also tap into the new business sector so as to diversify the Group's business portfolio and broaden its income stream with distinct customer base.

As disclosed in the section headed "Information on the Target Group" above, the Target Group is principally engaged in the manufacturing and sales of automotive wire harness which is one of the key components used to convey information and power in a vehicle. As the Target Group has a proven operating history of over 20 years, the Acquisition allows the Group to leverage on the Target Group's extensive knowhow and existing production facilities to immediately deliver reliable and high quality products to its customers. Given that smart vehicles generally need reliable and high-speed data transfer for the autonomous driving technology, the Directors believe that the Acquisition can integrate the research and development resources of the Group, which has expertise in high-speed and high-capacity cable assembly products, with the Target Group to produce products that can meet the highest standards and specifications for new smart vehicles. In addition, the Target Group's production

LETTER FROM THE BOARD

facilities are located within the close proximity of the Group's existing production facilities in Huizhou and thereby optimise the efficiency in managing the operations of the Target Group by the Group's local management.

In view of the above, the Directors (including the independent non-executive Directors who express their view after considering the advice from the Independent Financial Adviser) are of the view that the transactions contemplated under the S&P Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, as at the Latest Practicable Date, Linkz Industries, which in turn holds 63.85% equity interest of the Company through Time Holdings, is owned as to 38.13% by the Vendor (which is owned as to 85.47% by Gold Peak), 39.68% by Mr. Paul Lo, 20.14% by Nickson Holdings and 2.05% by the Linkz Individual Shareholders, respectively. For the purpose of the Listing Rules, the Vendor, Gold Peak, Mr. Paul Lo, Nickson Holdings and the Linkz Individual Shareholders are a group of Controlling Shareholders by virtue of their holding interests commonly through Linkz Industries. As such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. The Acquisition is therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for Mr. Cua Tin Yin Simon, being the executive Director who holds 0.011% of the issued share capital of Gold Peak which in turn owns 85.47% equity interests of the Vendor, having abstained from voting in respect of the S&P Agreement, none of the Directors has abstained from voting at the meeting of the Board on the resolution to approve the S&P Agreement and the transactions contemplated thereunder.

The Vendor and its associates are regarded as having a material interest in the Acquisition and therefore are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the S&P Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, Time Holdings, an associate of the Vendor, held 1,175,070,000 Shares, representing approximately 63.85% of the issued share capital of the Company. Accordingly, Time Holdings will abstain from voting at the EGM in respect of the resolution proposed to be passed for approving the S&P Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no other Shareholders are required to abstain from voting at the EGM.

LETTER FROM THE BOARD

The Independent Board Committee has been formed to consider, and to advise the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder. Asian Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder.

EGM

The hybrid EGM will be convened and held on Thursday, 15 July 2021 at 2:30 p.m. with the combination of a physical meeting at Boardroom, Unit 601, 6/F, Photonics Centre, 2 Science Park East Avenue, Hong Kong Science Park, Shatin, Hong Kong and a virtual meeting online via Tricor e-Meeting System to consider and, if thought fit, approve the S&P Agreement and the transactions contemplated thereunder. In compliance with the Listing Rules, the resolution will be voted on by way of poll at the EGM.

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you intend to attend the EGM in person or online via Tricor e-Meeting System, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person or online via Tricor e-Meeting System at the EGM or any adjournment of it, if you so wish.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 12 July 2021 to Thursday, 15 July 2021, both dates inclusive, during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant Share certificates must be lodged for registration with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 9 July 2021.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in relation to the S&P Agreement and the transactions contemplated thereunder set out on pages 16 to 17 of this circular; and (ii) the letter from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the S&P Agreement and the transactions contemplated thereunder set out on pages 18 to 37 of this circular.

LETTER FROM THE BOARD

The Directors (including the members of the Independent Board Committee having considered the advice from the Independent Financial Adviser) consider that the S&P Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Company and on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the members of the Independent Board Committee having considered the advice from the Independent Financial Adviser) recommend that the Independent Shareholders to vote in favour of the resolution approving the Acquisition at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
Time Interconnect Technology Limited
Cua Tin Yin Simon
Executive Director and Chief Executive Officer



匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1729)

22 June 2021

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND
CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY**

We refer to the circular dated 22 June 2021 issued by the Company (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Acquisition, details of which are set out in the “Letter from the Board” contained in the Circular. Asian Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. We wish to draw your attention to the letter from the Board set out on pages 6 to 15 of the Circular and the letter from the Independent Financial Adviser set out on pages 18 to 37 of the Circular.

Having taken into account the advice of, and the principal factors and reasons considered by the Independent Financial Adviser in relation to the Acquisition as stated in its letter, we consider that the terms of the Acquisition and the transactions contemplated under the S&P Agreement are in the ordinary and usual course of business of the Company, fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in respect of the Acquisition.

Yours faithfully,
For and on behalf of
Independent Board Committee

Mr. Ho Hin Shun
Independent
Non-executive Director

Mr. Luk Wai Shing
Independent
Non-executive Director

Mr. Chan Chung Shun Eric
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders prepared for the purpose of incorporation into this circular.



ASIAN CAPITAL LIMITED
Suite 1405-1409
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

22 June 2021

*To: The Independent Board Committee and the Independent Shareholders of
Time Interconnect Technology Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) as contained in the circular of the Company issued to the Shareholders dated 22 June 2021 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular, unless otherwise specified.

On 31 May 2021 (after trading hours), the Purchaser, being a direct wholly-owned subsidiary of the Company, entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company at an initial Consideration of HK\$69.0 million (subject to the adjustment, with a maximum Consideration of HK\$80.0 million). Pursuant to the S&P Agreement, the Vendor shall undertake and complete the reorganisation for the Target Group such that the entire registered capital of Huizhou GP Wiring will be transferred to the Target Company to form the Target Group prior to the Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, as at the Latest Practicable Date, Linkz Industries, which in turn holds 63.85% equity interests of the Company through Time Holdings, is owned as to 38.13% by the Vendor (which is owned as to 85.47% by Gold Peak), 39.68% by Mr. Paul Lo, 20.14% by Nickson Holdings and 2.05% by the Linkz Individual Shareholders, respectively. For the purpose of the Listing Rules, the Vendor, Gold Peak, Mr. Paul Lo, Nickson Holdings and the Linkz Individual Shareholders are a group of Controlling Shareholders by virtue of their holding interests commonly through Linkz Industries. As such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. The Acquisition is therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for Mr. Cua Tin Yin Simon, being the executive Director who holds 0.011% of the issued share capital of Gold Peak which in turn owns 85.47% equity interests of the Vendor, having abstained from voting in respect of the S&P Agreement, none of the Directors has abstained from voting at the meeting of the Board on the resolution to approve the S&P Agreement and the transactions contemplated thereunder.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll and Rule 14A.36 of the Listing Rules requires any shareholder who has a material interest in the underlying transactions to abstain from voting on related resolutions. The Vendor and its associates are regarded as having a material interest in the Acquisition and therefore are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the S&P Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, Time Holdings, an associate of the Vendor, held 1,175,070,000 Shares, representing 63.85% of the issued share capital of the Company. Accordingly, Time Holdings will abstain from voting at the EGM in respect of the resolution proposed to be passed for approving the S&P Agreement and the transactions contemplated thereunder.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, save for the above, none of the Shareholders is required to abstain from voting on the relevant resolutions at the EGM.

The Independent Board Committee comprising Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric (all being the independent non-executive Directors), has been established to advise the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder. We, Asian Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

During the past two years, we have not provided any services to the Company nor acted as an independent financial adviser to the Independent Board Committee and/or the Independent Shareholders. Apart from the normal advisory fee payable to us in connection with our appointment

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company. As at the Latest Practicable Date, there were no relationship or interest between (i) Asian Capital Limited and (ii) the Company and its respective subsidiaries and associates that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the independent board committee and/or independent shareholders of the Company.

BASIS OF OUR OPINION

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have considered, among other things, (i) the S&P Agreement; (ii) the annual reports of the Company for the two years ended 31 March 2019 and 2020; (iii) the interim report of the Company for the six months ended 30 September 2020; (iv) the audited financial statements of the Target Company for the year ended 31 March 2020 and Huizhou GP Wiring for the year ended 31 December 2020; (v) the management accounts of the Target Group for the years ended 31 March 2020 and 2021; (vi) the Company's prospectus dated 30 January 2018 (the "**Prospectus**"); (vii) other information as set out in the Circular; and (viii) relevant market data and information available from public sources.

We have also relied on all relevant information and representations provided, and the opinions expressed, by the Directors and/or the management of the Company (the "**Management**"). We have assumed that all such information and representations contained or referred to in the Circular are true and accurate in all material respects as at the date thereof.

The Directors and the Management have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have also confirmed that, having made all reasonable enquiries and to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no material facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management, and they have confirmed that no material information has been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

We consider that we have reviewed sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and/or the Management and the Vendor, nor have we conducted an independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group, the Target Group and any of their respective subsidiaries and associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration:–

1. Background and financial information of the Group

The Company was incorporated in the Cayman Islands with limited liability with its shares listed on the Main Board of Stock Exchange (stock code: 1729.HK). The Company is an investment holding company. The Group is principally engaged in the manufacturing and sales of cable assembly and networking cables products.

Financial information of the Group

A summary of the audited financial information of the Group for the two years ended 31 March 2019 and 2020 (“FY2019” and “FY2020” respectively) and the unaudited financial information of the Group for the six months ended 30 September 2019 and 2020 (“1H2020” and “1H2021” respectively) as extracted from the annual reports of the Company for FY2020 and the interim report of the Company for 1H2021 is set out as below:–

	Year ended 31 March		For the six months ended 30 September	
	2019	2020	2019 ⁽¹⁾	2020
	HK\$'million	HK\$'million	HK\$'million	HK\$'million
	(audited)	(audited)	(unaudited and restated)	(unaudited)
Revenue	1,314.4	1,438.8	1,523.9	1,441.7
<i>Data Centre</i>	462.9	698.8	396.5	367.9
<i>Telecommunication</i>	650.9	565.8	313.0	308.7
<i>Medical equipment</i>	138.0	126.3	65.4	93.5
<i>Industrial equipment</i>	62.6	47.9	26.9	37.9
<i>Networking cables</i>	–	–	722.1	633.7
Gross profit	279.3	305.1	281.4	303.8
Profit for the year/period	122.9	128.1 ⁽²⁾	100.0 ⁽²⁾	130.7 ⁽²⁾

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 March		As at 30 September
	2019	2020 ⁽¹⁾	2020
	<i>HK\$'million</i> <i>(audited)</i>	<i>HK\$'million</i> <i>(unaudited and</i> <i>restated)</i>	<i>HK\$'million</i> <i>(unaudited)</i>
Total assets	890.6	3,187.4	2,418.4
Total liabilities	341.5	2,021.5	1,690.7
Net asset	549.1	1,165.9	727.7

Notes:

1. Following the completion of acquisition of Linkz Cables Limited on 30 June 2020, the financial information of the Group for 1H2020 and FY2020 has been restated in accordance with Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” to incorporate the financial statement items of the combining entities or businesses from the Company and Linkz Cables Limited as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

2. Based on the Company’s annual report for FY2020 and the interim report of the Group for 1H2021, extreme transaction expenses in connection with the acquisition of Linkz Cables Limited amounted to HK\$19.1 million, HK\$5.7 million and HK\$4.2 million were incurred for FY2020, 1H2020 and 1H2021 respectively. Adjusted profit for the year/period (excluding the extreme transaction expenses) were HK\$147.2 million, HK\$105.7 million and HK\$134.8 million for FY2020, 1H2020 and 1H2021 respectively.

Financial performance of the Group

FY2019 vs FY2020

For FY2020, the Group achieved a 9.5% increase in revenue to approximately HK\$1,438.8 million from approximately HK\$1,314.4 million for FY 2019. The increase was mainly driven by the significant growth in the sale from the Group’s data centre sector, which was attained by having resolved the additional tariffs issues and the additional production capacity made available from the acquisition of the new production factory. Whilst the gross profit margin remained at 21.2% for both FY2019 and FY2020, the Group recorded a 9.2% increase in gross profit to HK\$305.1 million in FY2020 compared to HK\$279.3 million recorded in FY2019 as a result of the increase in revenue for FY2020. Excluding the extreme transaction expenses of HK\$19.1 million incurred during FY2020, the Group recorded an adjusted profit for the year amounted to HK\$147.2 million, representing an increase of 19.8% when compared to FY2019. The increase was mainly attributable to (i) increase in revenue and gross profit as discussed above; and (ii) increase in other income amounted to HK\$6.9 million as a result of receipt of government grants during the year.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1H2020 vs 1H2021

During 1H2021, the lockdowns on major overseas markets caused by the COVID-19 pandemic have negatively affected the demand of networking cable customers. The Group's revenue amounted to HK\$1,441.7 million, representing a decrease of HK\$82.2 million or 5.4% as compared with HK\$1,523.9 million (restated) for 1H2020. However, the gross profit increased by HK\$22.4 million, representing 8.0%, to HK\$303.8 million for 1H2021 due to the improvement in overall gross profit margin from 18.5% (restated) for 1H2020 to 21.1% for 1H2021 as a result of increase in revenue from the new 5G products in the telecommunication sector and the increase in revenue from the medical equipment sector and the industrial equipment sector. Excluding the extreme transaction expenses of HK\$5.7 million and HK\$4.2 million incurred during 1H2020 and 1H2021 respectively, the Group recorded an adjusted profit for the period amounted to HK\$134.8 million for 1H2021, representing an increase of 27.5% when compared to adjusted profit HK\$105.7 million (restated) for 1H2020. The increase was mainly attributable to (i) increase in gross profit as discussed above; and (ii) decrease in finance costs of the Group during the period.

Financial position of the Group

As at 30 September 2020, the Group has recorded total assets of approximately HK\$2,418.4 million, comprising mainly property, plant and equipment of HK\$711.3 million, trade and other receivables of HK\$713.1 million, inventories of HK\$419.4 million and bank balances and cash of HK\$155.2 million. The total liabilities of the Group were approximately HK\$1,690.7 million, comprising mainly trade and other payables of HK\$484.2 million and unsecured bank borrowings of HK\$1,044.7 million.

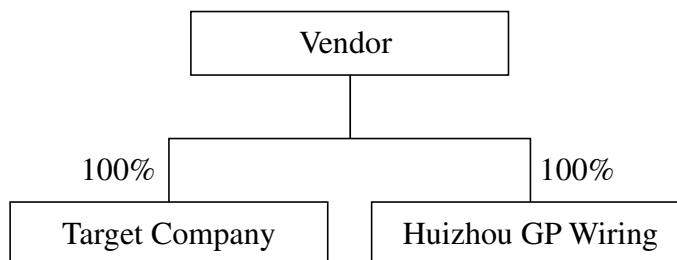
As a result of the merger accounting restatement, the Group recorded net assets of HK\$1,165.9 million as at 31 March 2020 (restated). As at 30 September 2020, the net assets of the Group decreased to HK\$727.7 million. Such decrease of net assets of the Group was mainly due to (i) distribution of the Company's final dividend for FY2020 of HK\$27.6 million; (ii) adjustments in accumulated profits of HK\$158.9 million as a result of reorganisation upon completion of the acquisition of Linkz Cables Limited on 30 June 2020; and (iii) adjustment of HK\$658.8 million reflecting the difference between the consideration paid for acquisition of interest in Linkz Cables Limited and the share capital of Linkz Cables Limited as at 30 June 2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Background and financial information of the Target Group

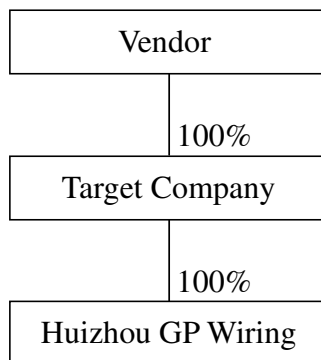
The Vendor carries on its manufacturing and sales of automotive wire harness business through the Target Company and Huizhou GP Wiring. The Target Group's products are sold to customers on the OEM basis, which are produced to apply in the customers' products based on the specifications and designs provided by the customers. During the years ended 31 March 2020 and 2021, the Target Group has sold products to more than 20 customers which are mainly listed corporations engaged in manufacturing of automotive and automotive parts and accessories with operations globally or in the PRC. The Target Company was incorporated in Hong Kong with limited liability on 14 January 1992 and is principally engaged in marketing and trading of automotive wire harness products. The Vendor acquired all issued shares of the Target Company by December 1996 at a total cost of approximately HK\$27,294,000. Established on 14 January 2000 in the PRC, Huizhou GP Wiring, with registered and paid-up capital of US\$4,093,000, is mainly responsible for producing the automotive wire harness products. Huizhou GP Wiring has a production facility located in Huizhou with a total gross floor area of approximately 12,125 square meters. The production facility of Huizhou GP Wiring comprises 60 automated production lines installed with production machines having net book value of approximately HK\$11.6 million as at 31 March 2021. Under the existing production scale, Huizhou GP Wiring is able to make approximately 267.5 million crimps per year for the production of automotive wiring harness. In general, the major raw materials used for the Target Group's products are mainly copper cables, connectors and terminals, insulating materials such as PVC and electronic components such as PCBA. As at the Latest Practicable Date, the Target Group sources its raw materials from over 100 suppliers located in the PRC, Hong Kong, the United States and some European countries. The products manufactured by Huizhou GP Wiring are then sold to customers in the PRC directly by Huizhou GP Wiring or to the Target Company for further distribution to overseas customers.

Set out below is the group chart of the Target Group as at the Latest Practicable Date:–



LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the S&P Agreement, the Completion is conditional upon the completion of reorganisation for the Target Group such that the entire registered capital of Huizhou GP Wiring will be transferred to the Target Company to form the Target Group. Set out below is the group chart of the Target Group upon Completion:-



Financial information of the Target Group

Based on the unaudited management accounts of the Target Group for the two years ended 31 March 2020 and 2021, the revenue, the net profit (before and after taxation) and the net assets of the Target Group are as follows:-

	For the year ended 31 March	
	2020	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	203.8	190.6
Profit before taxation	12.5	10.0
Profit for the year	9.9	8.1
		As at
		31 March 2021
		<i>HK\$'million</i>
		<i>(unaudited)</i>
Net assets		72.2

For the year ended 31 March 2021 (“FY2021”), revenue of the Target Group declined by 17.4% to HK\$190.6 million when compared to FY2020. As discussed with Management and advised by the Vendor, COVID-19 affected automotive sales in key global markets causing reduced consumer demand and logistic interruptions, in particular, the pandemic lockdown measures imposed by the PRC and the U.S. governments, being principal places of business of the Target Group, have led to reduced demand for cars. The

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

demand for the automotive wire harness business dropped in line with the automotive sales in the PRC and in the U.S. and resulted in decrease in revenue and profit for the Target Group for FY2021.

As at 31 March 2021, the Target Group had total assets of approximately HK\$154.0 million, comprising mainly property, plant and equipment of HK\$12.3 million, inventories of HK\$31.6 million, trade receivables and prepayment of HK\$88.3 million and bank balances and cash of HK\$21.3 million. Based on the information provided by the Vendor, we noted that among the aforementioned items, (i) over 94% of the property, plant and equipment were machinery and equipment held by Huizhou GP Wiring for the production of automotive wire harness; (ii) over 71% and 96% of the inventories were raw materials and aged less than one year respectively; and (iii) over 92% of the trade receivables were not overdue (with payment terms ranged from 20 days to 180 days). The total liabilities of the Target Group were approximately HK\$81.8 million as at 31 March 2021, comprising mainly trade payables and accruals charges of HK\$59.8 million and dividend payable of HK\$21.4 million.

3. Background information of the Vendor

The Vendor is a company incorporated in Singapore whose shares are listed on the Singapore Exchange (stock code: G20). The Vendor and its subsidiaries specialise in the development, manufacturing and distribution of a wide range of products including electronics and acoustic products, batteries and battery-related products, and automotive wire harness. As at the Latest Practicable Date, to the best knowledge of the Directors, the Vendor is owned as to (i) 85.47% by Gold Peak, which is a company incorporated in Hong Kong with limited liability and its shares listed on the Main Board of Stock Exchange (stock code: 40) and is owned by Mr. Victor Lo Chung Wing, the brother of Mr. Paul Lo, as to 25.41%; (ii) 0.06% by Mr. Victor Lo Chung Wing directly; and (iii) the remaining shareholding of 14.47% by the public shareholders which are independent to the Group.

4. Background information of the Purchaser

The Purchaser is an investment holding company established in the BVI with limited liability and is a direct wholly-owned subsidiary of the Company. The Group is principally engaged in the manufacturing and sales of cable assembly products and networking cables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Principal terms of the Acquisition

The principal terms of the S&P Agreement are set out below:–

Date : 31 May 2021

Parties : (i) Time Interconnect Investment Limited, a direct wholly-owned subsidiary of the Company (as the Purchaser); and
(ii) GP Industries Limited (as the Vendor)

Assets to be acquired

Pursuant to the S&P Agreement, the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company, subject to the terms and conditions of the S&P Agreement. Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

Consideration of the Acquisition

Pursuant to the S&P Agreement, the Consideration is initially determined at of HK\$69.0 million, subject to adjustment according to the audited net asset value of the Target Group as at 31 March 2021 (i.e. Audited NAV). In the event that the difference between the Unaudited NAV and the Audited NAV is more than 5%, the final Consideration shall be adjusted proportionately in accordance with the percentage change of the Audited NAV against the Unaudited NAV. The total Consideration, after adjustment, shall be capped at a maximum of HK\$80.0 million and shall be payable in cash by the Purchaser to the Vendor upon Completion.

The Consideration was arrived at based on normal commercial terms after arm's length negotiations between the Company and the Vendor and was determined with reference to among others, (i) the Unaudited NAV amounted to approximately HK\$72.2 million; and (ii) the factors set out in the section headed "Reasons for and benefits of the Acquisition" in the Letter from the Board.

Settlement of Consideration

Pursuant to the S&P Agreement, the Consideration shall be payable by the Purchaser to the Vendor in cash upon the Completion. As disclosed in the Letter from the Board, it is expected that approximately HK\$50.0 million of the Consideration will be financed by a term loan granted by a bank in Hong Kong and the remaining portion of the Consideration will be financed by internal resources of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the indicative term sheet provided by one of the principal banks of the Group, the Group will be granted a bank facility of HK\$50.0 million by the bank with a tenor of three years and carry an interest rate of applicable HIBOR plus 2.5% per annum for the purpose of financing the Consideration.

As referred to the Company's interim report for the 1H2021, the Group had bank balances and cash of HK\$155.2 million as at 30 September 2020. As advised by the Management, as at 31 March 2021, the Group had bank balances and cash of approximately HK\$156.5 million, which could be utilised by the Group for the Acquisition.

It is noted that the Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the internal resources available to the Group, the Group will be able to settle the Consideration for the Acquisition. In light of the above, we therefore concur with the Directors that the Company shall have sufficient financial resources to satisfy the Consideration for the Acquisition.

6. Industry overview

Automotive wire harnesses are transmission systems combining the wiring of various electrical and electronic components in an automobile, and they are similar to cable assemblies (being the principal products of the Group) in terms of their electrical and signal transmission functions.

The automotive wiring harness market growth is driven by a rapid increase in production of electric vehicles ("EVs") and technologically advanced features implemented in vehicles. Since 2010, the global EV stock has been growing exponentially. According to the International Energy Agency (the "IEA"), an autonomous intergovernmental organization and an international energy forum providing authoritative analysis and policy recommendations, the global EV stock reached 10 million in 2020, in which China had the largest fleet internationally with 4.5 million EVs. In terms of EV sales, China sold approximately 1.2 million units of EVs in 2020 in reference to the China Association of Automobile Manufacturers (the "CAAM"), represented 4.4% of the total automobile sales in China. The IEA predicts that the EV sales in China would reach 35% of its total automobile sales in 2030, and it is currently still on track to achieve the China Society of Automotive Engineers' goal of reaching over 50% sales in EVs within the China automobile market by 2035.

In December 2020, the CAAM forecasted that the total automobile sales would increase 18.6% from 25.3 million in 2020 to 30 million by 2025. Further, with the Chinese government's actions in supporting and facilitating the development of the EV market, including, (i) China's "Made in China 2025" initiative; and (ii) the goal formulated by the State Council of the PRC, under which the sales of new energy automobiles in China should account for 20%, or 6 million, of total automobile sales in China by 2025, represented a fourfold growth in 5 years, it is expected that the EV market in China will continue on its expansion in the upcoming years.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Simultaneously, according to the “*Technology Roadmap for Energy-Saving and New Energy Vehicle 2.0*” released by China Society of Automotive Engineers under the guidance of the Ministry of Industry and Information Technology, which further confirmed the development direction of decarbonization, information-based and intelligent of global automotive technology, where EVs would gradually become mainstream products in China, and China’s automotive industry would basically achieve electrification transformation.

In view of the significant growth in the EV sector around the world, the automotive wiring harness market, by value, is also projected to grow to USD55.4 billion by 2027 from USD43.3 billion in 2019, at a compound annual growth rate of 3.1%, according to MarketsandMarkets, a global market research and consulting firm that publishes strategic analysis reports.

7. Reasons for and benefits of the Acquisition

We have discussed with the Management the reasons for and benefits of the Acquisition. As disclosed in the Letter from the Board, the Acquisition is considered to be in the interest of the Company and the Shareholders as a whole due to the following reasons:–

(i) The prospect of the automotive and electric vehicle market

Over the past years, China has remained as the largest automotive market and automotive manufacturing country in the world. The PRC government has focusing on technological advancements and a shift away from fossil. As a result, large corporations in China have announced their action to research and develop electric vehicles and/or autonomous driving technology. In October 2020, the State Council formulated a goal that by 2025, sales of new energy automobiles in China should account for 20% of the total sales of new vehicles.

In line with the booming EV market, the automotive wire harness market is also expected to experience a significant growth as automobile wire harness is one of the key components for the manufacturing of EVs/automobiles.

The Target Group is an experienced industry player in automotive wire harness for more than 20 years. Over the years, the Target Group has developed automated manufacturing system, and a well-established existing customer base, which includes certain leading players in the automotive market. With the readily available production facilities and customer base, we concur with the view of the Directors that the Acquisition may provide the Group with a channel to enter into the EV market in China through the sales of automotive wire harness and can better position itself to capture the opportunities brought by the booming EV market.

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Further, according to the Prospectus and the Company's annual report for FY2020, the Group has been committed in pursuing strategic opportunities to enter into high growth potential industries. Given the expected growth in the sector in which the Target Group engaged, we are of the view that the Acquisition is in line with the Group's business strategy as set out in the Prospectus.

(ii) Strengthening of established customer relationships

As disclosed in the Letter from the Board, the Directors noted that one of the Group's major customers ("**Customer A**") has partnered with automotive manufacturers and launched their first own-branded EV model. As advised by the Management, Customer A, which has over 16 years of business relationship with the Group and accounted for over 41% and 33% of the total revenue of the Group for FY2019 and FY2020 respectively, is a multinational networking and telecommunication equipment and services company headquartered in the PRC with offices across the globe.

As disclosed in the Letter from the Board, the Directors considered that the acquisition of the Target Group, which principally engaged in sales and manufacturing of automotive wire harness, will be a good opportunity for the Group to extend its product mix offered to Customer A. As advised by the Management, the Group maintains good relationship with Customer A and there had not been any material disputes between the Group and Customer A over the years of co-operation, the Management is of view that the provision of the Target Group's product of automotive wire harness to Customer A is a good opportunity for the Group to extend its business into the EV sector.

In view of the potential extension of products provided to the Group's major customer, we are of view that the Acquisition would strengthen its business relationship with existing customer.

(iii) Diversification of business portfolio and expansion of customer base

As disclosed in the Company's annual report for FY2020 and interim report for 1H2021, the Group is principally engaged in manufacturing and sales of cable assembly products and networking cables products. Currently, the Group's customers cover a variety of market sectors, including telecommunications, data centre, industrial equipment and medical equipment.

As advised by Management, the Target Group has a well-established existing customer base and its major customers include certain leading players in the automotive market globally. Based on the information provided by the Management, the top customers of the Target Group for the two years ended 31 March 2020 consisted largely the same group of companies and the top 8 customers of the Target Group contributed over 70% of the total revenue of the Target Group for each of the two financial years. As advised by the Management, the Group will expand its client base with the addition of the

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clientele of the Target Group which will benefit the existing businesses of the Group, and the business risks currently exposed to the Group such as risk of customer concentration will be mitigated by the diverse customer base of the Target Group.

(iv) Synergy effects

As disclosed in the Letter from the Board, the Target Group has a proven operating history of over 20 years, the Acquisition allows the Group to leverage on the Target Group's extensive knowhow and existing production facilities to immediately deliver reliable and high quality products to its customers. Given that smart vehicles generally need reliable and high-speed data transfer for the autonomous driving technology, the Directors believe that the Acquisition can integrate the research and development resources of the Group, which has expertise in high-speed and high-capacity cable assembly products, with the Target Group to produce products that can meet the highest standards and specifications for new smart vehicles. In addition, the Target Group's production facilities are located within the close proximity of the Group's existing production facilities in Huizhou and thereby optimise the efficiency in managing the operations of the Target Group by the Group's local management.

Having considered the synergy effects to be brought to the Group by (i) integrating the research and development resources to produce new products that can meet the highest standards and specifications capable for EVs/autonomous vehicles; (ii) fully utilise the competitive edge of the Group, which has expertise in high-speed and high-capacity cable assembly products; (iii) the geographical proximity of the Group's and the Target Group's production facilities; and (iv) combining sales and marketing efforts and network to introduce both the Group's and the Target Group's products to the enlarged customer base, we concurred with the Directors' view that the Acquisition would bring synergy effect on the optimisation of resources and operational efficiency.

8. Comparative analysis

Comparable Companies

In order to assess the fairness and reasonableness of the maximum Consideration (i.e. HK\$80 million), we considered using the equity value multiples, namely, price-to-earnings ratio (the "**P/E Ratio**") and price to book ratio (the "**P/B Ratio**"), which are the most commonly used benchmarks in assessing the valuation of a company of listed companies with similar business scope as the Target Group. Due to the distinct business nature of the Target Group, no listed companies on the Stock Exchange that have the same business (i.e. manufacturing and sale of automotive wire harness business) being major revenue stream can be identified. We decided to extend the selection criteria to the listed companies within automotive product industry in the stock markets of the East Asia region. In conducting the P/E Ratio and P/B Ratio analyses, we have identified companies that (i) are listed; (ii) are engaged in manufacturing and sales of automotive wire harness business with annual revenue from such segment accounts for more than 50% of the total

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revenue during their respective corresponding latest financial years; and (iii) with similar target markets (i.e. PRC and global markets) with the Target Group. Based on our research, we have identified four companies that meet the aforesaid selection criteria (the “**Comparable Companies**”) which represents an exhaustive list to the best of our knowledge, details of which are set out in the table below. We have also considered a total of nine other listed companies in which their businesses involve the manufacturing and sale of automotive wire harness. However, as the revenue contributed from automotive wire harness segment accounted for less than 50% of their total revenue during their respective latest financial years, we have excluded these companies in our comparable analysis.

Considering the above, we are of the view that the selection of the Comparable Companies in the following table based on the aforementioned selection criteria is fair and representative, while allowing a sufficient number of Comparable Companies to be obtained for a meaningful peer company analysis:–

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Company name	Stock code	Principal business	Approximate market capitalisation as at the Latest Practicable Date (HK\$'000)	P/E Ratio	P/B Ratio
Kunshan Huguang Auto Harness Co., Ltd.	605333.SH	manufactures and distributes automobile parts, wire harness assembly, engine harness, and other related products	6,657,081	74.1	7.1
Jiangsu Riying Electronics Co., Ltd.	603286.SH	manufacturing of auto electronic products including car washing systems, wire harness systems, connectors, etc.	1,531,439	85.8	2.7
Avertronics Inc.	3597.TPE	Manufacturing and wholesaling of electronic components including electronic connectors, electronic wires, high voltage wire harness modules, automotive wire harness modules, medical wiring harness modules, sensor components, protecting components, beakers, and other products.	287,712	23.8	2.2
Ecocab Co., Ltd.	128540.KOS	manufacturing and distribution of automobile parts including automotive wires and cables, wiring harness, bulb socket, and other related products. Markets its products worldwide	442,233	N/A	1.1
			Maximum	85.8	7.1
			Minimum	23.8	1.1
			Mean	61.2	3.3
			Median	74.1	2.5
The Company (Stock code: 1729)			846,599	5.8	1.2
The Target Group			80,000 ⁽¹⁾	9.8 ⁽²⁾	1.1 ⁽³⁾

Notes:

- The market capitalisation of the Target Group is estimated from the maximum Consideration of HK\$80.0 million as at 31 March 2021.
- The P/E Ratio of the Target Group implied by the Acquisition (the “**Implied P/E Ratio**”) is derived from the maximum Consideration of HK\$80.0 million divided by the net profit of the Target Group as at 31 March 2021.

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3. The P/B Ratio of the Target Group implied by the Acquisition (the “**Implied P/B Ratio**”) is derived from the maximum Consideration of HK\$80.0 million divided by the net assets value of the Target Group as at 31 March 2021.

Based on the public available information, the P/E Ratio of the Comparable Companies, exclude one (1) outlier with negative earnings, ranged from approximately 23.8 times to approximately 85.8 times, with a mean and median of approximately 61.2 times and 74.1 times respectively. The P/B Ratio of the Comparable Companies ranged from approximately 1.1 times to approximately 7.1 times, with a mean and median of approximately 3.3 times and 2.5 times respectively.

Given that lower P/E Ratio and P/B Ratio reflect that the target company is acquired at a relatively lower valuation, we consider that the Consideration (representing lower-than-market-average Implied P/E Ratio and Implied P/B Ratio) is favourable to the Company.

Comparable Transactions

Apart from the analysis on the Comparable Companies, we have considered to assess the fairness and reasonableness of the maximum Consideration (i.e. HK\$80.0 million) by analysing transactions that are comparable to the Acquisition (i.e. the Comparable Transactions). For our purpose of comparison, we have identified one transaction that meet the following selection criteria:

- The principal business of the acquiree is engaged in manufacturing and sales of automotive wire harness business;
- The transaction was announced between June 2019 and May 2021, being two years prior to the date of S&P Agreement, which we considered sufficiently close to the date of the S&P Agreement to demonstrate recent market trends; and
- The financial information of the acquiror and/or the acquiree is available to the public.

For our comparison approach, we have computed the implied P/E Ratio and P/B Ratio from the transaction based on the financial information as disclosed in the prospectus published by the listed company. Below set out the details of ratios of the Comparable Transaction:

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Target Company name	Transaction description	Date of sale and purchase agreement	Date of completion	P/E Ratio	P/B Ratio
Kunshan Denker Automotive Parts Company Limited* (昆山德可汽车配件有限公司) (“Kunshan Denker”)	Kunshan Huguang Auto Harness Co., Ltd. (605333.SH), acquired the entire issued share capital of Kunshan Denker, a PRC automotive parts provider, for a total consideration of RMB6.6 million	27 February 2020	2 March 2020	N/A ⁽¹⁾	1.2 ⁽²⁾

Notes:

1. The P/E Ratio was not applicable to Kunshan Denker since it incurred net loss for the latest respective financial year immediately prior to the acquisition.
2. The P/B Ratio implied in the acquisition was derived from the total consideration of the acquisition of RMB6.6 million divided by the net assets value of Kunshan Denker as at the end of latest respective financial year immediately prior to the acquisition of RMB5.5 million.

As shown in the above table, the P/B Ratio implied in the Comparable Transaction was approximately 1.2 times, which is slightly higher than that of the Implied P/B Ratio of the Acquisition. As such, we are of view that the Consideration is inline or better than the Comparable Transaction, and is fair and reasonable.

Taking into consideration (i) the positive industry outlook for the Target Group as discussed in the paragraph headed “Industry overview” above; (ii) the comparative analysis above; and (iii) the adjustment mechanism of the Consideration, under which the audited net asset value shall be higher than the Consideration (after adjustment), we are of the view and concur with the view of the management of the Company that the Consideration is fair and reasonable.

9. Financial effects of the Acquisition

Based on our discussion with and the representation from the Directors, we understand from the Directors that they have taken into account the following factors when they considered the potential impact of the Acquisition on the financial positions of the Group, where the Target Group will become indirect wholly-owned subsidiaries of the Company and the financial information of Target Group will be consolidated into the consolidated financial statements of the Company upon Completion.

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Earnings

According to the annual report for FY2020, the Group's net profit was approximately HK\$128.1 million (prior to the acquisition of Linkz Cables Limited). As mentioned above, since (i) the Target Group is profit-making based on the unaudited combined management accounts of the Target Group; and (ii) the Acquisition would diversify the Group's business portfolio and broaden its income stream with distinct customer base, it is expected that the Acquisition shall have a positive effect of the Group's future profitability. Also, as the Consideration will be settled by the Purchaser in cash upon Completion and no dilution effect will be resulted in the earnings per share of the Company, it is expected that, coupled with the potential improvement in profitability, the Acquisition shall lead to an accretion to the Company's earnings per share.

Net assets

According to the interim report of the Company for 1H2021, the Group's unaudited (and restated) net assets was approximately HK\$1,165.9 million and HK\$727.7 million as at 31 March 2020 and 30 September 2020 respectively. As the Consideration for the Acquisition approximates to the of net assets value of the Target Group, it is expected that no significant goodwill will be generated as a result of the acquisition and that the Acquisition would not have any material impact on the net assets value of the Group.

Cash flow

As disclosed in the Letter from the Board, the Consideration shall be payable by the Purchaser to the Vendor in cash upon the Completion and it is expected that approximately HK\$50.0 million of the Consideration will be financed by a term loan granted by a leading bank in Hong Kong and the remaining portion of the Consideration will be financed by internal resources of the Group.

As referred to the interim report the Company for 1H2021, the Group had bank balances and cash of HK\$155.2 million as at 30 September 2020. As advised by the Management, as at 31 March 2021, the Group had bank balances and cash of approximately HK\$156.5 million, which could be utilised by the Group for the Acquisition. It is expected that the Group shall have an immediate net cash outflow equivalent to difference between the Consideration (after adjustment) and the actual drawdown amount of loan granted by the bank. The Company shall have sufficient financial resources to satisfy the Consideration.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial positions of the Group will be upon Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the terms of the Acquisition are in the ordinary and usual course of business of the Company and on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Asian Capital Limited
Louis HAU
Executive Director

Mr. Louis HAU is a licensed person registered with Securities and Futures Commission of Hong Kong and a responsible officer of Asian Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over nine years of experience in corporate finance in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations

As at the Latest Practicable Date, the interests or short positions of each of the Directors and the chief executive in the shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) to be notified to the Company and the Stock Exchange are set out as follows:

Long position in shares of the Company

Name of Director	Capacity/nature	Number of Shares held/ interested	Approximate percentage of interest
Mr. Paul Lo (<i>Note</i>)	Interest of a controlled corporation/others	1,175,070,000	63.85%

Note: Mr. Paul Lo beneficially owns the entire issued share capital of Nickson Holdings. Nickson Holdings and Mr. Paul Lo hold 20.14% and 39.68% of the issued ordinary share capital of Linkz Industries, respectively, and Time Holdings is wholly-owned by Linkz Industries. Accordingly, Mr. Paul Lo, is deemed, or taken to be, interested in all the shares held by Time Holdings for the purpose of the SFO.

Long position in shares of associated corporation of the Company

Name of associated corporation	Name of Director	Nature of interest	Number of Shares held/ interested	Approximate percentage of interest
Linkz Industries	Mr. Cua Tin Yin Simon (Note)	Others	12,838,618	0.70%

Note: Mr. Cua Tin Yin Simon is the executive Director, holding 1.09% of the issued ordinary share capital of Linkz Industries. Mr. Cua Tin Yin Simon is also holding 0.011% of the issued share capital of Gold Peak.

Long position in the underlying shares of the share options granted under the Share Option Scheme

Name of the Directors	Number of the underlying Shares interested and nature of interests	Approximate percentage of the total issued Shares (%)*
Executive Directors		
Mr. Cua Tin Yin Simon	10,488,000	0.570
Mr. Wong Chi Kuen	9,528,000	0.518
Non-executive Director		
Mr. Paul Lo	1,824,000	0.099
Independent non-executive Directors		
Mr. Ho Hin Shun	1,824,000	0.099
Mr. Luk Wai Shing	1,824,000	0.099
Mr. Chan Chung Shun Eric	1,824,000	0.099

*: The percentage was calculated based on 1,840,432,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(ii) Interests of substantial Shareholders

As at the Latest Practicable Date, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage to the number of issued Shares
Time Holdings	Beneficial owner	1,175,070,000	63.85%
Linkz Industries (Note 1)	Interest of controlled corporation	1,175,070,000	63.85%
Ms. Ho Hsiu Lan (Note 2)	Interest of spouse	1,175,070,000	63.85%
Nickson Holdings (Note 3)	Interest of controlled corporation	1,175,070,000	63.85%
Vendor (Note 4)	Interest of controlled corporation	1,175,070,000	63.85%
Gold Peak (Note 5)	Interest of controlled corporation	1,175,070,000	63.85%
Datatech Investment Inc.	Beneficial owner	204,930,000	11.13%
Mr. Kwong Ping Man (Note 6)	Interest of controlled corporation	204,930,000	11.13%
Ms. Chan Kit Sum (Note 7)	Interest of spouse	204,930,000	11.13%

Notes:

- 1) Time Holdings is wholly-owned by Linkz Industries. Therefore, Linkz Industries is deemed, or taken to be, interested in all the shares held by Time Holdings for the purpose of the SFO.
- 2) Ms. Ho Hsiu Lan is the spouse of Mr. Paul Lo. Accordingly, Ms. Ho Hsiu Lan is deemed, or taken to be, interested in all the shares in which Mr. Paul Lo is interested for the purpose of the SFO.
- 3) Nickson Holdings holds 20.14% of the issued ordinary share capital of Linkz Industries, and Time Holdings is wholly-owned by Linkz Industries. Therefore, Nickson Holdings is deemed to, or taken to be, interested in all the shares held by Time Holdings for the purpose of the SFO.

- 4) The Vendor holds 38.13% of the issued ordinary share capital of Linkz Industries, and Time Holdings is wholly-owned by Linkz Industries. Therefore, the Vendor is deemed, or taken to be, interested in all the shares held by Time Holdings for the purpose of the SFO.
- 5) Gold Peak holds 85.47% issued share capital of the Vendor. The Vendor holds 38.13% of the issued ordinary share capital of Linkz Industries, and Time Holdings is wholly-owned by Linkz Industries. Therefore, Gold Peak is deemed, or taken to be, interested in all the shares held by Time Holdings for the purpose of the SFO.
- 6) Mr. Kwong Ping Man beneficially owns the entire issued share capital of Datatech Investment Inc. Therefore, Mr. Kwong Ping Man is deemed, or taken to be, interested in all the shares held by Datatech Investment Inc. for the purpose of the SFO. Mr. Kwong Ping Man is the sole director of Datatech Investment Inc.
- 7) Ms. Chan Kit Sum is the spouse of Mr. Kwong Ping Man. Accordingly, Ms. Chan Kit Sum is deemed, or taken to be, interested in all the shares in which Mr. Kwong Ping Man is interested for the purpose of the SFO.

Mr. Cua Tin Yin Simon is a director of Linkz Industries. Mr. Paul Lo is a director of each of Time Holdings, Linkz Industries and Nickson Holdings.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interest or short positions in the shares or underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

(iii) Competing interests

As at the Latest Practicable Date, none of the Directors or their respective associates was considered to have interests in businesses apart from the Group's businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

(iv) Other interests

As at the Latest Practicable Date, save for Mr. Cua Tin Yin Simon who holds 0.011% of the issued share capital of Gold Peak which in turn owns 85.47% equity interests of the Vendor, none of the Directors had any direct or indirect material interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2020 (the date to which the latest published audited consolidated financial statements of the Group were made up) up to the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the date thereof and which was significant in relation to the business of the Group as at the Latest Practicable Date.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed services contracts with any member of the Group which is not expiring or determinable by the Enlarged Group within one year without payment of compensation (other than statutory compensation).

4. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given opinion or advice which is contained or referred to in this circular:

Asian Capital Limited	A licensed corporation permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
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As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, advice and opinion and references to its name in the form and context in which it appeared.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest in any assets which have been, since 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2020 (the date to which the latest published audited consolidated financial statements of the Group were made up).

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Unit 601, Photonics Centre, 2 Science Park East Avenue, Hong Kong Science Park, Shatin, Hong Kong from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum of association and articles of association of the Company;
- (b) the S&P Agreement;
- (c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 16 to 17 of this circular;
- (d) the letter of advice from Asian Capital Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 18 to 37 of this circular;
- (e) the written consents referred to in the paragraph headed “Experts and consents” in this appendix; and
- (f) this circular.

NOTICE OF EGM



匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1729)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the hybrid extraordinary general meeting (the “**EGM**”) of Time Interconnect Technology Limited (the “**Company**”) will be held at 2:30 p.m. on Thursday, 15 July 2021 with the combination of a physical meeting at Boardroom, Unit 601, 6/F, Photonics Centre, 2 Science Park East Avenue, Hong Kong Science Park, Shatin, Hong Kong and a virtual meeting online via Tricor e-Meeting System for the following purpose of considering and, if thought fit, passing with or without amendment, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the S&P Agreement (as defined in the circular of the Company dated 22 June 2021 (the “**Circular**”)) dated 31 May 2021, entered into between Time Interconnect Investment Limited (the “**Purchaser**”), a direct wholly-owned subsidiary of the Company, and GP Industries Limited (the “**Vendor**”), pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the entire issued share capital of GP Industries Marketing Limited (金山工業貿易有限公司) as at Completion (as defined in the Circular) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one or more directors of the Company be and are hereby authorised to do all such acts and things as they consider necessary and to sign and execute all such documents, and to take all such steps which in their opinion may be necessary appropriate, desirable or expedient for the purpose of giving effect to the S&P Agreement and completing the transactions contemplated thereby.”

By order of the Board
Time Interconnect Technology Limited
Cua Tin Yin Simon
Executive Director and Chief Executive Officer

Hong Kong, 22 June 2021

NOTICE OF EGM

Registered office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business in Hong Kong:

Unit 601, Photonics Centre
2 Science Park East Avenue
Hong Kong Science Park
Sha Tin
Hong Kong

Notes:

1. A form of proxy for the meeting is enclosed.
2. Only members are entitled to attend and vote at the meeting (or at any adjournment thereof).
3. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint one or more proxies (who must be an individual) to attend and vote instead of him/her. A proxy need not be a member of the Company.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
5. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
6. Completion and return of a proxy form shall not preclude a member from attending and voting in person or online via Tricor e-Meeting System at the meeting or any adjournment thereof (as the case may be) should the member so wish, and in such event, the proxy form shall be deemed to be revoked.
7. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. The Company will conduct a hybrid EGM using Tricor e-Meeting System, which allows Shareholders to participate the EGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the EGM via their smartphones, tablet, or computers. The live broadcast option can also broaden the reach of the EGM to Shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.

NOTICE OF EGM

9. Although Shareholders are welcome to attend the EGM physically in person if they so wish, the Company strongly recommends Shareholders to attend the EGM online via Tricor e-Meeting System in view of the current development of COVID-19. The Company will also be undertaking the following precautionary measures to safeguard the health and well-being of Shareholders (or their proxies) who are attending the EGM in person, including temperature screening, require all participants to wear surgical face mask, plus safe distancing measures for queue management and seating at the meeting venue. To reduce close contact between attendees at the physical EGM, no food or beverages will be served at the venue and no souvenirs would be distributed. The Company may also deny any person who refuses to cooperate with the above precautionary measure or is detected to have a fever (i.e. over 37.3°C) or exhibiting flu-like symptoms from entering the meeting venue. If the venue of the EGM is closed in response to the COVID-19 outbreak, the EGM will continue to be held via the online platform.

For online voting at the EGM, Shareholders can refer to the enclosed letter and the Online Meeting User Guide (by visiting the hyperlink or scanning the QR code as printed therein) for details.

If you have any queries on the above, please contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, via their hotline at (852) 2975 0928 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

10. Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:
- (1) attend the EGM in person and vote via smartphones or designated mobile devices at the EGM venue; or
 - (2) attend the EGM via Tricor e-Meeting System which enables live streaming and interactive platform for Q&A and submit their voting online; or
 - (3) appoint chairman of the EGM or other persons as your proxy to vote on your behalf. Your proxy's authority and instruction will be revoked if you attend and vote in person at the EGM or via Tricor e-Meeting system.

Non-registered holders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the EGM, vote and submit questions online via Tricor e-Meeting System. In this regard, they should consult directly with their banks, brokers, custodians (as the case may be) for the necessary arrangements.

For corporate Shareholders who wish to attend the EGM and to vote online, please contact the Company's Hong Kong branch share registrar at (852) 2975 0928 on or before Wednesday, 14 July 2021 for arrangement.