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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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) CONTINUING CONNECTED TRANSACTION - THE LUXSHARE PRECISION MASTER PURCHASE AGREEMENT; AND (2) NOTICE OF EGM

Financial adviser to the Company

**FRONTPAGE** 富比

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



尚融國際  
SHANG International

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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 4 to 11 of this circular. The letter from the Independent Board Committee is set out on pages 12 to 13 of this circular. The letter from the Independent Financial Adviser is set out on pages 14 to 25 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 Monday, 5 September 2022 at 2:30 p.m. with the combination of a physical meeting at 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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. All attendees are required to scan the “LeaveHomeSafe” venue and vaccination QR codes and comply with the Vaccine Pass requirements by presenting his/her valid vaccination, exemption or recovery record prior to entry into the venue of the EGM
2. Compulsory body temperature checks
3. Compulsory wearing of surgical face mask
4. 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**

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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) All attendees are required to scan the “LeaveHomeSafe” venue and vaccination QR codes and comply with the Vaccine Pass requirements by presenting his/her valid vaccination, exemption or recovery record as required under the directions issued pursuant to the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong), prior to entry into the venue of the EGM.
- (ii) 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.
- (iii) Compulsory wearing of surgical face masks by all attendees prior to admission to the EGM venue and throughout the EGM.
- (iv) 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.
- (v) 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](http://www.time-interconnect.com) and the Stock Exchange website at [www.hkexnews.hk](http://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.

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the Luxshare Precision Master Purchase Agreement and its proposed annual caps
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual(s) or company(ies) who or which as far as the Directors are aware after having made all reasonable enquiries is/are not connected with the Company and its connected persons
“Independent Board Committee”	the independent committee of the Board, the members of which consist of all the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the Luxshare Precision Master Purchase Agreement
“Independent Financial Adviser”	Shang International Finance Limited (尚融國際金融有限公司), 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, which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders

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## DEFINITIONS

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“Independent Shareholder(s)”	the Shareholder(s) who are not required to abstain from voting in respect of the ordinary resolutions proposed for approval at the EGM pursuant to the Listing Rules
“Latest Practicable Date”	11 August 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luxshare Precision”	Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475)
“Luxshare Precision Group”	Luxshare Precision and its subsidiaries but excluding the Group
“Luxshare Precision Master Purchase Agreement”	the agreement entered into between the Company and Luxshare Precision on 19 July 2022 for a term ending 31 March 2025, pursuant to which the Group agreed to purchase Raw Materials from the Luxshare Precision Group
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Raw Materials”	raw materials to be purchased by the Group from the Luxshare Precision Group under the Luxshare Precision Master Purchase Agreement, including but not limited to central processing units, hard disks, cables, connector, terminal products and parts, in relation to the production of the Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

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

*Non-executive Director:*

Ms. Wang Laichun (*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

16 August 2022

*To the Shareholders*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION -  
THE LUXSHARE PRECISION MASTER PURCHASE AGREEMENT;  
AND  
(2) NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 19 July 2022 in respect of, among other matters, the Company entered into the Luxshare Precision Master Purchase Agreement with Luxshare Precision, pursuant to which the Group agreed to purchase Raw Materials from the Luxshare Precision Group.

The purpose of this circular is to provide you with, among other things, (i) details of the Luxshare Precision Master Purchase Agreement and its proposed annual caps; (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM.

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## LETTER FROM THE BOARD

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### LUXSHARE PRECISION MASTER PURCHASE AGREEMENT

On 19 July 2022, the Company entered into the Luxshare Precision Master Purchase Agreement with Luxshare Precision, pursuant to which the Group agreed to purchase Raw Materials from the Luxshare Precision Group.

Set out below is a summary of the principal terms of the Luxshare Precision Master Purchase Agreement:

Date	:	19 July 2022
Parties	:	(i) Luxshare Precision (ii) the Company
Subject	:	Pursuant to the Luxshare Precision Master Purchase Agreement, the Group agreed to purchase Raw Materials from the Luxshare Precision Group
Term	:	The Luxshare Precision Master Purchase Agreement has a fixed term from 19 July 2022 to 31 March 2025 (both days inclusive)

#### **Pricing policy**

The Raw Materials supplied by the Luxshare Precision Group will comprise (i) Raw Materials ordered by the Luxshare Precision Group from ultimate suppliers that are Independent Third Parties on behalf of the Group, which are mainly central processing units and hard disks applied in the Group's server products; and (ii) the Luxshare Precision Group's own goods, which are mainly electronic components such as cables, connectors, terminal products and parts applied in the Group's cable products. Under the Luxshare Precision Master Purchase Agreement, the price payable for Raw Materials which are purchased from third parties by the Luxshare Precision Group on behalf of the Group shall be at the Luxshare Precision Group's purchase cost. The Group will be presented with the original invoices of the ultimate suppliers by the Luxshare Precision Group for settling the amounts payable.

For Raw Materials produced by the Luxshare Precision Group, the price payable shall be determined with reference to the prevailing market price for the same or similar raw materials charged by Independent Third Party vendors or by the Luxshare Precision Group to other Independent Third Parties from time to time. In order to ensure that the prices are fair and reasonable and in line with prevailing market rate, the Group will obtain at least three quotations from Independent Third Party vendors which provide raw materials of similar specifications and quality not less frequently than on a quarterly basis. Such quotations will be compared against the quotations from Luxshare Precision and the Group will only accept Luxshare Precision's quotations if they are favourable to the Group.

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## LETTER FROM THE BOARD

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### Historical transaction amounts

The table below sets out the historical purchase amounts of Raw Materials by the Group from the Luxshare Precision Group for the three years ended 31 March 2022:

	<i>HK\$'000</i>
Year ended 31 March 2020	983
Year ended 31 March 2021	1,385
Year ended 31 March 2022	–

### Proposed annual caps

The table below sets out the proposed annual caps under the Luxshare Precision Master Purchase Agreement for the three years ending 31 March 2025:

	<b>Proposed annual caps for the purchase of Raw Materials produced by the Luxshare Precision Group</b> <i>HK\$'000</i>	<b>Proposed annual caps for the purchase of Raw Materials from third party suppliers ordered by the Luxshare Precision Group on behalf of the Group</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Year ending 31 March 2023	10,000	1,200,000	1,210,000
Year ending 31 March 2024	10,500	–	10,500
Year ending 31 March 2025	11,000	–	11,000

### Basis of annual caps

The proposed annual caps for the purchase of Raw Materials by the Group have been determined taking into consideration (i) the actual and expected demand of customers for the Group's server products and cable products; and (ii) the expected fluctuation of prices of raw materials, exchange rate as well as inflation. In particular, the Group received purchase orders of server products from customers which require raw materials from designated independent suppliers (the "**Designated Suppliers**") but the Group's customer account opening procedures have yet to be completed and hence the relevant Designated Suppliers cannot supply goods to the Group. The Luxshare Precision Group is an existing customer of the Designated Suppliers and is able to purchase the Raw Materials as required for fulfilling the Group's purchase orders on behalf of the Group before the Group's customer accounts with the Designated Suppliers are all opened. The Group has estimated the annual cap for the year



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## LETTER FROM THE BOARD

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ending 31 March 2023 to be HK\$1,200,000,000 for this purchase on behalf arrangement with reference to (i) the actual purchase orders received and estimated demand of the Group's server products during the time of clearing the account opening procedures with the Designated Suppliers; and (ii) the quotation from the Designated Suppliers for the volume of Raw Materials needed. After the customer accounts with the Designated Suppliers are successfully opened, the Group will no longer purchase Raw Materials through the Luxshare Precision Group for the production of server products. In determining the annual caps for the purchase of Raw Materials produced by the Luxshare Precision Group, the Directors have taken into account the past sales volume and sales orders on hand for products which can apply the Raw Materials produced by the Luxshare Precision Group. The Group expects that demand for cable products requiring Raw Materials produced by the Luxshare Precision Group will remain stable for the next three years. Accordingly, the total amount of Raw Materials required for the production of cable products is estimated to be approximately HK\$10,000,000, HK\$10,000,000 and HK\$10,000,000 for the three years ending 31 March 2023, 2024 and 2025, respectively. In addition, the Group has also allocated a buffer in the above proposed annual caps of approximately HK\$500,000 and HK\$1,000,000 for the two years ending 31 March 2024 and 2025, respectively, to account for inflation and the fluctuation of exchange rate of Hong Kong dollars against Renminbi.

### **Reasons for and benefits of the transaction**

Reference is made to the announcement of the Company dated 11 May 2022 in relation to the development of new server business of the Group. In order to diversify the Group's business portfolio, the Group has decided to expand its business into server business and the Group has started to approach suppliers to source relevant raw materials for the production of server products. In order to meet the technical specification for the server products, certain key electronic or technical components, which are mainly central processing units and hard disks, have to be purchased from the Designated Suppliers. These Designated Suppliers are reputable multinational corporations which supply top-notch and essential electronic components in servers such as central processing units and hard disks. However, before the Group can purchase raw materials from the Designated Suppliers, the Group normally has to go through procedures adopted by the Designated Suppliers in order to open a customer account. As one of the leading electronics manufacturers in the PRC, the Luxshare Precision Group has established a long business relationship with the Designated Suppliers and is able to place orders from them. There is no other relationships and arrangements other than the customer and supplier relationship between the Designated Suppliers and the Luxshare Precision Group. In order to cater to the production requirement of customers and meet the tight production schedule, the Group has decided to acquire Raw Materials from the Luxshare Precision Group, which in turn orders the Raw Materials from the Designated Suppliers on behalf the Group, as a transitional arrangement until all the Group's customer accounts are successfully opened, the Company will then place orders with the Designated Suppliers directly without reliance on the Luxshare Precision Group.

In addition, the Luxshare Precision Group has devoted its resources in research and technological development over the years and offers a wide range of electronic components with high quality and technical specifications. As the designated supplier of some existing cable products customers, the Luxshare Precision Group has been supplying the Group with Raw Materials for the production of

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## LETTER FROM THE BOARD

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cable products in past years. With the Luxshare Precision Master Purchase Agreement, the Group can secure a stable supply of Raw Materials and leverage on the research and development capability of the Luxshare Precision Group to produce products with the highest standard and specifications.

Taking into consideration the above, the Directors (excluding the independent non-executive Directors) are of the view that the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered into on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### INFORMATION ON THE PARTIES

#### Information on the Group

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, shares of which have been listed on Stock Exchange since February 2018. The Group is headquartered in Hong Kong, and has manufacturing facilities in Shanghai, Suzhou and Huizhou in the PRC. The Group is principally engaged in the manufacture and sales of cable assembly and digital cable products. The Company supplies cable products to customers worldwide, including global network solutions and infrastructure provider, global internet related service provider, multinational medical equipment manufacturer and automotive manufacturer.

#### Information on Luxshare Precision

Luxshare Precision is a company incorporated in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange (stock code: 002475). The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. As at the Latest Practicable Date, Luxshare Precision is owned as to (i) approximately 38.56% by Luxshare Limited, which is in turn owned by Ms. Wang Laichun, the non-executive Director and the chairman of the Board, and Mr. Wang Laisheng, the brother of Ms. Wang Laichun, as to 50% each; and (ii) approximately 0.07% by Mr. Wang Laisheng directly.

### INTERNAL CONTROLS

The Company has implemented internal control procedures and policies to monitor continuing connected transactions and to ensure that all continuing connected transactions are entered into in accordance with pricing policies and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group has closely observed the market conditions and monitored the prevailing market prices or market rates, including the pricings of transactions between the Group and Independent Third Parties in respect of similar raw materials. For Raw Materials ordered by the Luxshare Precision Group from the Designated Suppliers on behalf of the Group, the procurement department of the Group will be presented with the original invoices of the Designated Suppliers by the Luxshare Precision Group to

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## LETTER FROM THE BOARD

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check for the original purchase costs before entering into the transactions. For Raw Materials as produced by the Luxshare Precision Group, the procurement department will compare at least three quotations for similar transactions with Independent Third Parties for similar raw materials. Accordingly, the Company is able to ensure that the pricing terms under the Luxshare Precision Master Purchase Agreement are on normal commercial terms and no less favourable than those available from Independent Third Parties.

The Company will closely monitor the continuing connected transactions to ensure that they are conducted in accordance with the terms of the relevant continuing connected transaction agreements. The finance department of the Group will also monitor the amount payable to the Luxshare Precision Group under the Luxshare Precision Master Purchase Agreement from time to time so as to ensure that the amount payable to the Luxshare Precision Group will not exceed the proposed annual caps for the respective financial years. The Company will set an alert amount when the total annual caps is about to be reached so that the Company could timely comply with the requirements under Chapter 14A of the Listing Rules in the event that the total amount payable to the Luxshare Precision Group are likely to be exceeded.

In addition, the independent non-executive Directors will conduct an annual review of the transactions contemplated under the Luxshare Precision Master Purchase Agreement. The Company's external auditors will also review the transactions as contemplated under the Luxshare Precision Master Purchase Agreement annually to check and confirm, among others, whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded.

Accordingly, the Directors consider that the Company has established sufficient internal control measures to ensure the transactions under the Luxshare Precision Master Purchase Agreement are conducted in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Luxshare Precision is a Controlling Shareholder of the Company interested in approximately 70.95% of the Company through its wholly-owned subsidiary, namely Luxshare Precision Limited, and is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng. As such, Luxshare Precision is a connected person of the Company and the transactions contemplated under the Luxshare Precision Master Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the proposed annual caps under the Luxshare Precision Master Purchase Agreement is more than 5%, the transaction contemplated under the Luxshare Precision Master Purchase Agreement are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Due to her beneficial interests in the Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and a non-executive Director, is regarded as having a material interest in the transactions contemplated under the Luxshare Precision Master Purchase Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the

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## LETTER FROM THE BOARD

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Luxshare Precision Master Purchase Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Ms. Wang Laichun, none of the Directors has any material interest in the Luxshare Precision Master Purchase Agreement and none of them is required to abstain from voting on the relevant resolutions of the Board.

Ms. Wang Laichun and its associates are regarded as having material interest in the transactions contemplated under the Luxshare Precision Master Purchase Agreement and therefore are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Luxshare Precision Master Purchase Agreement, its proposed annual caps and the transactions contemplated thereunder. As at the Latest Practicable Date, Luxshare Precision Limited, an associate of Ms. Wang Laichun, held 1,380,594,000 Shares, representing approximately 70.95% of the issued share capital of the Company. Accordingly, Luxshare Precision Limited will abstain from voting at the EGM in respect of the resolution proposed to be passed for approving the Luxshare Precision Master Purchase Agreement, its proposed annual caps and the transactions contemplated thereunder.

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

The Independent Board Committee has been formed to consider and advise the Independent Shareholders of the Company as to whether the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. In this regard, Shang International Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

### **EGM**

The hybrid EGM will be convened and held on Monday, 5 September 2022 at 2:30 p.m. with the combination of a physical meeting at 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 eMeeting System to consider and, if thought fit, approve the Luxshare Precision Master Purchase Agreement and its proposed annual caps. 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

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## LETTER FROM THE BOARD

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### 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 Wednesday, 31 August 2022 to Monday, 5 September 2022, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 30 August 2022.

### RECOMMENDATION

The Directors (including the members of the Independent Board Committee having considered the advice from the Independent Financial Adviser) consider that the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial terms 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 the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 12 to 13 of this circular, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 14 to 25 of this circular and the additional information set out in the appendix to this circular.

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

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder.*



匯聚科技有限公司  
TIME Interconnect Technology Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1729)**

16 August 2022

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTION – THE LUXSHARE PRECISION MASTER PURCHASE AGREEMENT**

We refer to the circular of the Company dated 16 August 2022 (“**Circular**”) of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps and to advise the Independent Shareholders whether, in our opinion, the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial terms so far as the Independent Shareholders are concerned and whether the Luxshare Precision Master Purchase Agreement and its proposed annual caps are in the interests of the Company and its Shareholders as a whole. Shang International Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

We wish to draw your attention to the letter from the Board set out on pages 4 to 11 of the Circular which contains, inter alia, information about the Luxshare Precision Master Purchase Agreement and its proposed annual caps, and the letter of advice from the Independent Financial Adviser set out on pages 14 to 25 of the Circular which contains its advice in respect of the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

Having taking into account the advice from the Independent Financial Adviser, we consider the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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terms so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

Yours faithfully,  
**Independent Board Committee**

**Ho Hin Shun**  
*Independent*  
*Non-executive Director*

**Luk Wai Shing**  
*Independent*  
*Non-executive Director*

**Chan Chung Shun Eric**  
*Independent*  
*Non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the letter of advice from Shang International Finance Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in the Circular.*



Shang International Finance Limited  
9/F, Central 88  
88-98 Des Voeux Road Central  
Central, Hong Kong

16 August 2022

*To the Independent Board Committee and  
the Independent Shareholders*

Time Interconnect Technology Limited  
Unit 601, Photonics Centre  
2 Science Park East Avenue  
Hong Kong Science Park  
Shatin, Hong Kong

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTION – THE LUXSHARE PRECISION MASTER PURCHASE AGREEMENT**

#### **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 continuing connected transactions contemplated under the Luxshare Precision Master Purchase Agreement. Details of the Luxshare Precision Master Purchase Agreement are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular of the Company dated 16 August 2022 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 19 July 2022 in respect of, among other matters, the Company entered into the Luxshare Precision Master Purchase Agreement with Luxshare Precision, pursuant to which the Group agreed to purchase Raw Materials from the Luxshare Precision Group.



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### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Luxshare Precision is a Controlling Shareholder of the Company interested in approximately 70.95% of the Company through its wholly-owned subsidiary, namely Luxshare Precision Limited, and is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng. As such, Luxshare Precision is a connected person of the Company and the transactions contemplated under the Luxshare Precision Master Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the proposed annual caps under the Luxshare Precision Master Purchase Agreement is more than 5%, the transaction contemplated under the Luxshare Precision Master Purchase Agreement are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Due to her beneficial interests in the Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and a non-executive Director, is regarded as having a material interest in the transactions contemplated under the Luxshare Precision Master Purchase Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the Luxshare Precision Master Purchase Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Ms. Wang Laichun, none of the Directors has any material interest in the Luxshare Precision Master Purchase Agreement and none of them is required to abstain from voting on the relevant resolutions of the Board.

Ms. Wang Laichun and its associates are regarded as having material interest in the transactions contemplated under the Luxshare Precision Master Purchase Agreement and therefore are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Luxshare Precision Master Purchase Agreement, its proposed annual caps and the transactions contemplated thereunder. As at the Latest Practicable Date, Luxshare Precision Limited, an associate of Ms. Wang Laichun, held 1,380,594,000 Shares, representing approximately 70.95% of the issued share capital of the Company. Accordingly, Luxshare Precision Limited will abstain from voting at the EGM in respect of the resolution proposed to be passed for approving the Luxshare Precision Master Purchase Agreement, its proposed annual caps and the transactions contemplated thereunder.

### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric, all being independent non-executive Directors, has been established to consider the Luxshare Precision Master Purchase Agreement, and to give advice and recommendation to the Independent Shareholders as to whether the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder, including the proposed annual caps, are entered in the usual and ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### INDEPENDENCE

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder, including the proposed annual caps, are entered into in the usual and ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, there have been no engagements between the Company and Shang International Finance Limited. Apart from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the Directors, chief executive and substantial Shareholders or Luxshare Precision or any of its subsidiaries or their respective associates, and any parties acting in concert with them. As at the Latest Practicable Date, there have been no relationships or interests existing between (a) Shang International Finance Limited and (b) the Group and Luxshare Precision or any of their respective subsidiaries or associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Therefore, we consider ourselves eligible to act as the Independent Financial Adviser to the Company under the requirements of the Listing Rules.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions, representations and facts contained or referred to in the Circular as well as the information and representations made or provided by the Directors and the senior management of the Company, for which they are solely and wholly responsible, are true, accurate, complete and not misleading at the time when they were made and continue to be so up to the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the transactions contemplated under the Luxshare Precision Master Purchase Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

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We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business, financial conditions and affairs of the Group, Luxshare Precision or their respective subsidiaries or associates or their future prospects, nor have we considered the taxation implications on the Group or the Shareholders as a result of conducting the transactions contemplated under the Luxshare Precision Master Purchase Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Shang International Finance Limited to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the proposed annual caps in relation to and the transactions contemplated under the Luxshare Precision Master Purchase Agreement, we have taken into account the following principal factors and reasons set out below:

#### **1. Background information of the parties to the Luxshare Precision Master Purchase Agreement**

##### ***1.1 Principal business of the Group***

As stated in the Letter from the Board, the Company was incorporated in the Cayman Islands as an exempted company with limited liability, shares of which have been listed on the Stock Exchange since February 2018. The Group is headquartered in Hong Kong, and has manufacturing facilities in Shanghai, Suzhou and Huizhou in the PRC. The Group is principally engaged in the manufacture and sales of cable assembly and digital cable products. The

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Company supplies cable products to customers worldwide, including global network solutions and infrastructure provider, global internet related service provider, multinational medical equipment manufacturer and automotive manufacturer.

Reference is made to the announcement of the Company dated 11 May 2022 in relation to the development of new server business of the Group (the “**Server Business Announcement**”). In order to diversify the Group’s business portfolio, the Group has decided to expand its business to JDM/ODM server business, offering products including rack-mounted computing servers, edge servers, AI smart servers, storage servers, smart network cards, GPU cards and complete cabinet products, which are mainly applied in data centers. This new business and the Group’s existing businesses have an upstream and downstream relationship, which is expected to bring expansion opportunities to a larger customer portfolio. In addition, the Company considers there will be a degree of vertical integration with the existing production of the Group allowing an optimised cost structure.

### *1.2 Background information of Luxshare Precision and business relationship with the Group*

As stated in the Letter from the Board, Luxshare Precision is a company incorporated in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange (stock code: 002475). The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. As at the Latest Practicable Date, Luxshare Precision is owned as to (i) approximately 38.56% by Luxshare Limited, which is in turn owned by Ms. Wang Laichun, the non-executive Director and the chairman of the Board, and Mr. Wang Laisheng, the brother of Ms. Wang Laichun, as to 50% each; and (ii) approximately 0.07% by Mr. Wang Laisheng directly.

## **2. Reasons for and benefits of the continuing connected transactions contemplated under the Luxshare Precision Master Purchase Agreement**

As stated in the Letter from the Board, in order to diversify the Group’s business portfolio, the Group has decided to expand its business into server business and the Group has started to approach suppliers to source relevant raw materials for the production of server products. In order to meet the technical specifications for the server products, certain key electronic or technical components, which are mainly central processing units and hard disks, have to be purchased from the designated independent suppliers (the “**Designated Suppliers**”). These Designated Suppliers are reputable multinational corporations which supply top-notch and essential electronic components in servers such as central processing units and hard disks. However, before the Group can purchase raw materials from the Designated Suppliers, the Group normally has to go through procedures adopted by the Designated Suppliers in order to open a customer account. As one of the leading electronics manufacturers in the PRC, the Luxshare Precision Group has established a long business relationship with the Designated Suppliers and is able to place orders from them. There are no other relationships and arrangements other than the customer and supplier relationship between the Designated Suppliers and the Luxshare Precision Group. In order to cater to the production requirement of customers and

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meet the tight production schedule, the Group has decided to acquire Raw Materials from the Luxshare Precision Group, which in turn orders the Raw Materials from the Designated Suppliers on behalf of the Group as a transitional arrangement until all the Group's customer accounts are successfully opened, the Company will then place orders with the Designated Suppliers directly without reliance on the Luxshare Precision Group.

As stated in the Letter from the Board, the Luxshare Precision Group has devoted its resources to research and technological development over the years and offers a wide range of electronic components with high quality and technical specifications. As the designated supplier of some existing cable products customers, the Luxshare Precision Group has been supplying the Group with Raw Materials for the production of cable products in past years. With the Luxshare Precision Master Purchase Agreement, the Group can secure a stable supply of Raw Materials and leverage on the research and development capability of the Luxshare Precision Group to produce products with highest standard and specifications.

Based on our research, we note from the report dated December 2021, titled "14th Five-Year Plan for National Informatization" (《「十四五」國家信息化規劃》)<sup>1</sup> issued by the Central Commission for Cybersecurity and Informatization, that major tasks and focus projects include, among other things, the construction of a national collaborative big-data center innovation system, coordinating cloud data centers in important fields and building direct data center connection networks between regional data centers as well as between clusters and major cities. Further, from the paper dated April 2022, titled "White Paper on Data Center (2022)" (《數據中心白皮書(2022年)》)<sup>2</sup> issued by the China Academy of Information and Communications Technology, the total data center market revenue in China is expected to grow from approximately RMB150.02 billion in 2021 to approximately RMB190.07 billion in 2022, representing an annual growth of approximately 26.7%. Having taken into account the growth trend and market size of the China data center market, we consider that the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder will enable the Group to secure a steady source of raw materials at a competitive price, which in turn will enable the Group to broaden its revenue stream by tapping into the China data center market.

Taking into consideration the above, we concur with the Directors' view that the entering into of the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

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<sup>1</sup> <http://www.gov.cn/xinwen/2021-12/28/5664873/files/1760823a103e4d75ac681564fe481af4.pdf>

<sup>2</sup> <http://www.caict.ac.cn/english/research/whitepapers/202205/P020220510510013255944.pdf>

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### 3. Principal terms of the Luxshare Precision Master Purchase Agreement

As extracted from the Letter from the Board, the principal terms of the Luxshare Precision Master Purchase Agreement are set out below:

Date	:	19 July 2022
Parties	:	(i) Luxshare Precision (ii) the Company
Subject	:	Pursuant to the Luxshare Precision Master Purchase Agreement, the Group agreed to purchase Raw Materials from the Luxshare Precision Group
Term	:	The Luxshare Precision Master Purchase Agreement has a fixed term from 19 July 2022 to 31 March 2025 (both days inclusive)

#### *Pricing policy*

The Raw Materials supplied by the Luxshare Precision Group will comprise (i) Raw Materials ordered by the Luxshare Precision Group from the Designated Suppliers, that are Independent Third Parties, on behalf of the Group, which are mainly central processing units and hard disks applied in the Group's server products; and (ii) the Luxshare Precision Group's own goods, which are mainly electronic components such as cables, connectors, terminal products and parts applied in the Group's cable products.

Under the Luxshare Precision Master Purchase Agreement, the price payable for Raw Materials which are purchased from the Designated Suppliers by the Luxshare Precision Group on behalf of the Group shall be at the Luxshare Precision Group's cost. The Group will be presented with the original invoices of the ultimate suppliers by the Luxshare Precision Group for settling the amounts payable.

For Raw Materials produced by the Luxshare Precision Group, the price payable shall be determined with reference to the prevailing market price for the same or similar raw materials charged by Independent Third Party vendors or by the Luxshare Precision Group to other Independent Third Parties from time to time. In order to ensure that the prices are fair and reasonable and in line with the prevailing market rate, the Group will obtain at least three quotations from Independent Third Party vendors which provide raw materials of similar specifications and quality not less frequently than on a quarterly basis. Such quotations will be compared against the quotations from Luxshare Precision and the Group will only accept Luxshare Precision's quotations if they are favourable to the Group.

With reference to the section headed "INTERNAL CONTROLS" of the Letter from the Board, the Company has adopted and implemented standard internal control procedures on all continuing connected transactions, which cover transactions contemplated under the Luxshare

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Precision Master Purchase Agreement, to ensure the payment terms and pricing basis thereof will be on normal commercial terms or on terms which are no less favourable than those available from Independent Third Parties. We consider the effective implementation of the internal control measures will ensure fair pricing of the transactions contemplated under the Luxshare Precision Master Purchase Agreement and in compliance with its pricing policy.

Having considered the above factors and in particular that (i) the price payable for Raw Materials which are purchased from the Designated Suppliers by the Luxshare Precision Group on behalf of the Group shall be at the Luxshare Precision Group's cost; (ii) the price payable for Raw Materials produced by the Luxshare Precision Group shall be determined with reference to the prevailing market price for the same or similar raw materials charged by Independent Third Party vendors or by the Luxshare Precision Group to other Independent Third Parties from time to time; and (iii) the Group has the internal control measures in place to safeguard the interests of the Group when conducting the transactions contemplated under the Luxshare Precision Master Purchase Agreement. We consider the pricing bases under the Luxshare Precision Master Purchase Agreement as stated above to be fair and reasonable so far as the Independent Shareholders are concerned and allow the Group to purchase Raw Materials on normal commercial terms or better.

#### 4. The proposed annual caps under the Luxshare Precision Master Purchase Agreement

The historical purchase amounts of Raw Materials as produced by the Luxshare Precision Group for each of the three years ended 31 March 2022 were approximately HK\$983,000, HK\$1,385,000 and nil, respectively.

Set out below are the proposed annual caps under the Luxshare Precision Master Purchase Agreement for the three years ending 31 March 2025:

	<b>Proposed annual caps for the purchase of Raw Materials produced by the Luxshare Precision Group</b>	<b>Proposed annual caps for the purchase of Raw Materials from third party suppliers ordered by the Luxshare Precision Group on behalf of the Group</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Year ending 31 March 2023	10,000	1,200,000	1,210,000
Year ending 31 March 2024	10,500	–	10,500
Year ending 31 March 2025	11,000	–	11,000

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As stated in the Letter from the Board, the proposed annual caps for the purchase of Raw Materials by the Group have been determined after taking into consideration (i) the actual and expected demand for the Group's server products and cable products; and (ii) the expected fluctuation of prices of raw materials, the exchange rate as well as inflation. In particular, the Group received purchase orders of server products from customers which require raw materials from the Designated Suppliers, but the Group's customer account opening procedures have yet to be completed and hence the relevant Designated Suppliers cannot directly supply goods to the Group. The Luxshare Precision Group is an existing customer of the Designated Suppliers and is able to purchase the Raw Materials as required for fulfilling the Group's purchase orders on behalf of the Group before the Group's customer accounts with the Designated Suppliers are all opened.

The Group has estimated the proposed annual cap for the year ending 31 March 2023 to be HK\$1,200,000,000 for this purchase on behalf arrangement with reference to (i) the actual purchase orders received and estimated demand of the Group's server products during the time of clearing the account opening procedures with the Designated Suppliers; and (ii) the quotation from the Designated Suppliers for the volume of Raw Materials needed. After the customer accounts with the Designated Suppliers are successfully opened, the Group will no longer purchase Raw Materials through the Luxshare Precision Group for the production of server products.

In determining the annual caps for the purchase of Raw Materials produced by the Luxshare Precision Group, the Directors have taken into account the past sales volume and sales orders on hand for products which can apply the Raw Materials produced by the Luxshare Precision Group. The Group expects that demand for cable products requiring Raw Materials produced by the Luxshare Precision Group will remain stable for the next three years. Accordingly, the total amount of Raw Materials required for the production of cable products is estimated to be approximately HK\$10,000,000, HK\$10,000,000 and HK\$10,000,000 for the three years ending 31 March 2023, 2024 and 2025, respectively. In addition, the Group has also allocated a buffer in the above proposed annual caps of approximately HK\$500,000 and HK\$1,000,000 for the two years ending 31 March 2024 and 2025, respectively, to account for inflation and the fluctuation of exchange rate of Hong Kong dollars against Renminbi.

In assessing the fairness and reasonableness of the proposed annual caps for the transactions contemplated under the Luxshare Precision Master Purchase Agreement, we have discussed with the Management as to the bases and assumptions in determining the said proposed annual caps.

### ***Raw Materials produced by Luxshare Precision Group***

The Management has represented that the historical purchase of Raw Materials was for the cable assembly business only, which are produced by the Luxshare Precision Group. We note that the Management has assumed increases in purchases for cable products' Raw Materials of HK\$500,000 for each of the two years ending 31 March 2025. We consider this increase to be reasonable after taking into account the price of the Raw Materials required to produce cable products will likely be affected by the inflationary pressure caused by prevailing uncertainties globally, supply chain disruptions due to COVID-19 and the conflicts in Europe and the purchase of Raw Materials in Renminbi would be affected by exchange rate fluctuations.



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Taking into consideration the proposed annual caps for the purchase of Raw Materials to produce cable products is higher than historical purchase amounts, in arriving at the proposed annual caps, in addition to the past sales volume and sales orders on hand, the Management has taken into consideration that the cable industry is expected to experience sustained growth in the coming years due to the rapid development of the 5G cellular network technology in the PRC and the 5G network deployment announced by various mobile operators in these two years, which would require gradual and large-scale replacement of 5G devices and equipment in the coming years, which is expected to drive the demand for cable assembly products.

In addition, the Management has represented that the server business and the cable assembly business have an upstream and downstream relationship. It is expected that the server business will represent an opportunity for the Group to expand its existing cable assembly service to a larger customer portfolio.

### *Raw Materials purchased by Luxshare Precision Group for resale to the Group*

The Management has represented that no historical purchases of Raw Materials to produce server products was made from Luxshare Precision Group prior to the Server Business Announcement. Before the Group can purchase Raw Materials to produce server products from the Designated Suppliers, the Group normally has to go through procedures adopted by the suppliers in order to open a customer account. The Group has no control over the timing required for clearing the account opening procedures and the Group will purchase the said Raw Materials through the Luxshare Precision Group until the completion of the account opening procedures (the “**Transition Period**”). After the Transition Period, the Group will place orders with the Designated Suppliers directly.

In view there is no track record for the purchase of the said Raw Materials to produce server products, to assess the fairness and reasonableness of the proposed annual cap, we inquired into the basis of the proposed annual cap and have obtained and reviewed the Management’s calculation of the same. It was noted that the proposed annual cap was determined based on: (i) the actual purchase orders on hand for the Group’s server products during the estimated Transition Period; and (ii) the estimated Raw Material purchases required to meet the said purchase orders. We have obtained the schedule of actual purchase orders received for the Group’s server products during the Transition Period. From the said schedule we randomly selected samples of orders on hand and obtained (i) the purchase orders for the Group’s server products; and (ii) a schedule of the Raw Materials purchases required, as estimated by the procurement department, to meet the purchase orders stated above. Based on the samples obtained, we consider the estimated Raw Materials for the purchase orders received was made on a fair and reasonable basis.

Having considered the factors as set out above, we are of the view that the proposed annual caps in respect of the transactions contemplated under the Luxshare Precision Master Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

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Shareholders should note that the proposed annual caps in respect of the transactions contemplated under the Luxshare Precision Master Purchase Agreement relates to future events and were proposed based on the best estimates by the Management with reference to the information currently available. The proposed annual caps in respect of the transactions contemplated under the Luxshare Precision Master Purchase Agreement bears no direct relationship to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance.

### **5. Internal control measures on continuing connected transactions**

The Group has adopted internal control measures and policies in respect of continuing connected transactions to provide an effective framework for corporate governance and risk management and monitoring all continuing connected transactions of the Group. We noted that the Group has implemented internal control procedures and policies on connected transactions to monitor connected transactions and to ensure that all connected transactions are entered into in accordance with pricing policies and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. For details of the internal control procedures on continuing connected transactions, please refer to the section headed "INTERNAL CONTROLS" of the Letter from the Board.

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the transactions contemplated under the Luxshare Precision Master Purchase Agreement must be restricted by their respective proposed annual caps for the period concerned under the Luxshare Precision Master Purchase Agreement; (ii) the terms of the transactions contemplated under the Luxshare Precision Master Purchase Agreement (including their respective proposed annual caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the transactions contemplated under the Luxshare Precision Master Purchase Agreement must be included in the Company's subsequent published annual reports.

Furthermore, the auditors of the Company are also required under the Listing Rules to provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the transactions contemplated under the Luxshare Precision Master Purchase Agreement (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded their respective proposed annual caps.

In the event that the total amounts of the transactions contemplated under the Luxshare Precision Master Purchase Agreement are anticipated to exceed their respective proposed annual caps, or that there is any proposed material amendment to the terms of the transactions contemplated under the Luxshare Precision Master Purchase Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

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We have discussed with the Management and understood that the Management is aware of the internal control procedures as set out in the section headed “INTERNAL CONTROLS” of the Letter from the Board and will comply with the said internal control procedures when conducting the transactions contemplated under the Luxshare Precision Master Purchase Agreement.

Given the above, we consider there exists appropriate procedures and arrangements to ensure that the transactions contemplated under the Luxshare Precision Master Purchase Agreement will be conducted on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and on normal commercial terms or better and in the ordinary and usual course of business of the Group.

### RECOMMENDATION

Having considered the principal factors and reasons above, we consider that the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder, including the proposed annual caps, are entered into in the usual and ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend to the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Luxshare Precision Master Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Shang International Finance Limited**  
**Henry Yau**  
*Executive Director*

*Note:* Mr. Henry Yau is a licensed person registered with the Securities and Futures Commission and is a responsible officer of Shang International Finance Limited to carry out type 6 regulated activity (advising on corporate finance). He has over ten years of experience in the corporate finance industry 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

### (a) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

#### *Long Positions in shares of the Company*

<b>Name of Director</b>	<b>Capacity/Nature</b>	<b>Number of shares held/ interested</b>	<b>Approximate percentage of interest</b>
Ms. Wang Laichun <sup>(Note)</sup>	Interested in controlled corporation	1,380,594,000	70.95%
Mr. Cua Tin Yin Simon	Beneficial owner	10,488,000	0.54%
Mr. Wong Chi Kuen	Beneficial owner	9,528,000	0.49%
Mr. Luk Wai Shing	Beneficial owner	1,824,000	0.09%
Mr. Ho Hin Shun	Beneficial owner	1,000,000	0.05%

#### *Note:*

Ms. Wang Laichun holds 50% of issued share capital of Luxshare Limited. Luxshare Limited holds 38.56% of the issued share capital of Luxshare Precision and Luxshare Precision Limited is wholly-owned by Luxshare Precision. Therefore, Ms. Wang Laichun is deemed, or taken to be, interested in all the shares held by Luxshare Precision Limited for the purpose of the SFO. Ms. Wang Laichun is the sole director of Luxshare Precision Limited and the chairperson and general manager of Luxshare Precision.

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 they were taken or deemed to have under provision 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.

**(b) Substantial shareholders' interests and short positions in shares, underlying shares and debentures**

As at the Latest Practicable Date, the following persons/entities (other than the Directors or chief executive of the Company) had or were deemed to have an interest or a short positions in the shares, the underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 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, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group:

*Long positions in shares and underlying shares of the Company*

Name of Director	Capacity/Nature	Number of shares held/ interested	Approximate percentage of interest
Luxshare Precision Limited	Beneficial owner	1,380,594,000	70.95%
Luxshare Precision <sup>(Note 1)</sup>	Interest of controlled corporation	1,380,594,000	70.95%
Luxshare Limited <sup>(Note 2)</sup>	Interest of controlled corporation	1,380,594,000	70.95%
Mr. Wang Laisheng <sup>(Note 3)</sup>	Interest of controlled corporation	1,380,594,000	70.95%

*Notes:*

- 1) Luxshare Precision Limited is wholly-owned by Luxshare Precision. Therefore, Luxshare Precision is deemed, or taken to be, interested in all the shares held by Luxshare Precision Limited for the purpose of the SFO.
- 2) Luxshare Limited holds 38.56% of the issued ordinary share capital of Luxshare Precision, and Luxshare Precision Limited is wholly-owned by Luxshare Precision. Therefore, Luxshare Limited is deemed to, or taken to be, interested in all the shares held by Luxshare Precision Limited for the purpose of the SFO.

- 3) Mr. Wang Laisheng holds 50% of issued share capital of Luxshare Limited. Luxshare Limited and Mr. Wang Laisheng hold 38.56% and 0.07% of the issued share capital of Luxshare Precision, respectively, and Luxshare Precision Limited is wholly-owned by Luxshare Precision. Therefore, Mr. Wang Laisheng is deemed, or taken to be, interested in all the shares held by Luxshare Precision Limited for the purpose of the SFO. Mr. Wang Laisheng is the vice chairman of Luxshare Precision.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons who 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 and the Stock Exchange under the provisions of Division 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, 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.

### **3. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in other competing business.

### **4. 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 2022, being the date to which the latest published audited financial statements of the Company were made up.

### **5. SERVICE CONTRACTS OF DIRECTORS**

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

### **6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP**

As at the Latest Practicable Date, none of the Directors or expert had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

**7. EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Shang International Finance 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

As at the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of the Group nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no direct or indirect interest in any assets which had been since 31 March 2022 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular, with the inclusion therein of its letter(s), report(s), opinion and/or the references to its name in the form and context in which it appears.

**8. GENERAL**

Should there be any inconsistencies between the English text and the Chinese text of the circular, the English text of this circular shall prevail over the Chinese text.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be published on the website of the Company (<http://www.time-interconnect.com>) and the Stock Exchange's website (<http://www.hkexnews.hk>) for a period of 14 days from the date of this circular:

- (a) the Luxshare Precision Master Purchase Agreement;
- (b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 12 to 13 of this circular;
- (c) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 14 to 25 of this circular; and

- (d) the written consent of the Independent Financial Adviser referred to in the paragraph headed “Expert and Consent” in this appendix.



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## NOTICE OF EGM

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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)**

### **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 Monday, 5 September 2022 with the combination of a physical meeting at 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**

1. “**THAT:**

- (a) the execution of the Luxshare Precision Master Purchase Agreement (as defined and described in the Circular) and its proposed annual caps be and are hereby confirmed, ratified and approved and the transactions hereunder be and is hereby approved; 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 (including under the seal of the Company), 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 Luxshare Precision Master Purchase Agreement and its respective proposed annual caps 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, 16 August 2022

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## NOTICE OF EGM

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*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

*Notes:*

1. A form of proxy for the EGM 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.

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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).

5. 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.
6. 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.
7. 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.
8. 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

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## NOTICE OF EGM

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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 letter regarding the Tricor e-Meeting System which will be despatched later 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).

9. 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.

If you are a non-registered holder, you should contact your banks, brokers, custodians, nominees or HKSCC Nominees Limited through which your shares are held (as the case may be) (collectively the "**Intermediary**") and instruct the Intermediary to appoint you as proxy or corporate representative to attend and vote via Tricor e-Meeting System at the EGM and in doing so, you will be asked to provide your email address. Details regarding the Tricor e-Meeting System including the login details will be emailed to you by the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited.

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 Friday, 2 September 2022 for arrangement.