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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 31 March 2020, the Company entered into Linkz Industries Framework Agreement to renew the Existing Linkz Industries Framework Agreement.

As at the date of this announcement, Linkz Industries is a Controlling Shareholder of the Company interested in 63.86% of the Company through Time Holdings and is ultimately beneficially owned by Mr. Paul Lo, the chairman of the Board, a non-executive Director and a Controlling Shareholder, as to 59.82% of its effective interest. As such, Linkz Industries is a connected person of the Company and the transactions contemplated under the Linkz Industries Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (as defined under the Listing Rules) for the proposed annual caps under the Linkz Industries Framework Agreement is less than 5% on an annual basis, the Group's sale of cable assembly products to Linkz Group and purchase of materials by the Group from Linkz Group as contemplated under the Linkz Industries Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Paul Lo is regarded as having a material interest in the transactions contemplated under the Linkz Industries Framework Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the Linkz Industries Framework Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Paul Lo, none of the Directors has any material interest in the Linkz Industries Framework Agreement and none of them is required to abstain from voting on the relevant resolutions of the Board.

BACKGROUND

Reference is made to the section headed “Continuing Connected Transactions” of the Prospectus in respect of, among other matters, the Existing Linkz Industries Framework Agreement, which has a term until 31 March 2020. On 31 March 2020, the Company entered into the Linkz Industries Framework Agreement to govern the continuing connected transactions for the period from 1 April 2020 to 31 March 2023, details of which are set out in this announcement.

LINKZ INDUSTRIES FRAMEWORK AGREEMENT

Set out below is a summary of the principal terms of the Linkz Industries Framework Agreement.

Date	: 31 March 2020
Term	: From 1 April 2020 to 31 March 2023
Parties	: (i) Linkz Industries (ii) the Company
Nature of transaction	: Pursuant to the Linkz Industries Framework Agreement, the Group agreed to: (a) sell a variety of cable assembly products, pursuant to the specifications and requirements, to Linkz Group; and (b) purchase copper cable products from Linkz Group.

(a) Sales of cable assembly products by the Group to Linkz Group

Pricing policy

The terms of the sales shall be determined with reference to prevailing market terms and on terms no less favourable to the Group than those made available to Independent Third Parties for similar products. In particular, the prices will be determined based on the standard price range of the relevant products set by the Group in accordance with its pricing policy. If a standard price range does not exist, pricing should be determined a cost-plus basis, which is determined by the direct costs of producing the products (including materials, labour, rental, utilities, equipment depreciation and subcontracting fees, if any) plus a profit margin to be agreed upon. In order to ensure the terms of sales and profit margin are in line with prevailing market rates and conditions, the Group will obtain and compare selling prices to other customers, who are Independent Third Party requiring supply of similar cable assembly products from us, not less frequently than on a quarterly basis. The Group shall have the right to accept the orders from Linkz Group or not and would accept orders only if the Group will profit from the sales and would consider the Group’s capacity to undertake purchase orders which are more profitable.

Historical annual caps and transaction amounts

The following table summarizes (i) the historical annual caps of the previous continuing connected transactions under the Existing Linkz Industries Framework Agreement for each of the three years ended 31 March 2018, 2019 and 2020; and (ii) the historical sales amounts for each of the two years ended 31 March 2018 and 2019 and for the ten months ended 31 January 2020:

For the years ended 31 March				For the	For the
2018		2019		year ended	ten months
				31 March	ended
				2020	31 January
					2020
<i>Historical</i>	<i>Historical</i>	<i>Historical</i>	<i>Historical</i>	<i>Existing</i>	<i>Historical</i>
<i>annual cap</i>	<i>transaction</i>	<i>annual cap</i>	<i>transaction</i>	<i>annual cap</i>	<i>transaction</i>
<i>HK\$'000</i>	<i>amount</i>	<i>HK\$'000</i>	<i>amount</i>	<i>HK\$'000</i>	<i>amount</i>
	<i>HK\$'000</i>		<i>HK\$'000</i>		<i>HK\$'000</i>
					<i>(unaudited)</i>
8,500	4,573	9,000	2,534	9,500	1,140

Proposed annual caps

The proposed annual caps for the aggregate sales amount of cable assembly products by the Group to Linkz Group are set out below:

	<i>HK\$'000</i>
Year ending 31 March 2021	9,500
Year ending 31 March 2022	9,500
Year ending 31 March 2023	9,500

Basis of annual caps

The proposed annual caps for the sale amount of cable assembly products by the Group have been determined taking into consideration (i) the historical sales amount under the Existing Linkz Industries Agreement and (ii) the expected demand of the Group's cable assembly from Linkz Group.

Reasons for and benefits of the transaction

Linkz Group manufactures and sells networking cables and LED video display screens as well as leasing of LED video display screens, while the Group manufactures and sells cable assembly products. Under the Existing Linkz Industries Framework Agreement, Linkz Group applies the Group's cable assembly products with its specifications and requirements for manufacturing LED video display screens. The renewal of the Linkz Industries Framework Agreement will allow the Group to maintain its sales and continue to ride on the reputation of Linkz Group as an experienced manufacturer of LED video display screens and networking cables in the PRC.

Taking into account that the sales of cable assembly products by the Group to Linkz Group under the Linkz Industries Framework Agreement is (i) under normal commercial terms, (ii) reached after arm's length negotiations; and (iii) being carried out in the usual and ordinary course of business of each of the parties, the Board (including the independent non-executive Directors) is of the view that the terms of the Linkz Industries Framework Agreement (including the proposed annual caps) are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

(b) Purchase of materials by the Group from Linkz Group

Pricing policy

The price payable for copper cable products under Linkz Industries Framework Agreement by the Group to Linkz Group shall be determined after arm's length negotiation. In order to ensure that the prices are fair and reasonable and in line with prevailing market rate, the Group will obtain quotations from providers which provide similar materials and are Independent Third Parties not less frequently than on a quarterly basis.

Historical annual caps and transaction amounts

The following table summarises (i) the historical annual caps of the previous continuing connected transactions under the Existing Linkz Industries Framework Agreement for each of the three years ended 31 March 2018, 2019 and 2020; and (ii) the historical purchase amounts for each of the two years ended 31 March 2018 and 2019 and for the ten months ended 31 January 2020:

For the years ended 31 March 2018		For the years ended 31 March 2019		For the year ended 31 March 2020	For the ten months ended 31 January 2020
<i>Historical annual cap</i> <i>HK\$'000</i>	<i>Historical transaction amount</i> <i>HK\$'000</i>	<i>Historical annual cap</i> <i>HK\$'000</i>	<i>Historical transaction amount</i> <i>HK\$'000</i>	<i>Existing annual cap</i> <i>HK\$'000</i>	<i>Historical transaction amount</i> <i>HK\$'000</i> <i>(unaudited)</i>
17,500	15,271	21,000	19,501	22,000	18,565

Proposed annual caps

The proposed annual caps for the aggregate purchase amount of materials by the Group from Linkz Group are set out below:

	<i>HK\$'000</i>
Year ending 31 March 2021	9,500
Year ending 31 March 2022	—
Year ending 31 March 2023	—

Basis of annual caps

With reference to the announcement of the Company dated 24 March 2020, the Company entered into the sales and purchase agreement with Linkz Industries for acquiring its networking cable business (the “**Target Group**”). Upon the completion of the acquisition (the “**Completion**”), transactions between the Group and the Target Group will no longer be subject to the connected transactions requirements under the Listing Rules. In view of the expected Completion, which is subject to a number of conditions precedent including but not limited to the passing of the relevant independent shareholders’ resolution at the extraordinary general meeting to be held on 29 April 2020, the proposed annual caps for the purchase amount of materials by the Group have been determined taking into consideration the expected demand of materials from Target Group by the Group prior to the Completion.

Reasons for and benefits of the transaction

Linkz Group manufactures and sells networking cables and LED video display screens as well as leasing of LED video display screens and is one of the largest manufacturers for certain networking cables in the PRC. Linkz Group has been providing materials to the Group for more than ten years. Based on the established long-term co-operation relationship between the Linkz Group and the Group, Linkz Group has a track record of providing reliable, efficient and satisfactory networking cable materials to the Group as certain principal raw materials for certain cable assembly products. As compared to many other cable manufacturers which are Independent Third Parties, for the specified products the Group requires, Linkz Group has more extensive experience in coping with the Group's specifications and has consistently delivered, on a timely basis, cable products that meet the quality standard satisfactory to the Group.

Taking into account that the purchase of materials by the Group from Linkz Group under the Linkz Industries Framework Agreement is (i) under normal commercial terms, (ii) reached after arm's length negotiations; and (iii) being carried out in the usual and ordinary course of business of each of the parties, the Board (including the independent non-executive Directors) is of the view that the terms of the Linkz Industries Framework Agreement (including the proposed annual caps) are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Company and the Group

The Company and its subsidiaries are principally engaged in the manufacturing and sales of cable assembly products.

Information on Linkz Industries

Linkz Industries is a limited liability company incorporated in Hong Kong, which, with its group of subsidiaries, are engaged in the manufacturing and sales of a range of products including networking cables, LED video display screens as well as leasing of LED video display screens.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Linkz Industries is a Controlling Shareholder of the Company interested in 63.86% of the Company through Time Holdings and is ultimately beneficially owned by Mr. Paul Lo, the chairman of the Board, a non-executive Director and a Controlling Shareholder, as to 59.82% of its effective interest. As such, Linkz Industries is a connected person of the Company and the transactions contemplated under the Linkz Industries Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (as defined under the Listing Rules) for the proposed annual caps under the Linkz Industries Framework Agreement is less than 5% on an annual basis, the Group's sale of cable assembly products to Linkz Group and purchase of materials by the Group from Linkz Group as contemplated under the Linkz Industries Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Paul Lo is regarded as having a material interest in the transactions contemplated under the Linkz Industries Framework Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the Linkz Industries Framework Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Paul Lo, none of the Directors has any material interest in the Linkz Industries Framework Agreement and none of them is required to abstain from voting on the relevant resolutions of the Board.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Time Interconnect Technology Limited (stock code: 1729), a company incorporated in the Cayman Islands with limited liability under the Companies Ordinance and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Linkz Industries Framework Agreement”	the agreement dated 24 January 2018 entered into between the Company and Linkz Industries in respect of the sale of cable assembly products to Linkz Group and the purchase of copper cable products from Linkz Group which will be expired in 31 March 2020
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“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

“Linkz Industries”	Linkz Industries Limited (領先工業有限公司), a company incorporated in Hong Kong with limited liability and a Controlling Shareholder
“Linkz Industries Framework Agreement”	the agreement entered into between the Company and Linkz Industries on 31 March 2020, pursuant to which, the Group agreed to sell a variety of cable assembly products to Linkz Group and purchase copper cable products from Linkz Group
“Linkz Group”	Linkz Industries and its subsidiaries (other than the Group)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Paul Lo”	Mr. Lo Chung Wai Paul (羅仲煒), chairman of the Board, non-executive Director and a Controlling Shareholder
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Time Holdings”	Time Interconnect Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, a Controlling Shareholder of the Company and is wholly owned by the Linkz Industries
“%”	per cent.

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

Hong Kong, 31 March 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cua Tin Yin Simon and Mr. Wong Chi Kuen, one non-executive Director, namely Mr. Lo Chung Wai Paul and three independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric.