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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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Maxnerva Technology Services Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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This circular is for information purpose only and does not constitute an invitation of offer to acquire, purchase or subscribe for the Shares or other securities in the Company.

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**MAXNERVA**  
**雲智匯科技服務**

### **MAXNERVA TECHNOLOGY SERVICES LIMITED** **雲智匯科技服務有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1037)**

#### **(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS; AND (2) NOTICE OF SPECIAL GENERAL MEETING**

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



**Gram Capital Limited**  
**嘉林資本有限公司**

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Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the content requires otherwise. A letter from the Board is set out on pages 5 to 24 of this circular.

A letter from the Independent Board Committee is set out on pages 25 to 26 of this circular.

A letter from Gram Capital containing its advice to the Independent Board Committee and Independent Shareholders is set out on pages 27 to 53 of this circular.

A notice convening the SGM to be held at 22/F, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong at 4 p.m. on 15 January 2021 is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you intend to attend the meeting or any adjournment thereof (as the case maybe), please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment meeting if you so wish.

#### **PRECAUTIONARY MEASURES FOR SGM**

Please refer to page SGM-4 of this circular for the measures being taken to prevent and control the spread of the ongoing novel coronavirus (COVID-19) pandemic at the SGM, including but not limited to: (a) compulsory body temperature check; (b) compulsory wearing of surgical face mask; (c) maintaining a safe distance between seats; (d) no provision of refreshments and beverages; and (e) no distribution of coupons for subsequent consumption.

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## CONTENTS

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	<i>Page</i>
<b>Definitions . . . . .</b>	<b>1</b>
<b>Letter from the Board . . . . .</b>	<b>5</b>
<b>Letter from the Independent Board Committee . . . . .</b>	<b>25</b>
<b>Letter from Gram Capital . . . . .</b>	<b>27</b>
<b>Appendix – General information . . . . .</b>	<b>I-1</b>
<b>Notice of the SGM . . . . .</b>	<b>SGM-1</b>

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## DEFINITIONS

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

“2017 Framework Agreements”	the IT system operation and maintenance framework agreement, the build-own-operate and IT project framework agreement, the procurement framework agreement and the sales framework agreement, all dated 22 September 2017 and entered into between the Company and Hon Hai
“2020 Framework Agreements”	the 2020 IT System Operation and Maintenance Framework Agreement, the 2020 Build-Own-Operate and IT Project Framework Agreement, the 2020 Procurement Framework Agreement and the 2020 Sales Framework Agreement
“2020 IT System Operation and Maintenance Framework Agreement”	the agreement dated 7 December 2020 entered into between the Company and Hon Hai as referred to under the subsection headed “(A) 2020 IT System Operation and Maintenance Framework Agreement” of the section headed “PRINCIPAL TERMS OF THE 2020 FRAMEWORK AGREEMENTS” of this circular
“2020 Build-Own-Operate and IT Project Framework Agreement”	the agreement dated 7 December 2020 entered into between the Company and Hon Hai as referred to under the subsection headed “(B) 2020 Build-Own-Operate and IT Project Framework Agreement” of the section headed “PRINCIPAL TERMS OF THE 2020 FRAMEWORK AGREEMENTS” of this circular
“2020 Procurement Framework Agreement”	the agreement dated 7 December 2020 entered into between the Company and Hon Hai as referred to under the subsection headed “(C) 2020 Procurement Framework Agreement” of the section headed “PRINCIPAL TERMS OF THE 2020 FRAMEWORK AGREEMENTS” of this circular
“2020 Sales Framework Agreement”	the agreement dated 7 December 2020 entered into between the Company and Hon Hai as referred to under the subsection headed “(D) 2020 Sales Framework Agreement” of the section headed “PRINCIPAL TERMS OF THE 2020 FRAMEWORK AGREEMENTS” of this circular

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## DEFINITIONS

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“Ancillary IT Products”	peripheral IT products and equipment including but not limited to video cameras, monitors, networking devices and storage devices
“Asia-IO”	Asia-IO Acquisition Fund, L.P., a fund holds 72,267,562 Shares, representing approximately 11.04% of the issued share capital of the Company, FSK Holdings is its limited partner contributing to about 75% of its total commitment
“Announcement”	the Company’s announcement dated 7 December 2020, which disclosed, among others, the entering into of the 2020 Framework Agreements and the terms and conditions of the transactions contemplated under the 2020 Framework Agreements which constitute continuing connected transactions for the Company under the Listing Rules
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Build-Own-Operate”	a service model in which the Group builds, owns and operates a project, facility or structure for a specified period. The ownership of the IT system and the associated intellectual property rights remains with the Company during the specified period
“Company”	Maxnerva Technology Services Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 1037)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the 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

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## DEFINITIONS

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“FSK Holdings”	FSK Holdings Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company
“Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the 2020 Framework Agreements and the proposed annual caps thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hon Hai”	Hon Hai Precision Industry Company Limited, a company incorporated in Taiwan with limited liability and the shares of which are listed on the Taiwan Stock Exchange
“Hon Hai Group”	Hon Hai and its group companies
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in connection with the transactions contemplated under the 2020 Framework Agreements and the proposed annual caps thereof
“Independent Shareholders”	Shareholders other than FSK Holdings, Asia-IO and its associates
“IIoT”	Industrial Internet-of-Things
“IT”	information technology

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## DEFINITIONS

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“IT Project”	a service model in which the Group provides project-based system integration service to its clients. Fees shall be paid primarily based on progress billing. The ownership of the IT system will be transferred to the customers. The ownership of the intellectual property rights produced under the project shall be determined in accordance with the terms of the purchase order of the project
“Latest Practicable Date”	23 December 2020, 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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be held to consider and approve the transactions contemplated under the 2020 Framework Agreements
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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## LETTER FROM THE BOARD

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**MAXNERVA**  
**雲智匯科技服務**

### **MAXNERVA TECHNOLOGY SERVICES LIMITED** **雲智匯科技服務有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1037)**

*Executive Directors:*

Mr. Chien Yi-Pin (*Chairman*)  
Mr. Cai Liting (*Chief Executive Officer*)  
Mr. Kao Chao Yang  
Mr. Cheng Yee Pun

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Non-executive Director:*

Mr. Jeon Eui Jong

*Head office and principal place  
of business:*

Room 1001, 10/F  
Houston Centre  
63 Mody Road  
Tsim Sha Tsui East, Kowloon  
Hong Kong

*Independent non-executive Directors:*

Mr. Tang Tin Lok Stephen  
Mr. Kan Ji Ran Laurie  
Prof. Zhang Xiaoquan

29 December 2020

*To the Shareholders*

Dear Sir or Madam,

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS;  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

#### **INTRODUCTION**

Reference is made to the Announcement in respect of the 2020 Framework Agreements and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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As the current term of each of the 2017 Framework Agreements will expire on 31 December 2020 and following the change of presentation currency from Hong Kong dollars to Renminbi in the annual report for the nine months ended 31 December 2017, the Company has on 7 December 2020 (after trading hours) entered into the 2020 Framework Agreements to renew the continuing connected transactions as contemplated under each of the 2017 Framework Agreements for a term of three financial years ending 31 December 2021, 2022 and 2023. Pursuant to the 2020 Framework Agreements, the Group agreed to (i) provide IT support and maintenance services to Hon Hai Group; (ii) provide Build-Own-Operate and IT Project services to Hon Hai Group; (iii) purchase enterprise-level products including but not limited to communication software, servers and related hardware equipment from Hon Hai Group to be used primarily for the provision of various IT services; and (iv) sell Ancillary IT Products to Hon Hai Group.

Based on the applicable size tests performed with respect to the proposed annual cap amounts under the 2020 Framework Agreements, as one or more of the applicable percentage ratios of the proposed annual caps of the 2020 Framework Agreements for the three financial years ending 31 December 2021, 2022 and 2023 for the transactions contemplated under the 2020 Framework Agreements are expected to be higher than 5% and more than HK\$10,000,000 on an annual basis, the transactions contemplated under the 2020 Framework Agreements are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders on the transactions contemplated under the 2020 Framework Agreements and the proposed annual caps thereof. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to (i) provide the Shareholders further information in respect of the 2020 Framework Agreements and the proposed annual caps thereof; (ii) set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the 2020 Framework Agreements and the proposed annual caps thereof; and (iii) give the Shareholders the notice of the SGM and other information as required under the Listing Rules.



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## LETTER FROM THE BOARD

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### PRINCIPAL TERMS OF THE 2020 FRAMEWORK AGREEMENTS

The following sets out the principal terms of each of the 2020 Framework Agreements:–

**(A) 2020 IT System Operation and Maintenance Framework Agreement**

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Term:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 IT system operation and maintenance framework agreement shall be terminated automatically on 1 January 2021.
Nature of Transactions:	The Group agreed to provide IT services to Hon Hai Group to support its existing IT infrastructure. The IT services include, among others, IT strategical planning, IT management, IT deployment and transfer, IT maintenance, IT system design and IT valued-added services.
Pricing basis:	<p>The services to be provided under the 2020 IT System Operation and Maintenance Framework Agreement will be charged on a monthly basis. The service fees will be determined after arm's length negotiations between the Group and Hon Hai Group based on the following factors:</p> <p>(a) the number of IT technicians involved, their time spent for delivery of such IT services and their respective monthly charging rate which is determined according to their skills, experience or grading, with reference to the market rates of IT technicians from at least two independent third parties;</p>

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## LETTER FROM THE BOARD

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- (b) the principle of cost plus a reasonable margin with regard to the purchase of any parts, software and products which is required for delivery of such IT services. Such margin is to be determined by the management based on its experience with reference to the charge in the industry for similar products offered by independent third parties in the ordinary course of business and under normal commercial terms; and
- (c) the Group adopts the same principles of cost plus a reasonable margin for services to be provided to both Hon Hai Group and independent customers and hence, in any event the terms and prices offered by the Group to Hon Hai Group will be no more favourable than those offered to an independent third party for the same or similar type of services.

Payment terms: The service fees shall be paid to the Group on the date agreed upon between the Group and Hon Hai Group under each individual project.

Condition precedent: The agreement is conditional upon the Company obtaining Independent Shareholders' approval at the SGM in accordance with the Listing Rules.

### ***Proposed Annual Cap***

The table below sets out the proposed annual caps for the service fees payable by Hon Hai Group to the Group pursuant to the 2020 IT System Operation and Maintenance Framework Agreement for each of the three financial years ending 31 December 2021, 2022 and 2023:

	Financial year ending 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Service fees payable by Hon Hai Group to the Group	91,859,453	110,231,344	132,277,613

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## LETTER FROM THE BOARD

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### ***Basis of determination of the proposed annual caps***

The proposed annual caps are determined based on:

- (i) the historical transaction amount during the year ended 31 December 2019;
- (ii) a buffer of 10% to allow for the increase in demand of services by Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and
- (iii) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry relating to implementation of smart solutions, according to the research results from an independent research firm.

The Shareholders should note that the proposed annual caps represent the best estimate by the Directors of the amount of the relevant transactions based on the information currently available. Such caps bear no direct relationship to, nor should be taken to have any direct bearing to, the Group's financial or potential financial performance.

### ***Existing annual caps and the actual transaction amounts***

The table below sets out the existing annual caps and the actual transaction amounts of the service fees payable by Hon Hai Group to the Group pursuant to the 2017 IT system operation and maintenance framework agreement:

	<b>Year ended/ending 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Existing annual caps	103,479,918	134,523,893	174,881,061
Actual transaction amounts	76,340,670	79,183,259	40,050,302
			<i>(Note)</i>

*Note:* Up to 30 September 2020 and hence, the nine months ended 30 September 2020.

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## LETTER FROM THE BOARD

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**(B) 2020 Build-Own-Operate and IT Project Framework Agreement**

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Term:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 build-own-operate and IT project framework agreement shall be terminated automatically on 1 January 2021.
Nature of Transactions:	<p>The Group agreed to provide project-based system integration service to Hon Hai Group, including but not limited to design and development of new systems, provision of application programming recommendations, installation, implementation, testing, auditing and integration of new systems within the IT environments; and providing cultural transitioning of workforces to new environments, including training of employees and other end users. These projects will be customized according to customer specifications and needs with reference to their corporate plan and development which include, among others, smart manufacturing, smart office and video conferencing, cloud computing, enterprise application and mobile application.</p>
Pricing basis:	<p>The Group shall provide the services based on the following pricing principles:</p> <p>(a) where there are similar or comparable services in the market, with reference to the market rate for provision of project management services with comparable nature, scale or scope. When determining the relevant market rates, management of the Group shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference;</p>

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## LETTER FROM THE BOARD

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- (b) based on the principle of cost plus a reasonable margin. Such margin is to be determined by the management based on its experience with reference to the charge in the industry for similar services and products offered by independent third parties in the ordinary course of business and under normal commercial terms. The cost will take into account of the required level of knowhow and technical expertise, the cost of equipment and software used in the project, cost of labour including but not limited to the number of IT technicians required and their time spent for the project and their respective charging rate which is determined according to their skills, experience or grading, with reference to the market rates of IT technicians from at least two independent third parties;
- (c) the fees of individual projects will be arrived at after arm's length negotiations between the Group and Hon Hai Group based on the nature, scale and complexity of the projects and corresponding services and on normal commercial terms; and
- (d) the Group adopts the same principles of cost plus a reasonable margin for services to be provided to both Hon Hai Group and independent customers and hence, in any event the terms and prices offered by the Group to Hon Hai Group will be no more favourable than those offered to an independent third party for the same or similar type of services.

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## LETTER FROM THE BOARD

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Payment terms: The consideration of individual projects shall be paid in accordance with the terms to be agreed prior to the commencement of such projects, with reference to terms commonly adopted in the market such as payment based on progress billing or by monthly payment.

Condition precedent: The agreement is conditional upon the Company obtaining Independent Shareholders' approval at the SGM in accordance with the Listing Rules.

### ***Proposed annual caps***

The table below sets out the proposed annual caps for the service fees payable by Hon Hai Group to the Group pursuant to the 2020 Build-Own-Operate and IT Project Framework Agreement for each of the three financial years ending 31 December 2021, 2022 and 2023:

	Financial year ending 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Service fees payable by Hon Hai Group to the Group	300,195,192	360,234,231	432,281,077

### ***Basis of determination of the proposed annual caps***

The proposed annual caps are determined based on:

- (i) the historical transaction amount during the year ended 31 December 2019;
- (ii) existing sizeable work-in-progress smart manufacturing projects with estimated project completion date beyond the financial year ending 31 December 2020;
- (iii) new sizable potential projects to be provided to Hon Hai Group in the financial year ending 31 December 2021;
- (iv) a buffer of 10% to allow for the increase in demand of services by Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and

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## LETTER FROM THE BOARD

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- (v) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry, according to the research results from an independent research firm.

The Shareholders should note that the proposed annual caps represent the best estimate by the Directors of the amount of the relevant transactions based on the information currently available. Such caps bear no direct relationship to, nor should be taken to have any direct bearing to, the Group's financial or potential financial performance.

### ***Existing annual caps and the actual transaction amounts***

The table below sets out the existing annual caps and the actual transaction amounts of the service fees payable by Hon Hai Group to the Group pursuant to the 2017 build-own-operate and IT project framework agreement:

	<b>Year ended/ending 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Existing annual caps	332,088,370	431,714,882	561,229,346
Actual transaction amounts	222,094,412	167,397,122	118,079,270
			<i>(Note)</i>

*Note:* Up to 30 September 2020 and hence, the nine months ended 30 September 2020.

### **(C) 2020 Procurement Framework Agreement**

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Term:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 procurement framework agreement shall be terminated automatically on 1 January 2021.

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## LETTER FROM THE BOARD

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Nature of Transactions:

The Company (as buyer) agreed to purchase enterprise-level products directly or via its subsidiaries including but not limited to communication software, servers and related hardware equipment from Hon Hai Group (as seller). The enterprise-level products, which are manufactured or developed by Hon Hai Group and also available in the market, will be used primarily by the Group for the provision of various IT services during the term of the 2020 Procurement Framework Agreement.

Pricing basis:

The prices for each purchase order are arrived at after arm's length negotiations, taking into account the then prevailing market conditions; provided that the terms and prices offered to the Group shall be no less favourable than those offered to the Group by an independent third party for the same or similar type of ancillary equipment and parts and on normal commercial terms. When determining the relevant market prices, management of the Group shall take into account the quotation of two independent third parties for the relevant products to be procured in the corresponding period to the extent independent-third-party suppliers are available.

Payment terms:

The price shall be paid to Hon Hai Group on the date agreed upon between the Group and Hon Hai Group under each individual order.

Condition precedent:

The agreement is conditional upon the Company obtaining Independent Shareholders' approval at the SGM in accordance with the Listing Rules.



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## LETTER FROM THE BOARD

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### *Proposed annual caps*

The table below sets out the proposed annual caps for the fees payable by the Group to Hon Hai Group pursuant to the 2020 Procurement Framework Agreement for each of the three financial years ending 31 December 2021, 2022 and 2023:

	Financial year ending 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Fees payable by the Group to Hon Hai Group	163,127,028	195,752,433	234,902,920

### *Basis of determination of the proposed annual caps*

The proposed annual caps are determined based on:

- (i) the historical transaction amounts during the year ended 31 December 2019;
- (ii) the confirmed and anticipated sales orders with customers and delivery plan projected by Hon Hai Group for the year ending 31 December 2021;
- (iii) a buffer of 10% to allow for the increase in demand of purchases from Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and
- (iv) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry, according to the research results from an independent research firm.

The Shareholders should note that the proposed annual caps represent the best estimate by the Directors of the amount of the relevant transactions based on the information currently available. Such caps bear no direct relationship to, nor should be taken to have any direct bearing to, the Group's financial or potential financial performance.

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## LETTER FROM THE BOARD

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### *Existing annual caps and the actual transaction amounts*

The table below sets out the existing annual caps and the actual transaction amounts of the fees payable by the Group to Hon Hai Group pursuant to the 2017 procurement framework agreement:

	<b>Year ended/ending 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Existing annual caps	165,302,704	214,893,516	279,361,570
Actual transaction amounts	40,362,986	83,183,742	13,891,986
			<i>(Note)</i>

*Note:* Up to 30 September 2020 and hence, the nine months ended 30 September 2020.

### **(D) 2020 Sales Framework Agreement**

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Term:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 sales framework agreement shall be terminated automatically on 1 January 2021.
Nature of Transactions:	The Company (as seller) agreed to sell Ancillary IT Products directly or via its subsidiaries to Hon Hai Group (as buyer) during the term of the 2020 Sales Framework Agreement. Leveraging on the Group's historical network and experience in the Ancillary IT Products, the Group considers that it may from time to time be approved or designated by Hon Hai Group to source the Ancillary IT Products in response to their needs.

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## LETTER FROM THE BOARD

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Pricing basis:	The prices for each sales order are arrived at after arm's length negotiations, taking into account the then prevailing market conditions; provided that the terms and prices offered by the Group shall be no more favourable than those available to an independent third party for the same or similar type of ancillary equipment and parts and on normal commercial terms. When determining the relevant market prices, management of the Group shall take into account the quotation of two independent third parties for the relevant products to be procured in the corresponding period for reference.
Payment terms:	The price of the equipment/products shall be paid to the Group on the date agreed upon between the Group and Hon Hai Group under each individual order.
Condition precedent:	The agreement is conditional upon the Company obtaining Independent Shareholders' approval at the SGM in accordance with the Listing Rules.

### ***Proposed annual caps***

The table below sets out the proposed annual caps for the fees payable by Hon Hai Group to the Group pursuant to the 2020 Sales Framework Agreement for each of the three financial years ending 31 December 2021, 2022 and 2023:

	<b>Financial year ending 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b><i>RMB</i></b>	<b><i>RMB</i></b>	<b><i>RMB</i></b>
Fees payable by Hon Hai Group to the Group	27,401,761	32,882,113	39,458,536

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## LETTER FROM THE BOARD

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### ***Basis of determination of the proposed annual caps***

The proposed annual caps are determined based on:

- (i) the historical transaction amounts during the year ended 31 December 2019;
- (ii) a buffer of 10% to allow for the increase in demand of services by Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and
- (iii) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry, according to the research results from an independent research firm.

The Shareholders should note that the proposed annual caps represent the best estimate by the Directors of the amount of the relevant transactions based on the information currently available. Such caps bear no direct relationship to, nor should be taken to have any direct bearing to, the Group's financial or potential financial performance.

### ***Existing annual caps and the actual transaction amounts***

The table below sets out the existing annual caps and the actual transaction amounts of the service fees payable by Hon Hai Group to the Group pursuant to the 2017 sales framework agreement:

	<b>Year ended/ending 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Existing annual caps	20,262,617	26,341,402	34,243,822
Actual transaction amounts	13,359,285	23,620,441	4,737,246
			<i>(Note)</i>

*Note:* Up to 30 September 2020 and hence, the nine months ended 30 September 2020.

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## LETTER FROM THE BOARD

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### **Further requirement on the transactions contemplated under the 2020 Framework Agreements**

The transactions as contemplated under the 2020 Framework Agreements between the Group and Hon Hai Group (except the 2020 Procurement Framework Agreement) are also subject to the requirement that the revenue attributable to Hon Hai Group will be less than 60% of the total revenue of the Group and the remaining 40% of the total revenue of the Group will not be attributable to the associates of Hon Hai for each of the financial years ending 31 December 2021, 2022 and 2023 (the “**Requirement**”). The calculation of the above percentages will be based on the year-end financial result of the Group. For details of the internal control measures on the compliance with the Requirement, please refer to the section headed “Internal Control” of this circular.

The bases for determining the Requirement above are as follows:

- (1) the expected transaction volumes with Hon Hai Group pursuant to the 2020 Framework Agreements (except for the 2020 Procurement Framework Agreement); and
- (2) the forecasted demand for the Group’s service by other independent customers following various discussions with them and the continuing market effort of the Group.

### **INTERNAL CONTROL**

The Company has formulated the Management Measures for Connected Transactions to ensure the transactions contemplated under the 2020 Framework Agreements are conducted in accordance with the terms of the 2020 Framework Agreements and the annual caps thereof are not exceeded. The following guidelines and mechanisms are in place in the Management Measures for Connected Transactions:

- (1) The finance department of the Company should inform the relevant business departments of the Company, in writing, the approved annual caps for the continuing connected transactions.
- (2) Prior to entering into a transaction, the relevant business department of the Company should, where applicable and in accordance with the pricing basis under the corresponding 2020 Framework Agreements, collect information on the market rate for the service or comparable service; obtain quotation from independent third parties; and/or compare prices offered to independent third parties.

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## LETTER FROM THE BOARD

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- (3) The relevant business department of the Company should submit a new project application form incorporating a profit/loss statement for every transaction for approval by the business department heads and finance department heads before order confirmation.
- (4) The finance department of the Company should calculate the revenue amount attributable to Hon Hai Group and to non-Hon Hai Group customers on a monthly basis. If the total revenue attributable to Hon Hai Group exceeds 60% of the total revenue of the Group up for any given calendar month, the finance department will find out the reasons and take adequate measures in collaboration with the business department to ensure that the Condition shall be fulfilled by the end of such financial year.
- (5) The final price of each contract has to be reviewed and approved by the relevant department head of the Company.
- (6) The finance department of the Company should conduct checks quarterly to ensure the compliance of the terms of Framework Agreements and the Requirement.
- (7) The relevant business department of the Company shall report, at least once a month, the progress and implementation of the relevant transactions to the finance department, which should consolidate the information, perform auditing and report to the chief financial officer and the audit committee/independent non-executive Directors.
- (8) When the actual transaction amount under any one of the 2020 Framework Agreements exceeds 50% or 80% of the respective annual cap, the finance department of the Company shall promptly report to the chief financial officer. The chief financial officer should discuss monthly with the business department about the business forecast in order to avoid the possibility of exceeding respective annual caps.
- (9) The auditors of the Company should review the respective continuing connected transactions of the Company and confirm to the Board that the transactions have been entered into in accordance with the pricing policies as set forth in the relevant Framework Agreements governing such transactions. The auditors of the Company should also confirm that the annual caps applicable to the respective continuing connected transactions entered into between the Company and its connected persons have not been exceeded.

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## LETTER FROM THE BOARD

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- (10) The independent non-executive Directors shall conduct annual review on the continuing connected transactions and confirm that the transactions are on normal commercial terms or better; or if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than those available to or (if applicable) from independent third parties; and confirm that the transactions have been entered into in accordance with the relevant terms that are fair and reasonable and in the overall interests of the Shareholders as a whole.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2020 FRAMEWORK AGREEMENTS**

The Group focuses on the provision of IT integration and solutions services through one-stop customized solutions services ranging from planning, sourcing, construction, consulting to maintenance and support for smart manufacturing, smart office and new retail businesses. While the Group is currently serving a wide range of clients, Hon Hai Group, a global leading electronics manufacturing services provider, remains one of the major clients of the Group.

The entering into of the 2020 Framework Agreements not only allows the Group to maintain a long term and strategic business relationship with Hon Hai Group but also continue to leverage such business relationship to showcase its services to the Group's potential clients.

Given Hon Hai Group is also a global leading supplier of enterprise-level products and communication software, servers and related hardware equipment are commonly adopted by the Group and its technicians during the provision of the IT integration and solutions services, the 2020 Framework Agreements allow the Group to continue to secure a stable source of supplies should those enterprise-level products fit the specifications required by the Group's clients.

As stated in the annual report for the nine months ended 31 December 2017, the Group changed the presentation currency from Hong Kong dollars to Renminbi given that Renminbi represents the predominant functional currency within the Group considering the size and scale for the Group's operations. In light of the above change of the presentation currency, the proposed annual caps of each of the 2020 Framework Agreements will be presented in Renminbi, but not in Hong Kong dollars as previously contemplated in the 2017 Framework Agreements.

In light of the above, the Directors (excluding the independent non-executive Directors whose view is subject to the advice from Gram Capital) consider that the 2020 Framework Agreements and the respective proposed annual caps thereof have been entered into/arrived at (a) in the ordinary and usual course of the business of the Company; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the provision of system and network integration, IT solutions development and implementation, and related maintenance services.

Hon Hai Group is a global manufacturing services provider in the computer, communications and consumer electronics industry whose shares are listed on the Taiwan Stock Exchange.

### IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, FSK Holdings is a substantial shareholder of the Company and has interests in 239,504,122 Shares directly and indirectly through Asia-IO, representing approximately 36.57% of the issued share capital of the Company. To the best knowledge of the Directors after having made all reasonable enquiries, Hon Hai, through Foxconn (Far East) Ltd., Foxconn Technology Company Limited, Pan-International Industrial Corporation and its related parties, indirectly holds approximately 42% attributable equity interests in FSK Holdings. Despite Hon Hai does not fall within the ambit of an associate of FSK Holdings under the Listing Rules, the Company voluntarily complies with the reporting, announcement and Independent Shareholders' approval requirements for the transactions contemplated under the 2020 Framework Agreements as if Hon Hai is a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the applicable size tests performed with respect to the proposed annual cap amounts under the 2020 Framework Agreements, as one or more of the applicable percentage ratios of the proposed annual caps of the 2020 Framework Agreements for the three financial years ending 31 December 2021, 2022 and 2023 for the transactions contemplated under the 2020 Framework Agreements are expected to be higher than 5% and more than HK\$10,000,000 on an annual basis, the transactions contemplated under the 2020 Framework Agreements are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders on the transactions contemplated under the 2020 Framework Agreements and the proposed annual caps thereof. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.



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## LETTER FROM THE BOARD

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### SGM

The notice of SGM is set out on pages SGM-1 to SGM-4 of this circular. The SGM will be convened by the Company at 4 p.m. on 15 January 2021 at 22/F, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong. At the SGM, an ordinary resolution will be proposed and, if thought fit, passed to approve the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof by poll.

Any Shareholder with a material interest in the 2020 Framework Agreements and the transactions contemplated thereunder, shall not vote on the resolution in relation to the 2020 Framework Agreements proposed at the SGM.

The Company complies with the reporting, announcement and Independent Shareholders' approval requirements for the transactions contemplated under the Framework Agreements as Hon Hai is a substantial shareholder and a connected person of the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the Latest Practicable Date, save for FSK Holdings, Asia-IO and their associates, no other Shareholder is required to abstain from voting on the resolution for approving the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof at the SGM.

A form of proxy for use at the SGM is also enclosed herewith. Whether or not you intend to attend the SGM, you are advised to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and return the form of proxy to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the SGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the SGM will be taken by poll and the announcement on the results of which will be published on the websites of the Company and of the Stock Exchange following the SGM.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 25 to 26 of this circular which contains its recommendation to the Independent Shareholders on the terms of the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof; and (ii) the letter of advice from Gram Capital as set out on pages 27 to 53 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof together with the principal factors and reasons considered by it in concluding its advice.

Having considered the factors mentioned above, the Directors (including the independent non-executive Directors) are of the view that the terms of the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof.

### ADDITIONAL INFORMATION

Your attention is also drawn to the appendix to this circular and the notice of the SGM.

Yours faithfully,  
By Order of the Board  
**Maxnerva Technology Services Limited**  
**CHIEN YI-PIN**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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**MAXNERVA**  
**雲智匯科技服務**

**MAXNERVA TECHNOLOGY SERVICES LIMITED**

**雲智匯科技服務有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1037)**

29 December 2020

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 29 December 2020 of the Company (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the terms of the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof are fair and reasonable so far as the Independent Shareholders are concerned. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof.

We wish to draw your attention to the “Letter from the Board” set out on pages 5 to 24 of the Circular which contains, inter alia, information on the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof, as well as the letter from Gram Capital set out on pages 27 to 53 of the Circular which contains its advice in respect of the terms of the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the advice of Gram Capital, we consider that (i) the terms of the 2020 Framework Agreements are on normal commercial terms or better, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, (ii) the transactions contemplated under the 2020 Framework Agreements will be carried out in the ordinary and usual course of business of the Company, and (iii) the annual caps of the 2020 Framework Agreements for each of the three years ending on 31 December 2021, 2022 and 2023 are fair and reasonable, and in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the 2020 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps thereof.

Yours faithfully,

For and on behalf of

**Independent Board Committee**

**Tang Tin Lok Stephen**

*Independent non-executive  
Director*

**Kan Ji Ran Laurie**

*Independent non-executive  
Director*

**Zhang Xiaoquan**

*Independent non-executive  
Director*

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## LETTER FROM GRAM CAPITAL

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2020 Framework Agreements for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

29 December 2020

*To: The independent board committee and the independent shareholders  
of Maxnerva Technology Services Limited*

Dear Sir/Madam,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the provision of IT support and maintenance services to Hon Hai Group as contemplated under the 2020 IT System Operation and Maintenance Framework Agreement (the “**SLA Transactions**”); (ii) the provision of Build-Own-Operate and IT Project services to Hon Hai Group as contemplated under the 2020 Build-Own-Operate and IT Project Framework Agreement (the “**BOO-Project Transactions**”); (iii) the purchase of enterprise-level products including but not limited to communication software, servers and related hardware equipment from Hon Hai Group to be used primarily for the provision of various IT services as contemplated under the 2020 Procurement Framework Agreement (the “**Procurement Transactions**”); and (iv) the sale of Ancillary IT Products to Hon Hai Group as contemplated under the 2020 Sales Framework Agreement (the “**Sales Transactions**”, together with the SLA Transactions, BOO-Project Transactions and Procurement Transactions, the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 29 December 2020 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 7 December 2020 (after trading hours), the Company entered into the 2020 Framework Agreements (i.e. the 2020 IT System Operation and Maintenance Framework Agreement, the 2020 Build-Own-Operate and IT Project Framework Agreement, the 2020 Procurement Framework Agreement and the 2020 Sales Framework Agreement) to renew the continuing connected transactions as contemplated under each of the 2017 Framework Agreements for a term of three financial years ending 31 December 2021, 2022 and 2023.

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## LETTER FROM GRAM CAPITAL

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With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rule.

The Independent Board Committee comprising Mr. Tang Tin Lok Stephen, Mr. Kan Ji Ran Laurie and Prof. Zhang Xiaoquan (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transactions at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

### 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 and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion before the date of SGM, Shareholders would be notified as soon as possible. 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. 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. 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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## LETTER FROM GRAM CAPITAL

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The 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 the 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 as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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 and affairs of the Company, Hon Hai Group or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. 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.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

#### **1. Background of and reasons for the Transactions**

##### ***Information on the Group***

With reference to the Board Letter, the Group is principally engaged in the provision of system and network integration, IT solutions development and implementation, and related maintenance services.

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## LETTER FROM GRAM CAPITAL

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Set out below are the Group's consolidated financial information for the six months ended 30 June 2020, the six months ended 30 June 2019 and the two years ended 31 December 2019 as extracted from the Company's interim report for the six months ended 30 June 2020 and annual report for the year ended 31 December 2019 (the "**2019 Annual Report**"):

	<b>For the year ended 31 December 2019 (audited) RMB'000</b>	<b>For the year ended 31 December 2018 (audited) RMB'000</b>	<b>Year-on-year change  %</b>
Revenue	430,995	326,188	32.13
– <i>Smart manufacturing business</i>	97,139	133,186	(27.07)
– <i>Other internet-of-things ("IoT") and system integration business</i>	232,597	105,522	120.43
– <i>Information technology service business</i>	101,259	87,480	15.75

The Group recorded revenue of approximately RMB431.00 million for the year ended 31 December 2019 ("**FY2019**"), representing an increase of approximately 32.13% as compared to that for the year ended 31 December 2018 ("**FY2018**").

During FY2018 and FY2019, the Group generated its revenue from the smart manufacturing business, other IoT and system integration business and information technology service business. The smart manufacturing business recorded a decrease revenue of approximately 27.07% for FY2019 as compared to that for FY2018; while other IoT and system integration business and information technology service business recorded an increase revenue of approximately 120.43% and 15.75% respectively for FY2019 as compared to those for FY2018.

	<b>For the six months ended 30 June 2020 (unaudited) RMB'000</b>	<b>For the six months ended 30 June 2019 (unaudited) (restated) RMB'000</b>	<b>Year-on-year change  %</b>
Revenue	257,864	152,924	68.62
– <i>Smart office business</i>	134,437	39,580	239.66
– <i>Industrial solution business</i>	114,439	113,344	0.97
– <i>New retail business</i>	8,988	Nil	N/A



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## LETTER FROM GRAM CAPITAL

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The Group recorded revenue of approximately RMB257.86 million for the six months ended 30 June 2020 (“**HY2020**”), representing an increase of approximately 68.62% as compared to that for the six months ended 30 June 2019 (“**HY2019**”).

The Group’s operating segments were restated for HY2019. The smart office business and the industrial solution business recorded an increase in revenue of approximately 239.66% and 0.97% respectively for HY2020 as compared to those for HY2019. While the Group did not generate revenue from the new retail business for HY2019, the new retail business recorded revenue of approximately RMB8.99 million for HY2020.

### ***Information on Hon Hai Group***

With reference to the Board Letter, Hon Hai Group is a global manufacturing services provider in the computer, communications and consumer electronics industry whose shares are listed on the Taiwan Stock Exchange.

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

With reference to the Board Letter, the Group focuses on the provision of IT integration and solutions services through one-stop customized solutions services ranging from planning, sourcing, construction, consulting to maintenance and support for smart manufacturing, smart office and new retail businesses. While the Group is currently serving a wide range of clients, Hon Hai Group, a global leading electronics manufacturing services provider, remains one of the major clients of the Group.

As further mentioned in the Board Letter, the entering into of the 2020 Framework Agreements not only allows the Group to maintain a long term and strategic business relationship with Hon Hai Group but also continue to leverage such business relationship to showcase its services to the Group’s potential clients. Given Hon Hai Group is also a global leading supplier of enterprise-level products and communication software, servers and related hardware equipment are commonly adopted by the Group and its technicians during the provision of the IT integration and solutions services, the 2020 Framework Agreements allow the Group to continue to secure a stable source of supplies should those enterprise-level products fit the specifications required by the Group’s clients.

Having considered the above, we concur with the Directors that the Transactions are in the interests of the Company and the Shareholders as a whole and are in the ordinary and usual course of business of the Group.

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## LETTER FROM GRAM CAPITAL

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### 2. Principal terms of the Transactions

#### *I. SLA Transactions*

Set out below are the principal terms of the 2020 IT System Operation and Maintenance Framework Agreement, details of which are set out in the Board Letter:

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Terms:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 IT system operation and maintenance framework agreement shall be terminated automatically on 1 January 2021
Nature of transactions:	The Group agreed to provide IT services to Hon Hai Group to support its existing IT infrastructure. The IT services include, among others, IT strategical planning, IT management, IT deployment and transfer, IT maintenance, IT system design and IT valued-added services.
Pricing basis:	<p>The services to be provided under the 2020 IT System Operation and Maintenance Framework Agreement will be charged on a monthly basis. The service fees will be determined after arm's length negotiations between the Group and Hon Hai Group based on the following factors:</p> <p>a) the number of IT technicians involved, their time spent for delivery of such IT services and their respective monthly charging rate which is determined according to their skills, experience or grading, with reference to the market rates of IT technicians from at least two independent third parties;</p>

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## LETTER FROM GRAM CAPITAL

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- b) the principle of cost plus a reasonable margin with regard to the purchase of any parts, software and products which is required for delivery of such IT services. Such margin is to be determined by the management based on its experience with reference to the charge in the industry for similar products offered by independent third parties in the ordinary course of business and under normal commercial terms; and
- c) the Group adopts the same principles of cost plus a reasonable margin for services to be provided to both Hon Hai Group and independent customers and hence, in any event the terms and prices offered by the Group to Hon Hai Group will be no more favourable than those offered to an independent third party for the same or similar type of services.

Payment terms: The service fees shall be paid to the Group on the date agreed upon by the Group and Hon Hai Group under each individual project.

For our due diligence purpose, we have obtained individual contracts for the provision of IT services by the Group to (i) Hon Hai Group; and (ii) independent third parties in the period 2018 to 2020 (i.e. one individual contract with Hon Hai Group and one individual contract with independent third parties were obtained for provision of IT services during each of the year 2018, 2019 and 2020). As the individual contracts cover historical transactions of the Group throughout the term of the 2017 IT system operation and maintenance framework agreement, we consider such documents to be fair and representative. We noted from the above documents that (a) for the provision of services, the pricing terms of the IT services (i.e. the daily/hourly rate of IT technicians of different grades) offered by the Group to Hon Hai Group and independent third parties are the same; and (b) for the provision of products, the prices offered by the Group to Hon Hai Group were not lower as those offered to independent third parties.

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## LETTER FROM GRAM CAPITAL

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As confirmed by the Directors, the Transactions will follow the same internal control measures as those for transactions contemplated under the 2017 Framework Agreements, details of the internal control measures are set out in the sub-sections headed “INTERNAL CONTROL” of the Board Letter. Having considered, in particular, that

- (i) Prior to entering into a transaction, the relevant business department of the Company should, where applicable and in accordance with the pricing basis under the corresponding 2020 Framework Agreements, collect information on the market rate for the service or comparable service; obtain quotation from independent third parties; and/or compare the price offered to independent third parties.
- (ii) The final price of each contract has to be reviewed and approved by the relevant department head of the Company.
- (iii) The finance department of the Company shall conduct checks quarterly to ensure the compliance of the terms of 2020 Framework Agreements.
- (iv) The relevant business department of the Company shall report, at least once a month, the progress and implementation of the relevant transactions to the finance department, which should consolidate the information, perform auditing and report to the chief financial officer and the audit committee/independent non-executive Directors.
- (v) The auditors of the Company shall review the respective continuing connected transactions of the Company and confirm to the Board that the transactions have been entered into in accordance with the pricing policies as set forth in the relevant framework agreements governing such transactions.
- (vi) The independent non-executive Directors shall conduct annual review on the continuing connected transactions and confirm that the transactions are on normal commercial terms or better; or if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than those available to or (if applicable) from independent third parties; and confirm that the transactions have been entered into in accordance with the relevant terms that are fair and reasonable and in the overall interests of the Shareholders as a whole.

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## LETTER FROM GRAM CAPITAL

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We consider the effective implementation of such internal control measures would help to ensure fair pricing of the Transactions.

With reference to the Company's annual report for FY2018 and the 2019 Annual Report, the independent non-executive Directors have reviewed and confirmed that all the continuing connected transactions taken place during FY2018 and FY2019 were (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the same on terms that are fair and reasonable and in the interests of the Shareholders as a whole (the **"INED's Confirmation"**).

In addition, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. For the purpose of Rule 14A.56 of the Listing Rules, the auditor of the Company, provided a letter to the Board regarding the continuing connected transactions contemplated under the 2017 Framework Agreements during FY2018 and FY2019 confirming that: (i) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board; (ii) for transactions involving the provisions of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) with respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the annual cap as set by the Company (the **"Auditor's Confirmation"**).

In light of the above, we are of the view that the terms of the SLA Transactions are on normal commercial terms and are fair and reasonable.

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## LETTER FROM GRAM CAPITAL

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### *II. BOO-Project Transactions*

Set out below are the principal terms of the 2020 Build-Own-Operate and IT Project Framework Agreement, details of which are set out in the Board Letter:

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Terms:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 build-own-operate and IT project framework agreement shall be terminated automatically on 1 January 2021
Nature of transactions:	The Group agreed to provide project-based system integration service to Hon Hai Group, including but not limited to design and development of new systems, provision of application programming recommendations, installation, implementation, testing, auditing and integration of new systems within the IT environments; and providing cultural transitioning of workforces to new environments, including training of employees and other end users. These projects will be customized according to customer specifications and needs with reference to their corporate plan and development which include, among others, smart manufacturing, smart office and video conferencing, cloud computing, enterprise application and mobile application.
Pricing basis:	<p>The Group shall provide the services based on the following pricing principles:</p> <p>a) where there are similar or comparable services in the market, with reference to the market rate for provision of project management services with comparable nature, scale or scope. When determining the relevant market rates, management of the Group shall take into account the rates of at least two similar and comparable transactions entered into with or carried out by independent third parties in the ordinary course of business in the corresponding period for reference;</p>

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## LETTER FROM GRAM CAPITAL

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- b) based on the principle of cost plus a reasonable margin. Such margin is to be determined by the management based on its experience with reference to the charge in the industry for similar services and products offered by independent third parties in the ordinary course of business and under normal commercial terms. The cost will take into account of the required level of knowhow and technical expertise, the cost of equipment and software used in the project, cost of labour including but not limited to the number of IT technicians required and their time spent for the project and their respective charging rate which is determined according to their skills, experience or grading, with reference to the market rates of IT technicians from at least two independent third parties;
- c) the fees of individual projects will be arrived at after arm's length negotiations between the Group and Hon Hai Group based on the nature, scale and complexity of the projects and corresponding services and on normal commercial terms; and
- d) the Group adopts the same principles of cost plus a reasonable margin for services to be provided to both Hon Hai Group and independent customers and hence, in any event the terms and prices offered by the Group to Hon Hai Group will be no more favourable than those offered to an independent third party for the same or similar type of services.

**Payment terms:**

The consideration of individual projects shall be paid in accordance with the terms to be agreed prior to the commencement of such projects, with reference to terms commonly adopted in the market such as payment based on progress billing or by monthly payment.

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## LETTER FROM GRAM CAPITAL

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For our due diligence purpose, we have obtained individual contracts for the provision of Build-Own-Operate and IT Project services by the Group to (i) Hon Hai Group; and (ii) independent third parties in the period 2018 to 2020 (i.e. one individual contract with Hon Hai Group and one individual contract with independent third parties were obtained for provision of Build-Own-Operate services during each of the year 2018, 2019 and 2020; and at least one individual contract with Hon Hai Group and at least one individual contract with independent third parties were obtained for provision of IT Project services during each of the year 2018, 2019 and 2020). As the individual contracts cover historical transactions of the Group throughout the term of the 2017 build-own-operate and IT project framework agreement, we consider such documents to be fair and representative. We noted from the above documents that for the provision of similar services, the prices offered by the Group to Hon Hai Group were not lower than those offered to independent third parties.

In light of the above (including internal control measures for the Transactions, the INED's Confirmation and the Auditor's Confirmation as aforementioned), we are of the view that the terms of the BOO-Project Transactions are on normal commercial terms and are fair and reasonable.

### ***III. Procurement Transactions***

Set out below are the principal terms of the 2020 Procurement Framework Agreement, details of which are set out in the Board Letter:

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Terms:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 procurement framework agreement shall be terminated automatically on 1 January 2021
Nature of transactions:	The Company (as buyer) agreed to purchase enterprise-level products directly or via its subsidiaries including but not limited to communication software, servers and related hardware equipment from Hon Hai Group (as seller). The enterprise-level products, which are manufactured or developed by Hon Hai Group and also available in the market, will be used primarily by the Group for the provision of various IT services during the term of the 2020 Procurement Framework Agreement.



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## LETTER FROM GRAM CAPITAL

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Pricing basis:	The prices for each purchase order are arrived at after arm's length negotiations, taking into account the then prevailing market conditions; provided that the terms and prices offered to the Group shall be no less favourable than those offered to the Group by an independent third party for the same or similar type of ancillary equipment and parts and on normal commercial terms. When determining the relevant market prices, management of the Group shall take into account the quotation of two independent third parties for the relevant products to be procured in the corresponding period to the extent independent-third-party suppliers are available.
Payment terms:	The price shall be paid to Hon Hai Group on the date agreed upon between the Group and Hon Hai Group under each individual order.

For our due diligence purpose, we have obtained internal price comparison documents regarding the purchase of enterprise-level products made by the Group from Hon Hai Group in the period 2018 to 2020 (which included the quotations of products offered by Hon Hai Group and independent third party suppliers) (i.e. one price comparison document was obtained for the purchase of enterprise-level products during each of the year 2018, 2019 and 2020). As the price comparison documents cover historical transactions of the Group throughout the term of the 2017 procurement framework agreement, we consider such documents to be fair and representative. We noted from the above documents that the prices for the enterprise-level products offered by Hon Hai Group to the Group were lower than those offered by the independent third party suppliers.

In light of the above (including internal control measures for the Transactions, the INED's Confirmation and the Auditor's Confirmation as aforementioned), we are of the view that the terms of the Procurement Transactions are on normal commercial terms and are fair and reasonable.

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## LETTER FROM GRAM CAPITAL

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### *IV. Sales Transactions*

Set out below are the principal terms of the 2020 Sales Framework Agreement, details of which are set out in the Board Letter:

Date:	7 December 2020
Parties:	The Company; and Hon Hai
Terms:	From 1 January 2021 to 31 December 2023 (both days inclusive) and the 2017 sales framework agreement shall be terminated automatically on 1 January 2021
Nature of transactions:	The Company (as seller) agreed to sell Ancillary IT Products directly or via its subsidiaries to Hon Hai Group (as buyer) during the term of the 2020 Sales Framework Agreement. Leveraging on the Group's historical network and experience in the Ancillary IT Products, the Group considers that it may from time to time be approved or designated by Hon Hai Group to source the Ancillary IT Products in response to their needs.
Pricing basis:	The prices for each sales order are arrived at after arm's length negotiations, taking into account the then prevailing market conditions; provided that the terms and prices offered by the Group shall be no more favourable than those available to an independent third party for the same or similar type of ancillary equipment and parts and on normal commercial terms. When determining the relevant market prices, management of the Group shall take into account the quotation of two independent third parties for the relevant products to be procured in the corresponding period for reference.
Payment terms:	The price of the equipment/products shall be paid to the Group on the date agreed upon between the Group and Hon Hai Group under each individual order.

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## LETTER FROM GRAM CAPITAL

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For our due diligence purpose, we have obtained invoices for the sale of Ancillary IT Products by the Group to (i) Hon Hai Group; and (ii) independent third parties in the period 2018 to 2020 (i.e. one invoice with Hon Hai Group and one invoice with independent third parties were obtained for sale of Ancillary IT Products during each of the year 2018, 2019 and 2020). As the invoices cover historical transactions of the Group throughout the term of the 2017 sales framework agreement, we consider such documents to be fair and representative. We noted from the above documents that the prices for the Ancillary IT Products sold to Hon Hai Group by the Group were higher than those sold to independent third parties.

In light of the above (including internal control measures for the Transactions, the INED's Confirmation and the Auditor's Confirmation as aforementioned), we are of the view that the terms of the Sales Transactions are on normal commercial terms and are fair and reasonable.

### 3. The proposed annual caps under the Transactions

#### *I. SLA Transactions*

Set out below are (i) the existing annual caps for FY2018, FY2019 and the year ending 31 December 2020; (ii) the actual transaction amounts for FY2018, FY2019 and the nine months ended 30 September 2020; and (iii) the proposed annual caps for the SLA Transactions for the three years ending 31 December 2021, 2022 and 2023 (the "SLA Caps") as extracted from the Board Letter:

	<b>For the year ended 31 December 2018 HK\$</b>	<b>For the year ended 31 December 2019 HK\$</b>	<b>For the year ending 31 December 2020 HK\$</b>
Existing annual caps	103,479,918	134,523,893	174,881,061
Actual transaction amounts	76,340,670	79,183,259	40,050,302 (note)
Utilisation rate	73.77%	58.86%	N/A

*Note:* for the nine months ended 30 September 2020

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## LETTER FROM GRAM CAPITAL

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	For the year ending 31 December 2021 RMB	For the year ending 31 December 2022 RMB	For the year ending 31 December 2023 RMB
Service fees payable by Hon Hai Group to the Group (i.e. the SLA Caps)	91,859,453	110,231,344	132,277,613

With reference to the Board Letter, the SLA Caps are determined based on (i) the historical transaction amounts during the year ended 31 December 2019; (ii) a buffer of 10% to allow for the increase in demand of services by Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and (iii) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry relating to implementation of smart solutions, according to the research results from an independent research firm.

As depicted from the table above, we noted that the relevant utilisation rates of the existing annual caps were approximately 73.77% and 58.86% respectively for FY2018 and FY2019. As advised by the Directors, the difference between the existing annual caps and the actual transaction amounts was primarily an outcome of the Group's actual operations (i.e. the existing annual caps were determined based on the then expected demand of Hon Hai Group, yet (a) Hon Hai Group might also procure services from other service providers, (b) Hon Hai Group might have adjusted its proposal or budget, and (c) certain transactions might still be under negotiation and there might be delay in execution).

To assess the fairness and reasonableness of the SLA Caps, we obtained and reviewed the calculation of the SLA Caps (the "**SLA Calculation**"). We noted from the SLA Calculation that (i) the SLA Cap for the year ending 31 December 2021 was determined based on the actual transaction amount for FY2019 taking into account an expected annual growth rate of 20% and a buffer of 10%; and (ii) the SLA Caps for the two years ending 31 December 2022 and 2023 were determined based on the SLA Caps in the previous year taking into account an expected annual growth rate of 20%.

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## LETTER FROM GRAM CAPITAL

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### *Actual transaction amount for FY2019*

As advised by the Directors, the Company made reference to the actual transaction amount for FY2019 as it is the latest available full year figure of the transaction.

### *Expected annual growth rate of 20%*

For our due diligence purpose, we searched over the internet to understand the prospect of the IIoT industry (“**Our Findings on Industry Growth**”):

- According to a press release by Grand View Research (a research and consulting company) in June 2019, the global IIoT market size is projected to expand at a compounded annual growth rate (“**CAGR**”) of 29.4%, reaching a size of USD949.42 billion by 2025.
- According to the website of Global Industry Analysts, Inc. (a publisher of off-the-shelf market research), (i) the global IoT market is projected to reach a size of US\$1 trillion by 2027, growing at a CAGR of 31.4% over the period 2020 to 2027; and (ii) PRC IoT market is forecasted to reach a projected market size of US\$169.1 billion by the 2027, trailing a CAGR of 29.9% over the period 2020 to 2027.

As mentioned in the section earlier, the Group recorded an increase in revenue of approximately 32.13% for FY2019 (as compared to that for FY2018) and an increase in revenue of approximately 68.62% for HY2020 (as compared to that for HY2019) (the “**Group’s Revenue Growth**”).

Having considered Our Findings on Industry Growth and the Group’s Revenue Growth, we consider the expected annual growth rate of 20% to be justifiable.

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## LETTER FROM GRAM CAPITAL

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### *Buffer of 10% for the year ending 31 December 2021*

With reference to the SLA Calculation, we noted that the Company has applied a buffer of 10% in the determination of the SLA Cap for the year ending 31 December 2021. Having considered that the additional buffer was applied for unforeseeable circumstances such as the unpredictable increase in demand from Hon Hai Group (including the increase in service price), we consider that a buffer of 10% to be acceptable.

In light of the above, we consider that the SLA Caps are fair and reasonable.

### **II. BOO-Project Transactions**

Set out below are (i) the existing annual caps for FY2018, FY2019 and the year ending 31 December 2020; (ii) the actual transaction amounts for FY2018, FY2019 and the nine months ended 30 September 2020; and (iii) the proposed annual caps for the BOO-Project Transactions for the three years ending 31 December 2021, 2022 and 2023 (the “**BOO-Project Caps**”) as extracted from the Board Letter:

	<b>For the year ended 31 December 2018 HK\$</b>	<b>For the year ended 31 December 2019 HK\$</b>	<b>For the year ending 31 December 2020 HK\$</b>
Existing annual caps	332,088,370	431,714,882	561,229,346
Actual transaction amounts	222,094,412	167,397,122	118,079,270 (note)
Utilisation rate	66.88%	38.77%	N/A

*Note:* for the nine months ended 30 September 2020

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## LETTER FROM GRAM CAPITAL

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	<b>For the year ending 31 December 2021 RMB</b>	<b>For the year ending 31 December 2022 RMB</b>	<b>For the year ending 31 December 2023 RMB</b>
Service fees payable by Hon Hai Group to the Group (i.e. the BOO- Project Caps)	300,195,192	360,234,231	432,281,077

With reference to the Board Letter, the BOO-Project Caps are determined based on (i) the historical transaction amounts during the year ended 31 December 2019; (ii) existing sizeable work-in-progress smart manufacturing projects with estimated project completion date beyond the financial year ending 31 December 2020; (iii) new sizable potential projects to be provided to Hon Hai Group in the financial year ending 31 December 2021; (iv) a buffer of 10% to allow for the increase in demand of services by Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and (v) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry, according to the research results from an independent research firm.

As depicted from the table above, we noted that the relevant utilisation rates of the existing annual caps were approximately 66.88% and 38.77% respectively for FY2018 and FY2019. As advised by the Directors, the difference between the existing annual caps and the actual transaction amounts was primarily an outcome of the Group's actual operations (i.e. the existing annual caps were determined based on the then expected demand of Hon Hai Group, yet (a) Hon Hai Group might also procure services from other service providers, (b) Hon Hai Group might have adjusted its proposal or budget, and (c) certain transactions might still be under negotiation and there might be delay in execution).

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## LETTER FROM GRAM CAPITAL

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To assess the fairness and reasonableness of the BOO-Project Caps, we have obtained and reviewed the calculation of the BOO-Project Caps (the “**BOO-Project Calculation**”). We noted from the BOO-Project Calculation that (i) the BOO-Project Cap for the year ending 31 December 2021 was determined based on the actual transaction amount for FY2019 taking into account an expected annual growth rate of 20% and a buffer of 10%, plus transaction amount from the existing and potential projects in 2021 (i.e. BOO-Project Cap for the year ending 31 December 2021 = actual transaction amount for FY2019 x 1.2 x 1.1 + transaction amount from the existing and potential projects in 2021); and (ii) the BOO-Project Caps for the two years ending 31 December 2022 and 2023 were determined based on the BOO-Project Caps in the previous year taking into account an expected annual growth rate of 20%.

*Actual transaction amount for FY2019, and the existing and potential projects in 2021*

As advised by the Directors, the Company made reference to the actual transaction amount for FY2019 as it is the latest available full year figure of the transaction. The Company also considered transaction amount of the existing projects and the potential projects to be provided to Hon Hai Group which are sizable projects of different nature as compared to those included in the actual transaction amounts for FY2019. Such projects are expected to be completed in 2021 based on the Group’s understanding with Hon Hai Group. A summary of the said projects, which includes general description of the projects and the respective transaction amounts, is also included in the calculation.

*Expected annual growth rate of 20%*

Having considered the aforementioned Our Findings on Industry Growth and the Group’s Revenue Growth, we consider the expected annual growth rate of 20% to be justifiable.

*Buffer of 10% for the year ending 31 December 2021*

With reference to the BOO-Project Calculation, we noted that the Company has applied a buffer of 10% in the determination of the BOO-Project Caps. Having considered that the additional buffer was applied for unforeseeable circumstances such as the unpredictable increase in demand from Hon Hai Group (including the increase in service price), we consider that a buffer of 10% to be acceptable.

In light of the above, we consider that the BOO-Project Caps are fair and reasonable.



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## LETTER FROM GRAM CAPITAL

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### ***III. Procurement Transactions***

Set out below are (i) the existing annual caps for FY2018, FY2019 and the year ending 31 December 2020; (ii) the actual transaction amounts for FY2018, FY2019 and the nine months ended 30 September 2020; and (iii) the proposed annual caps for the Procurement Transactions for the three years ending 31 December 2021, 2022 and 2023 (the “**Procurement Caps**”) as extracted from the Board Letter:

	<b>For the year ended 31 December 2018 HK\$</b>	<b>For the year ended 31 December 2019 HK\$</b>	<b>For the year ending 31 December 2020 HK\$</b>
Existing annual caps	165,302,704	214,893,516	279,361,570
Actual transaction amounts	40,362,986	83,183,742	13,891,986 (note)
Utilisation rate	24.42%	38.71%	N/A

*Note:* for the nine months ended 30 September 2020

	<b>For the year ending 31 December 2021 RMB</b>	<b>For the year ending 31 December 2022 RMB</b>	<b>For the year ending 31 December 2023 RMB</b>
Fees payable by the Group to Hon Hai Group (i.e. the Procurement Caps)	163,127,028	195,752,433	234,902,920

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## LETTER FROM GRAM CAPITAL

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With reference to the Board Letter, the Procurement Caps are determined based on (i) the historical transaction amounts during the year ended 31 December 2019; (ii) the confirmed and anticipated sales orders with customers and delivery plan projected by Hon Hai Group for the year ending 31 December 2021; (iii) a buffer of 10% to allow for the increase in demand of purchases from Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and (iv) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry, according to the research results from an independent research firm.

As depicted from the table above, we noted that the relevant utilisation rates of the existing annual caps were approximately 24.42% and 38.71% respectively for FY2018 and FY2019. As advised by the Directors, the difference between the existing annual caps and the actual transaction amounts was primarily an outcome of the Group's actual operations (i.e. the existing annual caps were determined based on the then expected demand of the Group, yet (i) the Group might also procure products from other suppliers, (ii) the Group might have adjusted its proposal or budget, and (iii) certain transactions might still be under negotiation and there might be delay in execution).

To assess the fairness and reasonableness of the Procurement Caps, we obtained and reviewed the calculation of the Procurement Caps (the "**Procurement Calculation**"). We noted from the Procurement Calculation that (i) the Procurement Cap for the year ending 31 December 2021 was determined based on the actual transaction amount for FY2019 taking into account an expected annual growth rate of 20% and a buffer of 10%, plus transaction amount from the anticipated purchase orders with Hon Hai Group in 2021 (i.e. Procurement Cap for the year ending 31 December 2021 = actual transaction amount for FY2019 x 1.2 x 1.1 + transaction amount from the anticipated purchase by the Group from Hon Hai Group in 2021); and (ii) the Procurement Caps for the two years ending 31 December 2022 and 2023 were determined based on the Procurement Caps in the previous year taking into account an expected annual growth rate of 20%.

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## LETTER FROM GRAM CAPITAL

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*Actual transaction amount for FY2019, and the anticipated purchase in 2021*

As advised by the Directors, the Company made reference to the actual transaction amount for FY2019 as it is the latest available full year figure of the transaction. The Company also took into account the anticipated purchase with Hon Hai Group to be delivered in 2021 based on the confirmed and anticipated sales orders with its customers. Such anticipated purchase orders are new types of products under the Procurement Transactions and were not included in the actual transaction amounts for FY2019. A summary of the said purchase orders, which includes products description, purchase quantities and the respective transaction amounts, is also included in the calculation.

*Expected annual growth rate of 20%*

Having considered the aforementioned Our Findings on Industry Growth and the Group's Revenue Growth, we consider the expected annual growth rate of 20% to be justifiable.

*Buffer of 10% for the year ending 31 December 2021*

With reference to the Procurement Calculation, we noted that the Company has applied a buffer of 10% as an assumption for the determination of the Procurement Caps. Having considered that the additional buffer was applied for unforeseeable circumstances such as the unpredictable increase in demand from the Group (including the increase in products price), we consider that a buffer of 10% to be acceptable.

In light of the above, we consider that the Procurement Caps are fair and reasonable.

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## LETTER FROM GRAM CAPITAL

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### ***IV. Sales Transactions***

Set out below are (i) the existing annual caps for FY2018, FY2019 and the year ending 31 December 2020; (ii) the actual transaction amounts for FY2018, FY2019 and the nine months ended 30 September 2020; and (iii) the proposed annual caps for the Sales Transactions for the three years ending 31 December 2021, 2022 and 2023 (the “Sales Caps”) as extracted from the Board Letter:

	<b>For the year ended 31 December 2018 HK\$</b>	<b>For the year ended 31 December 2019 HK\$</b>	<b>For the year ending 31 December 2020 HK\$</b>
Existing annual caps	20,262,617	26,341,402	34,243,822
Actual transaction amounts	13,359,285	23,620,441	4,737,246 (note)
Utilisation rate	65.93%	89.67%	N/A

*Note:* for the nine months ended 30 September 2020

	<b>For the year ending 31 December 2021 RMB</b>	<b>For the year ending 31 December 2022 RMB</b>	<b>For the year ending 31 December 2023 RMB</b>
Fees payable by Hon Hai Group to the Group (i.e. the Sales Caps)	27,401,761	32,882,113	39,458,536

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## LETTER FROM GRAM CAPITAL

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With reference to the Board Letter, the Sales Caps are determined based on (i) the historical transaction amounts during the year ended 31 December 2019; (ii) a buffer of 10% to allow for the increase in demand of services by Hon Hai Group for the financial year ending 31 December 2021 as anticipated by the management; and (iii) an expected growth of 20% on the proposed annual caps for the three financial years ending 31 December 2021, 2022 and 2023 with reference to the Group's sale forecast and future growth prospects of the IIoT industry, according to the research results from an independent research firm.

As depicted from the table above, we noted that the relevant utilisation rates of the existing annual caps were approximately 65.93% and 89.67% respectively for FY2018 and FY2019. As advised by the Directors, the difference between the existing annual caps and the actual transaction amounts was primarily an outcome of the Group's actual operations (i.e. the existing annual caps were determined based on the then expected demand of Hon Hai Group, yet (a) Hon Hai Group might also procure products from other suppliers, (b) Hon Hai Group might have adjusted its proposal or budget, and (c) certain transactions might still be under negotiation and there might be delay in execution).

To assess the fairness and reasonableness of the Sales Caps, we have obtained and reviewed the calculation of the Sales Caps (the "**Sales Calculation**"). We noted from the Sales Calculation that (i) the Sales Cap for the year ending 31 December 2021 was determined based on the actual transaction amount for FY2019 taking into account an expected annual growth rate of 20% and a buffer of 10%; and (ii) the Sales Caps for the two years ending 31 December 2022 and 2023 were determined based on the Sales Caps in the previous year taking into account an expected annual growth rate of 20%.

### *Actual transaction amount for FY2019*

As advised by the Directors, the Company made reference to the actual transaction amount for FY2019 as it is the latest available full year figure of the previous transaction.

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## LETTER FROM GRAM CAPITAL

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### *Expected annual growth rate of 20%*

Having considered the aforementioned Our Findings on Industry Growth and the Group's Revenue Growth, we consider the expected annual growth rate of 20% to be justifiable.

### *Buffer of 10% for the year ending 31 December 2021*

With reference to the Sales Calculation, we noted that the Company has applied a buffer of 10% as an assumption for the determination of the Sales Caps. Having considered that the additional buffer was applied for unforeseeable circumstances such as the unpredictable increase in demand from Hon Hai Group (including the increase in products price), we consider that a buffer of 10% to be acceptable.

In light of the above, we consider that the Sales Caps are fair and reasonable.

#### **4. Listing Rules implication regarding the Transactions**

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 must be restricted by their respective proposed annual cap; (ii) the terms of the Transactions 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 must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must 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 (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and (iv) have exceeded the proposed annual caps. In the event that the total amounts of the Transactions are anticipated to exceed the proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

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## LETTER FROM GRAM CAPITAL

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### RECOMMENDATION ON THE TRANSACTIONS

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are in the interests of the Company and the Shareholders as a whole and are in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

## 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

### 1) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

#### (a) Long positions in the Shares

Name of Director	Shares in issue			Approximate percentage
	Personal interests	Family interests	Total interests	
Mr. Chien Yi-Pin	–	18,430,738	18,430,738 (Note 1)	2.81%
Mr. Cheng Yee Pun	800,000	–	800,000 (Note 2)	0.12%

#### Notes:

1. 18,430,738 Shares were beneficially owned by Ms. Kan Sachiko, who is the spouse of Mr. Chien, and hence, Mr. Chien is deemed to be interested in the Shares held by Ms. Kan Sachiko.
2. Mr. Cheng was granted a total of 800,000 share options which shall entitle him to subscribe for a total of 800,000 Shares.



As at the Latest Practicable Date, each of Mr. Chien Yi-Pin, Mr. Cai Liting and Mr. Kao Chao Yang, being the executive Director, is an employee of Hon Hai Group. Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

**2) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV 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 any member of the Group:

***Long positions in the Shares***

Name of Shareholder	Number or attributable number of Shares held	Nature of interests	Approximate percentage or attributable percentage of shareholding
FSK Holdings ( <i>Note</i> )	239,504,122	Beneficial interests	36.57%
Asia-IO	72,267,562	Beneficial interests	11.04%

*Note:*

To the best knowledge of the directors of the company after having made all reasonable enquiries, Hon Hai indirectly holds approximately 42% attributable equity interests in FSK Holdings. FSK Holdings is a limited partner of Asia-IO contributing to about 75% of the total commitment.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was 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 any member of the Group.

### **3 DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into, a service contract with any member of the Group which is expiring or be terminable by the Group within one year without payment of compensation, other than statutory compensation.

### **4 COMPETING INTEREST**

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or may compete with the business of the Group.

### **5 INTEREST OF DIRECTORS IN ASSETS OF THE GROUP OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

Since 31 December 2019, the date to which the latest published audited accounts of the Group have been made up, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

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

### **6 LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**7 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 December 2019, the date to which the latest published audited financial statements of the Company were made up.

**8 EXPERTS AND CONSENTS**

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

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

As at the Latest Practicable Date, Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and reference to its name and statements in the form and context in which it appears.

As at the Latest Practicable Date, Gram Capital was not beneficially interested in the shares in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Group or are proposed to be acquired or disposed of by or leased to the Group since 31 December 2019, being the date up to which the latest published audited consolidated accounts of the Company were made up.

The letters, recommendation and/or reports given by Gram Capital are given as at of the date of this circular for incorporation herein.

**9 MISCELLANEOUS**

- (a) The registered office the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the head office and principal place of business in Hong Kong is at Room 1001, 10/F, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

- (b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Abacus Ltd. at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Tsang Hing Bun ("**Mr. Tsang**"). Mr. Tsang is a member of The Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries. He is also an associate member of the Institute of Chartered Secretaries and Administrators.
- (d) The English text of this circular shall prevail over the Chinese text.

## **10 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the office of the Company at Room 1001, 10/F, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong during normal business hours (except for Saturdays and public holidays) from the date of this circular up to and including the date of SGM:

- (a) the memorandum of association of the Company and the by-laws of the Company;
- (b) the letter from the Board to the Shareholders, the text of which is set out on pages 5 to 24 of this circular;
- (c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 25 to 26 of this circular;
- (d) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 27 to 53 of this circular;
- (e) the written consent from Gram Capital referred to in the section headed "9. Expert and Consents" in this appendix;
- (f) the annual reports of the Company for the three financial years ended 31 December 2019;
- (g) the 2020 Framework Agreements;
- (h) the 2017 Framework Agreements; and
- (i) this circular.

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## NOTICE OF SGM

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**MAXNERVA**  
**雲智匯科技服務**

### **MAXNERVA TECHNOLOGY SERVICES LIMITED**

**雲智匯科技服務有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1037)**

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Maxnerva Technology Services Limited (the “**Company**”) will be held on 15 January 2021, at 4 p.m. at 22/F, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong to consider and, if thought fit, approve with or without modifications, the following resolutions as ordinary resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

1. **“THAT:**

the framework agreement in relation to information technology (“IT”) system operation and maintenance dated 7 December 2020 (the “**2020 IT System Operation and Maintenance Framework Agreement**”) entered into between the Company and Hon Hai Precision Industry Company Limited (“**Hon Hai**”), details of which are described in the circular of the Company dated 29 December 2020 (the “**Circular**”) and a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification, and the terms and conditions thereof, the proposed annual cap amounts related thereof, all the transactions contemplated thereunder and the implementation thereof be and are hereby confirmed, ratified and approved.”

2. **“THAT:**

the framework agreement in relation to the build-own-operate and IT project dated 7 December 2020 (the “**2020 Build-Own-Operate and IT Project Framework Agreement**”) entered into between the Company and Hon Hai, details of which are described in the Circular and a copy of which has been produced to this meeting marked “B” and signed by the chairman of this meeting for the purpose of identification, and the terms and conditions thereof, the proposed annual cap amounts related thereof, all the transactions contemplated thereunder and the implementation thereof be and are hereby confirmed, ratified and approved.”

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## NOTICE OF SGM

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3. “**THAT:**

the framework agreement in relation to the procurement of enterprise-level products dated 7 December 2020 (the “**2020 Procurement Framework Agreement**”) entered into between the Company and Hon Hai, details of which are described in the Circular and a copy of which has been produced to this meeting marked “C” and signed by the chairman of this meeting for the purpose of identification, and the terms and conditions thereof, the proposed annual cap amounts related thereof, all the transactions contemplated thereunder and the implementation thereof be and are hereby confirmed, ratified and approved.”

4. “**THAT:**

the framework agreement in relation to sales of ancillary IT products dated 7 December 2020 (the “**2020 Sales Framework Agreement**”) entered into between the Company and Hon Hai, details of which are described in the Circular and a copy of which has been produced to this meeting marked “D” and signed by the chairman of this meeting for the purpose of identification, and the terms and conditions thereof, the proposed annual cap amounts related thereof, all the transactions contemplated thereunder and the implementation thereof be and are hereby confirmed, ratified and approved.”

5. “**THAT:**

any one director of the Company or any other person authorised by the directors of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company, and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with each of the 2020 IT System Operation and Maintenance Framework Agreement, 2020 Build-Own-Operate and IT Project Framework Agreement, 2020 Procurement Framework Agreement and 2020 Sales Framework Agreement and the transactions contemplated thereunder.”

By Order of the Board  
**Maxnerva Technology Services Limited**  
**CHIEN YI-PIN**  
*Chairman*

Hong Kong, 29 December 2020

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## NOTICE OF SGM

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*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Head office and principal place of business:*

Room 1001, 10/F  
Houston Centre  
63 Mody Road  
Tsim Sha Tsui East  
Kowloon, Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote on his behalf. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company.
2. Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting, the vote of the senior 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. Several executors or administrators of a deceased member of the Company in whose name any share stands shall, for the purposes of the bye-laws of the Company, be deemed joint holders thereof.
3. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar of the Company, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the Meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the proposed SGM will be 12 January 2021.

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## NOTICE OF SGM

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### PRECAUTIONARY MEASURES FOR SGM

The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. To prevent and control the spread of the ongoing novel coronavirus (“COVID-19”) pandemic, the Company will implement the following at the SGM as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (a) compulsory body temperature checks will be conducted for every attending Shareholder, proxy or other attendee at the entrance of the SGM venue. Any person who has a body temperature of over 37.5 degree Celsius or is subject to the mandatory quarantine order imposed by the Hong Kong Government will be denied entry into or be required to leave the SGM venue;
- (b) each attendee must wear a surgical face mask throughout the SGM and inside the SGM venue;
- (c) the Company will maintain a safe distance between seats;
- (d) no refreshments and beverages will be served; and
- (e) no distribution of coupons for subsequent consumption.

In addition, the Company would like to remind all attending Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. The Company strongly encourages the Shareholders to consider appointing the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person.

In the event of any regulation imposed by the Hong Kong Government due to COVID-19 requiring the change of the date or place of the SGM, the Company will publish an announcement on the websites of both the Company ([www.maxnerva.com](http://www.maxnerva.com)) and the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders that the SGM has been adjourned (however, a failure to publish such a notice shall not affect the adjournment of such meeting). The Company will publish a further announcement on its corporate website ([www.maxnerva.com](http://www.maxnerva.com)) and the HKEXnews’ website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and location of the adjourned SGM.