

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1729)

**(1) CONTINUING CONNECTED TRANSACTION;
(2) REVISION OF THE EXISTING ANNUAL CAPS
FOR CERTAIN CONTINUING CONNECTED TRANSACTIONS;
AND
(3) CONNECTED TRANSACTION**

CONTINUING CONNECTED TRANSACTION

The Luxshare Precision Master Processing Agreement

On 12 July 2023, the Company entered into the Luxshare Precision Master Processing Agreement with Luxshare Precision, pursuant to which the Group agreed to provide processing services for raw materials or semi-finished products provided by Luxshare Precision Group from time to time.

**REVISION OF THE EXISTING ANNUAL CAPS FOR CERTAIN CONTINUING
CONNECTED TRANSACTIONS**

The Second Supplemental Master Purchase Agreement

Reference is made to the announcement of the Company dated 19 July 2022 and the circular of the Company dated 16 August 2022 in relation to, among other things, the Luxshare Precision Master Purchase Agreement entered into between the Company and Luxshare Precision and the related annual caps as approved by the Independent Shareholders at the extraordinary general meeting held on 5 September 2022. Reference is also made to the Company's announcement dated 30 September 2022 and the circular of the Company dated 24 October 2022 in relation to, among other things, the First Supplemental Master Purchase Agreement entered into between the Company and Luxshare Precision to revise the annual caps under the Luxshare Precision Master Purchase Agreement for the year ended 31 March 2023.

Pursuant to the Luxshare Precision Master Purchase Agreement, the Group has agreed, among other things, to purchase Raw Materials, which comprise Server Product Raw Materials and Cable Product Raw Materials, from Luxshare Precision Group from time to time upon request from 19 July 2022 to 31 March 2025. Having considered that (i) the demand for Cable Product Raw Materials is expected to increase in view of the expansion of the Group's product portfolio in the medical equipment sector; (ii) the Group requires certain Server Product Raw Materials produced by Luxshare Precision Group to apply in server products; and (iii) more favourable prices and credit terms are offered by some of the Designated Suppliers to Luxshare Precision Group than those currently offered to the Group, the Directors have decided to increase the existing annual caps for the purchase of Raw Materials under the Luxshare Precision Master Purchase Agreement in order to accommodate the business needs of the Group. As such, on 12 July 2023, the Company entered into the Second Supplemental Master Purchase Agreement with Luxshare Precision to revise the existing annual caps for the purchase of Raw Materials under the Luxshare Precision Master Purchase Agreement.

The Supplemental Master Subcontracting Agreement

Reference is made to the announcement of the Company dated 15 August 2022 in relation to, among other things, the Luxshare Precision Master Subcontracting Agreement entered into between the Company and Luxshare Precision.

Pursuant to the Luxshare Precision Master Subcontracting Agreement, the Luxshare Precision Group has agreed, among other things, to provide subcontracting services to the Group in respect of the production of server products from time to time from 15 August 2022 to 31 March 2025. With the expansion of the Group's product portfolio in the medical equipment sector, the Group may also require the subcontracting services to support the production demands of its cable products from time to time. As such, on 12 July 2023, the Company entered into the Supplemental Master Subcontracting Agreement with Luxshare Precision to increase the existing annual caps for the provision of subcontracting services by Luxshare Precision Group under the Luxshare Precision Master Subcontracting Agreement in respect of the production of cable products and server products.

CONNECTED TRANSACTION

The Third Equipment Purchase Agreement

On 12 July 2023, the Company entered into the Third Equipment Purchase Agreement with Luxshare Precision, pursuant to which the Group agreed to purchase and Luxshare Precision Group agreed to sell the Equipment at a consideration of approximately RMB33,768,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Luxshare Precision is a Controlling Shareholder interested in approximately 70.95% of issued Shares through its wholly-owned subsidiary, namely Luxshare Precision Limited, and is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng. As such, Luxshare Precision is a connected person of the Company and the transactions with Luxshare Precision will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the proposed annual caps under the Luxshare Precision Master Processing Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Luxshare Precision Master Processing Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the Revised Master Purchase Annual Caps is more than 0.1% but less than 5%, the transactions contemplated under the Luxshare Precision Master Purchase Agreement (as supplemented by the Second Supplemental Master Purchase Agreement) are subject to the reporting, annual review, announcement requirements, but are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the Revised Master Subcontracting Annual Caps is more than 0.1% but less than 5%, the transactions contemplated under the Luxshare Precision Master Subcontracting Agreement (as supplemented by the Supplemental Master Subcontracting Agreement) are subject to the reporting, annual review, announcement requirements, but are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 19 July 2022 and 31 August 2022 in respect of, among others, the Previous Equipment Purchase Agreements entered into between the Company and Luxshare Precision, pursuant to which the Group agreed to purchase and Luxshare Precision Group agreed to sell the equipment out of the list of Previous Equipment at a total consideration of not more than HK\$75,000,000. Since the Previous Equipment Purchase Agreements and the Third Equipment Purchase Agreement were entered into between the Company with the same party within 12 months and were of similar nature, the transactions

contemplated under the Third Equipment Purchase Agreements and the Previous Equipment Purchase Agreements shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the consideration under the Third Equipment Purchase Agreement in aggregate with the Previous Equipment Purchase Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Third Equipment Purchase Agreement are subject to the reporting and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Due to her beneficial interests in Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and the non-executive Director, is regarded as having a material interest in the transactions contemplated under the Luxshare Precision Master Processing Agreement, the Second Supplemental Master Purchase Agreement, Supplemental Master Subcontracting Agreement and the Third Equipment Purchase Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the Luxshare Precision Master Processing Agreement, the Second Supplemental Master Purchase Agreement, Supplemental Master Subcontracting Agreement and the Third Equipment Purchase Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Ms. Wang Laichun, none of the Directors has any material interest in the Luxshare Precision Master Processing Agreement, the Second Supplemental Master Purchase Agreement, Supplemental Master Subcontracting Agreement and the Third Equipment Purchase Agreement, and none of them are required to abstain from voting on the relevant resolutions of the Board.

CONTINUING CONNECTED TRANSACTION

The Luxshare Precision Master Processing Agreement

On 12 July 2023, the Company entered into the Luxshare Precision Master Processing Agreement with Luxshare Precision, pursuant to which the Group agreed to provide processing services for raw materials or semi-finished products provided by Luxshare Precision Group from time to time.

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

Date: 12 July 2023

Parties: (i) Luxshare Precision

(ii) the Company

Subject: Pursuant to the Luxshare Precision Master Processing Agreement, the Group agreed to provide processing services for raw materials or semi-finished products provided by Luxshare Precision Group from time to time

Term: The Luxshare Precision Master Processing Agreement has a fixed term from 12 July 2023 to 31 March 2025 (both days inclusive)

Pricing policy

The terms of the Group's processing services shall be determined with reference to prevailing market terms and be on terms no less favourable to the Group than those made available to Independent Third Parties for similar services. In particular, the prices will be on a cost-plus basis, which is determined by the direct costs of processing services (including labour, utilities, equipment depreciation and other overhead costs, if any) plus a profit margin to be agreed upon. In order to ensure the terms of the processing services and profit margin are in line with prevailing market rates and conditions, the Group will compare prices of similar processing services required by other independent customers, not less frequently than on a quarterly basis. The Group shall have the right to accept or reject the orders from Luxshare Precision Group and would accept orders only if the Group will profit from the processing services and would consider the Group's capacity to undertake the orders which are more profitable.

Historical transaction amounts

The table below sets out the actual transaction amounts for the processing services provided by the Group to Luxshare Precision Group for the three years ended 31 March 2023:

| | <i>HK\$'000</i> |
|--------------------------|-----------------|
| Year ended 31 March 2021 | – |
| Year ended 31 March 2022 | – |
| Year ended 31 March 2023 | 2,196 |

Proposed annual caps

The table below sets out the proposed annual caps under the Luxshare Precision Master Processing Agreement for the years ending 31 March 2024 and 2025:

| | <i>HK\$'000</i> |
|---------------------------|-----------------|
| Year ending 31 March 2024 | 7,000 |
| Year ending 31 March 2025 | 8,000 |

Basis of annual caps

The proposed annual caps for the Luxshare Precision Master Processing Agreement have been determined taking into consideration (i) the actual and expected demand for the processing services provided by the Group to Luxshare Precision Group; and (ii) the expected fluctuation of the processing fees, exchange rate as well as inflation.

Reasons for and benefits of the transaction

Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. For some products such as communication equipment, Luxshare Precision Group would from time to time require processing services to be performed on their raw materials and semi-finished products. With the expertise in the production of the server products, the Group can apply the technological knowhow to fulfill the specific processing needs of Luxshare Precision Group and enhance the product performance for the communication equipment produced by Luxshare Precision Group. As such, Luxshare Precision Group decided to engage the Group to provide the processing services and the Directors believe the entering of the Luxshare Precision Master Processing Agreement will provide a stable source of income to the Group.

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

Listing Rules implication

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

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of transactions contemplated under the Luxshare Precision Master Processing Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review, announcement requirements, but are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to her beneficial interests in Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and the non-executive Director, is regarded as having a material interest in the transactions contemplated under the Luxshare Precision Master Processing Agreement, and has abstained from

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

REVISION OF THE EXISTING ANNUAL CAPS FOR CERTAIN CONTINUING CONNECTED TRANSACTIONS

(A) The Second Supplemental Master Purchase Agreement

Reference is made to the announcement of the Company dated 19 July 2022 and the circular of the Company dated 16 August 2022 in relation to, among other things, the Luxshare Precision Master Purchase Agreement entered into between the Company and Luxshare Precision and the related annual caps as approved by the Independent Shareholders at the extraordinary general meeting held on 5 September 2022. Reference is also made to the Company's announcement dated 30 September 2022 and the circular of the Company dated 24 October 2022 in relation to, among other things, the First Supplemental Master Purchase Agreement entered into between the Company and Luxshare Precision to revise the annual caps under the Luxshare Precision Master Purchase Agreement for the year ended 31 March 2023.

Pursuant to the Luxshare Precision Master Purchase Agreement, the Group has agreed, among other things, to purchase Raw Materials, which comprise Server Product Raw Materials and Cable Product Raw Materials, from Luxshare Precision Group from time to time upon request from 19 July 2022 to 31 March 2025. Having considered that (i) the demand for Cable Product Raw Materials is expected to increase in view of the expansion of the Group's product portfolio in the medical equipment sector; (ii) the Group requires certain Server Product Raw Materials produced by Luxshare Precision Group to apply in server products; and (iii) more favourable prices and credit terms are offered by some of the Designated Suppliers to Luxshare Precision Group than those currently offered to the Group, the Directors have decided to increase the existing annual caps for the purchase of Raw Materials under the Luxshare Precision Master Purchase Agreement in order to accommodate the business needs of the Group. As such, on 12 July 2023, the Company entered into the Second Supplemental Maser Purchase Agreement with Luxshare Precision to revise the existing annual caps for the purchase of Raw Materials under the Luxshare Precision Master Purchase Agreement.

Sets out below is a summary of the principal terms of the Second Supplemental Master Purchase Agreement:

Date

12 July 2023

Parties

- (i) Luxshare Precision
- (ii) the Company

Subject matter

Pursuant to the Second Supplemental Master Purchase Agreement, the Company and Luxshare Precision agreed to revise the existing annual caps for Raw Materials under the Luxshare Precision Master Purchase Agreement from HK\$10,500,000 to HK\$150,000,000 for the year ending 31 March 2024 and from HK\$11,000,000 to HK\$150,000,000 for the year ending 31 March 2025.

Save for the Revised Master Purchase Annual Caps, all other material terms of the Luxshare Precision Master Purchase Agreement shall remain unchanged and in full force.

Pricing policy

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

Historical transaction amounts

The table below sets out the actual transaction amounts under the Luxshare Precision Master Purchase Agreement for the year ended 31 March 2023 and the three months ended 30 June 2023:

| | Year ended 31 March 2023 | Three months ended 30 June 2023 |
|------------------------------------------|-------------------------------------|------------------------------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Purchase of Server Product Raw Materials | 2,410,407 | – |
| Purchase of Cable Product Raw Materials | <u>538</u> | <u>193</u> |
| Total | <u><u>2,410,945</u></u> | <u><u>193</u></u> |

Revised Master Purchase Annual Caps under the Second Supplemental Master Purchase Agreement

The table below sets out the existing annual caps under the Luxshare Precision Master Purchase Agreement and the Revised Master Purchase Annual Caps under the Second Supplemental Master Purchase Agreement:

| | Existing annual caps for the year ending 31 March | | Revised annual caps for the year ending 31 March | |
|---------------------------------------------|--------------------------------------------------------------|----------------------|-------------------------------------------------------------|-----------------------|
| | 2024 | 2025 | 2024 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Purchase of Server Product Raw Materials | – | – | 20,000 | 26,000 |
| Purchase of Cable Product Raw Materials | <u>10,500</u> | <u>11,000</u> | <u>130,000</u> | <u>124,000</u> |
| Total | <u><u>10,500</u></u> | <u><u>11,000</u></u> | <u><u>150,000</u></u> | <u><u>150,000</u></u> |

Basis of Revised Master Purchase Annual Caps

The Revised Master Purchase Annual Caps have been determined after taking into consideration (i) the actual transaction amounts for the purchase of Raw Materials from the date of the Luxshare Precision Master Purchase Agreement to 30 June 2023; (ii) the expected increase in demand of Cable Product Raw Materials for the production of cable products for the years ending 31 March 2024 and 2025 taking into account the expansion of the Group's product offerings in the medical equipment sector; (iii) the estimated demand of server products which required Server Product Raw Materials produced by Luxshare Precision Group for the years ending 31 March 2024 and 2025; and (iv) the estimated demand of the Group's products which required Raw Materials from Designated Suppliers through the purchase on behalf arrangement for the years ending 31 March 2024 and 2025.

Reasons for and benefits of the Revised Master Purchase Annual Caps

The Group manufactures and supplies a wide variety of cable assembly, digital cable and server products in accordance with the specifications of customers for various market sectors, including telecommunication, data centre, industrial equipment, medical equipment, automotive wire harness and digital cables. In view of the expansion of the Group's product portfolio in the medical equipment sector, it is expected that the demand for Cable Product Raw Materials for the production of medical equipment cables will be increased for the years ending 31 March 2024 and 2025. As one of the leading electronics manufacturers in the PRC, Luxshare Precision Group has been supplying the Group with various electronic components of reliable quality and designated technical specifications over the years. With the procurement of Server Product Raw Materials produced by Luxshare Precision Group, the Directors believe that the Group could produce server products of the highest standard and meet the specifications as required by its customers. In addition, after the recent review of the production costs of the Group's products by the management, it has noticed that more favourable prices and credit terms are offered by some of the Designated Suppliers to Luxshare Precision Group than those currently offered to the Group, which it believes is due to their long-standing business relationship with one another. In order to reduce the production costs and raise the competitiveness of the Group's products in the markets, the Group has decided to purchase Raw Materials from the relevant Designated Suppliers through Luxshare Precision Group while the Group will be negotiating with them with a view to obtain commensurate terms as offered by them to Luxshare Precision Group. Having considered that the existing annual caps under the Luxshare Precision Master Purchase Agreement are not sufficient to support the demand of Raw Materials, the Group decided to revise the existing annual caps for the purchase of Raw Materials so as to cope with the demand for production of the Group's products.

Taking into consideration the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Second Supplemental Master Purchase Agreement and the Revised Master Purchase Annual Caps are entered into on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules implication

As stated above, Luxshare Precision is a connected person of the Company and the transactions contemplated under the Second Supplemental Master Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions. As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the Revised Master Purchase Annual Caps is more than 0.1% but less than 5%, the transactions contemplated under the Luxshare Precision Master Purchase Agreement (as

supplemented by the Second Supplemental Master Purchase Agreement) are subject to the reporting and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Due to her beneficial interests in Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and the non-executive Director, is regarded as having a material interest in the transactions contemplated under the Second Supplemental Master Purchase Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the Second Supplemental Master Purchase Agreement and the Revised Master Purchase Annual Caps. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Ms. Wang Laichun, none of the Directors has any material interest in the Second Supplemental Master Purchase Agreement, and none of them is required to abstain from voting on the relevant resolutions of the Board.

(B) The Supplemental Master Subcontracting Agreement

Reference is made to the announcement of the Company dated 15 August 2022 in relation to, among other things, the Luxshare Precision Master Subcontracting Agreement entered into between the Company and Luxshare Precision.

Pursuant to the Luxshare Precision Master Subcontracting Agreement, the Luxshare Precision Group has agreed, among other things, to provide subcontracting services to the Group in respect of the production of server products from time to time from 15 August 2022 to 31 March 2025. With the expansion of the Group's product portfolio in the medical equipment sector, the Group may also require the subcontracting services to support the production demands of cable products. As such, on 12 July 2023, the Company entered into the Supplemental Master Subcontracting Agreement with Luxshare Precision to increase the existing annual caps for the provision of subcontracting services by Luxshare Precision Group under the Luxshare Precision Master Subcontracting Agreement in respect of the production of the Group's cable products and server products.

Set out below is a summary of the principal terms of the Supplemental Master Subcontracting Agreement:

Date

12 July 2023

Parties

- (i) Luxshare Precision
- (ii) the Company

Subject matter

Pursuant to the Supplemental Master Subcontracting Agreement, the Company and Luxshare Precision agreed to revise the existing annual caps for provision of subcontracting services by Luxshare Precision Group under the Luxshare Precision Master Subcontracting Agreement from HK\$30,000,000 to HK\$39,000,000 for the year ending 31 March 2024 and from HK\$35,000,000 to HK\$49,500,000 for the year ending 31 March 2025.

Save for the Revised Master Subcontracting Annual Caps, all other material terms of the Luxshare Precision Master Subcontracting Agreement shall remain unchanged and in full force.

Pricing policy

The subcontracting fee payable under the Luxshare Precision Master Subcontracting Agreement by the Group to the Luxshare Precision Group shall be determined after arm's length negotiations with reference to the prevailing market price for the same or similar services as charged by Independent Third Party subcontractors or by Luxshare Precision Group to other Independent Third Parties from time to time. In order to ensure that the prices are fair and reasonable and in line with prevailing market rate, the Group will obtain at least three quotations from Independent Third Party subcontractors which provide the same or similar services not less frequently than on a quarterly basis. Such quotations will be compared against the quotations from the Luxshare Precision Group and the Group will only accept the Luxshare Precision Group's quotations if they are favourable to the Group.

Historical transaction amounts

The table below sets out the actual transaction amounts for the subcontracting services provided by Luxshare Precision Group for the year ended 31 March 2023 and the three months ended 30 June 2023:

| | Year ended 31 March 2023 | Three months ended 30 June 2023 |
|--------------------------------------|-------------------------------------|------------------------------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Provision of subcontracting services | <u>1,998</u> | <u>66</u> |

Revised Master Subcontracting Annual Caps under Supplemental Master Subcontracting Agreement

The table below sets out the existing annual caps under the Luxshare Precision Master Subcontracting Agreement and the Revised Master Subcontracting Annual Caps under the Supplemental Master Subcontracting Agreement:

| | Existing annual caps for the | | Revised annual caps for the | |
|--------------------------------------|------------------------------|-----------------|-----------------------------|-----------------|
| | year ending 31 March | | year ending 31 March | |
| | 2024 | 2025 | 2024 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Provision of subcontracting services | <u>30,000</u> | <u>35,000</u> | <u>39,000</u> | <u>49,500</u> |

Basis of Revised Master Subcontracting Annual Caps

The Revised Master Subcontracting Annual Caps have been determined after taking into consideration (i) the actual and expected demand for the subcontracting services in respect of the production of the Group's cable products and server products; and (ii) the expected fluctuation of the subcontracting fees, exchange rate as well as inflation.

Reasons for and benefits of the Revised Master Subcontracting Annual Caps

With the expansion of the Group's product portfolio in the medical equipment sector, the production demands for the Group's cable products are expected to increase and the Group may also require subcontracting services from subcontractors to support the production of cable products depending on the available production capacity of the Group from time to time. With the advanced production lines and technological expertise, Luxshare Precision Group is able to meet the customers' specifications for the products, especially the new products for the medical equipment sector which generally require high production standards. By entering the Supplemental Master Subcontracting Agreement, the Directors believe it will enable the Group to accommodate the production demands for cable products and server products and cater to unexpected circumstances in respect of its production.

Taking into consideration the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Master Subcontracting Agreement and the Revised Master Subcontracting Annual Caps are entered into on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules implication

As stated above, Luxshare Precision is a connected person of the Company and the transactions contemplated under the Supplemental Master Subcontracting Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions. As the highest of the applicable percentage ratios (as defined under the

Listing Rules) for the Revised Master Subcontracting Annual Caps is more than 0.1% but less than 5%, the transactions contemplated under the Luxshare Precision Master Subcontracting Agreement (as supplemented by the Supplemental Master Subcontracting Agreement) are subject to the reporting and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Due to her beneficial interests in Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and the non-executive Director, is regarded as having a material interest in the transactions contemplated under the Supplemental Master Subcontracting Agreement, and has abstained from voting on the relevant resolutions of the Board for approving the Supplemental Master Subcontracting Agreement and the Revised Master Subcontracting Annual Caps. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Ms. Wang Laichun, none of the Directors has any material interest in the Supplemental Master Subcontracting Agreement, and none of them is required to abstain from voting on the relevant resolutions of the Board.

CONNECTED TRANSACTION

The Third Equipment Purchase Agreement

On 12 July 2023, the Company entered into the Third Equipment Purchase Agreement with Luxshare Precision, pursuant to which the Group agreed to purchase and Luxshare Precision Group agreed to sell the Equipment at a consideration of approximately RMB33,768,000.

Set out below is a summary of the principal terms of the Third Equipment Purchase Agreement:

Date: 12 July 2023

Parties: (i) Luxshare Precision as seller
(ii) the Company as purchaser

Subject matter

Pursuant to the Third Equipment Purchase Agreement, the Group agreed to purchase and Luxshare Precision Group agreed to sell the Equipment.

Consideration and payment term

The consideration payable by the Group for the purchase of the Equipment amounts to approximately RMB33,768,000 and shall be settled by the Group to Luxshare Precision Group within 60 days upon delivery of the Equipment.

The consideration for the purchase of Equipment was determined after arm's length negotiations between the Company and Luxshare Precision with reference to the book value of the Equipment as recorded in the accounts of Luxshare Precision Group. The aggregate original acquisition cost of the Equipment as paid by Luxshare Precision Group amounted to approximately RMB62,092,000. The Directors consider that the consideration under the Third Equipment Purchase Agreement is fair and reasonable. The consideration will be satisfied by the internal resources of the Group.

Reasons for and benefits of the transaction

To support the expansion of the Group's product portfolio in the medical equipment sector, additional machinery and equipment are required to raise the production capacity and meet the specifications of the products. Having considered the close proximity of the production facilities of the Group and Luxshare Precision Group, the Group will benefit from reduced transportation costs and the Equipment can be put in use by the Group immediately. It is also more cost effective for the Group to purchase the Equipment at book value from Luxshare Precision Group. The Directors consider that the purchase of the Equipment will allow the Group to broaden its customer base by expanding its product offerings and generate sustainable revenue growth.

Taking into consideration the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Third Equipment Purchase Agreement is entered into on normal commercial terms, in the ordinary and usual course of business of the Group, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules implication

As stated above, Luxshare Precision is a connected person of the Company and the transactions contemplated under the Third Equipment Purchase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 19 July 2022 and 31 August 2022 in respect of, among others, the Previous Equipment Purchase Agreements entered into between the Company and Luxshare Precision, pursuant to which the Group agreed to purchase and Luxshare Precision Group agreed to sell the equipment out of the list of Previous Equipment at a total consideration of not more than HK\$75,000,000. Since the Previous Equipment Purchase Agreements and the Third Equipment Purchase Agreement were entered into between the Company with the same party within 12 months and were of similar nature, the transactions contemplated under the Third Equipment Purchase Agreements and the Previous Equipment Purchase Agreements shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) for the consideration under the Third Equipment Purchase Agreement in aggregate with the Previous Equipment Purchase Agreements is more than 0.1% but less than 5%, the transactions contemplated

under the Third Equipment Purchase Agreement are subject to the reporting and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Due to her beneficial interests in Luxshare Precision Group, Ms. Wang Laichun, the chairman of the Board and the non-executive Director, is regarded as having a material interest in the Third Equipment Purchase Agreement and the transactions contemplated thereunder, and has abstained from voting on the relevant resolutions of the Board for approving the Third Equipment Purchase Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Ms. Wang Laichun, none of the Directors has any material interest in the Third Equipment Purchase Agreement, and none of them is required to abstain from voting on the relevant resolutions of the Board.

INFORMATION ON THE PARTIES

Information on the Group

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

Information on Luxshare Precision

Luxshare Precision is a company incorporated in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange (stock code: 002475). Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. As at the date of this announcement, Luxshare Precision is owned as to (i) approximately 38.27% by Luxshare Limited, which is in turn owned by Ms. Wang Laichun, the non-executive Director and the chairman of the Board, and Mr. Wang Laisheng, the brother of Ms. Wang Laichun, as to 50% each; and (ii) approximately 0.17% by Mr. Wang Laisheng directly.

DEFINITIONS

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

| | |
|----------------|-------------------------------------------------------------|
| “associate(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |

| | |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Cable Product Raw Materials” | raw materials produced or sold by Luxshare Precision Group, including but not limited to cables, connectors, terminal products and parts, which are applied in the Group’s cable products |
| “Company” | Time Interconnect Technology Limited (匯聚科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Controlling Shareholder(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Designated Suppliers” | the independent suppliers which supply raw materials for the production of server products as designated by the customers |
| “Director(s)” | the director(s) of the Company |
| “Equipment” | the machinery and equipment to be purchased by the Group under the Third Equipment Purchase Agreement, including but not limited to moulds, moulding machines, testing machines, assembly machines and crimping machines |
| “First Supplemental Master Purchase Agreement” | the supplemental agreement dated 30 September 2022 and entered into between the Company and Luxshare Precision to amend and supplement the terms contained in the Luxshare Precision Master Purchase Agreement |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | individual(s) or company(ies) who or which as far as the Directors are aware after having made all reasonable enquiries is/are not connected with the Company and its connected persons |
| “Independent Shareholder(s)” | the Shareholder(s) who are not required to abstain from voting in respect of the ordinary resolutions proposed for approval at the extraordinary general meeting pursuant to the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

| | |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Luxshare Precision” | Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475) |
| “Luxshare Precision Group” | Luxshare Precision and its subsidiaries but excluding the Group |
| “Luxshare Precision Master Processing Agreement” | the agreement entered into between the Company and Luxshare Precision on 12 July 2023 for a term ending 31 March 2025, pursuant to which the Group agreed to provide processing services for raw materials or semi-finished products provided by Luxshare Precision Group from time to time |
| “Luxshare Precision Master Purchase Agreement” | the agreement entered into between the Company and Luxshare Precision on 19 July 2022 for a term ending 31 March 2025, pursuant to which the Group agreed to purchase Raw Materials from Luxshare Precision Group, as amended and supplemented by the First Supplemental Master Purchase Agreement |
| “Luxshare Precision Master Subcontracting Agreement” | the agreement entered into between the Company and Luxshare Precision on 15 August 2022 for a term ending 31 March 2025, pursuant to which the Luxshare Precision Group agreed to provide subcontracting services to the Group in respect of the production of the Group’s server products from time to time |
| “PRC” or “China” | the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Previous Equipment” | the machinery and equipment to be purchased by the Group under the Previous Equipment Purchase Agreements from time to time |
| “Previous Equipment Purchase Agreements” | the agreements entered into between the Company and Luxshare Precision on 19 July 2022 and 31 August 2022, pursuant to which the Group agreed to purchase and Luxshare Precision Group agreed to sell the equipment out of the list of Previous Equipment from time to time for a term ending 31 March 2025 |
| “Raw Materials” | raw materials to be purchased by the Group from Luxshare Precision Group under the Luxshare Precision Master Purchase Agreement, which comprise Cable Product Raw Materials and Server Product Raw Materials, in relation to the production of the Group |

| | |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Revised Master Purchase Annual Caps” | the revised annual caps for the Raw Materials as purchased by the Group from Luxshare Precision Group under the Second Supplemental Master Purchase Agreement |
| “Revised Master Subcontracting Annual Caps” | the revised annual caps for provision of subcontracting services by Luxshare Precision Group to the Group under the Supplemental Master Subcontracting Agreement |
| “Second Supplemental Master Purchase Agreement” | the second supplemental agreement dated 12 July 2023 and entered into between the Company and Luxshare Precision to amend and supplement the terms contained in the Luxshare Precision Master Purchase Agreement |
| “Supplemental Master Subcontracting Agreement” | the supplemental agreement dated 12 July 2023 and entered into between the Company and Luxshare Precision to amend and supplement the terms contained in the Luxshare Precision Master Subcontracting Agreement |
| “Server Product Raw Materials” | raw materials produced or ordered by Luxshare Precision Group from ultimate suppliers that are Independent Third Parties on behalf of the Group, including but not limited to central processing units, hard disks, cables and connectors which are applied in the Group’s server products |
| “Share(s)” | the ordinary share(s) of the Company |
| “Shareholder(s)” | holder(s) of the share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Third Equipment Purchase Agreement” | the agreement entered into between the Company and Luxshare Precision on 12 July 2023, pursuant to which the Group agreed to purchase and the Luxshare Precision Group agreed to sell the Equipment |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 12 July 2023

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