



COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2342)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Comba Telecom Systems Holdings Limited (the "**Company**") will be held at 1503-1510, Delta House, 3 On Yiu Street, Shatin, Hong Kong on 14 May 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and the auditors for the financial year ended 31 December 2003.
2. To declare a final dividend for the year ended 31 December 2003.
3. To re-elect the retiring directors and authorise the board of directors of the Company (the "**Board**") to fix the remuneration of the directors.
4. To re-appoint auditors and to authorise the Board to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as **Ordinary Resolutions**:

(A) "**THAT**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval granted in paragraph (i)

above, otherwise than pursuant to (a) a Rights Issue, or (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and directors of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company, or (c) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company; or (d) an issue of shares of the Company as scrip dividend or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

(B) **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase or otherwise acquire shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) be is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of shares of the Company which are authorised to be purchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(iii) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.”

(C) **“THAT**

conditional upon the passing of the resolutions set out in paragraphs 5(A) and 5(B) of the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 5(A) of the notice convening this meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of shares of the Company purchased or otherwise acquired by the Company pursuant to the authority granted to the directors of the Company under the resolution set out in paragraph 5(B) above of the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

(D) **“THAT**

the existing scheme limit under the share option scheme of the Company adopted by a resolution of the shareholders of the Company dated 20th June, 2003 (the “Existing Share Option Scheme”) be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued pursuant to the grant or exercise of the options under the Existing Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Existing Share Option Scheme) shall not exceed 10 % of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution (“Refreshed Limit”) and that the directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time), to grant options under the Existing Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

6. To consider and, if thought fit, pass the following resolution as a **Special Resolution**:-

“THAT

(i) Article 2 of the Articles of Association of the Company be amended by inserting the following new definition:

“associate” has the meaning attributed to it in the rules of the Designated Stock Exchange.”

(ii) 1. Existing Article 76 of the Articles of Association of the Company be re-numbered as Article 76(1).

2. A new Article 76(2) be added to the Articles of Association of the Company as follows:

“(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

(iii) The words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” in the last sentence of Article 88 of the Articles of Association of the Company be deleted in its entirety and replaced by the following:

“provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice (s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

(iv) Article 103 of the Articles of Association of the Company be deleted in its entirety and replaced by the following:

“103 (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

(i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent. or more of the issued shares of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived) or of the voting rights; or
 - (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the

income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.

- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.””

By Order of the Board
Chan Kai Leung, Clement
Company Secretary

The Board comprises:

Fok Tung Ling (<i>Executive Director</i>)	Lau Siu Ki, Kevin (<i>Independent non-executive Director</i>)
Zhang Yue Jun (<i>Executive Director</i>)	Liu Cai (<i>Independent non-executive Director</i>)
Chan Kai Leung, Clement (<i>Executive Director</i>)	Yao Yan (<i>Independent non-executive Director</i>)
Wu Jiang Cheng (<i>Executive Director</i>)	
Yan Ji Ci (<i>Executive Director</i>)	
Zheng Guo Bao (<i>Executive Director</i>)	

Hong Kong, 21 April 2004

Notes:

- (a) The register of members of the Company will be closed from 10 May 2004 to 14 May 2004 (both days inclusive), during which period no transfer of shares in the Company can be registered.
- (b) All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 7 May 2004.

- (c) Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (d) To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's principal office in Hong Kong at 1503-1510, Delta House, 3 On Yiu Street, Shatin, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned meeting.
- (e) Further details regarding resolutions set out in paragraphs 5 and 6 of this notice of the annual general meeting of the Company will be sent to the shareholders of the Company together with the circular on general mandates to issue shares, repurchase shares, amendments to the articles of association and renewal of the scheme mandate dated 21 April 2004.

“Please also refer to the published version of this announcement in The Standard”.