

*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.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

# Comba

## 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)**

### ISSUE OF NEW SHARES UNDER THE SHARE AWARD SCHEME AND CONNECTED TRANSACTION: ISSUE OF NEW SHARES TO CONNECTED PERSONS UNDER THE SHARE AWARD SCHEME

On 12 April 2011, the Board has resolved to award 26,000,000 Awarded Shares to 365 Selected Persons by way of issue and allotment of new Shares pursuant to the General Mandate.

As certain Selected Persons are connected persons of the Company, the issue and allotment of the Connected Awarded Shares to those Connected Selected Persons constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders.

A circular containing details of the issue and allotment of the Connected Awarded Shares to the Connected Selected Persons and notice of the EGM will be despatched to the Shareholders soon in compliance with the Listing Rules.

Reference is made to the announcement of the Company dated 25 March 2011 (the “**Announcement**”) in relation to, among others, the adoption of the Share Award Scheme. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

On 12 April 2011, the Board has resolved to award 26,000,000 Awarded Shares to 365 Selected Persons by way of issue and allotment of new Shares pursuant to the general mandate (the “**General Mandate**”) granted by the shareholders (the “**Shareholders**”) of the Company at the annual general meeting of the Company held on 24 May 2010. The Board shall cause to be paid the subscription monies for the 26,000,000 new Awarded Shares from the internal resources of the Group into the Account and the Trustee and/or the Administration Committee shall apply such monies for the subscription of the new Awarded Shares. Upon issue and allotment of the new Shares, the Trustee

and/or Administration Committee will hold the new Shares in trust for the Selected Persons and such new Awarded Shares shall be transferred to the Selected Persons upon the vesting conditions will have been met. The number of Awarded Shares granted to each of the Selected Person is subject to their respective contributions to the Group.

Among those 365 Selected Persons, there are 12 Selected Persons (the “**Connected Selected Persons**”) who are directors of members of the Group and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) to the Company and the issue and allotment of the 3,332,000 new Awarded Shares (the “**Connected Awarded Shares**”) to the Connected Selected Persons under the Share Award Scheme shall constitute connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the independent Shareholders (the “**Independent Shareholders**”) other than the Connected Selected Persons and their respective associates at the forthcoming extraordinary general meeting (the “**EGM**”). Among the Connected Awarded Shares above, 2,360,000 new Awarded Shares were granted to the following Directors of the Company with details as follows:

<b>Directors</b>	<b>Number of new Awarded Shares</b>
Mr. Tong Chak Wai, Wilson	600,000
Mr. Wu Jiang Cheng	600,000
Mr. Yan Ji Ci	520,000
Mr. Zheng Guo Bao	120,000
Mr. Yeung Pui Sang, Simon	520,000
	<hr/>
Total	<u><u>2,360,000</u></u>

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Selected Persons other than the Connected Selected Persons (the “**Independent Selected Persons**”) and their respective ultimate beneficial owners, if any, are third parties independent of the Company and connected persons of the Company.

The 26,000,000 new Awarded Shares to be issued and allotted by the Company to the Selected Persons represent approximately 2.0% of the existing issued share capital of the Company and approximately 1.9% of the issued share capital of the Company as enlarged by the issue and allotment of the Awarded Shares.

The new Shares, when issued and fully paid, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate 26,000,000 Awarded Shares.

The issue and allotment of the 22,668,000 Awarded Shares to the Independent Selected Persons shall be subject to the grant of the listing approval by the Stock Exchange. The issue and allotment of the 3,332,000 Connected Awarded Shares to the Connected Selected Persons shall be subject to the following conditions:

- (a) the grant of the listing approval by the Stock Exchange in respect of the Awarded Shares; and
- (b) the approval by the Independent Shareholders at the forthcoming EGM in respect of the issue and allotment of the Connected Awarded Shares.

The information in relation to the issue and allotment of the 26,000,000 new Awarded Shares to the Selected Persons is set out below:

Securities to be issued: 26,000,000 ordinary Shares of HK\$0.10 each in the share capital of the Company, as to 22,668,000 Awarded Shares to be issued and allotted to the Independent Selected Persons and as to 3,332,000 Awarded Shares to be issued and allotted to the Connected Selected Persons

Issue price: the Awarded Shares shall be issued and allotted at nominal value

Funds to be raised: There will be no amount raised by the Company as a result of the issue and allotment of the Awarded Shares. HK\$2,600,000 being the aggregate nominal value of the Awarded Shares to be issued and allotted shall be paid out of the internal resources of the Group and shall be utilized as subscription monies for the Awarded Shares

Reasons for the issue: For better utilization of the resources of the Company, the issue is to make available the Awarded Shares for granting to Selected Persons under the Share Award Scheme, which forms part of the incentive schemes of the Company that recognise the contributions made by the Selected Persons and that attract and retain talents for the continual operation and development of the Group

Identity of the allottee(s): the Trustee, which will hold the Awarded Shares in trust in accordance with the Trust Deed for the 365 Selected Persons, who are employees, directors and business consultants of members of the Group

Market price of the Shares: the closing price of the Shares as at 12 April 2011 as quoted on the Stock Exchange is HK\$9.32 per Share

the average closing price of the Shares for the five consecutive trading days including 12 April 2011 as quoted on the Stock Exchange is HK\$9.29 per Share

Vesting period: the Awarded Shares shall be subject to vesting periods from the date of resolution of the grant for the Awarded Shares differing among the Selected Persons. The Awarded Shares shall be transferred to the Selected Persons upon expiry of the vesting period

Fund raising activities in the past 12 months: The Company has not engaged in any fund raising exercises in the 12 months immediately preceding the date of this announcement

The Group is principally engaged in research, development, manufacture and sale of wireless telecommunications network enhancement system equipment and the provision of related engineering services.

The General Mandate has not been utilized immediately before the grant of the Awarded Shares to the Selected Persons.

The Directors consider that the issue and allotment of the Connected Awarded Shares to the Connected Selected Persons under the Share Award Scheme are in normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The independent board committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as whether the award of the Connected Awarded Shares to the Connected Selected Persons is fair and reasonable and in the interests of the Company and the shareholders as a whole. Independent financial advisor will be appointed to advise the independent board committee and the Independent Shareholders in relation to the award of the Connected Awarded Shares to the Connected Selected Persons.

A circular including details of the issue and allotment of the Connected Awarded Shares with the advices of the independent financial adviser and notice of EGM will be despatched to the Shareholders as soon as possible on or before 6 May 2011.

By order of the Board  
**COMBA TELECOM SYSTEMS HOLDINGS LIMITED**  
**Tong Chak Wai, Wilson**  
*Executive Director*

Hong Kong, 12 April 2011

*As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. TONG Chak Wai, Wilson, Mr. WU Jiang Cheng, Mr. YAN Ji Ci, Mr. ZHENG Guo Bao and Mr. YEUNG Pui Sang, Simon; and the following independent non-executive Directors: Mr. YAO Yan, Mr. LAU Siu Ki, Kevin and Mr. LIU Cai.*