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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)

(1) CONTINUING CONNECTED TRANSACTIONS RELATING TO THE WTAP TRANSACTIONS, THE WTAP-COMPONENTS TRANSACTIONS AND THE IDU SERVICES TRANSACTIONS; AND (2) CONNECTED TRANSACTION RELATING TO A LOAN

Reference is made to the announcement dated 25 August 2010 and the circular dated 13 September 2010 of the Company regarding the continuing connected transactions of the Company relating to the Existing WTAP Agreement and the Existing WTAP-Components Agreement and the connected transaction of the Company in relation to the Existing Loan Agreement.

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE WTAP AGREEMENT, THE WTAP-COMPONENTS AGREEMENT AND THE IDU SERVICES AGREEMENT

On 29 September 2010, the Company obtained the Independent Shareholders' approval for the Existing WTAP Transactions and the relevant annual caps thereof, as well as the Existing WTAP-Components Transactions and the relevant annual caps thereof, for the three financial years ending 31 December 2013.

As the Existing WTAP Agreement and the Existing WTAP-Components Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2013, and in view of the future prospects and the future demand of communication equipment in the PRC and other countries, the Group will continue to engage in the business of manufacture and sales of microwave transmission products.

On 24 December 2013, Comba Systems BVI entered into with WaveLab Holdings (i) the WTAP Agreement for the Group's procurement of WTAPs and the relevant maintenance services and (ii) the WTAP-Components Agreement for the supply of necessary components used in the manufacture of WTAPs and (iii) the IDU Services Agreement for the Group's IDU Processing, each of which is for a term of three years commencing from 1 January 2014 and ending on 31 December 2016.

CONNECTED TRANSACTION RELATING TO THE LOAN

On 24 December 2013, Cascade Technology and WaveLab Holdings entered into the Loan Agreement pursuant to which Cascade Technology has agreed to lend the Loan of principal amount up to US\$11,000,000 (equivalent to approximately HK\$85,580,000) to WaveLab Holdings. The purpose of the Loan shall be used for refinancing all outstanding indebtedness under the Existing Loan Agreement. Unless otherwise agreed by Cascade Technology, the Loan shall be used for the working capital purpose of WaveLab Holdings and its subsidiaries.

LISTING RULES IMPLICATIONS

Since (i) all the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions are conducted between the Group (excluding WaveLab Holdings and its subsidiaries) and WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou), and (ii) the nature of these three transactions involves the supply and procurement of WTAPs and the related items, including but not limited to WTAPs, WTAP-Components and IDUs, and the relevant services, all these transactions should be aggregated under Rules 14A.25 and 14A.26 of the Listing Rules.

As WaveLab Holdings is a connected person of the Company and the percentage ratios of the aggregate proposed annual caps of the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions do not exceed 5%, the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions will be subject only to the reporting, announcement and annual review requirements pursuant to Rules 14A.35 and 14A.37 to 14A.40 of the Listing Rules but are exempt from the requirements of obtaining Independent Shareholders' approval.

On the same token, as the percentage ratios in relation to the Loan does not exceed 5%, the Loan constitutes a connected transaction of the Company which will be subject only to reporting and announcement requirements pursuant to Rule 14A.32 of the Listing Rules but is exempt from the requirements of obtaining Independent Shareholders' approval.

Reference is made to the announcement dated 25 August 2010 and the circular dated 13 September 2010 of the Company regarding the continuing connected transactions of the Company relating to the Existing WTAP Agreement and the Existing WTAP-Components Agreement and the connected transaction of the Company in relation to the Existing Loan Agreement. On 29 September 2010, the Company obtained the Independent Shareholders' approval for the Existing WTAP Transactions and the relevant annual caps thereof, as well as the Existing WTAP-Components Transactions and the relevant annual caps thereof, for the three financial years ending 31 December 2013.

RELATIONSHIPS BETWEEN THE PARTIES

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the relationships between the relevant parties under the WTAP Agreement, the WTAP-Components Agreement, the IDU Services Agreement and the Loan Agreement are set out below:

The Company	Comba Telecom Systems Holdings Limited (京信通信系統控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
Cascade Technology	Cascade Technology Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
Comba Systems BVI	Comba Telecom Systems Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
WaveLab Holdings	WaveLab Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and an indirect subsidiary of the Company, in which the Company has an indirect 55% beneficial interest
Mr. Zheng	Mr. Zheng Guo Bao, an executive Director and a Shareholder, and a substantial shareholder of WaveLab Holdings

By virtue of the relationship between Mr. Zheng and WaveLab Holdings, WaveLab Holdings is considered to be a connected person to the Company under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE WTAP AGREEMENT, THE WTAP-COMPONENTS AGREEMENT AND THE IDU SERVICES AGREEMENT

As the Existing WTAP Agreement and the Existing WTAP-Components Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2013, and in view of the future prospects and the future demand of communication equipment in the PRC and other countries, the Group will continue to engage in the business of manufacture and sales of microwave transmission products.

On 24 December 2013, Comba Systems BVI entered into the WTAP Agreement with WaveLab Holdings for the Group's procurement of WTAPs and the relevant maintenance services for a term of three years commencing from 1 January 2014 and ending on 31 December 2016.

WTAP Agreement

Date:	24 December 2013
WTAP Seller:	WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
WTAP Purchaser:	Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
Products:	WTAPs, exact type of products and quantities are to be agreed by the parties in writing from time to time
Maintenance services:	The WTAP Seller will be responsible for the maintenance of the products sold free of charge for a period of 1 year from the date of the sales transactions. However, after such 1-year period, the WTAP Purchaser will be required to pay the WTAP Seller for maintenance services provided by the WTAP Seller for the products involved.
Price:	To be agreed between the WTAP Seller and the WTAP Purchaser from time to time in accordance with the WTAP Agreement
Payment term:	Within 90 days after delivery of the WTAPs by means of bank remittance, cheques, bank drafts or other payment method to be agreed by the WTAP Seller and the WTAP Purchaser from time to time
Term:	From 1 January 2014 to 31 December 2016, subject to the early termination provisions in the WTAP Agreement
Exclusivity:	The WTAP Purchaser has the sole and exclusive right to sell the WTAPs procured from the WTAP Seller in the Territory during the term of the WTAP Agreement. However, subject to prior written consent and not prejudicing the interest of the WTAP Purchaser, the WTAP Seller has the right to sell (i) ODU's to other small integrators and in the private network market in the PRC (mainland China) and (ii) other products, including RFUs and BUCs but excluding ODU's, to others.
Condition:	The WTAP Agreement and the transactions contemplated thereunder are conditional upon the publication of this announcement on the websites of the Stock Exchange and the Company; and obtaining all necessary approval on the WTAP Agreement and the transactions thereunder by the parties on or before 31 December 2013 or such other later date as agreed by the parties.

The price and the maintenance cost of the WTAPs to be sold under the WTAP Agreement will be agreed between the WTAP Purchaser and the WTAP Seller based on prevailing market prices and will, depending on market conditions, change from time to time over the term of the WTAP Agreement. It is expected that the price and the maintenance cost of WTAPs to be offered by the WTAP Seller to the WTAP Purchaser will be comparable to that being offered by the WTAP Seller to Independent Third Parties.

It is the intention of the WTAP Purchaser that in the event the price of the WTAPs offered by Independent Third Parties is more competitive than those offered by the WTAP Seller, the WTAP Purchaser intends to either (i) negotiate with the WTAP Seller to revise the terms of the sales; or (ii) purchase the products from those Independent Third Parties.

On 24 December 2013, Comba Systems BVI entered into the WTAP-Components Agreement with WaveLab Holdings for the supply of necessary components used in the manufacture of WTAPs for a term of three years commencing from 1 January 2014 and ending on 31 December 2016.

WTAP-Components Agreement

Date:	24 December 2013
WTAP-Components Seller:	Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
WTAP-Components Purchaser:	WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
Products:	WTAP-Components, exact type of products and quantities are to be agreed by the parties in writing from time to time
Price:	To be agreed between the WTAP-Components Seller and the WTAP-Components Purchaser from time to time in accordance with the WTAP-Components Agreement
Payment term:	Within 90 days after delivery of the WTAP-Components by means of bank remittance, cheques, bank drafts or other payment method to be agreed by the WTAP-Components Seller and the WTAP-Components Purchaser from time to time
Term:	From 1 January 2014 to 31 December 2016, subject to the early termination provisions in the WTAP-Components Agreement
Condition:	The WTAP-Components Agreement and the transactions contemplated thereunder are conditional upon the publication of this announcement on the websites of the Stock Exchange and the Company; and obtaining all necessary approval on the WTAP-Components Agreement and the transactions thereunder by the parties on or before 31 December 2013 or such other later date as agreed by the parties.

The price of the WTAP-Components to be sold under the WTAP-Components Agreement will be agreed between the WTAP-Components Seller and the WTAP-Components Purchaser based on prevailing market prices and will, depending on market conditions, change from time to time over the term of the WTAP-Components Agreement. It is expected that the price of WTAP-Components to be offered by the WTAP-Components Seller will be comparable to that being offered by the WTAP-Components Seller to Independent Third Parties.

On 24 December 2013, Comba Systems BVI entered into the IDU Services Agreement with WaveLab Holdings for the Group's IDU Processing for a term of three years commencing from 1 January 2014 and ending on 31 December 2016.

IDU Services Agreement

Date:	24 December 2013
IDU Employer:	Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
IDU Contractor:	WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
Services:	The IDU Contractor will be responsible for the IDU Processing during the term of the IDU Services Agreement.
Service fee:	To be agreed between the IDU Employer and the IDU Contractor from time to time in accordance with the IDU Services Agreement
Payment term:	Within 90 days after delivery of the IDU Processing by means of bank remittance, cheques, bank drafts or other payment method to be agreed by the IDU Employer and the IDU Contractor from time to time
Term:	From 1 January 2014 to 31 December 2016, subject to the early termination provisions in the IDU Services Agreement
Condition:	The IDU Services Agreement and the transactions contemplated thereunder are conditional upon the publication of this announcement on the websites of the Stock Exchange and the Company; and obtaining all necessary approval on the IDU Services Agreement and the transactions thereunder by the parties on or before 31 December 2013 or such other later date as agreed by the parties.

The service fee of the IDU Processing to be provided under the IDU Services Agreement will be agreed between the IDU Employer and the IDU Contractor based on prevailing market rate and will, depending on market conditions, change from time to time over the term of the IDU Services Agreement. It is expected that the service fee of the IDU Processing to be offered by the IDU Contractor to the IDU Employer will be comparable to that being offered by the IDU Contractor to Independent Third Parties.

It is the intention of the IDU Employer that in the event the service fee of the IDU Processing offered by Independent Third Parties is more competitive than those offered by the IDU Contractor, the IDU Employer intends to either (i) negotiate with the IDU Contractor on the service fee; or (ii) engage Independent Third Parties to provide the IDU Processing.

Proposed Annual Caps

Historical amounts of the Existing WTAP Transactions and the Existing WTAP-Components Transactions for the two years 2011 and 2012 and the six months ended 30 June 2013

Set out below are the historical amounts of the Existing WTAP Transactions and the Existing WTAP-Components Transactions for the two years ended 31 December 2011 and 2012 and the six months ended 30 June 2013

	Year ended 31 December 2011 (HK\$)	Year ended 31 December 2012 (HK\$)	Six months ended 30 June 2013 (HK\$)
Existing WTAP Transactions	104,288,000	62,967,000	19,582,000
Existing WTAP-Components Transactions	84,000	219,000	60,000

Proposed annual caps in respect of the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions for each of the three years 2014, 2015 and 2016

The Company proposes to set the annual caps for the continuing connected transactions for each of the three years ending 31 December 2016 as set out below:

Year ended 31 December	2014 (HK\$)	2015 (HK\$)	2016 (HK\$)
WTAP Transactions	148,000,000	172,000,000	184,000,000
WTAP-Components Transactions	800,000	950,000	1,000,000
IDU Services Transactions	3,600,000	3,700,000	3,800,000

The above annual caps of the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions are determined based on (i) expected market price of the WTAPs, the WTAP-Components and the processing fee of IDUs; (ii) management's experience and knowledge of the market of microwave transmission products, the complexity and technicality of the installation of the same and its potential future growth; and (iii) estimated demand for the Group's microwave transmission products and the continued increase in the market demand for broadband services and applications and related devices in the PRC and other countries. The annual caps of the WTAP Transactions and the WTAP-Components Transactions are also determined based on historical transaction amounts in the past years.

Reasons for entering into and benefits of the above continuing connected transactions

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the research, development, manufacture and sale of wireless telecommunications network system equipment and the provision of related engineering services.

WaveLab Holdings and its subsidiaries principally engage in the research, development, manufacture and sale of digital microwave system equipment for microwave transmission in telecommunications systems and the provision of related software technology services. WaveLab Guangzhou principally engages in the manufacture and sale of digital microwave system equipment.

The business transactions with WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) have been taking place since 2004 and are essential for the continued operation and overall growth of the business of the Group. By entering into the WTAP Agreement, the WTAP-Components Agreement and the IDU Services Agreement, the Group continues to tap into the wireless technology market, which is one of the factors contributes to the success of the Group in the telecommunications industry. Moreover, the Group can acquire the WTAPs manufactured from reliable supply of quality WTAP-Components for re-sale to other ultimate customers, which could generate revenue and profits to the Group in a more cost-effective manner as the Group is not involved in the actual manufacture process of the WTAPs.

The continuing connected transactions will be conducted in the ordinary and usual course of business of the Group, and on normal commercial terms determined on an arm's length basis.

Given (i) the long-established business practice of outsourcing the manufacture process of WTAPs to WaveLab Holdings and its subsidiaries (which can produce satisfactory results to the Group as evidence from past financial records), and (ii) the expertise of WaveLab Holdings and its subsidiaries in manufacture of WTAPs, the Group will continue to engage in the continuing connected transactions and the Directors (including the independent non-executive Directors) consider the WTAP Agreement and the WTAP-Components Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given the close relationship between the Group (excluding WaveLab Holdings and its subsidiaries) and WaveLab Holdings and its subsidiaries, the Group will be placed in good position to monitor the service quality of the IDU Processing to be provided under the IDU Services Agreement so

as to streamline the manufacturing process of WTAPs. Therefore, the Directors (including the independent non-executive Directors) consider the IDU Services Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, save for Mr. Zheng and his associates, no Directors have a material interest in the WTAP Agreement, the WTAP-Components Agreement and the IDU Services Agreement. Mr. Zheng has abstained from voting in the relevant resolutions of the Board approving the WTAP Agreement, the WTAP-Components Agreement and the IDU Services Agreement.

Listing Rules Implication

Since (i) all the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions are conducted between the Group (excluding WaveLab Holdings and its subsidiaries) and WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou), and (ii) the nature of these three transactions involves the supply and procurement of WTAPs and the related items, including but not limited to WTAPs, WTAP-Components and IDUs, and the relevant services, all these transactions should be aggregated under Rules 14A.25 and 14A.26 of the Listing Rules.

As the percentage ratios of the aggregate proposed annual caps of the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions do not exceed 5%, the WTAP Transactions, the WTAP-Components Transactions and the IDU Services Transactions will be subject only to the reporting, announcement and annual review requirements pursuant to Rules 14A.35 and 14A.37 to 14A.40 of the Listing Rules but are exempt from the requirements of obtaining Independent Shareholders' approval.

CONNECTED TRANSACTION RELATING TO THE LOAN

As at the date hereof, the outstanding indebtedness under the Existing Loan Agreement amounts to approximately US\$8,000,000 (equivalent to approximately HK\$62,240,000).

On 24 December 2013, Cascade Technology and WaveLab Holdings entered into the Loan Agreement pursuant to which Cascade Technology has agreed to lend the Loan of principal amount up to US\$11,000,000 (equivalent to approximately HK\$85,580,000) to WaveLab Holdings. The purpose of the Loan shall be used for refinancing all outstanding indebtedness under the Existing Loan Agreement. Unless otherwise agreed by Cascade Technology, the Loan shall be used for the working capital purpose of WaveLab Holdings and its subsidiaries.

Cascade Technology entered into the following Loan Agreement with WaveLab Holdings:

Date:	24 December 2013
Borrower:	WaveLab Holdings
Lender:	Cascade Technology

Loan Amount:	WaveLab Holdings may draw the Loan up to US\$11,000,000 (equivalent to approximately HK\$85,580,000) during the availability period. Any portion of the Loan undrawn at the end of the availability period will be automatically cancelled.
Interest:	Interest shall only commence to accrue on the amounts drawn by WaveLab Holdings from the date of actual advance at LIBOR (London Interbank Offered Rate) (as defined in the Loan Agreement) (for interest period of 3-month, 6-month or 12-month period at the selection of WaveLab Holdings or other interest period as agreed between WaveLab Holdings and Cascade Technology) plus 4.75% per annum.
Available Period:	From 1 January 2014 to 31 December 2016
Repayment:	Cascade Technology may, at any time upon giving notice in writing, demand immediate repayment of all or part of the outstanding Loan and payment of any other amount (including interest) accrued thereon. Amounts repaid by WaveLab Holdings may not be re-borrowed under the Loan Agreement.
Purpose:	Refinancing all outstanding indebtedness under the Existing Loan Agreement. Unless otherwise agreed by Cascade Technology, the Loan shall be used for the working capital purpose of WaveLab Holdings and its subsidiaries.

Reasons for and benefits of entering into the Loan Agreement

The Board is optimistic to the growth in the business of digital microwave systems in the coming years. WaveLab Holdings and its subsidiaries need funding to finance their operations so as to capture the growth in this business. As (i) the Company is the controlling shareholder of WaveLab Holdings, (ii) the Group is one of the major customers of the WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) in the WTAPs business and the IDU Processing, and (iii) the Group will also be one of the suppliers of WTAP-Components to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou), the Company will derive significant business interest in the growth of the business of WaveLab Holdings and/or its subsidiaries. On this basis, the Directors (including the independent non-executive Directors) consider that the provision of the Loan is in the interest of the Company and the Shareholders as a whole and also of the view that the Loan Agreement is on normal commercial terms and fair and reasonable.

To the best of the Directors' knowledge, information and belief, save for Mr. Zheng and his associates, no Directors have a material interest in the Loan Agreement. Mr. Zheng has abstained from voting in the relevant resolutions of the Board approving the Loan Agreement.

Listing Rules Implication

As WaveLab Holdings is a connected person of the Company and the percentage ratios in relation to the Loan do not exceed 5%, the Loan constitutes a connected transaction of the Company which will be subject only to reporting and announcement requirements pursuant to Rule 14A.32 of the Listing Rules but is exempt from the requirements of obtaining Independent Shareholders' approval.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“BUCs”	block upconvertors
“Cascade Technology”	Cascade Technology Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Comba Systems BVI”	Comba Telecom Systems Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Company”	Comba Telecom Systems Holdings Limited (京信通信系統控股有限公司) , a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Loan”	the existing loan in the aggregate principal amounts of US\$8,500,000 agreed to be advanced by Cascade Technology to WaveLab Holdings under the Existing Loan Agreement
“Existing Loan Agreement”	the loan agreement dated 25 August 2010 between WaveLab Holdings and Cascade Technology
“Existing WTAP Agreement”	the agreement dated 25 August 2010 between Comba Systems BVI and WaveLab Holdings relating to Existing WTAP Transactions

“Existing WTAP Transactions”	the sale of WTAPs and the provision of maintenance services for the WTAPs sold by the WTAP Seller to the WTAP Purchaser under the Existing WTAP Agreement
“Existing WTAP-Components Agreement”	the agreement dated 25 August 2010 between Comba Systems BVI and WaveLab Holdings relating to Existing WTAP-Components Transactions
“Existing WTAP-Components Transactions”	the sale of the WTAP-Components by the WTAP-Components Seller to the WTAP-Components Purchaser under the Existing WTAP-Components Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IDUs”	digital microwave indoor units
“IDU Contractor”	the contractor to the IDU Services Agreement, being WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
“IDU Employer”	the employer to the IDU Services Agreement, being Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
“IDU Processing”	the processing and assembling of raw materials and/or semi-finished components of IDUs
“IDU Services Agreement”	the agreement dated 24 December 2013 between Comba Systems BVI and WaveLab Holdings relating to IDU Processing
“IDU Services Transactions”	the provision of IDU Processing by the IDU Contractor to the IDU Employer under the IDU Services Agreement
“Independent Shareholders”	the Shareholders, other than Mr. Zheng and his associates
“Independent Third Parties”	parties not connected with the Directors, chief executive or substantial shareholders of the Group or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in principal amount of up to US\$11,000,000 (equivalent to approximately HK\$85,580,000) which Cascade Technology has agreed to make available for WaveLab Holdings under the Loan Agreement

“Loan Agreement”	the agreement dated 24 December 2013 between WaveLab Holdings and Cascade Technology relating to the Loan
“Mr. Zheng”	Mr. Zheng Guo Bao, an executive Director and a Shareholder of the Company, and a substantial shareholder of WaveLab Holdings
“ODUs”	digital microwave outdoor units
“PRC”	People’s Republic of China
“RFUs”	radio frequency units
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Territory”	the PRC (mainland China), Hong Kong, Macau Special Administrative Region and Taiwan
“WaveLab Guangzhou”	波達通信設備（廣州）有限公司 (WaveLab Telecom Equipment (Guangzhou) Limited [#]), a wholly foreign owned enterprise established under the laws of the PRC and an indirect subsidiary of WaveLab Holdings and an indirect subsidiary of the Company
“WaveLab Holdings”	WaveLab Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and an indirect subsidiary of the Company, in which the Company has an indirect 55% beneficial interest
“WTAPs”	wireless transmission and access products (including but not limited to ODUs, RFUs, BUCs and such other products) used in connection with microwave transmission
“WTAP-Components”	the components (including but not limited to diplexers and such other components) used in the manufacture of WTAPs (including but not limited to ODUs, RFUs, BUCs and such other products) in connection with microwave transmission
“WTAP-Components Agreement”	the agreement dated 24 December 2013 between Comba Systems BVI and WaveLab Holdings relating to WTAP-Components Transactions

“WTAP-Components Purchaser”	the purchaser to the WTAP-Components Agreement, being WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
“WTAP-Components Seller”	the seller to the WTAP-Components Agreement, being Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
“WTAP-Components Transactions”	the sale of the WTAP-Components by the WTAP-Components Seller to the WTAP-Components Purchaser under the WTAP-Components Agreement
“WTAP Agreement”	the agreement dated 24 December 2013 between Comba Systems BVI and WaveLab Holdings relating to WTAP Transactions
“WTAP Purchaser”	the purchaser to the WTAP Agreement, being Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
“WTAP Seller”	the seller to the WTAP Agreement, being WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
“WTAP Transactions”	the sale of WTAPs and the provision of maintenance services for the WTAPs sold by the WTAP Seller to the WTAP Purchaser under the WTAP Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

[#] *The English transliteration of the Chinese name in the announcement, where indicated, is included for information only, and should not be regarded as the official English name of such Chinese name.*

Unless otherwise stated, the conversion of United States dollars into Hong Kong dollars is based on the exchange rate of US\$1=HK\$7.78 for illustration purpose only

By order of the Board
Comba Telecom Systems Holdings Limited
Tong Chak Wai, Wilson
Executive Director

Hong Kong, 24 December 2013

As at the date of this announcement, the executive Directors are 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, Mr. YEUNG Pui Sang, Simon and Mr. ZHANG Yuan Jian; and the independent non-executive Directors are Mr. LIU Cai, Mr. LAU Siu Ki, Kevin, Mr. LIN Jin Tong and Mr. QIAN Ting Shuo.