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If you have sold or transferred all your securities in Comba Telecom Systems Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**CONTINUING CONNECTED TRANSACTIONS RELATING TO
THE WTAP TRANSACTIONS;
THE WTAP-COMPONENTS TRANSACTIONS; AND
PROPOSAL FOR BONUS ISSUE OF SHARES**

**Independent financial adviser to the independent board committee
and the independent shareholders of the Company**



A notice convening an extraordinary general meeting of Comba Telecom Systems Holdings Limited to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Wednesday, 29 September 2010 at 3:30 p.m. is set out on pages 29 to 31 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude shareholders from attending and voting in person at the meeting should they so desire.

A letter from the Board is set out on pages 6 to 15 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 16 of this circular.

A letter from Access Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 23 of this circular.

13 September 2010

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DEFINITIONS

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

“Access Capital”	Access Capital Limited, a licensed corporation to conduct type 1 (securities dealing), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and Independent Shareholders
“Article(s)” or “Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares on the basis of 1 Bonus Share for every 10 existing Shares held on the Record Date by the Shareholders
“Bonus Shares”	the new Shares to be issued under the Bonus Issue
“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
“Diplexer Products”	diplexers and such other components used in the manufacture of ODU and such other products used in connection with microwave transmission as may be sold by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) from time to time
“Diplexer Transactions”	the sale of Diplexer Products by Comba Systems BVI or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) to WaveLab Holdings or its subsidiaries under Existing Diplexer Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for approving, amongst other things, the WTAP Agreement and the WTAP-Components Agreement, and their respective annual caps and other terms thereunder, and the Bonus Issue

DEFINITIONS

“Excepted Shareholders”	those Overseas Shareholders whom the Board, after making enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue to them
“Existing Diplexer Agreement”	the agreement dated 1 August 2008 between Comba Systems BVI and WaveLab Holdings relating to the sale of the Diplexer Products by Comba Systems BVI or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) to WaveLab Holdings or its subsidiaries
“Existing ODU Agreement”	the agreement dated 21 June 2007 between Comba Systems BVI and WaveLab Guangzhou relating to the sale of the ODU Products by WaveLab Guangzhou to Comba Systems BVI or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
“Extension Agreement”	the agreement dated 1 August 2008 between Comba Systems BVI and WaveLab Guangzhou relating to the amendment of the terms of the Existing ODU Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the three independent non-executive directors established by the Board for the purpose of advising the Independent Shareholders in relation to the WTAP Transactions, the WTAP-Components Transactions, and their respective annual caps and other terms thereunder
“Independent Shareholders”	Shareholders other than Mr. Zheng and his associates
“Independent Third Party(ies)”	third parties independent of and not connected with the Group
“Latest Practicable Date”	7 September 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zheng”	Mr. Zheng Guo Bao, an executive Director and a Shareholder of the Company; and a substantial shareholder of WaveLab Holdings
“ODU(s)”	digital microwave outdoor unit(s)
“ODU Products”	ODU and such other products used in connection with microwave transmission as may be bought by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) from WaveLab Guangzhou

DEFINITIONS

“ODU Transactions”	the sale of ODU Products by WaveLab Guangzhou to Comba Systems BVI or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) under Existing ODU Agreement
“Options”	the options granted under the Share Option Scheme which are entitled to subscribe for Shares in accordance with the Share Option Scheme
“Overseas Shareholders”	holders of Shares whose addresses as shown on the register of members on the Record Date are outside Hong Kong
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Percentage Ratios”	the percentage ratios (other than profits ratio) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Qualifying Shareholders”	holders of Shares whose names are shown on the register of members on the Record Date (and not being Excepted Shareholders), who are entitled to participate in the Bonus Issue
“Record Date”	Wednesday, 29 September 2010, being the record date for determination of entitlements to the interim dividend and the Bonus Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 20 June 2003
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Territory”	PRC, Hong Kong and Macau Special Administrative Region
“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% shareholding

DEFINITIONS

“WTAP”	Wireless transmission and access products (including but not limited to ODU Products and such other products) used in connection with microwave transmission, as may be bought by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) from WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
“WTAP Agreement”	the agreement dated 25 August 2010 between Comba Systems BVI and WaveLab Holdings relating to the sale of the WTAP and the provision of maintenance services for the WTAP sold by WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) to Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
“WTAP Transactions”	the sale of WTAP and the provision of maintenance services for the WTAP sold under the WTAP Agreement
“WTAP-Components”	Components (including but not limited to diplexers and such other components) used in the manufacture of wireless transmission and access products (including but not limited to ODU Products and such other products) in connection with microwave transmission, as may be sold by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) from time to time
“WTAP-Components Agreement”	the agreement dated 25 August 2010 between Comba Systems BVI and WaveLab Holdings relating to the sale of the WTAP-Components by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)
“WTAP-Components Transactions”	the sale of the WTAP-Components under the WTAP-Components Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

EXPECTED TIMETABLE

2010

Last day of dealings in the Shares with cum-entitlements to the interim dividend and the Bonus Issue	Wednesday, 22 September
First day of dealings in the Shares with ex-entitlements to the interim dividend and the Bonus Issue	Friday, 24 September
Latest time to return form of proxy for the EGM	3:30 pm on Monday, 27 September
Latest time for lodging transfers of the Shares for entitlements to the interim dividend and the Bonus Issue	4:30 pm on Monday, 27 September
Closure of register of members of the Company	Tuesday, 28 September to Wednesday, 29 September
Date and time of EGM.	3:30 p.m. on Wednesday, 29 September
Record date for determination of entitlements to the interim dividend and the Bonus Issue	Wednesday, 29 September
Register of members re-opens	Thursday, 30 September
Dividend warrants and certificates for the Bonus Shares expected to be despatched.	Friday, 8 October
Dealings in the Bonus Shares commence	Tuesday, 12 October

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)

Executive Directors:

Mr. Fok Tung Ling (*Chairman and President*)
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

Independent non-executive Directors:

Mr. Yao Yan
Mr. Lau Siu Ki, Kevin
Mr. Liu Cai

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

***Head office and principal place
of business in Hong Kong:***

611 East Wing
No. 8 Science Park West Avenue
Hong Kong Science Park
Tai Po, Hong Kong

13 September 2010

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS RELATING TO
THE WTAP TRANSACTIONS;
THE WTAP-COMPONENTS TRANSACTIONS; AND
PROPOSAL FOR BONUS ISSUE OF SHARES**

INTRODUCTION

On 25 August 2010, the Company announced that on 25 August 2010, Comba Systems BVI entered into (i) the WTAP Agreement with WaveLab Holdings for the Group's procurement of wireless transmission and access products and the relevant maintenance services relating to the products sold to the Group, and (ii) the WTAP-Components Agreement with WaveLab Holdings for the supply of necessary components used in the manufacture of wireless transmission and access products, each of which is for a term of three years commencing from 1 January 2011 and ending on 31 December 2013. Owing to the technology development and product advancement in connection with microwave transmission, the kinds of products to be procured by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) under the WTAP Agreement will be expanded when compared with the Existing ODU Agreement, and the kinds of components to be supplied to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) will be expanded when compared with the Existing Diplexer Agreement. All of the above two agreements are subject to the approval of the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

Reference is made to the unaudited interim results announcement for the six months ended 30 June 2010 of the Company dated 23 August 2010, in which the Board announced that it had resolved to propose a Bonus Issue to the Shareholders in recognition of the continual support of the Shareholders. The Bonus Issue is proposed to be made to the Shareholders whose names appear on the register of members of the Company on the Record Date.

At the forthcoming EGM, ordinary resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the WTAP Transactions and its proposed annual caps; (ii) the WTAP-Components Transactions and its proposed annual caps and (iii) the proposal for the Bonus Issue.

The purpose of this circular is to provide you with further information relating to: (i) the WTAP Transactions and its proposed annual caps; (ii) the WTAP-Components Transactions and its proposed annual caps; (iii) the recommendation from the Independent Board Committee; (iv) the advice from Access Capital to the Independent Board Committee and the Independent Shareholders in respect of the WTAP Transactions, the WTAP-Components Transactions and their respective proposed annual caps; (v) the proposal for the Bonus Issue and (vi) a notice convening the EGM.

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE WTAP TRANSACTIONS AND THE WTAP-COMPONENTS TRANSACTIONS

Background

Reference is made to the Company's announcements dated 21 June 2007 & 1 August 2008 and the Company's circulars dated 13 July 2007 & 22 August 2008 regarding the Company's continuing connected transactions relating to the ODU Transactions and Diplexer Transactions. On 9 September 2008, the Company obtained the then independent Shareholders' approval for the ODU Transactions and the relevant annual caps thereof, as well as the Diplexer Transactions and the relevant annual caps thereof, for the three financial years ending 31 December 2010.

As the Existing ODU Agreement (as amended by the subsequent Extension Agreement) and the Existing Diplexer Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2010, 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 be engaged in the business of manufacture and sales of microwave transmission products. Therefore, on 25 August 2010, Comba Systems BVI entered into (i) the WTAP Agreement with WaveLab Holdings for the Group's procurement of wireless transmission and access products and the relevant maintenance services relating to the products sold to the Group, and (ii) the WTAP-Components Agreement with WaveLab Holdings for the supply of necessary components used in the manufacture of wireless transmission and access products, each of which is for a term of three years commencing from 1 January 2011 and ending on 31 December 2013. Owing to the technology development and product advancement in connection with microwave transmission, the kinds of products to be procured by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) under the WTAP Agreement will be expanded when compared with the Existing ODU Agreement, and the kinds of components to be supplied to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) will be expanded when compared with the Existing Diplexer Agreement.

WTAP Agreement

Date: 25 August 2010

Seller: WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)

LETTER FROM THE BOARD

Purchaser:	Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
Products:	Wireless transmission and access products (including but not limited to ODU Products and such other products) used in connection with microwave transmission, exact type of products and quantities are to be agreed by the parties in writing from time to time
Maintenance services:	The seller will be responsible for the maintenance of the products sold free of charge for a period of one year from the date of the sales transactions. However, after such one-year period, the purchaser will be required to pay the seller the actual costs incurred for maintenance services provided by the seller for the products involved.
Price:	To be agreed between the seller and the purchaser in writing from time to time in accordance with the WTAP Agreement
Payment Term:	Within 90 days after delivery of the WTAP by means of bank remittance, cheques, bank drafts or other payment method to be agreed between the seller and the purchaser from time to time
Term:	From 1 January 2011 to 31 December 2013, subject to the early termination provisions in the WTAP Agreement
Exclusivity:	The purchaser has the sole and exclusive right to sell the products procured from the seller in the Territory during the term of the WTAP Agreement
Condition:	The WTAP Agreement is conditional upon the obtaining of the approval of the Independent Shareholders and the transactions contemplated thereunder on or before 31 December 2010 or such other later date as agreed by the parties

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

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

WTAP-Components Agreement

Date:	25 August 2010
Seller:	Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries)
Purchaser:	WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou)

LETTER FROM THE BOARD

Products:	Components (including but not limited to Diplexer Products and such other components) used in the manufacture of wireless transmission and access products (including but not limited to ODU Products and such other products) in connection with microwave transmission, 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 seller and the purchaser in writing 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 seller and the purchaser from time to time
Term:	From 1 January 2011 to 31 December 2013, subject to the early termination provisions in the WTAP-Components Agreement
Condition:	The WTAP-Components Agreement is conditional upon the obtaining of the approval of the Independent Shareholders and the transactions contemplated thereunder on or before 31 December 2010 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 seller and the purchaser based on prevailing market prices and will, depending on market conditions, change from time to time over the term of that agreement. It is expected that the price of WTAP-Components to be offered by the seller will be comparable to that being offered by the seller to Independent Third Parties.

Proposed Annual Caps

Historical amounts of ODU and Diplexer Transactions for each of the two years 2008 and 2009 and the six-month period ended 30 June 2010

Set out below are the historical amounts of ODU and Diplexer Transactions for each of the two years 2008 and 2009 and the six-month period ended 30 June 2010

	Year ended 31 December 2008 (HK\$)	Year ended 31 December 2009 (HK\$)	Six months ended 30 June 2010 (HK\$)
ODU Transactions	97,894,000	363,028,000	106,640,000
Diplexer Transactions	3,688,000	6,038,000	492,000

LETTER FROM THE BOARD

Proposed annual caps in respect of WTAP and WTAP-Components Transactions for each of the three years 2011, 2012 and 2013

The Company proposes to set the annual caps for the continuing connected transactions, subject to the Independent Shareholders' approval, for each of the three years ending 31 December 2013 as set out below:

Financial year ending 31 December	2011 (HK\$)	2012 (HK\$)	2013 (HK\$)
WTAP Transactions	367,000,000	454,000,000	534,000,000
WTAP-Components Transactions	9,000,000	15,000,000	24,000,000

The above annual caps of the WTAP and WTAP-Components Transactions are determined based on (i) historical transaction amounts for the years of 2008 and 2009 and the six months ended 30 June 2010; (ii) expected market prices of WTAP and WTAP-Components; (iii) management's experience and knowledge of the market of microwave transmission products and its potential future growth; (iv) the continuous pricing pressure on those maturing product categories of the WTAP and WTAP-Components; and (v) estimated demand for the Group's microwave transmission products based on the indication given by a major customer of the relevant products and given the continued increase in the market demand for broadband services and applications and related devices in the PRC and other countries.

The Company notes that the above annual caps for these two transactions for the years 2011, 2012 and 2013 are higher than the historical sales figures in the years of 2008 and 2009 and the first six months in 2010. The Company sets higher annual caps mainly due to the expectation in the increase of demand and sales of the ODU Products and Diplexer Products in the future. Moreover, the increase in the types of products (other than the ODU Products and Diplexer Products) involved in the WTAP-Components Transaction and WTAP Transaction is also a factor for the increase, although such other products' contribution in these two transactions in 2011 is minimal. However, the contribution of the expanded products will increase incrementally along with the technology development and therefore the Company gradually increases the annual caps from 2011 to 2013.

Reasons for entering into and benefits of the 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 enhancement system equipment and the provision of related engineering services.

WaveLab Holdings and its subsidiaries are principally engaged 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 is principally engaged in the manufacture and sale of digital microwave system equipment.

The business transactions with WaveLab Holdings and its subsidiaries (including WaveLab Guangzhou) have been taking place since the year 2004 and are essential for the continued operation and overall growth of the business of the Group. By entering into the WTAP Agreement, the Group continues to tap into the wireless technology market, which is one of the factors to the success of the Group in the telecommunications industry.

By entering into the WTAP-Components Agreement, the Group can secure the sale of the Group's components (including but not limited to Diplexer Products and such other components) used in the manufacture of wireless transmission and access products (including but not limited to ODU Products and such other products) in connection with microwave transmission. In addition, through the WTAP Agreement, the Group can acquire the WTAP manufactured from reliable supply of quality 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 WTAP.

LETTER FROM THE BOARD

The continuing connected transactions will continue to 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 WTAP to WaveLab Holdings and its subsidiaries (including WaveLab Guangzhou) (which can produce satisfactory results to the Group as evidenced from past financial records), and (ii) the expertise of WaveLab Holdings and its subsidiaries (including WaveLab Guangzhou) in manufacture of WTAP, the Group will continue to engage in the continuing connected transactions and the Board considers the WTAP Agreement and the WTAP-Components Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee (comprising all the independent non-executive Directors as members) has issued a recommendation letter setting out their view on the above matters for inclusion in this circular after taking into account the advice from Access Capital.

Implication under the Listing Rules

WaveLab Holdings is owned as to 55% by the Company, 32% by Mr. Zheng (who is an executive Director of the Company), and the remaining 13% by various directors and employees at the level of the Company's subsidiaries (including WaveLab Holdings and its subsidiaries). As Mr. Zheng is a substantial shareholder of WaveLab Holdings, WaveLab Holdings is a connected person of the Company and the WTAP Transactions and the WTAP-Components Transactions constitute continuing connected transactions of the Company under the Listing Rules. Mr. Zheng confirms that he and his associates have no relationship with Mr. Fok Tung Ling (the controlling Shareholder of the Company).

Since (i) the WTAP Transactions and the WTAP-Components Transactions are conducted between the Group (excluding WaveLab Holdings and its subsidiaries) on one hand and WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) on the other hand and (ii) the nature of these transactions involve supply and procurement of WTAP related items, all these transactions should be aggregated under Rules 14A.25 and 14A.26 of the Listing Rules. As the Percentage Ratios and amounts of the aggregate proposed annual caps of the WTAP Transactions and the WTAP-Components Transactions exceed 5% and HK\$10,000,000 respectively, both the WTAP Transactions and the WTAP-Components Transactions will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

Due to his material interests in these two transactions, Mr. Zheng has abstained from voting on the board resolution approving the WTAP Transactions and the WTAP-Components Transactions.

PROPOSAL FOR BONUS ISSUE OF SHARES

The terms of the Bonus Issue are set out below:

Basis of Bonus Issue

Subject to the conditions as set out under the heading "Conditions of Bonus Issue" below, the Bonus Issue is proposed to be made on the basis of 1 Bonus Share for every 10 existing Shares held on the Record Date by the Shareholders. The Bonus Shares will be issued and credited as fully paid at par, by capitalization of such amount standing to the credit of the share premium account of the Company. On the basis of 1,189,480,747 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, 118,948,074 Bonus Shares will be issued under the Bonus Issue (representing approximately 10% of the issued share capital as at the Latest Practicable Date and the Record Date), and HK\$11,894,807 standing to the credit of the share premium account of the Company will be capitalized for paying up 118,948,074 Bonus Shares in full at par.

LETTER FROM THE BOARD

Record Date and closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Excepted Shareholders are further elaborated below under the heading “Excepted Shareholders”.

The register of members of the Company will be closed from Tuesday, 28 September 2010 to Wednesday, 29 September 2010, both days inclusive, during which period no transfer of shares will be effected. The record date for determination of entitlements under the interim dividend and the bonus issue will be on Wednesday, 29 September 2010. Shareholders whose names appear on the register of members of the Company on Wednesday, 29 September 2010 will be entitled to receive interim dividend and the bonus shares (if the bonus shares is approved by the Shareholders). In order to qualify for the interim dividend and the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 pm on Monday, 27 September 2010.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date. The Company will make an announcement when the number of Bonus Shares is determined.

Reasons for the proposed Bonus Issue

In recognition of the continual support of the Shareholders, the Board decided to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the Company’s shareholder and capital base.

Excepted Shareholders

For those Overseas Shareholders, enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Excepted Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risks, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

As at the Latest Practicable Date, there are no Overseas Shareholders in the register of member of the Company. As such, no specific enquiry in respect of the above will be made by the Board, unless otherwise announced by the Company later.

Status of Bonus Shares

The Bonus Shares, upon issued, will rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares other than the right to participate in the Bonus Issue and the right to receive interim dividends for the six months ended 30 June 2010.

LETTER FROM THE BOARD

Fraction of Bonus Shares

The total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be cancelled by the Company.

Conditions of Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the EGM of the Company to be held; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Application will be made to the Stock Exchange in respect of such listing of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. The Shares in issue are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Adjustments of Options

As at the Latest Practicable Date, there are 78,036,213 Options outstanding. The Bonus Issue may lead to adjustment to the exercise price and the number of Shares which may fall to be issued upon exercise of outstanding Options. Other than the Options, the Company does not have any warrants, options, or other securities exchangeable or convertible into Shares as at the Latest Practicable Date. The Company will make further announcement upon the aforesaid adjustments to the Options, if adjustment is required and has been made.

Certificates for Bonus Shares

It is expected that certificates for the Bonus Shares will be posted on Friday, 8 October 2010 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on Tuesday, 12 October 2010.

EGM

A notice convening the EGM to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Wednesday, 29 September 2010 at 3:30 p.m. is set out on pages 29 to 31 of this circular. Ordinary resolutions will be proposed at the EGM to approve (i) the WTAP Agreement and its respective proposed annual caps for a term of three years commencing from 1 January 2011 and ending on 31 December 2013; (ii) the WTAP-Components Agreement and its respective proposed annual caps for a term of three years commencing from 1 January 2011 and ending on 31 December 2013 and (iii) the proposal for Bonus Issue.

LETTER FROM THE BOARD

Pursuant to Rule 14A.54 of the Listing Rules, Mr. Zheng and his associates are required to abstain from voting in the EGM in respect of resolutions proposed for approval of the above continuing connected transactions. As at the Latest Practicable Date, Mr. Zheng (including his associates) beneficially owned 2,708,410 Shares (representing approximately 0.23% of the issued share capital of the Company) and share options in respect of 665,500 Shares. There are no Shareholders other than Mr. Zheng (including his associates) who are required to abstain from voting in the EGM. To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, there was (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon Mr. Zheng (including his associates); and (ii) no obligation or entitlement of Mr. Zheng (including his associates) as at the Latest Practicable Date whereby he or it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published at the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.comba-telecom.com. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. All the resolutions proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the results of the EGM.

RECOMMENDATIONS

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Yao Yan, Mr. Lau Siu Ki, Kevin and Mr. Liu Cai, has been established to advise the Independent Shareholders whether the terms of the WTAP Agreement, the WTAP-Components Agreement and the relevant annual caps thereof are fair and reasonable. All members of the Independent Board Committee do not have any interest in the proposed transactions mentioned in this circular. Access Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The executive Directors consider that the terms and the proposed annual caps of each of the WTAP Agreement and the WTAP-Components Agreement are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

The Directors consider the continuing connected transactions relating to the WTAP Transactions, the WTAP-Components Transactions and the proposal for Bonus Issue are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on page 16 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the terms of the WTAP Agreement and the WTAP-Components Agreement and the relevant annual caps thereof. Your attention is also drawn to the letter from Access Capital as set out on pages 17 to 23 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of Access Capital, is of the opinion that the terms of the WTAP Agreement, the WTAP-Components Agreement and the relevant annual caps are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at EGM.

Your attention is also drawn to the additional information set out in the Appendix.

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

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)

13 September 2010

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS RELATING TO
THE WTAP TRANSACTIONS AND
THE WTAP-COMPONENTS TRANSACTIONS**

We refer to the circular dated 13 September 2010 issued by the Company (the “Circular”), of which this letter forms part. Capitalized terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of the WTAP Agreement, the WTAP-Components Agreement and the relevant annual caps thereof and to advise the Independent Shareholders as to the fairness and reasonableness of the aforesaid matters, and to recommend how the Independent Shareholders should vote at the EGM. Access Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 6 to 15 of the Circular, and the letter from Access Capital to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the WTAP Agreement, the WTAP-Components Agreement and the relevant annual caps, as set out on pages 17 to 23 of the Circular.

Having taken into account of the advice of Access Capital, we consider that (i) the WTAP Agreement and the WTAP-Components Agreement were entered into on normal commercial terms, and the continuing connected transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group; and (ii) the respective terms and conditions thereunder (including the respective proposed annual caps) are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the WTAP Agreement, the WTAP-Components Agreement and the relevant annual caps and other terms thereunder.

Yours faithfully,
the Independent Board Committee

Yao Yan
*Independent non-executive
Director*

Lau Siu Ki, Kevin
*Independent non-executive
Director*

Liu Cai
*Independent non-executive
Director*

LETTER FROM ACCESS CAPITAL

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Access Capital prepared for the purpose of incorporation in this circular.



Suite 606, 6th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

13 September 2010

*To: The Independent Board Committee
and the Independent Shareholders of Comba Telecom Systems Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE WTAP TRANSACTIONS AND THE WTAP-COMPONENTS TRANSACTIONS

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the respective terms of the continuing connected transactions under the WTAP Agreement and the WTAP-Components Agreement, details of which are contained in the “Letter from the Board” in the circular to the Shareholders dated 13 September 2010 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise specifies.

Reference is made to the Company’s announcements dated 21 June 2007 and 1 August 2008 and the Company’s circulars dated 13 July 2007 and 22 August 2008 regarding the Company’s continuing connected transactions relating to the ODU Transactions and Diplexer Transactions. On 9 September 2008, the Company obtained the then independent Shareholders’ approval for the ODU Transactions and the relevant annual caps thereof, as well as the Diplexer Transactions and the relevant annual caps thereof, for the three financial years ending 31 December 2010.

As the Existing ODU Agreement (as amended by the subsequent Extension Agreement) and the Existing Diplexer Agreement will expire on 31 December 2010, and in view of the future prospects and demand of communication equipment in the PRC and other countries, the Group will continue to be engaged in the business of manufacture and sales of microwave transmission products. Therefore, on 25 August 2010, Comba Systems BVI entered into (i) the WTAP Agreement with WaveLab Holdings for the Group’s procurement of wireless transmission and access products and the relevant maintenance services relating to the products sold to the Group, and (ii) the WTAP-Components Agreement with WaveLab Holdings for the supply of necessary components used in the manufacture of wireless transmission and access products, each of which is for a term of three years commencing from 1 January 2011 and ending on 31 December 2013. Owing to the technology development and product advancement in connection with microwave transmission, the kinds of products to be procured by Comba Systems BVI and/or its

LETTER FROM ACCESS CAPITAL

subsidiaries (excluding WaveLab Holdings and its subsidiaries) under the WTAP Agreement will be expanded when compared with the Existing ODU Agreement, and the kinds of components to be supplied to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) will be expanded when compared with the Existing Diplexer Agreement.

Since (i) the WTAP Transactions and the WTAP-Components Transactions are conducted between the Group (excluding WaveLab Holdings and its subsidiaries) on one hand and WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) on the other hand; and (ii) the nature of these transactions involve supply and procurement of WTAP related items, all these transactions should be aggregated under Rules 14A.25 and 14A.26 of the Listing Rules. As the Percentage Ratios and amounts of the aggregate proposed annual caps of WTAP Transactions and WTAP-Components Transactions exceed 5% and HK\$10,000,000 respectively, both the WTAP Transactions and WTAP-Components Transactions will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

Due to his material interests in these two transactions, Mr. Zheng has abstained from voting on the board resolution approving the WTAP Transactions and the WTAP Components Transactions.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the transactions contemplated under the WTAP Agreement and the WTAP-Components Agreement, respectively are in the interests of the Company and the Shareholders as a whole, and the terms of the WTAP Agreement and the WTAP-Components Agreement including the proposed annual caps are fair and reasonable. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether or not the respective transactions contemplated under each of the WTAP Agreement and the WTAP-Components Agreement are in the interests of the Company and the Shareholders as a whole; (ii) whether or not the respective terms of the WTAP Agreement and the WTAP-Components Agreement, including the maximum value of the transactions contemplated thereunder, are fair and reasonable; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve each of the WTAP Agreement and the WTAP-Components Agreement and the transactions contemplated thereunder at the EGM.

BASIS AND OUR OPINION

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and/or the Directors. We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations made or provided by the Directors and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the Directors and their respective advisers or to believe that

LETTER FROM ACCESS CAPITAL

material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Company, WaveLab Holdings or any of their respective subsidiaries.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation and in arriving at our opinion in respect of the WTAP Agreement and WTAP-Components Agreement, we have considered the following principal factors and reasons:

I. Background information and reasons for the WTAP Agreement and WTAP-Components Agreement

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 enhancement system equipment and the provision of related engineering services.

WaveLab Holdings and its subsidiaries are principally engaged 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 is principally engaged in the manufacture and sale of digital microwave system equipment. WaveLab Holdings is owned as to 55% by the Company, 32% by Mr. Zheng (who is an executive Director of the Company), and the remaining 13% by various directors and employees at the level of the Company's subsidiaries (including WaveLab Holdings and its subsidiaries). Mr. Zheng confirms that he and his associates have no relationship with Mr. Fok Tung Ling (the controlling Shareholder of the Company).

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 Group continues to tap into the wireless technology market, which is one of the factors to the success of the Group in the telecommunications industry.

By entering into the WTAP-Components Agreement, the Group can secure the sale of the Group's components (including but not limited to Diplexer Products and such other components) used in the manufacture of wireless transmission and access products (including but not limited to ODU Products and such other products) in connection with microwave transmission. In addition, through the WTAP Agreement, the Group can acquire the WTAP manufactured from reliable supply of quality 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 WTAP.

II. Principal terms of the WTAP Agreement and WTAP-Components Agreement

WTAP Agreement

Date:	25 August 2010.
Seller:	WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou).
Purchaser:	Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries).

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- Products:** Wireless transmission and access products (including but not limited to ODU Products and such other products) used in connection with microwave transmission, exact type of products and quantities are to be agreed by the parties in writing from time to time.
- Maintenance services:** The seller will be responsible for the maintenance of the products sold free of charge for a period of one year from the date of the sales transactions. However, after such one-year period, the purchaser will be required to pay the seller the actual costs incurred for maintenance services provided by the seller for the products involved.
- Price:** To be agreed between seller and the purchaser in writing from time to time in accordance with the WTAP Agreement.
- Payment Term:** Within 90 days after delivery of the WTAP by means of bank remittance, cheques, bank drafts or other payment method to be agreed by the seller and the purchaser from time to time.
- Term:** From 1 January 2011 to 31 December 2013, subject to the early termination provisions in the WTAP Agreement.
- Exclusivity:** The purchaser has the sole and exclusive right to sell the products procured from the seller in the Territory during the term of the WTAP Agreement.

WTAP-Components Agreement

- Date:** 25 August 2010.
- Seller:** Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries).
- Purchaser:** WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou).
- Products:** Components (including but not limited to Diplexer Products and such other components) used in the manufacture of wireless transmission and access products (including but not limited to ODU Products and such other products) in connection with microwave transmission, 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 seller and the purchaser in writing 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 seller and the purchaser from time to time.
- Term:** From 1 January 2011 to 31 December 2013, subject to the early termination provisions in the WTAP-Components Agreement.

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According to the WTAP Agreement and WTAP-Components Agreement, the price of the WTAP and WTAP-Components to be purchased or sold will be:

- (i) agreed between the seller and the purchaser in writing from time to time in accordance with the WTAP Agreement and the WTAP-Components Agreement; and
- (ii) no less favourable than that being offered by the Group or WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) (as the case may be) to Independent Third Parties.

It is the intention of the Company that in the event the prices of the WTAP offered by Independent Third Parties are more competitive than those offered by WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou), Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) intend to either (i) negotiate with WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) to revise the terms of the sales; or (ii) purchase the products from the Independent Third Parties.

In addition to the sole and exclusive right to sell WTAP in the Territory, the Group has the right to distribute WTAP to overseas markets during the term of the WTAP Agreement.

As noted from the Letter from the Board, the Directors consider the continuing connected transactions relating to the WTAP Transactions and the WTAP-Components Transactions are in the interests of the Company and the Shareholders as a whole.

In assessing the fairness of the terms of the WTAP Agreement, we have reviewed samples of sales invoices of WTAP from WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) to (i) the Group; and (ii) other Independent Third Party customers, and noted that the terms of the WTAP Agreement (including the sales price) are no less favourable than that being offered by WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) to other Independent Third Party customers. Similarly, in assessing the fairness of the terms of the WTAP-Components Agreement, we have reviewed samples of sales invoices of WTAP-Components from the Group to (i) WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou); and (ii) other Independent Third Party customers, and noted that the terms of the WTAP-Components Agreement (including the purchase price) are no less favourable than that being offered by the Group to other Independent Third Party customers.

On the basis that (i) the Group has been purchasing WTAP from WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) since 2004 and such WTAP are essential for the continued operation and overall growth of the business of the Group; (ii) the sales of WTAP-Components would increase the revenue and sales of the Group; and (iii) such transactions will be conducted in the ordinary and usual course of business of the Group and on terms not less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties, we consider that the transactions to be contemplated under the WTAP Agreement and WTAP-Components Agreement will be conducted in the ordinary and usual course of business of the Company and we concur with the view of the Directors that the entering into of WTAP Agreement and WTAP-Components Agreement is in the interests of the Company and the Shareholders as a whole and the respective terms of the WTAP Agreement and the WTAP-Components Agreement are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Shareholder as a whole.

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III. Rationale for determining the maximum value of the transactions contemplated under the WTAP Agreement and WTAP-Components Agreement

As stated in the Letter from the Board, the Group has entered into similar transactions with the WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) in the past. Set out below is the historical amounts of ODU Transactions and Diplexer Transactions for each of the two years ended 31 December 2008 and 2009 and the six months ended 30 June 2010:

	Year ended 31 December 2008 (HK\$)	Year ended 31 December 2009 (HK\$)	Six months ended 30 June 2010 (HK\$)
ODU Transactions	97,894,000	363,028,000	106,640,000
Diplexer Transactions	3,688,000	6,038,000	492,000

The proposed annual caps for each of the three years ending 31 December 2013 are set out below:

	Financial year ending 31 December		
	2011 (HK\$)	2012 (HK\$)	2013 (HK\$)
WTAP Transactions	367,000,000	454,000,000	534,000,000
Year-on-year growth rate	N/A	23.7%	17.6%
WTAP-Components Transactions	9,000,000	15,000,000	24,000,000
Year-on-year growth rate	N/A	66.7%	60.0%

As stated in the Letter from the Board, the above annual caps of WTAP Transactions and WTAP-Components Transactions are determined based on (i) historical transaction amounts for the two years ended 31 December 2008 and 2009 and the six months ended 30 June 2010; (ii) expected market price of WTAP and WTAP-Components; (iii) management's experience and knowledge of the market of microwave transmission products and its potential future growth; (iv) the continuous pricing pressure on those maturing product categories of the WTAP and WTAP-Components; and (v) estimated demand for the Group's microwave transmission products based on the indication given by a major customer of the relevant products and given the continued increase in the market demand for broadband services and applications and related devices in the PRC and other countries.

Based on our discussions with the management of the Company, we note that the above annual caps of WTAP Transactions and WTAP-Components Transactions are determined with reference to the following factors:

- the estimations of future market price and demand for WTAP and WTAP-Components taking into account (i) the management's past experience and market knowledge of the potential growth; (ii) the continuous price pressure on maturing product categories of the WTAP and the WTAP-Components; and (iii) the estimated demand for the Group's WTAP based on the indication by a major customer of the future demand for the relevant products;
- historical and recent trend of the purchased amount under the ODU Transactions, including the sales under the ODU Transactions for the six months ended 30 June 2010 which were adversely affected by the safety inspection of telecommunications equipment in India. As stated in the interim results announcement of the Company for the six months ended 30 June 2010, the safety inspection of telecommunications equipment in India has been lifted recently and the management of the Company expects that such business will recover in the fourth quarter in 2010;

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- the proposed annual cap for the WTAP Transaction in 2011 is in line with the actual sales of ODU Transactions for the year ended 31 December 2009;
- the increase in proposed annual caps for WTAP-Components Transactions (which include components used for WTAP) is relatively modest in terms of monetary value compared to the increase in proposed annual caps for WTAP Transactions; and
- due to the technology development and product advancement in connection with microwave transmission, the WTAP to be purchased under the WTAP Agreement will have a wider range than the products purchased under the Existing ODU Agreement, and the WTAP-Components products to be sold under the WTAP-Components Agreement will also have a wider range than the products sold under the Existing Diplexer Agreement.

In order to determine the fairness and reasonableness of the proposed annual caps, we have also carried out a review on the schedules prepared by the Company for calculation of the relevant annual caps including the review of the quantities and unit prices of the subject items. We understand from the management of the Company that (i) additional product types will be introduced due to the technology development and product advancement in connection with microwave transmission; and (ii) based on past experience of the continuous price pressure on those maturing product categories of the WTAP and WTAP-Components, the expected unit price for WTAP will decrease. We also note that the product types for the historical WTAP Transactions and WTAP-Components Transactions increased during the first half of 2010 compared to 2009 and the average prices for certain product categories of the WTAP and WTAP-Components decreased during the same period. Based on the result of our review, we are satisfied that the calculation of the proposed annual caps has been conducted on a fair and reasonable basis.

Having considered the factors above and our review of the schedules prepared by the Company for calculation of the relevant annual caps, we concur with the view of the Directors and consider that the basis of the proposed annual caps under the WTAP Agreement and WTAP-Components Agreement, respectively, is fair and reasonable so far as the Company and the Shareholders are concerned.

However, as the proposed annual caps under the WTAP Agreement and WTAP-Components Agreement relate to future events and are based on assumptions that may or may not remain valid for the period up to 31 December 2013, we express no opinion as to how closely the actual purchase volume of WTAP or sales volume of WTAP-Components correspond with the proposed annual caps.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the entering into of the WTAP Agreement and the WTAP-Components Agreement are in the interests of the Company and the Shareholders as a whole; (ii) the transactions to be contemplated under the WTAP Agreement and the WTAP-Components Agreement are in the ordinary and usual course of business of the Company and on normal commercial terms; (iii) the terms of the WTAP Agreement and the WTAP-Components Agreement, including the proposed annual caps, are fair and reasonable. Accordingly, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the WTAP Agreement, the WTAP-Components Agreement and the relevant annual caps and other terms thereunder.

Yours faithfully,
For and on behalf of
Access Capital Limited

Alexander Tai
Principal Director

Jimmy Chung
Principal Director

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS**(a) Directors' and Chief Executive's Interests in the Company**

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in the Shares:

Name of Director	Notes	Capacity / Nature of interest	Number of shares held	Approximate % of shareholding
Mr. Fok Tung Ling ("Mr. Fok")	(a)	Through controlled corporation	455,509,826	38.29
		Personal interest	<u>14,262,996</u>	1.20
			<u>469,772,822</u>	39.49
Mr. Zhang Yue Jun ("Mr. Zhang")	(b)	Through controlled corporation	133,081,366	11.19
Mr. Tong Chak Wai, Wilson ("Mr. Tong")	(c)	Personal interest	2,687,000	0.23
Mr. Wu Jiang Cheng ("Mr. Wu")	(d)	Personal interest	5,616,820	0.47
Mr. Yan Ji Ci ("Mr. Yan")	(e)	Personal interest	4,738,360	0.40
Mr. Zheng Guo Bao ("Mr. Zheng")	(f)	Personal interest	2,708,410	0.23
Mr. Yeung Pui Sang, Simon ("Mr. Yeung")	(g)	Personal interest	3,826,020	0.32

Notes:

- (a) 454,447,688 Shares and 1,062,138 Shares are beneficially owned by Prime Choice Investments Limited ("Prime Choice") and Total Master Investments Limited ("Total Master"), respectively. By virtue of his 100% shareholding in each of Prime Choice and Total Master, Mr. Fok is deemed or taken to be interested in the total of 455,509,826 Shares owned by Prime Choice and Total Master.
- (b) These Shares are beneficially owned by Wise Logic Investments Limited ("Wise Logic"). By virtue of his 100% shareholding in Wise Logic, Mr. Zhang is deemed or taken to be interested in the 133,081,366 Shares owned by Wise Logic.

- (c) In addition to 2,687,000 Shares, Mr. Tong has share options in respect of 3,374,000 Shares.
- (d) In addition to 5,616,820 Shares, Mr. Wu has share options in respect of 3,943,500 Shares.
- (e) In addition to 4,738,360 Shares, Mr. Yan has share options in respect of 4,513,300 Shares.
- (f) In addition to 2,708,410 Shares, Mr. Zheng has share options in respect of 665,500 Shares.
- (g) In addition to 3,826,020 Shares, Mr. Yeung has share options in respect of 6,388,800 Shares.
- (h) Mr. Yao Yan has share options in respect of 200,000 Shares.
- (i) Mr. Lau Siu Ki, Kevin has share options in respect of 200,000 Shares.
- (j) Mr. Liu Cai has share options in respect of 200,000 Shares.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by the Directors, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); and (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

(b) Substantial shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(i) Long positions in the Shares:

Name	Notes	Capacity/Nature of interest	Number of Shares held	Approximate % of shareholding
Prime Choice		Beneficial owner	454,447,688	38.21
Mdm. Chen Jing Na	(a)	Interest of spouse	469,772,822	39.49
Wise Logic		Beneficial owner	133,081,366	11.19
Mdm. Cai Hui Ni	(b)	Interest of spouse	133,081,366	11.19

Notes:

- (a) Mdm. Chen Jing Na is the spouse of Mr. Fok and is deemed to be interested in the 469,772,822 Shares in which Mr. Fok is deemed or taken to be interested for the purposes of the SFO.
- (b) Mdm. Cai Hui Ni is the spouse of Mr. Zhang and is deemed to be interested in the 133,081,366 Shares in which Mr. Zhang is deemed or taken to be interested for the purposes of the SFO.

(ii) *Long positions in the shares of subsidiaries of the Company:*

Name of subsidiary	Name of substantial shareholder	Approximate % of shareholding
WaveLab Holdings Limited	Zheng Guo Bao	32%
DigiLab Holdings Company Limited	Advance Delta Limited	29%

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation, other than statutory compensation).

COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors are aware and except for the WaveLab Holdings (in whose issued share capital Mr. Zheng is interested beneficially as to 32%) and its subsidiary's business in sales of WTAP outside the Territory, none of the Directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DIRECTORS' INTEREST IN ASSETS

The Directors confirm that none of the Directors has any interest, direct or indirect, in any assets which had been, since 31 December 2009, being the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

DIRECTORS' INTEREST IN CONTRACTS

Except for Mr. Zheng's interest in the WTAP Agreement and the WTAP-Components Agreement, the Directors confirm that there is no other contract or arrangement subsisting as at the Latest Practicable Date in which a Director was materially interested which was significant in relation to the business of the Group.

QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
Access Capital Limited	Licensed corporation for type 1 (securities dealing), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

Access Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or its name in the form and context in which they respectively appear.

Access Capital does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Access Capital does not have any direct or indirect interests in any assets which have been, since 31 December 2009 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

CORPORATE INFORMATION

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business in Hong Kong is located at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Butterfield Fulcrum Group (Cayman) Limited, Butterfield House, 68 Fort Street, P.O. Box 609, Grand Cayman KY1-1107, Cayman Islands, British West Indies.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The secretary of the Company is Mr. Tong Chak Wai, Wilson, who is a Fellow Certified Practising Accountant of CPA Australia, a member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also an associate of both the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the letter from the Independent Board Committee, the text of which is set out on page 16 of this circular;
- (ii) the letter of advice from Access Capital, the text of which is set out on pages 17 to 23 of this circular;
- (iii) the written consent referred to in the paragraph headed “Qualification and consent of expert” in this appendix;
- (iv) the WTAP Agreement;
- (v) the WTAP-Components Agreement;
- (vi) the Existing ODU Agreement and the Extension Agreement;
- (vii) the Existing Diplexer Agreement;
- (viii) the memorandum and articles of association of the Company; and
- (ix) the annual reports of the Group for the two financial years ended 31 December 2009.

GENERAL

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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)

NOTICE IS HEREBY GIVEN (the “**Notice**”) that an extraordinary general meeting (the “**Meeting**”) of Comba Telecom Systems Holdings Limited (the “**Company**”) will be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong, on Wednesday, 29 September 2010 at 3:30 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (i) the agreement dated 25 August 2010 (the “**WTAP Agreement**”) entered into between Comba Telecom Systems Investments Limited, a wholly-owned subsidiary of the Company (“**Comba Systems BVI**”) and WaveLab Holdings Limited, a non wholly-owned subsidiary of the Company (“**WaveLab Holdings**”) in relation to the sale of wireless transmission and access products (including but not limited to ODU Products and such other products) used in connection with microwave transmission by WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) to Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) (details of the WTAP Agreement are set out in the Company’s circular dated 13 September 2010 (the “**Circular**”), copies of the WTAP Agreement and the Circular have been tabled at the meeting and marked “A” and “B” initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (ii) the proposed annual caps in respect of the WTAP Transactions for each of the three financial years ending 31 December 2013 (as more particularly described in the Circular) be and is hereby approved; and
- (iii) the directors of the Company (the “**Directors**”) be and are hereby authorized to do such acts and execute such other documents as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the WTAP Agreement, its respective proposed annual caps and all transactions contemplated thereunder.”

2. “**THAT:**

- (i) the agreement dated 25 August 2010 (the “**WTAP-Components Agreement**”) entered into between Comba Systems BVI and WaveLab Holdings, in relation to the sale of components (including but not limited to Diplexer Products and such other components) used in the manufacture of wireless transmission and access products (including but not limited to ODU Products and such other products) in connection with microwave transmission by Comba Systems BVI and/or its subsidiaries (excluding WaveLab Holdings and its subsidiaries) to WaveLab Holdings and/or its subsidiaries (including WaveLab Guangzhou) (details of the WTAP-Components Agreement are set out in the Circular, copy of the

NOTICE OF EXTRAORDINARY GENERAL MEETING

WTAP-Components Agreement has been tabled at the meeting and marked “C” (initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (ii) the proposed annual caps in respect of the WTAP-Components Transactions for each of the three financial years ending 31 December 2013 (as more particularly described in the Circular) be and is hereby approved; and
 - (iii) the Directors be and are hereby authorized to do such acts and execute such other documents as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the WTAP-Components Agreement, its respective proposed annual caps and all transactions contemplated thereunder.”
3. **“THAT** conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (i) of this resolution):
- (i) upon the recommendation of the Directors, an amount of HK\$11,894,807 standing to the credit of the share premium account of the Company be capitalized and the Directors be and are hereby authorized to apply such amount in paying up in full at par 118,948,074 new Shares of HK\$0.10 each in the capital of the Company (“**Bonus Shares**”), and the Directors be authorized to allot, issue and distribute the Bonus Shares which are credited as fully paid, to the members of the Company whose names appear on the branch register of members of the Company in Hong Kong (the “**Register of Members**”) as at the close of business on Wednesday, 29 September 2010 (the “**Record Date**”), other than those members (the “**Excepted Shareholders**”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in places outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the memorandum and articles of association of the Company, on the basis of 1 Bonus Share for every 10 existing Shares of HK\$0.10 each in the capital of the Company then held by them respectively (“**Bonus Issue**”), and the Directors be authorized to settle, as they consider appropriate, any difficulty in regard to any distribution of the Bonus Shares;
 - (ii) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum and article of association of the Company, rank *pari passu* in all respects with the existing issued Shares of HK\$0.10 each in the capital of the Company, except that they will not be eligible for the Bonus Issue of Shares mentioned in this resolution and the interim dividend for the six months 30 June 2010;
 - (iii) the Directors be and hereby authorized to arrange for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case the Directors be and are hereby authorized to retain such amount for the benefit of the Company; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iv) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

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

Hong Kong, 13 September 2010

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

**Head office and principal place of
business in Hong Kong:**

611 East Wing,
No. 8 Science Park West Avenue
Hong Kong Science Park
Tai Po, Hong Kong

Notes:

- (a) 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.
- (b) To be valid, a form of proxy in the prescribed form together with any 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 Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned meeting.
- (c) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened.
- (d) The register of members of the Company will be closed from Tuesday, 28 September 2010 to Wednesday, 29 September 2010 (both days inclusive), during which period no transfer of shares will be effected. The record date for determination of entitlements under the interim dividend and the Bonus Issue will be on Wednesday, 29 September 2010. Shareholders whose names appear on the Register of Members of the Company on Wednesday, 29 September 2010 will be entitled to receive interim dividend and the Bonus Shares (if the bonus shares is approved by shareholders). In order to qualify for the interim dividend and the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 pm on Monday, 27 September 2010. The Bonus Shares will be issued and allotted to the shareholders on Friday, 8 October 2010, subject to shareholders' approval at the Company's forthcoming extraordinary general meeting.