

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in Comba Telecom Systems Holdings Limited (the “Company”), you should at once hand this circular and the accompanying 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.

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

---

**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) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES;**  
**(2) PROPOSED RE-ELECTION OF DIRECTORS;**  
**(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME; AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the annual general meeting of the Company to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Friday, 31 May 2013 at 10:30 a.m. is set out on pages 33 to 37 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the HKExnews’s website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.comba-telecom.com](http://www.comba-telecom.com).

Whether or not you are able to attend the annual general meeting, 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 annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
Introduction .....	4
Issue Mandate and Repurchase Mandate .....	5
Re-election of Directors .....	6
Adoption of New Share Option Scheme .....	6
AGM .....	7
Responsibility Statement .....	8
Recommendation .....	8
Documents Available for Inspection .....	8
General .....	9
<b>APPENDIX I — EXPLANATORY STATEMENT</b> .....	10
<b>APPENDIX II — DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM</b> .....	14
<b>APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME</b> .....	19
<b>NOTICE OF AGM</b> .....	33

---

## DEFINITIONS

---

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

“Adoption Date”	the date on which the New Share Option Scheme conditionally adopted by an ordinary resolution of the Shareholders
“AGM”	the annual general meeting of the Company to be convened and held on Friday, 31 May 2013 at 10:30 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the Issue Mandate (including the extended Issue Mandate to deal with Shares repurchased under the Repurchase Mandate) and the Repurchase Mandate, the proposed re-election of Directors and the proposed adoption of new share option scheme
“Article(s)” or “Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to this term under the Listing Rules
“Awarded Shares”	the Shares granted and to be granted under the Share Award Scheme
“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“Eligible Person”	<p>(i) (a) any director (whether executive or non-executive, including any independent non-executive director) or employee (whether full time or part time) of, or</p> <p>(b) any individual for the time being seconded to work for, any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “<b>Category A Eligible Person</b>”); or</p> <p>(ii) any holder of any securities issued by any member of the Group or any controlling Shareholder or any company controlled by a Controlling Shareholder (a “<b>Category B Eligible Person</b>”); or</p> <p>(iii) (a) any business or joint venture partner, contractor, agent or representative of, or</p>

---

## DEFINITIONS

---

- (b) any person or entity that provides research, development or technological support or any advisory, consultancy, professional services incident to the business of the Company and/or its subsidiaries to, or
- (c) any investor, vendor, supplier, developer or licensor of, or
- (d) any customer, licensee (including any sub-licensee), wholesaler, retailer, trader or distributor of goods or services of,

any member of the Group or any controlling Shareholder or any company controlled by a Controlling Shareholder (a **“Category C Eligible Person”**);

and, for the purposes of the New Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants

“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 20 June 2003, which shall be terminated upon the adoption of the New Share Option Scheme
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue, or deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of Shareholders’ approval for the grant of the Issue Mandate
“Latest Practicable Date”	Monday, 22 April 2013, 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
“M&A”	the memorandum of association of the Company and the Articles of Association
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix III

---

## DEFINITIONS

---

“New Share Option Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Options”	the options granted under the Share Option Scheme which are entitled to subscribe for Shares in accordance with the Share Option Scheme
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of Shareholders’ approval for the grant of the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Scheme”	the share award scheme adopted by the Company on 25 March 2011
“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)
“Share Option Scheme”	the Existing Share Option Scheme or the New Share Option Scheme, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	has the meaning ascribed to this term under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

References to times and dates in this circular are to Hong Kong times and dates.

**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*)  
Mr. ZHANG Yue Jun (*Vice Chairman & President*)  
Mr. TONG Chak Wai, Wilson  
Mr. WU Jiang Cheng  
Mr. YAN Ji Ci  
Mr. ZHENG Guo Bao  
Mr. YEUNG Pui Sang, Simon  
Mr. ZHANG Yuan Jian

***Independent non-executive Directors:***

Mr. LIU Cai  
Mr. LAU Siu Ki, Kevin  
Mr. LIN Jin Tong  
Mr. QIAN Ting Shuo

***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

26 April 2013

*To the Shareholders and, for information only, the holders of the Options*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES;**  
**(2) PROPOSED RE-ELECTION OF DIRECTORS;**  
**(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME; AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the Issue Mandate and the Repurchase Mandate to the Directors; (ii) the re-election of Directors and (iii) the adoption of New Share Option Scheme.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the proposed grant of the Issue Mandate and the Repurchase Mandate, the proposed re-election of Directors, the proposed adoption of New Share Option Scheme and the notice of the AGM.

---

## LETTER FROM THE BOARD

---

### ISSUE MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the Issue Mandate and the Repurchase Mandate.

#### Issue Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the Issue Mandate) to allot, issue and deal with unissued Shares or underlying Shares (other than by way of rights or pursuant to a share option scheme for employees or Directors of the Company and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles of Association) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued Shares as at the date of granting the Issue Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the Issue Mandate authorizing the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 1,526,196,229 Shares in issue. Subject to the passing of the resolutions for the approval of the Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Directors would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 305,239,245 Shares.

#### Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued share capital of the Company as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 152,619,622 Shares.

The Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Issue Mandate (including the extended Issue Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

---

## LETTER FROM THE BOARD

---

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

According to Article 86(3), any Director appointed to fill in a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

According to Articles 87(1) and 87(2), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) who have been longest in office shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

In accordance with Article 86(3), Mr. Lin Jin Tong and Mr. Qian Ting Shuo shall retire from office at the AGM, and in accordance with Articles 87(1) and 87(2), Mr. Fok Tung Ling, Mr. Wu Jiang Cheng, Mr. Yan Ji Ci and Mr. Yeung Pui Sang, Simon shall retire from office by rotation at the AGM. Being eligible, each of Mr. Fok Tung Ling, Mr. Wu Jiang Cheng, Mr. Yan Ji Ci and Mr. Yeung Pui Sang, Simon will offer himself for re-election as executive Director and each of Mr. Lin Jin Tong and Mr. Qian Ting Shuo will offer himself for re-election as independent non-executive Director.

At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Fok Tung Ling, Mr. Wu Jiang Cheng, Mr. Yan Ji Ci and Mr. Yeung Pui Sang, Simon as executive Director and each of Mr. Lin Jin Tong and Mr. Qian Ting Shuo as independent non-executive Director.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### ADOPTION OF NEW SHARE OPTION SCHEME

The Company adopted that the Existing Share Option Scheme by written resolutions of all Shareholders passed on 20 June 2003. Taking into account of the Existing Share Option Scheme to be expired on 20 June 2013, the Board proposes to adopt the New Share Option Scheme which complies with Chapter 17 of the Listing Rules. The Existing Share Option Scheme shall be terminated and expired upon the adoption of the New Share Option Scheme although all outstanding Options granted under the Existing Share Option Scheme shall continue to be valid.

The purpose of the New Share Option Scheme is to provide incentives and rewards to the Eligible Persons who contribute to the success of the Group's operations.

The rules of the New Share Option Scheme provide that the Company may specify certain Eligible Persons to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme though the Board may specify such performance target at the time of grant. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Persons to acquire proprietary interests in the Company.

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, there are 67,736,500 Options granted under the Existing Share Option Scheme which remain outstanding.

As at the Latest Practicable Date, there were 1,526,196,229 Shares in issue. Assuming no further issue or repurchase of Shares during the period from Latest Practicable Date to the Adoption Date, the number of Shares in issue as at the Adoption Date will be 1,526,196,229 and therefore 152,619,622 Shares may fall to be allotted and issued under New Share Option Scheme, if adopted, representing 10% of the issued share capital of the Company as at the Adoption Date. The total number of Shares which may be issued upon exercise of the New Share Option Scheme Mandate Limit of 152,619,622 Shares together with all outstanding Options as at the Latest Practicable Date carrying the right to subscribe 67,736,500 Shares is 220,356,122 Shares, representing approximately 14.44% of the total number of Shares in issue as at the Adoption Date. No options may be granted under the New Share Option Scheme if this will result in exceeding the 10% Scheme Mandate Limit for the New Share Option Scheme and the Share Award Scheme and/or the 30% limit for the New Share Option Scheme and the Share Award Scheme under the Listing Rules.

The Directors consider that it is not appropriate at this stage to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined yet. Such variables include but are not limited to the subscription price, exercise period and lock-up period (if any), and predetermined performance target (if any) which can only be determined at the time of grant. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

None of the Directors is trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

The adoption of the New Share Option Scheme is conditional upon (i) the passing of the necessary ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the AGM; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of approving the adoption of the New Share Option Scheme) which may fall to be issued pursuant to the exercise of Options under the New Share Option Scheme.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the new Shares to be issued by the Company (representing a maximum of 10% of the Shares in issue as at the date of approving the adoption of the New Share Option Scheme) which may fall to be issued pursuant to the exercise of Options under the New Share Option Scheme.

A summary of the principal terms of the rules of New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in the Appendix III to this circular on pages 19 to 32.

### **AGM**

A notice convening the AGM to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Friday, 31 May 2013 at 10:30 a.m. is set out on pages 33 to 37 of this circular. Ordinary resolutions will be proposed by the Company at the AGM to approve, among other things, the proposed grant of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate, the proposed re-election of Directors and the proposed adoption of New Share Option Scheme.

---

## LETTER FROM THE BOARD

---

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the HKExnews's website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.comba-telecom.com](http://www.comba-telecom.com). Whether or not you are able to attend the AGM, 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll save that the chairman of the AGM may in good faith, allow resolutions which relate purely to a procedural or administrative matter to be voted on by a show of hands in which case every Shareholder present in person (or being a corporation, is present by a duly authorized representative) or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. An announcement will be made by the Company after the AGM on the results of the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company 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.

### RECOMMENDATION

The Directors consider the proposed grant of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate, the proposed re-election of Directors and the proposed adoption of New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

To the best of the Directors' knowledge, information and belief, there are no Shareholders have material interests in the proposed grant of the Issue Mandate (including the extended Issue Mandate) and Repurchase Mandate, the proposed re-election of Directors and the proposed adoption of New Share Option Scheme and accordingly, no Shareholders are required to abstain from voting at the AGM.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are 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 AGM:

- (a) a copy of the rules of the New Share Option Scheme; and
- (b) the annual reports of the Group for the two financial years ended 31 December 2011 and 31 December 2012.

---

## LETTER FROM THE BOARD

---

### GENERAL

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation. Your attention is drawn to the information set out in appendices to this circular.

Yours faithfully  
For and on behalf of the Board of  
**Comba Telecom Systems Holdings Limited**  
**Fok Tung Ling**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

### **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or Substantial Shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,526,196,229 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 152,619,622 fully paid Shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders as a whole.

### **4. FUNDING OF REPURCHASES**

Repurchases would be funded entirely from the Company’s cash flow or working capital facilities, which will be funds legally available for such purpose under the laws of the Cayman Islands, and the M&A.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2012, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2012</b>		
April	4.88	4.22
May	4.45	3.26
June	3.60	3.10
July	3.38	1.99
August	2.28	1.63
September	2.70	1.75
October	3.26	2.60
November	3.49	2.57
December	3.03	2.64
<b>2013</b>		
January	3.51	2.66
February	2.76	2.42
March	3.10	2.48
April (up to the Latest Practicable Date)	2.67	2.20

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

<b>Name</b>	<i>Notes</i>	<b>Number of Shares</b>	<b>Percentage holding</b>
Prime Choice Investments Limited		525,710,701	34.45%
Mr. Fok Tung Ling	1	544,254,111	35.66%
Madam Chen Jing Na	2	544,254,111	35.66%
Wise Logic Investments Limited		154,128,452	10.10%
Mr. Zhang Yue Jun	3	154,128,452	10.10%
Madam Cai Hui Ni	4	154,128,452	10.10%

*Notes:*

1. 525,710,701 Shares and 1,285,186 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 Tung Ling, is deemed or taken to be interested in the total of 526,995,887 Shares owned by Prime Choice and Total Master.
2. Madam Chen Jing Na is the spouse of Mr. Fok Tung Ling and is deemed to be interested in the 544,254,111 Shares in which Mr. Fok Tung Ling is deemed or taken to be interested for the purposes of the SFO.
3. These Shares are beneficially owned by Wise Logic Investments Limited (“**Wise Logic**”). By virtue of his 100% shareholding in Wise Logic, Mr. Zhang Yue Jun is deemed or taken to be interested in the 154,128,452 Shares owned by Wise Logic.
4. Madam Cai Hui Ni is the spouse of Mr. Zhang Yue Jun and is deemed to be interested in the 154,128,452 Shares in which Mr. Zhang Yue Jun is deemed or taken to be interested for the purposes of the SFO.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

<b>Name</b>	<b>Percentage holding</b>
Prime Choice Investments Limited	38.27%
Mr. Fok Tung Ling	39.62%
Madam Chen Jing Na	39.62%
Wise Logic Investments Limited	11.22%
Mr. Zhang Yue Jun	11.22%
Madam Cai Hui Ni	11.22%

On the basis of the current shareholdings of above Shareholders, an exercise of the Repurchase Mandate in full may result in Prime Choice Investments Limited and its parties acting in concert (including but not limited to Mr. Fok Tung Ling and Madam Chen Jing Na) becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

**7. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

Details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

**(1) Mr. Fok Tung Ling (“Mr. Fok”)**

Mr. Fok, aged 56, chairman of the Board. Mr. Fok is primarily responsible for leading the Board in determining the directions of overall strategies and business development for the Group. From 1982 to 1987, Mr. Fok worked as a technical engineer in the Microwave Telecommunications Main Station of the Guangdong Bureau of Post and Telecommunications (廣東省郵電局微波通信總站). In 1986, he graduated from Beijing Institute of Posts and Telecommunications (currently known as Beijing University of Posts and Telecommunications (北京郵電大學)), majoring in microwave communications. Prior to 1991, Mr. Fok worked as a marketing executive in China Electronics Import-Export Corporation, South China Branch (中國電子進出口總公司華南分公司) which was engaged in the import and export of electronic products. From 1991 to 1997, Mr. Fok was engaged in the trading of telecommunications and electronic equipment and components before co-founding the Group in 1997. Mr. Fok has over 31 years of experience in wireless communications. Mr. Fok is the sole director of Prime Choice Investments Limited, which is a controlling Shareholder of the Company.

Mr. Fok also holds various positions in the subsidiaries of the Company, including acting as the legal representative and director in various subsidiaries of the Company. Save as disclosed above, Mr. Fok has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management, Substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Fok personally holds 17,258,224 Shares and holds 526,995,887 Shares through controlled corporation, in aggregate representing approximately 35.66% of the issued share capital of the Company, Save as disclosed above, Mr. Fok does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Mr. Fok has entered into a service contract with the Company for an initial term of three years which commenced on 1 July 2003, and will continue thereafter until terminated by either party by giving not less than six months' written notice. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Fok's remuneration has been fixed at approximately HK\$40,000 per month with discretionary bonus, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

**(2) Mr. Wu Jiang Cheng (“Mr. Wu”)**

Mr. Wu, aged 53, executive director and senior vice president, PRC marketing and sales. He is responsible for the formulation and implementation of the Group's overall sales and marketing strategies in the PRC and is also involved in the supervision of the implementation of such strategies. He graduated from the Southwest Jiaotong University (西南交通大學) in 1982 and obtained a bachelor's degree in electrical engineering and an EMBA degree from School of Economics and Management of Tsinghua University (清華大學經濟管理學院) in 2006. Mr. Wu has been a lecturer of engineering department for over 10 years and in the last two years of which he taught at Guangzhou University (廣州大學). Mr. Wu also has over 20 years of experience in communications and marketing. He joined the Group in 1997.

Mr. Wu also holds various positions in the subsidiaries of the Company, including acting as the legal representative and director in several subsidiaries of the Company. Save as disclosed above, Mr. Wu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management, Substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Wu personally holds 9,451,987 Shares, representing approximately 0.62% of the issued share capital of the Company, of which, including 150,000 unvested Awarded Shares under the Share Award Scheme. Subject to fulfillment of vesting conditions of the award, the Awarded Shares shall be vested and transferred to Mr. Wu. The Company also granted Options under the Existing Share Option Scheme entitling him to subscribe for 500,000 Shares. Save as disclosed above, Mr. Wu does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Mr. Wu has entered into a service contract with the Company for an initial term of three years which commenced on 1 July 2003, and will continue thereafter until terminated by either party by giving not less than six months' written notice. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Wu's remuneration has been fixed at approximately HK\$106,000 per month with discretionary bonus, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

**(3) Mr. Yan Ji Ci ("Mr. Yan")**

Mr. Yan, aged 58, executive director and senior vice president, operations management and logistic system. Mr. Yan is responsible for the operational management optimization and the logistic system of the Group. Mr. Yan graduated from South China Normal University (華南師範大學), majoring in political science. Mr. Yan has over 37 years of experience in operations and human resources management. He joined the Group in 1997.

Mr. Yan also holds various positions in the subsidiaries of the Company, including acting as the legal representative and director in several subsidiaries of the Company. Save as disclosed above, Mr. Yan has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management, Substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Yan personally holds 7,974,435 Shares, representing approximately 0.52% of the issued share capital of the Company, of which, including 130,000 unvested Awarded Shares under the Share Award Scheme. Subject to fulfillment of vesting conditions of the award, the Awarded Shares shall be vested and transferred to Mr. Yan. The Company also granted Options under the Existing Share Option Scheme entitling him to subscribe for 500,000 Shares. Save as disclosed above, Mr. Yan does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Mr. Yan has entered into a service contract with the Company for an initial term of three years which commenced on 1 July 2003, and will continue thereafter until terminated by either party by giving not less than six months' written notice. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Yan's remuneration has been fixed at approximately HK\$91,000 per month with discretionary bonus, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

**(4) Mr. Yeung Pui Sang, Simon ("Mr. Yeung")**

Mr. Yeung, aged 40, executive director and president of Comba Telecom Systems International Limited, an indirect wholly-owned subsidiary of the Company. Prior to joining the Group, Mr. Yeung was the vice president of strategy and business development and a founding employee of LGC Wireless, Inc. ("LGC") based in the Silicon Valley, USA which was successfully acquired by ADC Telecommunications, Inc. and subsequently acquired by Tyco Electronics Ltd. Mr. Yeung also held various positions at LGC including the general manager of a business unit, director of technical marketing, general manager of Asia Pacific Region and principal engineer. Mr. Yeung holds a master of science degree in engineering from University of California at Berkeley and a bachelor of science degree in electrical engineering from Purdue University, the USA. Mr. Yeung has over 17 years of experience in the telecom industry. He joined the Group in 2004.

Mr. Yeung also acts as directors of several subsidiaries of the Company. Save as disclosed above, Mr. Yeung has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management, Substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Yeung personally holds 7,028,912 Shares, representing approximately 0.46% of the issued share capital of the Company, of which, including 130,000 unvested Awarded Shares under the Share Award Scheme. Subject to fulfillment of vesting conditions of the award, the Awarded Shares shall be vested and transferred to Mr. Yeung. The Company also granted Options under the Existing Share Option Scheme entitling him to subscribe for 500,000 Shares. Save as disclosed above, Mr. Yeung does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Mr. Yeung has entered into a service contract with the Company for an initial term of 18 months which commenced on 7 April 2005, and will continue thereafter until terminated by either party by giving not less than six months' written notice. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Yeung's remuneration has been fixed at approximately HK\$150,000 per month with discretionary bonus, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

**(5) Mr. Lin Jin Tong (“Mr. Lin”)**

Mr. Lin, aged 67, independent non-executive director. He is also the member of the audit committee, the remuneration committee and the nomination committee of the Company. He is currently a professor of Beijing University of Posts and Telecommunications (“**BUPT**”) (北京郵電大學). He graduated from Peking University (北京大學) majoring in Physics, and obtained a master’s degree in engineering from BUPT. He further obtained a doctorate degree in Philosophy and an honorary doctorate degree in Science from University of Southampton, UK. Mr. Lin has worked as lecturer, professor, department head, vice president of BUPT and was also the president of BUPT from 1998 to 2007. He was also a member of the 10th Beijing Municipal Committee of the Chinese People’s Political Consultative Conference from 2003 to 2008. He was a deputy director-general of China Institute of Communications and is currently a fellow member of The Institution of Engineering and Technology. Mr. Lin has long been engaged in optical communication engineering, including research and teaching in the aspects of high-speed optical communication system and broadband optical access network. Mr. Lin is an independent director of Bright Oceans Inter-Telecom Corporation, the shares of which are listed on the Shanghai Stock Exchange. He is also an independent director of Jiangsu Tongguang Electronic Wire & Cable Corp., Ltd, the shares of which are listed on the Shenzhen Stock Exchange. He joined the Group in 2012.

Save as disclosed herein, Mr. Lin has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management, Substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Lin does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Mr. Lin has executed a letter of appointment with the Company for an initial term of three years which commenced on 21 May 2012 and subject to compliance with the relevant requirements of the Listing Rules, and will continue thereafter until terminated by either party by giving not less than six months’ written notice. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Lin’s remuneration has been fixed at approximately HK\$17,000 per month, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

**(6) Mr. Qian Ting Shuo (“Mr. Qian”)**

Mr. Qian, aged 64, independent non-executive director. He is also the member of the audit committee, the remuneration committee and the nomination committee of the Company. He is currently a secretary-general of Science and Technology Committee of Ministry of Industry and Information Technology. He graduated from Beijing University of Posts and Telecommunications (北京郵電大學) and obtained a bachelor’s degree in engineering. Mr. Qian was the deputy director and vice president of the Planning Institute of the Ministry of Post and Telecommunications of the PRC (later known as the Telecommunications Planning Research Institute of the Ministry of Post and Telecommunications), and was also the vice president of China Academy of Telecommunication Research of the Ministry of Information Industry (“**MII**”, currently known as the Ministry of Industry and Information Technology), the inspector and the deputy director-general of the Department of Overall Planning of the MII. Mr. Qian has extensive experience in the telecommunications industry and is familiar with the optical telecommunications technology and broadband development. He joined the Group in 2012.

Save as disclosed herein, Mr. Qian has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management, Substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Qian does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Mr. Qian has executed a letter of appointment with the Company for an initial term of three years which commenced on 21 May 2012, and subject to compliance with the relevant requirements of the Listing Rules, and will continue thereafter until terminated by either party by giving not less than six months' written notice. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Qian's remuneration has been fixed at approximately HK\$17,000 per month, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed herein, there is no information relating to each of Mr. Fok, Mr. Wu, Mr. Yan, Mr. Yeung, Mr. Lin and Mr. Qian that is required to be disclosed pursuant to Rules 13.51(2)(h) to (w) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

*This appendix sets out further information of the New Share Option Scheme and also summarizes the rules of the New Share Option Scheme but does not form part of nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:*

**NEW SHARE OPTION SCHEME****Definition**

For the purpose of this Appendix III, the

<b>“Adoption Date”</b>	the date on which the New Share Option Scheme becomes unconditional;
<b>“Board”</b>	the board of Directors or a duly authorized committee of the board of Directors;
<b>“closing price of the Shares”</b>	in respect of any particular business day, the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for that day;
<b>“Controlling Shareholder”</b>	<p>has the meaning ascribed to this term under the Listing Rules or any person who has the power, directly or indirectly, to secure:</p> <ul style="list-style-type: none"><li>(i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Code on Takeovers and Mergers (approved by the Securities and Futures Commission of Hong Kong as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company, or</li><li>(ii) by means of controlling the composition of a majority of the Board, or</li><li>(iii) by virtue of any powers conferred by the constitutional document of the Company or any other corporation,</li></ul> <p>that the affairs of the Company are conducted in accordance with the wishes of such person;</p>
<b>“Date of Grant”</b>	in relation to any Option the offer of which is accepted by the Eligible Person to whom the offer was made, the Offer Date of such Option;

**“Eligible Person”**

- (i) (a) any director (whether executive or non-executive, including any independent non-executive director) or employee (whether full time or part time) of, or
- (b) any individual for the time being seconded to work for,
- any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a **“Category A Eligible Person”**); or
- (ii) any holder of any securities issued by any member of the Group or any controlling Shareholder or any company controlled by a Controlling Shareholder (a **“Category B Eligible Person”**); or
- (iii) (a) any business or joint venture partner, contractor, agent or representative of,
- (b) any person or entity that provides research, development or technological support or any advisory, consultancy, professional services incident to the business of the Company and/or its subsidiaries to,
- (c) any investor, vendor, supplier, developer or licensor of,
- (d) any customer, licensee (including any sub-licensee), wholesaler, retailer, trade or distributor of goods or services of,
- any member of the Group or any controlling Shareholder or any company controlled by a Controlling Shareholder (a **“Category C Eligible Person”**);

and, for the purposes of the New Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants;

**“Group”**

the Company and its subsidiaries;

**“Hong Kong”**

the Hong Kong Special Administrative Region of the People’s Republic of China;

**“Listing Rules”**

the Rules Governing the Listing of Securities on the Stock Exchange;

<b>“New Share Option Scheme”</b>	the new share option scheme to be adopted by the Company and constituted by the Rules in their present form or as from time to time amended in accordance with the provisions thereof;
<b>“Offer Date”</b>	the date on which an Option is offered to an Eligible Person, which must be a business day;
<b>“Option Holder”</b>	the holder for the time being of an outstanding Option;
<b>“Option Period”</b>	in respect of any Option, the period during which such Option can be exercised, being the period commencing on such date on or after the date of Grant as the Board may determine in granting the Option and expiring at the close of business on such date as the Board may determine in granting the Option but in any event not exceeding ten (10) years from the Date of Grant;
<b>“Option Price”</b>	<p>the price per Share payable on the exercise of an Option as determined by the Board provided always that it shall be at least the higher of:</p> <ul style="list-style-type: none"><li>(i) the closing price of the Shares on the Offer Date; and</li><li>(ii) the average closing price of the Shares for the five (5) business days immediately preceding the Offer Date,</li></ul> <p>(as subsequently adjusted pursuant to Rule 10, if relevant) provided that the Option Price shall in no event be less than the nominal amount of one Share;</p>
<b>“Rule(s)”</b>	the rule(s) of the New Share Option Scheme;
<b>“Scheme Period”</b>	the period commencing on the Adoption Date and expiring at the close of business on the day immediately preceding the tenth anniversary thereof;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited.

**Summary of terms**

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by a resolution of the Shareholders at the Annual General Meeting, notice of which is set out on pages 33 to 37 of this circular:

**(a) Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to enable the Board to grant Options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the success of the Group's operations. The terms of the New Share Option Scheme provide that in granting an Option, the Board can determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an Option can be exercised. The Board will also determine the Option Price according to the terms of the New Share Option Scheme. With such conditions, together with the incentive that an Option will bring about, the Board would be able to ensure a specified level of standard, which the Board believes, will serve the purpose of the New Share Option Scheme.

**(b) Administration of the New Share Option Scheme**

The New Share Option Scheme shall be subject to the administration by the Board and the decision of the Board shall be final, conclusive and binding on all parties. The Board shall have power from time to time to make or vary regulations for the administration and operation of the New Share Option Scheme, provided that the same are not inconsistent with the Listing Rules. None of the Directors are trustees of the New Share Option Scheme.

**(c) Grant and acceptance of Options**

Subject to the rules of the New Share Option Scheme, the Board may, at any time and from time to time during the Scheme Period on a business day, at its absolute discretion and on and subject to such terms, conditions, restrictions or limitations as it may think fit in writing offer, at the consideration of HK\$10.00 per Option, to grant Options to Eligible Persons to subscribe at the Option Price for such numbers of Shares as the Board may determine, provided that the Company may not grant any Options after inside information has come to its knowledge until it has announced the information. In particular, the Company may not grant any option during the period commencing one month immediately before the earlier of:

- (1) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

Any offer to grant an Option shall be made in writing and shall specify the Option Price, the number of Shares covered by such Option and any terms and conditions, restrictions and/or limitations applicable to the Option and the Option Period and shall include a statement to the effect that any acceptance thereof shall render the Eligible Person to whom the offer is made bound by the provisions of the New Share Option Scheme.

Each grant of an Option to a Director, chief executive or Substantial Shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option).

*(d) Exercise of Options and Price of Shares*

Save as determined by the Directors and provided in the offer of the grant of the relevant Option, there is no performance target which must be achieved before any of the Options can be exercised.

Save as provided in rules of the New Share Option Scheme, Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the Option Holders shall have to use the platform currently provided by BOCI Securities Limited or such other securities houses as specified by the Company (the “**Platform**”) or by such other methods as prescribed by the Company from time to time. The subscription price shall have to be paid in full through such platform at the time of the exercise. As an alternative for those Option Holders who do not have access to the Platform, in order for the exercise of an Option to be effective, the company secretary of the Company must, prior to the expiry of the Option Period, have received:

- (i) a written notice from the Option Holder exercising the Option, signed by or (in case of a corporation) on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is being exercised; and
- (ii) payment in full of the subscription price.

The Company introduced the electronic Platform in order to allow those Option Holders to have an easy and efficient way to exercise their Options. On the other hand, in order to address the needs of those Option Holders who are not willing to use the Platform for their own personal reasons, the Company retains the traditional way to allow those Option Holders to exercise their Option by way of written notice. The Company considers that the arrangement can provide flexibility and accessibility.

Unless otherwise agreed between the Company and the Option Holder, within thirty (30) days of the date upon which the exercise of an Option becomes effective (being the date of such receipt), the Shares in respect of which such Option has been exercised shall be allotted and issued to the Option Holder.

The Option shall be capable of exercise in part as long as the Platform allows such exercise. The Option may be capable of exercise in part (other than to the full extent outstanding) except that the Board shall have the right and discretion to request such partial exercise of the Option in such amount or number of Shares as shall represent the board lot in which Shares are for the time being traded on the Stock Exchange or an integral multiple thereof.

Shares allotted upon the exercise of an Option for the time being outstanding shall not carry voting rights until completion of the registration of the Option Holder (or any other person) as the Shareholder thereof. If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option, a dividend is to be or is proposed to be paid, or Shares are to be issued or proposed to be issued by way of the capitalization of profits or reserves or by way of rights under an offer made pro rata to Shareholders on the register of members of the company on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend or such Shares. Subject as aforesaid, Shares allotted upon the exercise of an outstanding Option shall rank pari passu in all respects with the Shares in issue on the date of such exercise and will be subject to all the provisions of the articles of association of the Company for the time being in force.

The Option Price payable on the exercise of an Option shall be determined by the Board provided always that it shall be at least the higher of:

- (a) the closing price of the Shares on the Offer Date; and
- (b) the average closing price of the Shares for the five (5) business days immediately preceding the Offer Date,

(as subsequently adjusted pursuant to Rule 10 of the New Share Option Scheme, if relevant) provided that the Option Price shall in no event be less than the nominal amount of one Share.

*(e) Maximum number of Shares available for issue*

Subject to below, the maximum number of Shares issuable upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company and any other share incentives scheme of the Company (including the Share Award Scheme) as from the commencement of the Scheme Period (excluding, for this purpose, those Shares issuable upon exercise of all options which will in the meantime have been granted but which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue as at the date of the passing of the necessary resolution by the Shareholders of the Company approving the New Share Option Scheme (the “**Scheme Mandate**”).

The Scheme Mandate may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the new limit under the refreshed Scheme Mandate must not exceed 10% of the Shares in issue at the date of the Shareholders’ approval of such refreshed Scheme Mandate. Options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of this New Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the refreshed Scheme Mandate.

The Company may also, by obtaining separate approval of the Shareholders in general meeting, grant Options beyond the Scheme Mandate provided the Options in excess of the Scheme Mandate are granted only to Eligible Persons specifically identified by the Company before such approval is sought.

No Option shall be granted under the New Share Option Scheme which would result in the aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company and any other share incentives scheme of the Company (including the Share Award Scheme) exceeding 30% of the Shares in issue from time to time.

***(f) Grant of Options to connected persons or any of their associates***

If a grant of Options to a Substantial Shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of options already granted and to be granted to such person under the New Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the Date of Grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at each Date of Grant, in excess of HK\$5 million,

such further grant of Options is required to be approved by Shareholders at a general meeting of the Company, with voting to be taken by way of a poll. All connected persons of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular which the Company is required to send to Shareholders as mentioned below. The number and terms of the Options to be granted (including the Option Price) shall be fixed before Shareholders' approval and the Company shall send a circular to Shareholders which shall contain the information and the independent non-executive Directors' recommendation required by the Listing Rules. Any change in the terms of an Option granted to a Substantial Shareholder of the Company or an independent non-executive Director or any of their respective associates is required to be approved by Shareholders in the aforesaid manner.

***(g) Maximum entitlement of each Eligible Person***

No Option shall be granted to an Eligible Person which would cause the aggregate number of Shares already issued and to be issued upon exercise of options granted to such Eligible Person under the New Share Option Scheme and any other share option schemes of the Company (including cancelled, exercised and outstanding options) in any 12-month period up to the Date of Grant exceeding 1% of the Shares in issue. Any further grant of Options in excess of this limit may be made only with the separate approval of the Shareholders in general meeting with that Eligible Person and his associates abstaining from voting. The number and terms of the Options to be granted (including the Option Price) shall be fixed before Shareholders' approval and the Company shall send a circular to the Shareholders which shall contain the information required by the Listing Rules.

***(h) Time of Exercise of Options***

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an Option, but in any event no later than 10 years from the date of grant but subject to the early termination of the New Share Option Scheme.

There is no specified minimum period under the New Share Option Scheme for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme.

***(i) Restrictions on the time of grant of Options***

The Company may not grant any Options after inside information has come to its knowledge until it has announced the information. In particular, the Company may not grant any option during the period commencing one month immediately before the earlier of:

- (1) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

**(j) *Rights are personal to grantees***

An Option shall be personal to the Option Holder and shall not be transferable or assignable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

**(k) *Rights of exercise for grantees who were Category A Eligible Persons***

If an Option Holder who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category A Eligible Person ceases to be such a Category A Eligible Person:

- (i) by reason of ill health or injury or disability (all evidenced to the satisfaction of the Board) or death, then he or (as the case may be) his personal representative(s) may exercise his outstanding Option within six (6) months after he so ceases or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the said period of six (6) months or at the expiration of the Option Period, whichever is earlier; or
- (ii) because the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder by reason of his employment or engagement with, or secondment to, which he qualified as a Category A Eligible Person at the time the Option was granted ceases to be a member of the Group or a Controlling Shareholder or a company controlled by the relevant Controlling Shareholder (as the case may be), then he may exercise his outstanding Option within six (6) months after he so ceases or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the said period of six (6) months or at the expiration of the Option Period, whichever is earlier; or
- (iii) by reason of retirement in accordance with his contract of employment or service, then he may exercise his outstanding Option within six (6) months after he so ceases or, if the Board in its absolute discretion determine, within six (6) months after the date of his sixtieth (60th) birthday where the retirement takes effect prior to such date, and such Option to the extent not so exercised shall lapse and determine at the end of the said period of six (6) months or at the expiration of the Option Period, whichever is earlier; or
- (iv) by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the relevant company otherwise than by reason of redundancy, then his outstanding Option shall lapse and determine on the date he so ceases; or

- (v) on the grounds that he has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Option Holder or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Option shall lapse and determine automatically on, and will not in any event be exercisable on or after, the date of his ceasing to an Eligible Person; or
- (vi) for any reason other than as described in paragraphs (i), (ii), (iii), (iv) or (v) above, then his Option which is exercisable at the date he so ceases may be exercised to the extent then exercisable within three (3) months of the date he so ceases and unless so exercised shall then lapse and determine.

Provided always that in each case the Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide. For the purpose of this rule, the date on which a person ceases to be employed by the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder shall be his last working day with the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder, as the case may be.

***(l) Rights of exercise for grantees who were Category B Eligible Persons***

If an Option Holder who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category B Eligible Person:

- (i) ceases to be a Category B Eligible Person by reason that such Option Holder ceases to be holder of any securities issued by the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder, then his outstanding Option shall lapse and determine on the date he so ceases; or
- (ii) ceases to be a Category B Eligible Person because the relevant member of the Group by reason of his holding of securities in which he qualified as a Category B Eligible Person at the time the Option was granted ceases to be a member of the Group, then he may exercise his outstanding Option within six (6) months after he so ceases or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the said period of six (6) months or at the expiration of the Option Period, whichever is earlier; or
- (iii) ceases to be a Category B Eligible Person because the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder by reason of his holding of securities in which he qualified as a Category B Eligible Person at the time the Option was granted ceases to be a Controlling Shareholder or a company controlled by the relevant Controlling Shareholder (as the case may be), then his outstanding Option shall lapse and determine on the date he so ceases; or

- (iv) (if the Option Holder is an individual) dies, then his personal representative(s) may exercise his outstanding Option within six (6) months after his death or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the said period of six (6) months or at the expiration of the Option Period, whichever is earlier; or
- (v) has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Option Holder or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Option shall lapse and determine automatically on, and will not in any event be exercisable on or after, the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be).

Provided always that in each case the Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

***(m) Rights of exercise for grantees who were Category C Eligible Persons***

If an Option Holder who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category C Eligible Person:

- (i) has, in the absolute determination of the Board, committed any breach of contract entered into between such Eligible Person and the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder, then his outstanding Option shall lapse and determine automatically on, and will not in any event be exercisable on or after, the date of the Board's determination; or
- (ii) has committed any act of bankruptcy or become insolvent or made any arrangements or composition with his creditors generally or committed any serious misconduct or been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Option Holder or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Option shall lapse and determine automatically on, and will not in any event be exercisable on or after, the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be); or
- (iii) (if the Option Holder is an individual) dies, then his personal representative(s) may exercise his outstanding Option within six (6) months after his death or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the said period of six (6) months or at the expiration of the Option Period, whichever is earlier.

Provided always that in each case the Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

*(n) Rights on exercise for grantees which were companies controlled by any Eligible Persons*

In respect of any Option granted to a company which qualified as an Eligible Person because it was a company controlled by a person (“**Such Person**”) who was a Category A Eligible Person or Category B Eligible Person or Category C Eligible Person (as the case may be):

- (i) the relevant provisions set out in paragraph (k), (l) or (m) (as the case may be) of this Appendix would apply to its outstanding Option, which would accordingly lapse and determine pursuant to such provisions, mutatis mutandis as if the Option had been granted to Such Person; and
- (ii) its outstanding Option shall lapse and determine on the date it ceases to be a company controlled by Such Person.

Provided always that in each case the Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

If the Board in the offer granting the relevant Option have specified that the Option Holder has to meet certain continuing eligibility criteria and that the failure of the Option Holder to meet any such continuing eligibility criteria would entitle the Company to cancel the Option then outstanding (or part thereof). Upon the failure of the Option Holder to meet any such continuing eligibility criteria, his outstanding Option shall lapse and determine on the date the Board exercises the Company’s right to cancel the Option on the ground of such failure.

*(o) Rights on a general offer*

If a general offer by way of takeover is made to all Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror, the grantee of an Option shall, subject to the rules of the New Share Option Scheme, be entitled to exercise at any time within a period of fourteen days after such control has been obtained by the offeror any Option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). For the avoidance of doubt, an Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.

***(p) Rights on winding up***

If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice thereof to all Option Holders and thereupon each Option Holder shall be entitled, at any time no later than two (2) business days prior to the proposed general meeting of the Company, to exercise any of his outstanding Option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

***(q) Rights on reconstruction, compromise or arrangement***

In the event of a compromise or arrangement between the Company and Shareholders or the Company's creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice which is sent to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon each Option Holder (or where permitted his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court of the Cayman Islands be entitled to exercise his Option, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of the Cayman Islands and becoming effective. Upon such compromise or arrangement becoming effective, all Options for the time being outstanding shall lapse except insofar as previously exercised under this Rule. The Company may thereafter require each Option Holder to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Option Holder in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

***(r) Lapse of Options***

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the date on which the Option Holder commits a breach of paragraph (j) above, if the Board shall exercise the Company's right to cancel the Option;
- (iii) the expiry of the relevant periods or the occurrence of the relevant events referred to in paragraphs (k), (l), (m) or (n) above; and
- (iv) the expiry of any of the relevant periods referred to in paragraphs (p) or (q) above.

(s) *Cancellation of Options*

Following the cancellation of any Options granted but not exercised, new Options may only be granted to the same Option Holder under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit of the Scheme Mandate then available to the Board.

(t) *Effect of alterations to share capital*

Subject to applicable laws and the requirements under the Listing Rules, in the event of any reduction, sub-division or consolidation of the share capital of the Company or any capitalisation issue or rights issue, the number of Shares comprised in each Option and/or the Option Price may be adjusted in such manner as the Board (having, except in the case of an issue of Shares by way of the capitalisation of profits or reserves, received a statement in writing from the auditors of the Company or an independent financial adviser appointed for such purpose that in their opinion the adjustments proposed are fair and reasonable) may deem appropriate, provided always that (in the case of adjustment to the number of Shares comprised in each outstanding Option) the grantee shall have the same proportion of the equity capital of the Company as that to which he was entitled before such adjustments, and that no such adjustments shall be made to the effect of which would enable a Share to be issued at less than its nominal value. The issue of Shares as consideration in a transaction will generally not be regarded as a circumstance requiring adjustment.

(u) *Ranking of Shares*

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of associations of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is exercised and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the date on which the Option is exercised other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(v) *Duration of the New Share Option Scheme*

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date and expiring at the close of business on the tenth anniversary thereof, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

(w) *Alterations to the terms of the New Share Option Scheme*

The Board may from time to time in its absolute discretion waive or amend such of the rules of the New Share Option Scheme as they deem desirable, provided that, except with the prior sanction of the Company in general meeting, no alteration shall be made to the New Share Option Scheme:

- (i) extending the class of Eligible Person, or

- (ii) altering to the advantage of Option Holders (present or future) any of the provisions relating to the matters governed by Rule 17.03 of the Listing Rules.

Any amendment to any terms of the New Share Option Scheme which are of a material nature or any change to the Options granted must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

Any amendment to any terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

**(x) *Conditions of the New Share Option Scheme***

The New Share Option Scheme is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and
- (ii) the passing of the necessary resolution to approve and adopt the New Share Option Scheme in general meeting.

**(y) *Miscellaneous***

The terms of the New Share Option Scheme shall be in accordance with the new requirements set out in Chapter 17 of the Listing Rules.

**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 OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Comba Telecom Systems Holdings Limited (the “**Company**”) will be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Friday, 31 May 2013 at 10:30 a.m., to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2012;
2.
  - (a) to re-elect Mr. Fok Tung Ling as executive Director;
  - (b) to re-elect Mr. Wu Jiang Cheng as executive Director;
  - (c) to re-elect Mr. Yan Ji Ci as executive Director;
  - (d) to re-elect Mr. Yeung Pui Sang, Simon as executive Director;
  - (e) to re-elect Mr. Lin Jin Tong as independent non-executive Director;
  - (f) to re-elect Mr. Qian Ting Shuo as independent non-executive Director;
  - (g) to authorize the board of Directors to fix the Directors’ remuneration;
3. to re-appoint Ernst & Young as the auditors of the Company and to authorize the board of Directors to fix their remuneration;

and considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued ordinary share(s) of HK\$0.10 each in the share capital of the Company (the “**Share(s)**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

---

## NOTICE OF AGM

---

- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing and the new share option schemes of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of the resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company, the Companies Law (Law 3 of 1961, as consolidated and revised) (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

---

## NOTICE OF AGM

---

5. **“THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. **“THAT** the Directors be and they are hereby authorized to exercise the authority referred to in paragraph (a) of the resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

and, as special business, considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

7. **“THAT:**

- (a) subject to the grant by the Stock Exchange of the listing of and permission to deal in such number of shares in the capital of the Company with a par value of HK\$0.10 each which may fall to be allotted and issued by the Company upon the exercise of options granted under the proposed new share option scheme of the Company (the **“New Share Option Scheme”**, the rules of which are set out in the document produced to the meeting marked “A” and signed for the purpose of identification by the chairman of the meeting), the rules of the New Share Option Scheme be and are hereby approved and adopted as the Company’s new share option scheme; and

---

## NOTICE OF AGM

---

- (b) the board of Directors of the Company be and is hereby authorised to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected to by the Stock Exchange and, at its absolute discretion, to grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme, to allot, issue and deal with the Shares pursuant to the exercise of the options so granted thereunder, to administer the New Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as it deems fit.”

Yours faithfully  
For and on behalf of the Board of  
**Comba Telecom Systems Holdings Limited**  
**Fok Tung Ling**  
*Chairman*

Hong Kong, 26 April 2013

***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:**

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, 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 for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.

---

## NOTICE OF AGM

---

3. For the purposes of determining the eligibility of the Company's shareholders to attend and vote at the forthcoming annual general meeting (the "AGM"), the details of the record date and the closure of register of members are set out below:

For determining eligibility to attend and vote at the forthcoming AGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 29 May 2013
---	-------------------------------------

Closure of register of members, no transfer of shares will be registered	Thursday, 30 May 2013 to Friday, 31 May 2013 (both days inclusive)
---	--

Record date	Friday, 31 May 2013
-------------	---------------------

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, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

4. In relation to the proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the directors of the Company of a general mandate to authorize the allotment and issue of Shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new Shares of the Company other than Shares which may fall to be issued under the share option and the share award schemes of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to the proposed resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
6. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.