

**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.

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**Comba**  
**COMBA TELECOM SYSTEMS HOLDINGS LIMITED**  
**京信通信系統控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2342)**

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

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A notice convening the annual general meeting (the "AGM") 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 Monday, 23 June 2014 at 11:00 a.m. is set out on pages 16 to 20 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the 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.

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

29 April 2014

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on Monday, 23 June 2014 at 11:00 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 and the proposed re-election of Directors
“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
“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
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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”	Wednesday, 23 April 2014, 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

## DEFINITIONS

“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(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	has the meaning ascribed to this term under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“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*)  
Dr. 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  
Dr. 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

29 April 2014

*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;  
AND  
(3) 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 (including the extended Issue Mandate) and the Repurchase Mandate to the Directors and (ii) the re-election of Directors.

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 (including the extended Issue Mandate) and the Repurchase Mandate, the proposed re-election of Directors, 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 (including the extended 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 of the Company or Directors 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 of up to 20% of the issued share capital of the Company as at the date of granting of 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 number 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 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 other 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 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 Articles 87(1) and 87(2), Mr. Zhang Yue Jun, Mr. Zhang Yuan Jian, Mr. Liu Cai and Mr. Lau Siu Ki, Kevin shall retire from office by rotation at the AGM. Being eligible, each of Mr. Zhang Yue Jun and Mr. Zhang Yuan Jian will offer himself for re-election as executive Director and each of Mr. Liu Cai and Mr. Lau Siu Ki, Kevin 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. Zhang Yue Jun and Mr. Zhang Yuan Jian as executive Director and each of Mr. Liu Cai and Mr. Lau Siu Ki, Kevin 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.

### 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 Monday, 23 June 2014 at 11:00 a.m. is set out on pages 16 to 20 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 and the proposed re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the 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.

## LETTER FROM THE BOARD

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 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 and the proposed re-election of Directors 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 and the proposed re-election of Directors and accordingly, no Shareholders are required to abstain from voting on the resolutions to be proposed at the AGM.

### GENERAL

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 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 memorandum of association of the Company and the Articles of Association.

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 2013, 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>2013</b>		
April	2.69	2.20
May	3.07	2.60
June	2.80	2.18
July	2.95	2.31
August	2.96	2.41
September	2.73	2.43
October	2.71	2.49
November	2.69	2.40
December	2.92	2.51
<b>2014</b>		
January	2.89	2.53
February	2.77	2.52
March	2.64	1.92
April (up to the Latest Practicable Date)	2.31	1.98

## 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 purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate the 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:*

- 525,710,701 Shares and 1,285,186 Shares are beneficially owned by Prime Choice Investments Limited and Total Master Investments Limited, respectively. By virtue of 100% shareholding in each of Prime Choice Investments Limited and Total Master Investments Limited, Mr. Fok Tung Ling, is deemed or taken to be interested in the total of 526,995,887 Shares owned by Prime Choice Investments Limited and Total Master Investments Limited.
- 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 purpose of the SFO.
- 154,128,452 Shares are beneficially owned by Wise Logic Investments Limited. By virtue of 100% shareholding in Wise Logic Investments Limited, Mr. Zhang Yue Jun is deemed or taken to be interested in the 154,128,452 Shares owned by Wise Logic Investments Limited.
- 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 purpose 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 the 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. Zhang Yue Jun**

Mr. Zhang Yue Jun, aged 55, is one of the founders of the Group. He is the vice chairman of the Board and president of the Group. He also acts as directors of certain subsidiaries of the Company. Mr. Zhang is responsible for the Group's overall operation, management, business development, research and development of new technologies and products and supply chain system. Mr. Zhang graduated from South China Institute of Technology (currently known as South China University of Technology (華南理工大學)) in 1982 and obtained a bachelor's degree in wireless engineering. From 1982 to 1990, Mr. Zhang worked as a microwave telecommunications engineer in Nanjing and from 1990 to 1997, he was the deputy chief engineer of a joint venture company in Shenzhen and was mainly responsible for wireless telecommunications projects. Mr. Zhang has over 31 years of experience in wireless communications and he co-founded the Group in 1997. He is the sole director and shareholder of Wise Logic Investments Limited, which is a Substantial Shareholder of the Company.

Save as disclosed above, Mr. Zhang did not hold 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. Zhang holds 154,128,452 Shares through controlled corporation, representing approximately 10.10% of the total issued share capital of the Company. The Company granted options under the share option scheme adopted by the Company on 3 June 2013 entitling him to subscribe for 500,000 Shares. Save as disclosed above, he 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. Zhang 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. Zhang's remuneration has been fixed at approximately HK\$119,000 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. Zhang Yuan Jian**

Mr. Zhang Yuan Jian, aged 56, is executive Director. He is also the senior vice president of the Group and the director of the Central Research Institute of the Group. Mr. Zhang is in charge of the technical research of the Central Research Institute of the Group and the development initiative of new product lines. He graduated from the University of Science and Technology of China (中國科學技術大學) and the Electronic Engineering Research Center of Nanjing (南京電子工程研究中心) (currently known as the Nanjing Institute of Electronic Technology (南京電子技術研究所)) and obtained a master's degree in microwave technology in 1984. Mr. Zhang has over 30 years of experience in the technical research on wireless communications, product development and relevant management. He joined the Group in 2004.

Save as disclosed above, Mr. Zhang did not hold 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. Zhang personally holds 564,456 Shares, representing approximately 0.04% of the total issued share capital of the Company. The Company granted options under the share option schemes adopted by the Company on 20 June 2003 and 3 June 2013, respectively, entitling him to subscribe for 500,000 Shares and 1,500,000 Shares, respectively. He is also deemed to be interested in 80,000 Shares beneficially held by his spouse personally, representing approximately 0.01% of the total issued share capital of the Company. Save as disclosed above, Mr. Zhang 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. Zhang has entered into a service contract with the Company for an initial term of three years which commenced on 10 February 2012, 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. Zhang's remuneration has been fixed at approximately HK\$53,000 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. Liu Cai**

Mr. Liu Cai, aged 73, is independent non-executive Director. He is also the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Company. Mr. Liu Cai is the chairman of the Consultative Committee for Telecom Law Drafting of the Ministry of Information Industry. From 1988 to 2001, he worked with the former Ministry of Post and Telecommunications and the Ministry of Information Industry of the PRC (the "Ministries"). As the director-general of the Policy and Regulation Department of the Ministries, Mr. Liu Cai was directly involved and responsible for policy formulation, reform planning, laws and regulations drafting for the telecommunications industry of the PRC. Before joining the Ministries in 1988, he was engaged in research and development works at the China Academy of Post and Telecommunications after graduating from Beijing Institute of Posts and Telecommunications (currently known as Beijing University of Posts and Telecommunications (北京郵電大學)). Mr. Liu Cai has also been an independent director of China United Network Communications Limited since November 2009, with its A shares listed on the Shanghai Stock Exchange. He joined the Group in 2003.

Saved as disclosed above, Mr. Liu Cai did not hold 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, saved as options entitling him to subscribe for 100,000 Shares and 100,000 Shares granted by the Company under the share option schemes adopted by the Company on 20 June 2003 and 3 June 2013, respectively, Mr. Liu Cai 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. Liu Cai has entered into a letter of appointment with the Company for a term of one year. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Liu Cai's remuneration has been fixed at approximately HK\$200,000 per annum, 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. Lau Siu Ki, Kevin (“Mr. Kevin Lau”)**

Mr. Lau Siu Ki, Kevin, aged 55, is independent non-executive Director. He is also the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Company. Mr. Kevin Lau has over 30 years of experience in corporate finance, financial advisory and management, accounting and auditing. He is currently a consultant in the financial advisory field. Prior to that, Mr. Kevin Lau had worked in an international accounting firm for over 15 years. He is a fellow member of both the Association of Chartered Certified Accountants (“ACCA”) as well as the Hong Kong Institute of Certified Public Accountants. Mr. Kevin Lau was a member of the world council of ACCA from 2002 to 2011 and was the Chairman of the Hong Kong Branch of ACCA for the year 2000/2001. He is also an independent non-executive director of six other companies listed on the main board of the Stock Exchange namely TCL Communication Technology Holdings Limited, COL Capital Limited, Foxconn International Holdings Limited (currently known as FIH Mobile Limited), Samson Holding Ltd., Embry Holdings Limited and Binhai Investment Company Limited. Mr. Kevin Lau had been an independent non-executive director of Carry Wealth Holdings Limited until his resignation on 13 July 2011. He joined the Group in 2003.

Saved as disclosed above, Mr. Kevin Lau did not hold 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, saved as options entitling him to subscribe for 100,000 Shares and 100,000 Shares granted by the Company under the share option schemes adopted by the Company on 20 June 2003 and 3 June 2013, respectively, Mr. Kevin Lau 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. Kevin Lau has entered into a letter of appointment with the Company for a term of one year. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Mr. Kevin Lau’s remuneration has been fixed at approximately HK\$180,000 per annum, 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.



Both Mr. Liu Cai and Mr. Kevin Lau have served the Company as independence non-executive Directors for more than nine years, but they do not have any management role in the Company. The Company has received their annual written confirmations in accordance with Rule 3.13 of the Listing Rules. The nomination committee of the Company has assessed and is satisfied of their independence. Hence, the Board is of the opinion that they remain independent within the definition of the Listing Rules by reference to the factors stated in the Listing Rules and their annual written confirmations. In view of Mr. Liu Cai's extensive experience in telecommunications industry and Mr. Kevin Lau's professional qualifications and extensive experience in the financial advisory field, the Board believes that they are capable to provide constructive contributions and an independent view in relation to the Company's affairs. Therefore, the Board considers that both Mr. Liu Cai and Mr. Kevin Lau should be re-elected at the AGM.

Save as disclosed herein, there is no information relating to each of Mr. Zhang Yue Jun, Mr. Zhang Yuan Jian, Mr. Liu Cai and Mr. Kevin Lau 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.

**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 Monday, 23 June 2014 at 11:00 a.m., to transact the following ordinary businesses and for the purposes of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

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 2013;
2.
  - (a) to re-elect Mr. Zhang Yue Jun as executive Director;
  - (b) to re-elect Mr. Zhang Yuan Jian as executive Director;
  - (c) to re-elect Mr. Liu Cai as independent non-executive Director;
  - (d) to re-elect Mr. Lau Siu Ki, Kevin as independent non-executive Director;  
and
  - (e) 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 with or without amendments 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

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exercise of such powers be and the same is hereby generally and unconditionally approved;

- (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 number of Shares 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 of the Company (the "**Articles**") 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 issued share capital of the Company 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 "**Shareholders**")) the number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the issued share capital of the Company 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 purpose 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, 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; or

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- (iii) the passing of an ordinary resolution by the Shareholders 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).”

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 number 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 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 purpose 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, the Companies Law or any other applicable law of the Cayman Islands to be held; or

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(iii) the passing of an ordinary resolution by the Shareholders 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.”

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

Hong Kong, 29 April 2014

*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, 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 from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.

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3. For the purpose of determining the eligibility of the Shareholders to attend and vote at the forthcoming annual general meeting (the "AGM"), the details of the closure of register of members and the record date 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 Thursday, 19 June 2014

Closure of register of members, no transfer of shares will be registered Friday, 20 June 2014 to Monday, 23 June 2014 (both days inclusive)

Record date Monday, 23 June 2014

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 a general mandate to authorize the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme and the share award scheme 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. 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.