

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, registered institution in securities, 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, registered institution in securities 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;
(3) PROPOSAL FOR BONUS ISSUE OF SHARES;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

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 Friday, 27 May 2016 at 11:00 a.m. is set out on pages 23 to 28 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 and the website of the Company at 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, 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 and in such event, the proxy shall be deemed to be revoked.

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

25 April 2016

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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 Friday, 27 May 2016 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, the proposed re-election of Directors and the proposal for the Bonus Issue
“Article(s)”	the articles of association of the Company
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares on the basis of one (1) Bonus Share for every ten (10) existing Shares held on the Record Date by the Qualifying Shareholders
“Bonus Share(s)”	the new Share(s) to be allotted, issued and credited as fully paid-up Shares under the Bonus Issue
“close associate”	has the meaning ascribed to this term under the Listing Rules
“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 and 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 number of issued Shares of the Company as at the date of Shareholders’ approval for the grant of the Issue Mandate

DEFINITIONS

“Latest Practicable Date”	Monday, 18 April 2016, 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
“Overseas Shareholders”	holders of the issued Shares whose addresses as shown in the register of members of the Company on the Record Date are in jurisdictions outside Hong Kong (if any)
“Prohibited Shareholders”	those Overseas Shareholders, whose the Board, after making enquiries pursuant to rule 13.36(2) of the Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue to them (if any)
“Qualifying Shareholders”	holders of the issued Shares whose names are shown on the register of members of the Company on the Record Date (and not being Prohibited Shareholders), who are entitled to participate in the Bonus Issue
“Record Date”	Friday, 3 June 2016, being the record date for determination of entitlements to the Bonus Issue
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the number of issued Shares 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)
“2003 Share Option Scheme”	the share option scheme adopted by the Company on 20 June 2003

DEFINITIONS

“2013 Share Option Scheme”	the share option scheme adopted by the Company on 3 June 2013
“Share Options”	the options granted under the Share Option Schemes adopted by the Company which entitle the holders thereof to subscribe for Shares in accordance with the terms of the Share Option Schemes
“Share Option Scheme(s)”	2003 Share Option Scheme and/or 2013 Share Option Scheme, as the case may be
“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.

EXPECTED TIMETABLE

Set out below is the expected timetable of the Bonus Issue:

2016

Latest time to return form of proxy for the AGM.	11:00 a.m. on Wednesday, 25 May
Date and time of the AGM	11:00 a.m. on Friday, 27 May
Publish the poll results announcement	Friday, 27 May
Last day of dealings in the Shares on a cum-entitlement basis	Monday, 30 May
First day of dealing in the Shares on an ex-entitlement basis	Tuesday, 31 May
Latest time for lodging transfers of the Shares for registration in order to qualify for the Bonus Issue . . .	4:30 p.m. on Wednesday, 1 June
Closure of register of members of the Company for determination of entitlements under the Bonus Issue	Thursday, 2 June to Friday, 3 June (both days inclusive)
Record date for determination of entitlements under the Bonus Issue	Friday, 3 June
Register of members of the Company re-opens	Monday, 6 June
Despatch date of share certificates for Bonus Shares	Tuesday, 14 June
Dealings in Bonus Shares commence	Wednesday, 15 June
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Wednesday, 15 June
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Wednesday, 13 July

All times stated in this circular refer to Hong Kong times. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Bonus Issue will be announced as appropriate.



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. ZHENG Guo Bao
Mr. YEUNG Pui Sang, Simon
Mr. ZHANG Yuan Jian

Registered office:

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

Independent non-executive Directors:

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

*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

25 April 2016

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

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSAL FOR BONUS ISSUE OF SHARES;
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 (including the extended Issue Mandate) and the Repurchase Mandate to the Directors; (ii) the re-election of Directors and (iii) the proposal for the Bonus Issue.

The purpose of this circular is to provide you with information relating to, *inter alia*, 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, the proposal for the Bonus Issue 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) 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 number of issued Shares 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 2,033,767,128 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 406,753,425 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 number of issued Shares 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 203,376,712 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, the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Issue Mandate

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(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.

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. Fok Tung Ling, Mr. Yeung Pui Sang, Simon, Mr. Liu Cai, Mr. Lau Siu Ki, Kevin, Dr. Lin Jin Tong and Mr. Qian Ting Shuo shall retire from office by rotation at the AGM. Being eligible, each of Mr. Fok Tung Ling and Mr. Yeung Pui Sang, Simon will offer himself for re-election as executive Director and each of Mr. Liu Cai, Mr. Lau Siu Ki, Kevin, Dr. 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 and Mr. Yeung Pui Sang, Simon as executive Director and each of Mr. Liu Cai, Mr. Lau Siu Ki, Kevin, Dr. 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.

PROPOSAL FOR BONUS ISSUE

Reference is made to the annual results announcement of the Company dated 22 March 2016, in which the Board announced that it had resolved to recommend the payment of a final dividend of HK1.8 cents per Share and propose a Bonus Issue to the Qualifying Shareholders. For the avoidance of doubt, the Bonus Shares to be allotted and issued under the Bonus Issue shall not be entitled to the final cash dividend of HK1.8 cents as declared, but the Bonus Shares will rank *pari passu* with all other Shares in issue at the time of allotment and issue of the Bonus Shares and will be entitled to any subsequent dividends and/or distributions (if any) to be declared by the Company.

The Bonus Issue is proposed to be made to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The principal terms of the Bonus Issue are set out below:

Basis of Bonus Issue

Subject to the conditions as set out under the heading "Conditions of Bonus Issue" below, the Bonus Issue is proposed to be made on the basis of one (1) Bonus Share for

LETTER FROM THE BOARD

every ten (10) existing Shares held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par by capitalization of an amount standing to the credit of the share premium account of the Company that is equivalent to the aggregate nominal value of the Bonus Shares to be issued by the Company. On the basis of 2,033,767,128 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, approximately 203,376,712 Bonus Shares will be issued under the Bonus Issue (representing approximately 10% of the issued share capital as at the Latest Practicable Date and the Record Date), and HK\$20,337,671.20 standing to the credit of the share premium account of the Company will be capitalized for paying up in full at par approximately 203,376,712 Bonus Shares.

Record Date and closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Prohibited Shareholders are further elaborated below under the heading "Prohibited Shareholders".

The register of members of the Company will be closed from Thursday, 2 June 2016 to Friday, 3 June 2016 (both days inclusive) in order to determine the entitlements of the Shareholders under the Bonus Issue. In order to qualify for the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with the Registrar no later than 4:30 p.m. on Wednesday, 1 June 2016.

Reasons for Bonus Issue

As a result of the improving annual results of the Group, the Board decided to propose the Bonus Issue.

Despite the share price per Share on an ex-entitlement basis might be reduced by the same proportion and the Bonus Issue is not expected to increase the Shareholders' proportionate interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders and will capitalise part of the share premium account.

The Company has considered the corresponding advantages and disadvantages of the Bonus Issue. While the Bonus Issue will not increase the proportionate interests of each of the Shareholders, the Bonus Issue will increase the number of Shares to be held by the Shareholders. The Shareholders may elect either to dispose of the Bonus Shares or to retain the Bonus Shares at their discretion. Shareholders are advised to consult their professional advisers if they are in doubt about the corresponding advantages and disadvantages of the Bonus Issue.

Prohibited Shareholders

The issue of Bonus Shares to Overseas Shareholders under the Bonus Issue may be affected by the laws of their relevant jurisdictions.

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All Shareholders residing outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Shares.

As at the Latest Practicable Date, there was no Overseas Shareholder as shown in the register of members of the Company. Should there be any Overseas Shareholders whose addresses as shown in the register of members of the Company on the Record Date are in jurisdictions outside Hong Kong, enquiry will be made by the Board pursuant to rule 13.36(2)(a) of the Listing Rules. Based on the results of such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Prohibited Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Prohibited Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Prohibited Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case it will be retained for the benefits of the Company.

It is the responsibility of the Shareholders (including Overseas Shareholders) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Bonus Shares under the Bonus Issue.

Status of Bonus Shares

The Bonus Shares, upon issued, will rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions on the record date for which is on or after the date of allotment and issue of those Bonus Shares.

Fraction of Bonus Shares

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

Conditions of Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the AGM of the Company to be held;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirement (if any) under the applicable laws of the Cayman Islands and the Articles to effect the Bonus Issue.

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Application will be made to the Listing Committee of the Stock Exchange in respect of such listing of, and permission to deal in, the Bonus Shares. The Bonus Shares to be issued pursuant to the Bonus Issue are subject to the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No securities of the Company are listed or dealt in on any other stock exchanges. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made by the Company to enable the Bonus Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

Adjustments of Options

As at the Latest Practicable Date, there are 47,886,673 Share Options outstanding. The Bonus Issue may lead to adjustments to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding Share Options. Other than the outstanding Share Options, the Company does not have any warrants, options, or other securities exchangeable or convertible into Shares as at the Latest Practicable Date. The Company will make further announcement upon the aforesaid adjustments to the Share Options, if any adjustment is required to be made.

Certificates for Bonus Shares

Certificates for the Bonus Shares will be posted as soon as practicable after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto by ordinary mail to their respective addresses shown on the register of members of the Company on the Record Date.

ODD LOT ARRANGEMENT

In order to alleviate the difficulties arising from the existence of odd lots of the Shares as a result of the Bonus Issue, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 15 June 2016 to 4:00 p.m. on Wednesday, 13 July 2016, both days inclusive. Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots of Shares may directly or through their brokers to contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m. within such period).

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

LETTER FROM THE BOARD

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, 27 May 2016 at 11:00 a.m. is set out on pages 23 to 28 of this circular. Ordinary resolutions will be proposed 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 proposal for Bonus Issue.

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 and the website of the Company at 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, 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 in accordance with rule 13.39(4) of the Listing Rules. 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, the proposed re-election of Directors and the proposal for Bonus Issue 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, no Shareholder has a material interest in the proposed grant of the Issue Mandate (including the extended Issue Mandate) and Repurchase Mandate, the proposed re-election of Directors and the proposal for Bonus Issue and accordingly no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

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 core connected person, that is, a Director, chief executive or Substantial Shareholder of the Company or any of its subsidiaries or a close associate of any of them and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No core 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 2,033,767,128 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 203,376,712 fully paid Shares, representing 10% of the number of issued Shares 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.

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 2015, 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	2.628	1.859
May	2.405	1.992
June	2.305	1.791
July	1.936	1.182
August	1.773	1.236
September	1.564	1.282
October	1.780	1.445
November	1.640	1.440
December	1.530	1.310
2016		
January	1.420	1.060
February	1.370	1.050
March	1.460	1.200
April (up to the Latest Practicable Date)	1.400	1.310

Note: The highest and lowest prices per Share during the period from 1 April 2015 up to 4 June 2015 were adjusted to take into account the effect of the result of the bonus issues of Shares on 18 June 2015 (the "Jun 2015 Bonus Issue") and 28 October 2015 (the "Oct 2015 Bonus Issue"). The highest and lowest prices per Share during the period from 5 June 2015 up to 14 October 2015 were adjusted to take into account the effect of Oct 2015 Bonus Issue.

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 close 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:

Name	<i>Notes</i>	Number of Shares	Percentage holding
Prime Choice Investments Limited		644,706,719	31.70%
Mr. Fok Tung Ling	1	669,387,993	32.91%
Madam Chen Jing Na	2	669,387,993	32.91%
Wise Logic Investments Limited		205,144,968	10.08%
Mr. Zhang Yue Jun	3	205,144,968	10.08%
Madam Cai Hui Ni	4	205,144,968	10.08%

Notes:

- 644,706,719 Shares and 1,710,581 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 646,417,300 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 669,387,993 Shares in which Mr. Fok Tung Ling is deemed or taken to be interested for the purpose of the SFO.
- 205,144,968 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 205,144,968 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 205,144,968 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:

Name	Percentage holding
Prime Choice Investments Limited	35.22%
Mr. Fok Tung Ling	36.57%
Madam Chen Jing Na	36.57%
Wise Logic Investments Limited	11.20%
Mr. Zhang Yue Jun	11.20%
Madam Cai Hui Ni	11.20%

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. Fok Tung Ling

Mr. Fok Tung Ling, aged 59, is one of the founders of the Group. He is the chairman of the Board and the authorized representative of the Company. He also holds various positions in the subsidiaries of the Company, including acting as legal representative and director in certain subsidiaries of the Company. Mr. Fok is primarily responsible for leading the Board in determining the directions of the Group's overall strategies and business development. 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, he was engaged in the trading of telecommunications and electronic equipment and components before co-founding the Group in 1997. Mr. Fok has over 34 years of experience in wireless communications. He is the sole director and shareholder of Prime Choice Investments Limited, which is a controlling shareholder of the Company.

Save as disclosed above, Mr. Fok 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. Fok personally holds 22,970,693 Shares and holds 646,417,300 Shares through controlled corporation, in aggregate representing approximately 32.91% of the total issued voting shares of the Company. The Company granted options under the 2013 Share Option Scheme, entitling him to subscribe for 665,500 Shares (after adjustment as a result of the Jun 2015 Bonus Issue and Oct 2015 Bonus Issue). 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. 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\$164,000 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. Yeung Pui Sang, Simon

Mr. Yeung Pui Sang, Simon, aged 43, is executive Director and president of Comba Telecom Systems International Limited, an indirect wholly-owned subsidiary of the Company. He also acts as directors of certain subsidiaries of the Company. Prior to joining the Group, Mr. Yeung was the vice president of strategy & business development and a founding employee of LGC Wireless, Inc. ("LGC") based in the Silicon Valley, USA which was successfully acquired by Commscope Inc. He 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. He has over 20 years of experience in the telecom industry. Mr. Yeung joined the Group in 2004.

Save as disclosed above, Mr. Yeung 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. Yeung personally holds 12,283,681 Shares, representing approximately 0.60% of the total issued voting shares of the Company. The Company granted options under the 2013 Share Option Scheme, entitling him to subscribe for 1,996,500 Shares (after adjustment as a result of the Jun 2015 Bonus Issue and Oct 2015 Bonus Issue). 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. 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\$228,000 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 76, 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 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 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 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 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 133,100 Shares (after adjustment as a result of the June 2015 Bonus Issue and October 2015 Bonus Issue) granted by the Company under the 2013 Share Option Scheme, Mr. Liu 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 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's remuneration has been fixed at approximately HK\$220,000 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 57, 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, China Medical & HealthCare Group Limited (formerly known as COL Capital Limited), FIH Mobile Limited, Samson Holding Ltd., Embry Holdings Limited and Binhai Investment Company Limited. In addition, he was also an independent non-executive director of UKF (Holdings) Limited, a company listed on the main board of the Stock Exchange, until his resignation on 15 March 2016. Mr. Kevin Lau is also an independent supervisor of the sixth session of the supervisory

committee of Beijing Capital International Airport Company Limited, the shares of which are listed on the main board of the Stock Exchange. He has been appointed as company secretary of Hung Fook Tong Group Holdings Limited, the shares of which are listed on the main board of the Stock Exchange, on 13 May 2015. In addition, he has also been appointed as company secretary of Expert Systems Holdings Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange on 12 April 2016. Mr. Kevin Lau 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 133,100 Shares (after adjustment as a result of the June 2015 Bonus Issue and October 2015 Bonus Issue) granted by the Company under the 2013 Share Option Scheme, 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\$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.

(5) Dr. Lin Jin Tong

Dr. Lin Jin Tong, aged 70, is independent non-executive Director. He is also the member of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Lin 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. Dr. Lin further obtained a doctorate degree in Philosophy and an honorary doctorate degree in Science from University of Southampton, UK. He has worked as lecturer, professor, department head, vice president of BUPT and was also the president of BUPT from 1998 to 2007. Dr. Lin 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. Dr. 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. He had been an independent director of Bright Oceans Inter-Telecom Corporation, the shares of which are listed on the Shanghai Stock Exchange, until his general retirement in September 2015. Dr. Lin had also been an independent director of Jiangsu Tongguang

Electronic Wire & Cable Co., Ltd, the shares of which are listed on the Shenzhen Stock Exchange, until his general retirement on 11 November 2014. He joined the Group in 2012.

Saved as disclosed above, Dr. Lin 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 133,100 Shares (after adjustment as a result of the June 2015 Bonus Issue and October 2015 Bonus Issue) granted by the Company under the 2013 Share Option Scheme, Dr. 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.

Dr. Lin has entered into a letter of appointment with the Company for a term of three years. He will be subject to retirement by rotation and re-election at the general meetings of the Company. Dr. Lin's remuneration has been fixed at approximately HK\$220,000 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.

(6) Mr. Qian Ting Shuo

Mr. Qian Ting Shuo, aged 67, is independent non-executive Director. He is also the member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Qian 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. He has extensive experience in the telecommunications industry and is familiar with the optical telecommunications technology and broadband development. Mr. Qian joined the Group in 2012.

Saved as disclosed above, Mr. Qian 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 133,100 Shares (after adjustment as a result of the June 2015 Bonus Issue and October 2015 Bonus Issue) granted by the Company under the 2013 Share Option Scheme, 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 entered into a letter of appointment with the Company for a term of three years. 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\$220,000 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 independent 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. Fok Tung Ling, Mr. Yeung Pui Sang, Simon, Mr. Liu Cai and Mr. Kevin Lau, Dr. Lin Jin Tong and Mr. Qian Ting Shuo 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 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, 27 May 2016 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 2015;
2. to declare and approve a final dividend for the year ended 31 December 2015 of HK1.8 cents per share (the “**Share(s)**”) of the Company;
3.
 - (a) to re-elect Mr. Fok Tung Ling as executive Director;
 - (b) to re-elect Mr. Yeung Pui Sang, Simon 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;
 - (e) to re-elect Dr. Lin Jin Tong as independent non-executive Director;
 - (f) to re-elect Mr. Qian Ting Shuo as independent non-executive Director;
and
 - (g) to authorize the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
4. to re-appoint Ernst & Young as the auditors of the Company and to authorize the Board to fix their remuneration;

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and considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

5. **“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 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;
- (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 number of issued Shares of the Company as at 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 number of issued Shares of the Company as at the date of the passing of the resolution no. 6),

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

NOTICE OF AGM

- (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) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; or
- (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).”

6. “**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 number of issued Shares 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

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- (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
 - (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.”
- 7. “**THAT** the Directors be and are hereby authorized to exercise the authority referred to in paragraph (a) of the resolution no. 5 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
- 8. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued pursuant to this resolution:
 - (a) an amount standing to the credit of the share premium account of the Company which is equivalent to the aggregate nominal amount of the Bonus Shares (as defined below) to be issued by the Company be capitalized and the Directors be and are hereby authorized to apply such amount in paying up in full at par such number of new Shares (the “**Bonus Shares**”) on the basis of one (1) Bonus Share for every ten (10) existing Shares in issue on the Record Date (as defined below), and the Directors be authorized to allot, issue and distribute the Bonus Shares, which are credited as fully paid, to the members of the Company whose names appear on the principal or branch register of members of the Company in Hong Kong (the “**Register of Members**”) as at the close of business on Friday, 3 June 2016 (or such other record date as the Directors may determine) (the “**Record Date**”), other than those members (the “**Prohibited Shareholders**”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in a jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Listing Rules and the memorandum of association of the Company and the Articles (if any), on the basis of one (1) Bonus Share for every ten (10) existing Shares then held by them respectively (the “**Bonus Issue**”), and the Directors be authorized to settle, as they consider appropriate, any difficulty in regard to any distribution of the Bonus Shares;

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- (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum of association of the Company and the Articles, rank *pari passu* in all respects with the existing issued Shares as at the date of the allotment and issue of the Bonus Shares;
- (c) the Directors be and are hereby authorized to arrange for the Bonus Shares which would otherwise have been issued to the Prohibited Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Prohibited Shareholders, if any, *pro rata* to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case the Directors be and are hereby authorized to retain such amount for the benefits of the Company; and
- (d) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

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

Hong Kong, 25 April 2016

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

NOTICE OF AGM

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, 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 of 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.
3. For the purpose of determining Shareholders' entitlements to the final dividend, the Register of Members will be closed from Thursday, 2 June 2016 to Friday, 3 June 2016, both days inclusive, during which period no transfer of Shares will be registered. The Record Date for determination of entitlements under the final dividend will be on Friday, 3 June 2016. Shareholders whose names appear on the Register of Members on Friday, 3 June 2016 will be entitled to receive the final dividend. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch 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 for registration no later than 4:30 p.m. on Wednesday, 1 June 2016. The dividend warrants will be despatched to the Shareholders on Tuesday, 14 June 2016.
4. In relation to the proposed resolutions nos. 5 and 7 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. 6 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. For the purpose of determining Shareholders' entitlements to the Bonus Issue, the Register of Members will be closed from Thursday, 2 June 2016 to Friday, 3 June 2016, both days inclusive, during which period no transfer of Shares will be registered. The Record Date for determination of entitlements under the Bonus Issue will be on Friday, 3 June 2016. Shareholders whose names appear on the Register of Members on Friday, 3 June 2016 will be entitled to receive the Bonus Shares. In order to qualify for the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1 June 2016. The Bonus Shares will be allotted, issued and despatched to the Shareholders on Tuesday, 14 June 2016.
7. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.