
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;
**(3) REFRESHMENT OF SHARE OPTION AND SHARE AWARD
SCHEMES MANDATE LIMITS;**
**(4) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF
ASSOCIATION AND ADOPTION OF THE AMENDED AND
RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION;**
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Thursday, 17 May 2012 at 10:30 a.m. is set out on pages 21 to 30 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the HKExnews’s website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.comba-telecom.com.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

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

17 April 2012

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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 Thursday, 17 May 2012 at 10:30 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the Issue Mandate (including the extended Issue Mandate to deal with Shares repurchased under the Repurchase Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the Refreshment of Share Option and Share Award Schemes Mandate Limits, and the proposed amendments to the M&A and adoption of the amended and restated M&A
“Article(s)” or “Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to this term under the Listing Rules
“Awarded Shares”	the Shares granted and to be granted under the Share Award Scheme
“Board”	the board of Directors
“Company”	Comba Telecom Systems Holdings Limited (京信通信系統控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Eligible Participant(s)”	any full-time or part-time employees of the Company or its subsidiaries (including any executive, non-executive and independent non-executive Directors and/or any of its subsidiaries) and any adviser or consultant, distributors, suppliers, agents, customers, partners, joint venture partners, promoter, service providers to the Group who, in the sole discretion of the Board, have contributed or may contribute to the Group, are eligible for Options under the Share Option Scheme
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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”	Tuesday, 10 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M&A”	the memorandum of association of the Company and the Articles of Association
“Options”	the options granted under the Share Option Scheme which are entitled to subscribe for Shares in accordance with the Share Option Scheme
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Refreshment of Share Award Scheme Mandate Limit”	the proposed refreshment of the Share Award Scheme Mandate Limit
“Refreshment of Share Option Scheme Mandate Limit”	the proposed refreshment of the Share Option Scheme Mandate Limit
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of Shareholders’ approval for the grant of the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Scheme”	the share award scheme adopted by the Company on 25 March 2011
“Share Award Scheme Mandate Limit”	the maximum number of Shares which may be granted under the Share Award Scheme which initially shall not in aggregate exceed 5% of the Shares in issue as at the date of adoption of the Share Award Scheme and thereafter, if refreshed shall not exceed 5% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders

DEFINITIONS

“Share Option Scheme”	the share option scheme adopted by the Company on 20 June 2003
“Share Option Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“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 Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

Comba

COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2342)

Executive Directors:

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

Independent non-executive Directors:

Mr. YAO Yan
Mr. LAU Siu Ki, Kevin
Mr. LIU Cai

Registered office:

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

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

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

17 April 2012

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

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) PROPOSED RE-ELECTION OF DIRECTORS;
**(3) REFRESHMENT OF SHARE OPTION AND SHARE AWARD
SCHEMES MANDATE LIMITS;**
**(4) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF
ASSOCIATION AND ADOPTION OF THE AMENDED AND
RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION;**
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the Issue Mandate and the Repurchase Mandate to the Directors; (ii) the re-election of Directors; (iii) the Refreshment of the Share Option and Share Award Schemes Mandate Limits and (vi) the amendments to the M&A and the adoption of the amended and restated M&A.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the proposed grant of the Issue Mandate and the Repurchase Mandate, the proposed re-election of Directors, the Refreshment of the Share Option and Share Award Schemes Mandate Limits, the proposed amendments to the M&A and adoption of the amended and restated M&A and the notice of the AGM.

ISSUE MANDATE AND REPURCHASE MANDATE

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

Issue Mandate

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

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

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

Repurchase Mandate

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

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

LETTER FROM THE BOARD

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

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

RE-ELECTION OF DIRECTORS

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

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

In accordance with Article 86(3), Mr. Zhang Yuan Jian shall retire from office at the AGM, and in accordance with Articles 87(1) and 87(2), Mr. Tong Chak Wai, Wilson, Mr. Zheng Guo Bao, Mr. Lau Siu Ki, Kevin and Mr. Liu Cai shall retire from office by rotation at the AGM. Being eligible, each of Mr. Tong Chak Wai, Wilson, Mr. Zheng Guo Bao and Mr. Zhang Yuan Jian will offer himself for re-election as executive Director and Mr. Lau Siu Ki, Kevin and Mr. Liu Cai 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. Tong Chak Wai, Wilson, Mr. Zheng Guo Bao and Mr. Zhang Yuan Jian as executive Director and Mr. Lau Siu Ki, Kevin and Mr. Liu Cai as independent non-executive Director.

Pursuant to the amended code provisions as set out in the Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules, the further appointment of an independent non-executive director who has served more than 9 years should be subject to a separate resolution to be approved by the Shareholders. Mr. Lau Siu Ki, Kevin and Mr. Liu Cai have served the Company for more than 9 years. The reasons why the Board believes Mr. Lau Siu Ki, Kevin and Mr. Liu Cai are still independent and should be re-elected are set out in Appendix II to this circular.

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

LETTER FROM THE BOARD

REFRESHMENT OF SHARE OPTION AND SHARE AWARD SCHEMES MANDATE LIMITS

(a) Refreshment of Share Option Scheme Mandate Limit

The Company adopted the existing Share Option Scheme by written resolutions of all Shareholders passed on 20 June 2003.

Pursuant to the Listing Rules and the terms of the Share Option Scheme, the maximum number of Shares (as defined under the Share Option Scheme) which are subject to Options granted to subscribe for the Shares under the Share Option Scheme immediately after the listing of Shares on the main board of the Stock Exchange must not exceed 80,000,000 Shares, representing 10% of the Shares in issue on the date of dealings in the Shares first commenced on the main board of the Stock Exchange.

The Share Option Scheme Mandate Limit was refreshed on 14 May 2004 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorized to grant options to subscribe for up to a maximum number of 83,000,000 Shares.

The Share Option Scheme Mandate Limit was further refreshed on 25 May 2005 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorized to grant options to subscribe for up to a maximum number of 83,301,800 Shares.

The Share Option Scheme Mandate Limit was further refreshed on 2 June 2009 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorized to grant options to subscribe for up to a maximum number of 85,577,300 Shares.

The Share Option Scheme Mandate Limit was further refreshed on 24 May 2010 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorized to grant options to subscribe for up to a maximum number of 107,628,126 Shares.

The Share Option Scheme Mandate Limit was further refreshed on 23 May 2011 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorized to grant options to subscribe for up to a maximum number of 135,837,508 Shares.

The Company may refresh the Share Option Scheme Mandate Limit at any time subject to prior Shareholders' approval provided that:

- (i) the Share Option Scheme Mandate Limit so refreshed must not exceed 10% of the Shares in issue as at the date of the Shareholders' approval of the refreshed Share Option Scheme Mandate Limit; and
- (ii) Options previously granted under the Shares Option Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the Share Option Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, (i) unless with separate approval by the Shareholders, the total number of Awarded Shares which may be further issued under the Share Award Scheme together with the Shares may be issued upon exercise of all options to be granted under other incentive and share option schemes of the Company (including the Share Option Scheme) as so refreshed shall not exceed 10% of the Shares in issue as at the date of the AGM (the "10% Limit for the Share Option Scheme and the Share Award

LETTER FROM THE BOARD

Scheme”) and (ii) the Company will not issue any Awarded Shares under the Share Award Scheme and/or grant any options under the Share Option Scheme which would result in the total number of the Awarded Shares together with Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other incentive or share option schemes of the Company representing in aggregate over 30% of the Shares in issue from time to time (the “30% Aggregate Limit for the Share Option Scheme and the Share Award Scheme”).

Up to the Latest Practicable Date, the Company has granted, in aggregate, Options under the Share Option Scheme which entitled holders thereof to subscribe for 257,056,202 Shares, of which, 133,603,659 Options were exercised, 31,510,492 Options were cancelled, 18,328,801 Options were lapsed. The Directors consider that the Company should refresh the Share Option Scheme Mandate Limit so that the Company has greater flexibility to provide incentives to, and recognize the contributions of the Eligible Participants under the terms of the Share Option Scheme. The Directors consider that the Refreshment of the Share Option Scheme Mandate Limit is in line with the purpose of the Share Option Scheme and is in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, there were 1,526,196,229 Shares in issue. Assuming no further issue or repurchase of Shares prior to the AGM, upon refreshment of the Share Option Scheme Mandate Limit by the Shareholders at the AGM, the Company may grant options entitling holders thereof to subscribe for up to a maximum number of 152,619,622 Shares, representing 10% of the issued share capital of the Company as at the date of AGM. The total number of Shares which may be issued upon exercise of the “refreshed” Share Option Scheme Mandate Limit of 152,619,622 Shares together with all outstanding Options as at the Latest Practicable Date carrying the right to subscribe 73,613,250 Shares is 226,232,872 Shares, representing approximately 14.8% of the total number of Shares in issue as at the date of AGM. No options may be granted under the Share Option Scheme if this will result in exceeding the 10% Limit for the Share Option Scheme and the Share Award Scheme and/or the 30% Aggregate Limit for the Share Option Scheme and the Share Award Scheme under the Listing Rules.

The Refreshment of the Share Option Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the Refreshment of the Share Option Scheme Mandate Limit at the AGM; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of the Refreshment of the Share Option Scheme Mandate Limit at the AGM) which may fall to be issued upon exercise of the options to be granted under the refreshed Share Option Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares, representing 10% of the Shares in issue at the AGM, which may fall to be issued upon exercise of the options that may be granted under the refreshed Share Option Scheme Mandate Limit.

(b) Refreshment of Share Award Scheme Mandate Limit

The Company adopted the existing Share Award Scheme on 25 March 2011.

Pursuant to the Listing Rules and the terms of the Share Award Scheme, the maximum number of Awarded Shares (as defined under the Share Award Scheme) must not exceed 66,578,998 Shares, representing 5% of the Shares in issue on 25 March 2011.

LETTER FROM THE BOARD

The Share Award Scheme Mandate Limit was not refreshed since 25 March 2011.

The Company may refresh the Share Award Scheme Mandate Limit at any time subject to prior Shareholders' approval provided that:

- (i) the Share Award Scheme Mandate Limit so refreshed must not exceed 5% of the Shares in issue as at the date of the Shareholders' approval of the refreshed Share Award Scheme Mandate Limit; and
- (ii) Awarded Shares previously granted under the Share Award Scheme will not be counted for the purpose of calculating the Share Award Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, the Company will not issue any Awarded Shares under the Share Award Scheme which would result in exceeding the 10% Limit for the Share Option Scheme and the Share Award Scheme and/or 30% Aggregate Limit for the Share Option Scheme and the Share Award Scheme.

Up to the Latest Practicable Date, the Company has granted, in aggregate, 26,000,000 Awarded Shares under the Share Award Scheme, of which, 8,596,030 Awarded Shares were vested, 2,266,800 Awarded Shares were adjusted arising from the bonus issue of shares approved by the Shareholders on 23 May 2011, 18,150,000 Awarded Shares were unvested and 1,520,770 Awarded Shares were lapsed and returned to the Share Award Scheme. The Directors consider that the Company should refresh the Share Award Scheme Mandate Limit so that the Company has greater flexibility to provide incentives to, and recognize the contributions of the Eligible Participants under the terms of the Share Award Scheme. The Directors consider that the Refreshment of the Share Award Scheme Mandate Limit is in line with the purpose of the Share Award Scheme and is in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, there were 1,526,196,229 Shares in issue. Assuming no further issue or repurchase of Shares prior to the AGM, upon refreshment of the Share Award Scheme Mandate Limit by the Shareholders at the AGM, the Company may grant Awarded Shares up to a maximum number of 76,309,811 Shares, representing 5% of the issued share capital of the Company as at the date of AGM. The total number of Shares which may be granted upon the "refreshed" Share Award Scheme Mandate Limit is 76,309,811 Shares. The Company will not issue any Awarded Shares under the Share Award Scheme which would result in exceeding the 10% Limit for the Share Option Scheme and the Share Award Scheme and/or the 30% Aggregate Limit for the Share Option Scheme and the Share Award Scheme.

The Refreshment of the Share Award Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the Refreshment of the Share Award Scheme Mandate Limit at the AGM; and

LETTER FROM THE BOARD

- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 5% of the Shares in issue as at the date of passing the resolution of the Refreshment of the Share Award Scheme Mandate Limit at the AGM) which may fall to be issued under the refreshed Share Award Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares, representing 5% of the Shares in issue at the AGM, which may fall to be issued under the refreshed Share Award Scheme Mandate Limit.

PROPOSED AMENDMENTS TO THE M&A AND ADOPTION OF THE AMENDED AND RESTATED M&A

The amendments to the Listing Rules as well as the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules would come into effect on 1 January 2012 and 1 April 2012. Accordingly, the Directors propose to seek the approval of the Shareholders by way of special resolutions for the amendments to the existing M&A and the adoption of the amended and restated M&A by consolidating the various previous amendments made to the M&A pursuant to the resolutions passed by the Shareholders of the Company and the proposed amendments to the M&A (subject to Shareholders' approval at the AGM) so as to bring the M&A of the Company in line with current amendments made to the Listing Rules and relevant laws and enhance the flexibility to manage the Company.

The major proposed amendments include the following:

- to allow the chairman at a general meeting to exempt procedural and administrative matters from voting by poll.
- to no longer permit a Director to disregard 5% interests when considering whether the Director has a material interest which would prevent him from forming part of the quorum or voting at board meeting;
- restrictions and procedures for appointment and removal of auditors before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting;
- to require a physical board meeting in lieu of written resolutions where a Director or substantial shareholder has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material;
- to provide 7-day period commencing on the day after the dispatch of the notice of general meeting by default, during which Shareholder may give notices for the nomination of Directors to the Company. Such amendment to avoid the need for an adjournment of the general meeting whilst still complying with the requirements of the Listing Rules;
- to allow flexibility to the Company to declare and pay dividends out of the share premium account of the Company by resolution of the Board alone;
- to allow the Company by ordinary resolution to suspend or relax the provisions of certain Articles relating to Directors' interest to any extent allowed by law and the Listing Rules or ratify any transaction not duly authorized by reason of a contravention of the relevant Articles relating to Directors' interest;

LETTER FROM THE BOARD

- to update the address of the registered office of the Company in the Cayman Islands pursuant to the change in the address system and adoption of new postal code in the Cayman Islands since 2006; and
- to insert a provision of the deregistration in Cayman Islands and be registered by way of continuation in another jurisdiction.

Details of the amendments to the M&A are set out in the notice of AGM.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the proposed amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments to the M&A.

Shareholders are advised that the consolidated version of the amended and restated M&A in Chinese is for reference only. In case of any inconsistency, the English version shall prevail.

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 Thursday, 17 May 2012 at 10:30 a.m. is set out on pages 21 to 30 of this circular. Ordinary resolutions will be proposed by the Company at the AGM to approve, among other things, the proposed grant of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the Refreshment of the Share Option and Share Award Schemes Mandate Limits. Special resolutions will be proposed by the Company at the AGM to approve the proposed amendments to the M&A and adoption of the amended and restated M&A.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the HKExnews's website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk 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 and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors consider the proposed grant of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the Refreshment of the Share Option and Share Award Schemes Mandate Limits and the proposed amendments to the M&A and adoption of the amended and restated M&A 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.

DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the copy of the consolidated version of the amended and restated M&A proposed to be adopted at the AGM; and
- (b) the annual reports of the Group for the two financial years ended 31 December 2010 and 31 December 2011.

GENERAL

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

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

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

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

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

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

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

2. SHARE CAPITAL

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

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

3. REASONS FOR THE REPURCHASE

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

4. FUNDING OF REPURCHASES

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

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2011, 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>
2011		
April	9.027	8.291
May	9.000	8.200
June	9.200	7.920
July	8.460	6.440
August	7.250	4.860
September	6.740	5.650
October	7.030	4.810
November	7.140	6.300
December	7.380	6.060
2012		
January	6.310	4.900
February	6.050	5.040
March	5.850	4.180
April (up to the Latest Practicable Date)	4.420	4.220

Note: The highest and lowest prices per Share during the period from 1 April 2011 up to 17 May 2011 were adjusted to take into account the effect of the bonus issue of Shares approved by the Shareholders on 23 May 2011.

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

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

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

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

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

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

Notes:

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

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

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

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

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

7. SHARES REPURCHASE MADE BY THE COMPANY

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

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

(1) Mr. Tong Chak Wai, Wilson (“Mr. Tong”)

Mr. Tong, aged 40, executive director and group financial controller. Mr. Tong is also the authorized representative and company secretary of the Company. Mr. Tong is mainly responsible for the overall financial management, accounting, investor relations and company secretarial duties of the Group. Mr. Tong holds a master of business administration degree from University of San Francisco, a master’s degree in economics from Murray State University, and a bachelor’s degree in accounting from University of Southern California. Mr. Tong is a Fellow Certified Practising Accountant of CPA Australia, a member of The Institute of Chartered Accountants in England and Wales, a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate of the Institute of Chartered Secretaries and Administrators and an associate of The Hong Kong Institute of Chartered Secretaries. Mr. Tong has over 17 years of experience in finance and legal work in the listed and multinational companies. He joined the Group in 2008.

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

As at the Latest Practicable Date, Mr. Tong personally holds 4,438,560 Shares, representing approximately 0.29% of the issued share capital of the Company, of which, including 450,000 unvested Awarded Shares under the Share Award Scheme. Subject to fulfillment of vesting conditions of the award, the Awarded Shares shall be vested and transferred to Mr. Tong. The Company granted Options under the Share Option Scheme entitling him to subscribe for 500,000 Shares. Save as disclosed above, Mr. Tong 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. Tong has entered into a service contract with the Company for an initial term of three years which commenced on 1 December 2008, 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. Tong’s remuneration has been fixed at approximately HK\$167,000 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. Zheng Guo Bao (“Mr. Zheng”)

Mr. Zheng, aged 46, executive director and the chief executive officer of WaveLab Holdings Limited, an indirect subsidiary of the Company. Mr. Zheng is primarily responsible for the strategic development of the digital microwave systems products. Mr. Zheng graduated from the University of Science and Technology of China and obtained bachelor’s and master’s degrees in electrical engineering. From 2000 to 2002, Mr. Zheng served as chief engineer in Filtronic Sigtek, Inc., Maryland USA. Before joining the Group, he worked as an engineering manager in wireless communication division of L3 Communications

(former EER Systems, Inc.), Virginia USA. He is a member of the Institute of Electrical and Electronics Engineers (IEEE). Mr. Zheng has over 25 years of experience in RF/micro wave/millimeter-wave technology and wireless communications and specialized in the field of research and development. He joined the Group in 2003.

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

As at the Latest Practicable Date, Mr. Zheng personally holds 3,397,176 Shares, representing approximately 0.22% of the issued share capital of the Company, of which, including 90,000 unvested Awarded Shares under the Share Award Scheme. Subject to fulfillment of vesting conditions of the award, the Awarded Shares shall be vested and transferred to Mr. Zheng. Save as disclosed above, Mr. Zheng 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. Zheng has entered into a service contract with the Company for an initial term of 18 months which commenced on 30 March 2008, 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. Zheng's remuneration has been fixed at approximately HK\$152,000 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. Zhang Yuan Jian

Mr. Zhang Yuan Jian, aged 54, executive director. He is also the senior vice president of the Group, the director of the Central Research Institute of the Group and the general manager of the wireless access product business division of the Group. He is in charge of the technical research of the Central Research Institute of the Group and responsible for the research and development and operational management of the product lines of wireless access products. 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. He has over 28 years of experience in the technical research on wireless communications, product development and relevant management. He joined the Group in 2004.

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

As at the Latest Practicable Date, Mr. Zhang Yuan Jian personally holds 564,456 Shares, representing approximately 0.04% of the issued share capital of the Company, of which, including 264,000 unvested Awarded Shares under the Share Award Scheme. Subject to fulfillment of vesting conditions of the award, the Awarded Shares shall be vested and transferred to Mr. Zhang Yuan Jian. The Company granted Options under the Share Option Scheme entitling him to subscribe for 500,000 Shares. He is also deemed to be

interested in 80,000 Shares beneficially held by his spouse personally, representing approximately 0.01% of the issued share capital. Save as disclosed above, Mr. Zhang Yuan Jian 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 Yuan Jian 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 Yuan Jian's remuneration has been fixed at approximately HK\$71,000 per month with discretionary bonus, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

(4) Mr. Lau Siu Ki, Kevin ("Mr. Kevin Lau")

Mr. Kevin Lau, aged 53, independent non-executive director. He is also the chairman of the audit committee, the remuneration committee and a member of the nomination committee of the Company. He 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. Mr. Kevin Lau is a fellow member of both the Association of Chartered Certified Accountants ("ACCA") as well as the Hong Kong Institute of Certified Public Accountants. He 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. Mr. Kevin Lau is also an independent non-executive director of Binhai Investment Company Limited, a company listed on the Growth Enterprise Market of the Stock Exchange and five other companies listed on the main board of the Stock Exchange namely TCL Communication Technology Holdings Limited, COL Capital Limited, Foxconn International Holdings Limited, Samson Holding Ltd. and Embry Holdings Limited. Mr. Kevin Lau had been an independent non-executive director of Carry Wealth Holdings Limited, Greenfield Chemical Holdings Limited and Proview International Holdings Limited until his resignation on 13 July 2011, 11 June 2010 and 24 August 2010 respectively. Mr. Kevin Lau joined the Group in 2003.

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

As at the Latest Practicable Date, the Company granted Options under the Share Option Scheme entitling him to subscribe for 342,000 Shares. Save as disclosed above, 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 service contract 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\$13,000 per month, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

(5) Mr. Liu Cai

Mr. Liu Cai, aged 71, 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. He is the vice chairman of the China Institute of Communications and chairman of the Consultative Committee for Telecom Law Drafting of the Ministry of Information Industry. From 1988 to 2001, Mr. Liu Cai 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, he 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, Mr. Liu Cai was engaged in research and development works at the China Academy of Post and Telecommunications after graduating from the Beijing Institute of Posts and Telecommunications (currently known as the 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. Mr. Liu Cai joined the Group in 2003.

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

As at the Latest Practicable Date, the Company granted Options under the Share Option Scheme entitling him to subscribe for 342,000 Shares. Save as disclosed above, 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 service contract 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\$17,000 per month, which are determined by the Board with reference to his duties, performance and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Mr. Kevin Lau and Mr. Liu Cai met the independence guidelines as set out in Rule 3.13 of the Listing Rules and the Company has received their annual written independence confirmations and considered them to be independent. Both Mr. Kevin Lau and Mr. Liu Cai have served on the Board as independent non-executive directors for more than 9 years. In view of Mr. Kevin Lau’s professional qualifications and extensive experience in the financial advisory field and Mr. Liu Cai’s extensive experience in the telecommunications industry, the Board believes that they are capable to provide constructive contributions and objective view to the Board. Therefore, the Board considers Mr. Kevin Lau and Mr. Liu Cai are still independent and should be re-elected.

Save as disclosed herein, there is no information relating to each of Mr. Tong Chak Wai, Wilson, Mr. Zheng Guo Bao, Mr. Zhang Yuan Jian, Mr. Lau Siu Ki, Kevin and Mr. Liu Cai 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 Thursday, 17 May 2012 at 10:30 a.m., to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2011;
2. to declare and approve a final dividend for the year ended 31 December 2011 of HK7 cents per share (the “**Share(s)**”) of the Company;
3.
 - (a) to re-elect Mr. Tong Chak Wai, Wilson as executive Director;
 - (b) to re-elect Mr. Zheng Guo Bao as executive Director;
 - (c) to re-elect Mr. Zhang Yuan Jian as executive Director;
 - (d) to re-elect and retain Mr. Lau Siu Ki, Kevin as independent non-executive Director who has served more than 9 years in the Company;
 - (e) to re-elect and retain Mr. Liu Cai as independent non-executive Director who has served more than 9 years in the Company;
 - (f) to authorize the board of Directors to fix the Directors’ remuneration;
4. to re-appoint Ernst & Young as the auditors of the Company and to authorize the board of Directors to fix their remuneration;

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

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 Shares of the Company 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;

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- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 6),

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

- (d) for the purposes of this resolution:

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

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

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

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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 nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
7. “**THAT** the Directors be and they are hereby authorized to exercise the authority referred to in paragraph (a) of 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.”

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

8. “**THAT** subject to the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme Mandate Limit (as defined below) and pursuant to the share option scheme of the Company adopted on 20 June 2003 (the “**Share Option Scheme**”), approval be and is hereby generally and unconditionally granted for refreshing and renewing the Share Option Scheme Mandate Limit (as defined below) under the Share Option Scheme provided that (i) the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other incentive or share option schemes of the Company shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the passing of this resolution (the “**Share Option Scheme Mandate Limit**”); and (ii) the overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other incentive or share option schemes and may be issued under the Share Award Scheme (as defined below) of the Company must not exceed 30 per cent. of the Shares in issue from time to time and that the Directors be and are hereby authorized, at their absolute discretion, to grant options under the Share Option Scheme up to the Share Option Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares of the Company pursuant to the exercise of such options.”

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- (5) By inserting the words “京信通信系統控股有限公司” after the words “Comba Telecom Systems Holdings Limited” in the definition of “Company” in Article 2(1).
- (6) By deleting the words ““Ordinary resolution”” in the definition of “Ordinary resolution” in Article 2(1) and substituting therefor by the words ““ordinary resolution””, and by deleting the words “duly given;” and substituting therefor by the words “duly given.”.
- (7) By deleting the words ““Special Resolution”” in the definition of “Special Resolution” in Article 2(1) and substituting therefor by the words ““special resolution””.
- (8) By inserting the following new definition in Article 2(1) before the definition of “Statutes”:

““substantial shareholder” the meaning attributed to it in the rules of the Designated Stock Exchange from time to time.”
- (9) Article 10(a) be amended as follows:
 - (i) by deleting the word “authorized” before the words “(representative) holding or representing by proxy” and substituting therefor by the word “authorised”;
 - (ii) by deleting the word “authorized” before the words “(representative) or by proxy” and substituting therefor by the word “authorised”; and
 - (iii) by adding the word “and” at the end of Article 10(a).
- (10) By deleting the words “on a poll” after the words “shall be entitled” in Article 10(b), and by deleting the words “; and” and substituting therefor by the word “.” in Article 10(b).
- (11) By deleting Article 10(c) in its entirety and substituting therefor by the words “(c) [INTENTIONALLY DELETED]”.
- (12) By adding the words “(14)” after the word “fourteen” in Article 23.
- (13) By adding the words “(12)” after the word “twelve” in Article 55(2).
- (14) By deleting Article 66 in its entirety and substituting therefor by the following:

“66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a general meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative) or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For the purposes of this Article, procedural and administrative matters

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are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
 - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
 - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by that Member.”

- (15) By deleting Article 67 in its entirety and substituting therefor by the following:

“67. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”

- (16) By deleting the first sentence of Article 68 in its entirety and substituting therefor by the following:

“Where a resolution is voted on by way of a poll, the result of the poll shall be deemed to be the resolution of the meeting.”

- (17) By deleting Article 69 in its entirety and substituting therefor by the words “69. [INTENTIONALLY DELETED]”.

- (18) By deleting Article 70 in its entirety and substituting therefor by the words “70. [INTENTIONALLY DELETED]”.

- (19) By deleting the words “, whether on a show of hands or on a poll” after the words “an equality of votes” in Article 73.

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- (20) By deleting:
- (i) the words “whether on a show of hands or on a poll,”;
 - (ii) the words “on a poll by proxy”; and
 - (iii) the words “or poll” after the words “or adjourned meeting”,
- in Article 75(1).
- (21) By deleting:
- (i) the first sentence in its entirety and substituting therefor by the following:

“The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.”; and
 - (ii) the words “or on a poll demanded at a meeting or an adjourned meeting”,
- in Article 80.
- (22) By deleting the words “to demand or join in demanding a poll and” in Article 81.
- (23) By deleting the words “or the taking of the poll,” after the words “or adjourned meeting,” in Article 82.
- (24) By deleting Article 84(2) in its entirety and substituting therefor by the following:
- “(2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.”
- (25) By deleting the words “or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting” in Article 88 and substituting therefor by the words

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“within the seven (7)-day period commencing the day after the dispatch of the notice of the general meeting appointed for such election (or such other period, being a period of not less than seven (7) days, commencing no earlier than the day after the dispatch of the notice of such general meeting and ending no later than seven (7) days prior to the date appointed for such general meeting, as may be determined by the Directors from time to time)”.

- (26) By adding the word “or” at the end of Article 103(1)(iv).
- (27) By deleting Article 103(1)(v) in its entirety and substituting therefor by the words “(v) [INTENTIONALLY DELETED]”.
- (28) By deleting Article 103(2) in its entirety and substituting therefor by the words “(2) [INTENTIONALLY DELETED]”.
- (29) By deleting Article 103(3) in its entirety and substituting therefor by the words “(3) [INTENTIONALLY DELETED]”.
- (30) By inserting new Article 103A by the following:
- “103A. The Company may by ordinary resolution suspend or relax the provisions of Articles 100 to 103 to any extent allowed by Law, Statutes and rules of the Designated Stock Exchange or ratify any transaction not duly authorised by reason of a contravention of any of Articles 100 to 103.”
- (31) By deleting the words “(jointly or severally or indirectly or indirectly)” after the words “if any one or more Directors hold” and substituting therefor by the words “(jointly or severally or directly or indirectly)” in Article 104(4)(iii).
- (32) By adding the following words at the end of Article 122:
- “Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”
- (33) By deleting Article 137 in its entirety and substituting therefor by the following:
- “137. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.”
- (34) By adding the words “dividends out of share premium account and/or” after the words “The Board may from time to time pay to the Members” in Article 139.
- (35) By adding the following words at the end of Article 155(3):
- “The Company must not remove its Auditor before the end of the Auditor’s term of office without first obtaining the Members’ approval at a general meeting, and the Auditor shall be allowed to attend such general meeting and make written and/or verbal representations to the Members at such general meeting.””

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11. “**THAT** conditional on the passing of special resolution no. 10 above, the amended and restated Memorandum which consolidates all of the proposed amendments referred to in subparagraphs (1) and (2) of special resolution no. 10 and all previous amendments made thereto pursuant to resolutions passed by the shareholders of the Company, a copy of which has been tabled at the meeting marked “A” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved and adopted as the amended and restated Memorandum of the Company in substitution for and to the exclusion of the existing Memorandum of the Company with immediate effect.”
12. “**THAT** conditional on the passing of special resolution no. 10 above, the amended and restated Articles which consolidates all of the proposed amendments referred to in subparagraphs (3) to (35) of special resolution no. 10 and all previous amendments made thereto pursuant to resolutions passed by the shareholders of the Company, a copy of which has been tabled at the meeting marked “B” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved and adopted as the amended and restated Articles of the Company in substitution for and to the exclusion of the existing Articles of the Company with immediate effect.”

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

Hong Kong, 17 April 2012

Registered office:

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

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

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

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.

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

- (i) For determining eligibility to attend and vote at the forthcoming AGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 15 May 2012
Closure of register of members, no transfer of shares will be registered	Wednesday, 16 May 2012 to Thursday, 17 May 2012 (both days inclusive)
Record date	Thursday, 17 May 2012

- (ii) For determining eligibility to the entitlements to the final dividend:

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 22 May 2012
Record date	Tuesday, 22 May 2012

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.

Dividend warrants are expected to be despatched on Wednesday, 30 May 2012, subject to shareholders' approval at the Company's forthcoming AGM.

4. In relation to proposed resolutions nos. 5 and 7 above, approval is being sought from the shareholders for the grant to the directors of the Company of a general mandate to authorize the allotment and issue of Shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new Shares of the Company other than Shares which may fall to be issued under the share option and share award schemes of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to 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 of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
6. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.