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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Comba Telecom Systems Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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)

**CONNECTED TRANSACTION:
ISSUE OF NEW SHARES TO CONNECTED PERSONS
UNDER THE SHARE AWARD SCHEME**

*Independent financial adviser to the Independent Board Committee
and the Independent Shareholders of the Company*



A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held on Monday, 23 May 2011 at 3:30 p.m. or immediately after conclusion of the Company’s annual general meeting to be held on the same day, whichever is later, at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong is set out on pages 23 to 24 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

A letter from the Board is set out on pages 4 to 9 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 10 of this circular.

A letter from Access Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 16 of this circular.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	10
Letter of advice from Access Capital	11
Appendix — General information	17
Notice of EGM	23

DEFINITIONS

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

“Access Capital” or “Independent Financial Adviser”	Access Capital Limited, a licensed corporation to conduct type 1 (securities dealing), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Account”	the securities account opened in the name of the Company to be operated solely for the purpose of operating the Share Award Scheme and the funds thereof to be held on trust by the Company for the Selected Persons
“Administration Committee”	the Remuneration Committee of the Company and senior management of the Company which shall include Chairman and President, and Group Financial Controller of the Company, delegated with the power and authority by the Board to administer the Share Award Scheme
“Announcement”	announcement made on 12 April 2011 in relation to the issue of new Shares under the Share Award Scheme and connected transaction: issue of new Shares to connected persons under the Share Award Scheme
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	the award of the Connected Awarded Shares to the Connected Selected Persons
“Awarded Shares”	the 26,000,000 new Shares by the Company to be issued and allotted in favour of the Selected Persons under the Share Award Scheme as announced in the Announcement
“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 and the issued Shares of which are listed on the main board of the Stock Exchange
“Connected Awarded Shares”	the 3,332,000 Awarded Shares awarded to the Connected Selected Persons under the Share Award Scheme
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Connected Selected Persons”	the 12 Selected Persons among the 365 Selected Persons who are directors of members of the Group and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) to the Company

DEFINITIONS

“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for considering and approving the Award
“General Mandate”	the general mandate granted by the Shareholders of the Company at the annual general meeting of the Company held on 24 May 2010
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Award
“Independent Selected Persons”	those Selected Persons other than the Connected Selected Persons
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the general meeting of the Company to approve the Award
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and the connected persons (as defined under the Listing Rules) of the Company
“Latest Practicable Date”	28 April 2011, 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
“PRC”	the People’s Republic of China
“Selected Person(s)”	the 365 eligible person(s) selected by the Board for participation in the Share Award Scheme in respect of the award of the Awarded Shares
“SFO”	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, as amended from time to time

DEFINITIONS

“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
“Trust Deed”	a trust deed as entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	the trustee corporation(s) as appointed by the Company for the administration of the Share Award Scheme
“%”	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 and President*)
Mr. ZHANG Yue Jun
Mr. TONG Chak Wai, Wilson
Mr. WU Jiang Cheng
Mr. YAN Ji Ci
Mr. ZHENG Guo Bao
Mr. YEUNG Pui Sang, Simon

Independent non-executive Directors:

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

Registered office:

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

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

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

5 May 2011

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION:
ISSUE OF NEW SHARES TO CONNECTED PERSONS
UNDER THE SHARE AWARD SCHEME**

INTRODUCTION

Reference is made to the announcement of the Company dated 12 April 2011 pursuant to which the Company announces that the Board has resolved to award 26,000,000 Awarded Shares to 365 Selected Persons by way of issue and allotment of new Shares pursuant to the General Mandate. Among those 365 Selected Persons, there are 12 Connected Selected Persons who are directors of members of the Group and accordingly connected persons of the Company and the award of 3,332,000 Connected Awarded Shares to them constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders at the EGM.

The purpose of this circular is to provide you with details of the Award, the recommendation of the Independent Board Committee, the advice from Access Capital to the Independent Board Committee and the Independent Shareholders in relation to the Award and the notice of EGM.

LETTER FROM THE BOARD

DETAILS OF AWARD OF THE AWARDED SHARES

On 12 April 2011, the Board has resolved to award 26,000,000 Awarded Shares to 365 Selected Persons under the Share Award Scheme by way of issue and allotment of new Shares pursuant to the General Mandate.

The Board shall cause to be paid the subscription monies for the 26,000,000 new Awarded Shares from the internal resources of the Group into the Account and the Trustee and/or the Administration Committee shall apply such monies for the subscription of the new Awarded Shares. Upon issue and allotment of the new Shares, the Trustee and/or Administration Committee will hold the new Shares in trust for the Selected Persons and such new Awarded Shares shall be transferred to the Selected Persons upon the vesting conditions will have been met. The number of Awarded Shares granted to each of the Selected Person is subject to their respective contributions to the Group at the discretion of the Board.

General Information

The information in relation to the issue and allotment of the 26,000,000 new Awarded Shares to the Selected Persons is set out below:

Securities to be issued:	26,000,000 ordinary Shares of HK\$0.10 each in the share capital of the Company, as to 22,668,000 Awarded Shares to be issued and allotted to the Independent Selected Persons and as to 3,332,000 Awarded Shares to be issued and allotted to the Connected Selected Persons
Issue price:	the Awarded Shares shall be issued and allotted at nominal value
Funds to be raised:	There will be no amount raised by the Company as a result of the issue and allotment of the Awarded Shares. HK\$2,600,000, being the aggregate nominal value of the Awarded Shares to be issued and allotted, shall be paid out of the internal resources of the Group and shall be utilized as subscription monies for the Awarded Shares
Reasons for the issue:	For better utilization of the resources of the Company, the issue is to make available the Awarded Shares for granting to Selected Persons under the Share Award Scheme, which forms part of the incentive schemes of the Company that recognize the contributions made by the Selected Persons and that attract and retain talents for the continual operation and development of the Group
Identity of the allottee(s):	the Trustee, which will hold the Awarded Shares in trust in accordance with the Trust Deed for the 365 Selected Persons, who are employees, directors and business consultants of members of the Group
Market price of the Shares:	the closing price of the Shares as at 12 April 2011 as quoted on the Stock Exchange is HK\$9.32 per Share the average closing price of the Shares for the five consecutive trading days including 12 April 2011 as quoted on the Stock Exchange is HK\$9.29 per Share

LETTER FROM THE BOARD

the closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$9.82 per Share

Vesting period: the Awarded Shares shall be subject to vesting period(s) from the date of resolution of the grant for the Awarded Shares differing among the Selected Persons. The Awarded Shares shall be transferred to the Selected Persons upon expiry of the vesting period(s)

Fund raising activities in the past 12 months: The Company has not engaged in any fund raising exercises in the 12 months immediately preceding the date of the Announcement

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Independent Selected Persons and their respective ultimate beneficial owners, if any, are Independent Third Parties.

Award to the Connected Selected Persons

Among those 365 Selected Persons, there are 12 Connected Selected Persons who are directors of members of the Group and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) to the Company and the issue and allotment of the 3,332,000 new Connected Awarded Shares to them under the Share Award Scheme shall constitute connected transaction under Chapter 14A of the Listing Rules on the part of the Company and shall be subject to, among others, the approval by the Independent Shareholders at the EGM.

Among the Connected Awarded Shares mentioned above, 2,360,000 and 972,000 new Awarded Shares were granted to the following Directors and the directors of the subsidiaries of the Company respectively with details as follows:

Directors of the Company	Number of new Awarded Shares
Mr. Tong Chak Wai, Wilson	600,000
Mr. Wu Jiang Cheng	600,000
Mr. Yan Ji Ci	520,000
Mr. Zheng Guo Bao	120,000
Mr. Yeung Pui Sang, Simon	520,000
Sub-total	<u>2,360,000</u>

Directors of the Company's subsidiaries	Number of new Awarded Shares
Mr. Chen Sui Yang	211,000
Mr. Zhang Jin Yu, Charles	233,500
Mr. Zhang Shan Yu	223,000
Mr. Feng Yong	237,000
Mr. Qiu Bing	30,000
Mr. Dai Jinghui	22,500
Mr. Ong Sing Jye	15,000
Sub-total	<u>972,000</u>
Total	<u><u>3,332,000</u></u>

LETTER FROM THE BOARD

Conditions

The issue and allotment of the 22,668,000 Awarded Shares to the Independent Selected Persons shall be subject to the grant of the listing approval by the Stock Exchange. The issue and allotment of the 3,332,000 Connected Awarded Shares to the Connected Selected Persons shall be subject to the following conditions:

- (a) the grant of the listing approval by the Stock Exchange in respect of the Awarded Shares; and
- (b) the approval by the Independent Shareholders at the EGM in respect of the issue and allotment of the Connected Awarded Shares.

Details of Awarded Shares

The 26,000,000 new Awarded Shares to be issued and allotted by the Company to the Selected Persons represent approximately 1.9% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 1.9% of the issued share capital of the Company as enlarged by the issue and allotment of the aggregate 26,000,000 Awarded Shares as at the Latest Practicable Date.

The 3,332,000 Connected Awarded Shares to be issued and allotted to the Connected Selected Persons represent approximately 0.2% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 0.2% of the issued share capital of the Company as enlarged by the issue and allotment of the aggregate 26,000,000 Awarded Shares as at the Latest Practicable Date.

Based on the closing price of HK\$9.82 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market values of the 26,000,000 Awarded Shares and the 3,332,000 Connected Awarded Shares will be HK\$255,320,000 and HK\$32,720,240 respectively.

The new Awarded Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment. For the avoidance of doubt, the new Connected Awarded Shares, if passed at the EGM, will not have the right to participate in the bonus issue of Shares and the right to receive the final dividend and the special dividend for the year ended 31 December 2010, of which the resolutions will be proposed at the Company's annual general meeting to be held on Monday, 23 May 2011 at 3:00 p.m.

Application has been made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate 26,000,000 Awarded Shares.

The General Mandate has not been utilized immediately before the grant of the Awarded Shares to the Selected Persons.

Reasons for the award of the Awarded Shares

The Group is principally engaged in research, development, manufacture and sale of wireless telecommunications network enhancement system equipment and the provision of related engineering services.

The Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Awarded Shares to the Selected Persons is recognition of the past contributions made by the Selected Persons to the Group and the Awarded Shares also provide incentives to the Selected Persons and will allow the Group to attract and retain talents for the continual operation and development of the Group. The award of the Awarded Shares to the Selected Persons (including the Connected Awarded Shares to the Connected Selected Persons) recognizes their continual support to the Group and their effort will promote the Group's future development.

LETTER FROM THE BOARD

Furthermore, there will not be substantial cash outflow by the Group under the award of the Awarded Shares to provide incentives to the Selected Persons. In this regard, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

The Award constitutes a connected transaction on the part of the Company. As the Connected Selected Persons are directors of members of the Group and accordingly connected persons of the Company, the Award constitutes a non-exempted connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirement.

Pursuant to the Listing Rules, the resolution proposed at the EGM will be taken by way of poll and an announcement will be made after the EGM on the results of the EGM.

Pursuant to Chapter 14A of the Listing Rules, the Connected Selected Persons and their respective associates are required to abstain from voting on the resolution at the EGM of the Company to approve the Award. Save for the Connected Selected Persons and their respective associates, to the best of the Directors' knowledge, information and belief, there is no other Shareholders have a material interest in the Award and accordingly are required to abstain from voting at the EGM.

Mr. Tong Chak Wai, Wilson, Mr. Wu Jiang Cheng, Mr. Yan Ji Ci, Mr. Zheng Guo Bao and Mr. Yeung Pui Sang, Simon have abstained from approving the board resolution on the award of the Awarded Shares to them.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Yao Yan, Mr. Lau Siu Ki, Kevin and Mr. Liu Cai, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the Award. Access Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

A notice convening the EGM of the Company to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Monday, 23 May 2011 at 3:30 p.m. or immediately after conclusion of the Company's annual general meeting to be held on the same day, whichever is later, is set out on pages 23 to 24 of this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Connected Selected Persons; and (ii) no obligation or entitlement of any Connected Selected Persons as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

LETTER FROM THE BOARD

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, 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 no later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

RECOMMENDATION

The Board considers that the terms of the Award are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 10 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM in relation to the Award; and (ii) the letter from Access Capital, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Award and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Access Capital is set out on pages 11 to 16 of this circular.

The Independent Board Committee, having taken into account the advice of Access Capital, considers that the Award is on normal commercial terms, and in the ordinary and usual course of business of the Group and that the terms of the Award are fair and reasonable and in the interests of the Company so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the Award.

GENERAL

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman and President

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)

5 May 2011

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION:
ISSUE OF NEW SHARES TO CONNECTED PERSONS
UNDER THE SHARE AWARD SCHEME**

We refer to the circular of the Company dated 5 May 2011 (the “Circular”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you the terms of the Award whether such terms are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole and how to vote on the resolution regarding the award of the Connected Awarded Shares to the Connected Selected Persons.

Access Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Award are fair and reasonable so far as the Independent Shareholders are concerned, whether such terms are in the interests of the Company and the Independent Shareholders as a whole and how to vote on the resolution regarding the Award. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, is set out on pages 11 to 16 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 9 of the Circular and the additional information set out in the appendix to the Circular.

Having considered the terms of the Award and the advice of Access Capital, we are of the opinion that the terms of the Award are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Award.

Yours faithfully,
Independent Board Committee of
Comba Telecom Systems Holdings Limited

Mr. YAO Yan
*Independent non-executive
Director*

Mr. LAU Siu Ki, Kevin
*Independent non-executive
Director*

Mr. LIU Cai
*Independent non-executive
Director*

LETTER OF ADVICE FROM ACCESS CAPITAL

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



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

5 May 2011

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

Dear Sirs,

CONNECTED TRANSACTION: ISSUE OF NEW SHARES TO CONNECTED PERSONS UNDER THE SHARE AWARD SCHEME

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the issue and allotment of the Connected Awarded Shares to the Connected Selected Persons under the Share Award Scheme (i.e., the Award), details of which are contained in the “Letter from the Board” in the circular to the Shareholders dated 5 May 2011 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise specifies.

Reference is made to the Company’s announcement dated 12 April 2011 regarding the Board has resolved to award 26,000,000 Awarded Shares to 365 Selected Persons by way of issue and allotment of new Shares pursuant to the General Mandate.

As certain Selected Persons are connected persons of the Company, the issue and allotment of the Connected Awarded Shares to those Connected Selected Persons constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders.

LETTER OF ADVICE FROM ACCESS CAPITAL

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

BASIS AND OUR OPINION

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

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Company or any of its subsidiaries.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

I. Background to and reasons for the Award

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the research, development, manufacture and sale of wireless telecommunications network enhancement system equipment and the provision of related engineering services.

LETTER OF ADVICE FROM ACCESS CAPITAL

The Group has been performing well in recent years. Set out below is the five-year summary financial results of the Group for the five financial years ended 31 December 2010, as extract from the Company's annual report for the year ended 31 December 2010 (the "2010 Annual Report"):

	For the year ended 31 December				
	2010	2009	2008	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5,191,358	4,439,991	2,525,895	1,768,418	1,550,441
Cost of sales	<u>(3,251,658)</u>	<u>(2,758,068)</u>	<u>(1,579,861)</u>	<u>(1,087,161)</u>	<u>(963,901)</u>
Gross profit	1,939,700	1,681,923	946,034	681,257	586,540
Profit before tax	856,730	752,609	259,982	197,764	147,786
Income tax expenses	<u>(119,540)</u>	<u>(142,291)</u>	<u>(27,493)</u>	<u>(7,193)</u>	<u>(16,561)</u>
Profit for the year	737,190	610,318	232,489	190,571	131,225
Attributable to:					
Owners of the parent	724,326	564,500	227,512	191,619	131,140
Non-controlling interests	12,864	45,818	4,977	(1,048)	85

As noted from the table above, the operations and profits of the Group grew significantly during the last five years. The revenue of the Group increased from approximately HK\$1,550.4 million for the year ended 31 December 2006 to approximately HK\$5,191.4 million for the year ended 31 December 2010, representing a compound annual growth rate of approximately 35.3%. Profits attributable to owners of the parent grew from approximately HK\$131.1 million to HK\$724.3 million during the same period, representing a compound annual growth rate of approximately 53.3%.

As stated in the 2010 Annual Report, the Group remains optimistic yet prudent to the 2011 market environment and will continue to actively develop more new products, expand the market and strengthen the service quality so as to consolidate the Group's leading position in the industry. Following the rapid expansion in the number of mobile phone users, there is a strong demand for the network enhancement of the operators. In addition, pursuant to the "Twelfth Five-year Plan" of the PRC, information, communication and technology industry is clearly defined as one of the seven strategic emerging industries of the PRC in the next five years and substantial development and upgrade of the technological standard is expected. Therefore, the Directors believe that there are enormous potential business opportunities.

In order to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group, the Board adopted the Share Award Scheme on 25 March 2011.

On 12 April 2011, the Board has resolved to award 26,000,000 Awarded Shares to 365 Selected Persons by way of issue and allotment of new Shares pursuant to the General Mandate.

Among those 365 Selected Persons, there are 12 Connected Selected Persons who are directors of members of the Group and accordingly connected persons to the Company and the issue and allotment of the 3,332,000 new Connected Awarded Shares to the Connected Selected Persons under the Share Award Scheme shall constitute connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders other than the Connected Selected Persons and their respective associates at the EGM.

LETTER OF ADVICE FROM ACCESS CAPITAL

The Connected Awarded Shares will be new Shares to be issued and allotted by the Company, which require no cash outlay to the Group. The Group can preserve cash balance to pay out employee benefits under the Award. We note that the Awarded Shares shall be subject to vesting period(s) from the date of resolution of the grant for the Awarded Shares differing among the Selected Persons. The Awarded Shares shall be transferred to the Selected Persons upon expiry of the vesting period(s).

As the Award would (i) allow the Connected Selected Persons to have ownership of the Group and directly align the interest of the Connected Selected Persons to the financial and business of the Group; and (ii) increase the morale of the Connected Selected Persons, we concur with the view of the Directors that the share-based incentives to the Connected Selected Persons aligns with the interest of the Company and the Shareholders as a whole.

II. Principal terms of the Award

The Board may select any eligible person (other than excluded person) for participation in the Share Award Scheme and determine the number of the Awarded Shares to be awarded to the Selected Persons. The Board is entitled to impose any conditions (including a period of continued service within the Group after 12 April 2011), as it deems appropriate with respect to the entitlement of the Selected Person to the Awarded Shares.

Among the Connected Awarded Shares above, 2,360,000 and 972,000 new Awarded Shares were granted to the following Directors and the directors of the subsidiaries of the Company respectively with details as follows:

	Length of services in the Group (years)	Number of new Awarded Shares	Closing Share price as at the date of award (12 April 2011) HK\$	Value for the new Awarded Shares HK\$
Directors of the Company				
Mr. Tong Chak Wai, Wilson	3	600,000	9.32	5,592,000
Mr. Wu Jiang Cheng	14	600,000	9.32	5,592,000
Mr. Yan Ji Ci	14	520,000	9.32	4,846,400
Mr. Zheng Guo Bao	8	120,000	9.32	1,118,400
Mr. Yeung Pui Sang, Simon	7	520,000	9.32	4,846,400
Directors of the Company's subsidiaries				
Mr. Chen Sui Yang	13	211,000	9.32	1,966,520
Mr. Zhang Jin Yu, Charles	7	233,500	9.32	2,176,220
Mr. Zhang Shan Yu	14	223,000	9.32	2,078,360
Mr. Feng Yong	11	237,000	9.32	2,208,840
Mr. Qiu Bing	7	30,000	9.32	279,600
Mr. Dai Jinghui	12	22,500	9.32	209,700
Mr. Ong Sing Jye	9	15,000	9.32	139,800

LETTER OF ADVICE FROM ACCESS CAPITAL

The number of new Awarded Shares to be awarded to Connected Selected Persons other than the Directors range from 15,000 Shares to 237,000 Shares, representing a valuation of HK\$139,800 to HK\$2,208,840.

We have discussed with the Company and note that the number of new Awarded Shares to be granted to the Connected Selected Persons is based on (i) the Connected Selected Persons' respective position in the Company; (ii) year of services in the Company; (iii) individual performances of the Connected Selected Persons; and (iv) the past/future contributions to the operation and development of the Company. We note that the year of services of the Connected Selected Persons is, on average, approximately 10 years.

The Board decides the number of new Awarded Shares to be awarded to each Connected Selected Persons. The relevant Directors have abstained from decision making when determining their own Awarded Shares.

In order to determine the fairness and reasonableness of the amount of Awarded Shares to be awarded to the Connected Selected Persons, we have compared the value under the Awarded Shares to the Directors plus the compensation package of the Directors to the compensation package of the companies listed on the Stock Exchange with a market capitalisation of over HK\$5 billion which are principally engaged in the design, development, manufacture and distribution of advanced telecommunications equipment. We are able to identify only one listed company, namely ZTE Corporation (stock code: 763) which is comparable to the Company.

Set out below is the comparison between (i) the total compensation consisting of the emolument for the year ended 31 December 2010 and the Awarded Shares (the "Total Compensation") and (ii) the compensation of ZTE Corporation for the year ended 31 December 2010:

The total remuneration for Directors who are Connected Selected Persons as disclosed in the 2010 Annual Report	:	HK\$2,239,000 to HK\$4,129,000
Value of the Awarded Shares to Directors who are Connected Selected Persons	:	HK\$1,118,400 to HK\$5,592,000
<hr/>		
Total Compensation to the Directors who are Connected Selected Persons	:	HK\$3,357,400 to HK\$9,721,000
Range of emolument of ZTE Corporation's five highest paid employees	:	RMB3,000,001 to RMB7,000,000 (equivalent to HK\$3,570,001 to HK\$8,330,000 (<i>Note</i>))

Note: the exchange rate of RMB1 to HK\$1.19 is adopted.

As shown in the table above, the value of the Total Compensation ranges from HK\$3,357,400 to HK\$9,721,000. The value of the Total Compensation of the Directors is in general comparable to the range of emolument of ZTE Corporation's five highest paid employees. Certain of the Directors have a Total Compensation higher than that of ZTE Corporation, however, each company have a different compensation structure and the Awarded Shares have a maximum vesting period of three years which would provide incentives for the Connected Selected Persons to retain them for the continual operation and development of the Group.

As for the Connected Selected Persons other than the Directors which are entitled to Awarded Shares ranging from HK\$139,800 to HK\$2,208,840 in value, we have discussed with the Company in respect of their respective position, year of services and contributions to the Group.

LETTER OF ADVICE FROM ACCESS CAPITAL

Taking into account (i) factors including the Connected Selected Persons' length of service, merits and contributions to the Company; (ii) the value of the Awarded Shares is in general comparable to the compensation of the company with similar business to the Group; (iii) the relevant Connected Selected Persons have abstained from decision making when determining their own Awarded Shares; (iv) the determination of number of Awarded Shares by the Board is not influenced by the Connected Selected Persons; (v) the financial results of the Group in recent years have been growing rapidly, in particular, the profits have been growing at a compound annual growth rate of approximately 53.3% for the past five years; (vi) the Connected Selected Persons have to follow the terms of the Share Award Scheme as with other Selected Persons; and (vii) the benefits of the Award as mentioned in the section headed "Background to and reasons for the Award" above, we are of the view that the amount of Awarded Shares to be awarded to the Connected Selected Persons to be fair and reasonable.

Financial effects of the Award

After awarding the Awarded Shares to the Connected Selected Persons, the value of such Awarded Shares would be charged as expenses of the Group for the relevant financial year.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the Award is in the interests of the Company and the Shareholders as a whole; (ii) the transactions to be contemplated under the Award are in the ordinary and usual course of business of the Company and on normal commercial terms; and (iii) the terms of the Award are fair and reasonable. Accordingly, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Award and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

Access Capital Limited

Alexander Tai

Jimmy Chung

Principal Director

Principal Director

1. 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.

2. SHARE CAPITAL*Authorised:*

<u>5,000,000,000</u>	Shares	<u>HK\$500,000,000</u>
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Issued and to be issued:

1,334,406,514	Shares in issue as at the Latest Practicable Date	HK\$133,440,651
26,000,000	Awarded Shares to be allotted and issued in full pursuant to the terms of the Share Award Scheme	HK\$2,600,000
<u>1,360,406,514</u>	Shares	<u>HK\$136,040,651</u>

3. DISCLOSURE OF INTERESTS**(a) Directors' and chief executive's interests in the Company**

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

Long positions in the ordinary Shares of the Company:

Name of Director	Notes	No. of ordinary shares held, capacity and nature of interest			Approximate % of shareholding
		Directly beneficially owned	Through controlled corporation	Total	
Mr. Fok Tung Ling ("Mr. Fok")	(a)	15,689,295	473,060,807	488,750,102	36.63
Mr. Zhang Yue Jun ("Mr. Zhang")	(b)	—	139,389,502	139,389,502	10.45
Mr. Tong Chak Wai, Wilson ("Mr. Tong")	(c)	3,988,900	—	3,988,900	0.30
Mr. Wu Jiang Cheng ("Mr. Wu")	(d)	6,778,502	—	6,778,502	0.51
Mr. Yan Ji Ci ("Mr. Yan")	(e)	5,732,196	—	5,732,196	0.43
Mr. Zheng Guo Bao ("Mr. Zheng")	(f)	3,099,251	—	3,099,251	0.23
Mr. Yeung Pui Sang, Simon ("Mr. Yeung")	(g)	4,728,622	—	4,728,622	0.35
		<u>40,016,766</u>	<u>612,450,309</u>	<u>652,467,075</u>	<u>48.90</u>

Notes:

- (a) 471,892,456 Shares and 1,168,351 Shares are beneficially owned by Prime Choice Investments Limited ("Prime Choice") and Total Master Investments Limited ("Total Master"), respectively. By virtue of his 100% shareholding in each of Prime Choice and Total Master, Mr. Fok is deemed or taken to be interested in the total of 473,060,807 Shares owned by Prime Choice and Total Master.
- (b) These Shares are beneficially owned by Wise Logic Investments Limited ("Wise Logic"). By virtue of his 100% shareholding in Wise Logic, Mr. Zhang is deemed or taken to be interested in the 139,389,502 Shares owned by Wise Logic.
- (c) These Shares include 600,000 Awarded Shares granted on 12 April 2011 and subject to the Independent Shareholders' approval at the EGM.
- (d) These Shares include 600,000 Awarded Shares granted on 12 April 2011 and subject to the Independent Shareholders' approval at the EGM.
- (e) These Shares include 520,000 Awarded Shares granted on 12 April 2011 and subject to the Independent Shareholders' approval at the EGM.
- (f) These Shares include 120,000 Awarded Shares granted on 12 April 2011 and subject to the Independent Shareholders' approval at the EGM.
- (g) These Shares include 520,000 Awarded Shares granted on 12 April 2011 and subject to the Independent Shareholders' approval at the EGM.

Long positions in share options of the Company:

Name of Directors	No. of options directly beneficially owned
Mr. Tong	1,300,700
Mr. Wu	4,337,850
Mr. Yan	4,129,130
Mr. Zheng	732,050
Mr. Yeung	4,099,480
Mr. Yao Yan	220,000
Mr. Lau Siu Ki, Kevin	220,000
Mr. Liu Cai	220,000
	15,259,210

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

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations as at the Latest Practicable Date.

(b) Substantial Shareholders' interests in the Company and its subsidiaries

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

(i) Long positions in the ordinary Shares of the Company:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Approximate % of shareholding
Prime Choice		Beneficial owner	471,892,456	35.36
Mdm. Chen Jing Na ("Mdm. Chen")	<i>(a)</i>	Interest of spouse	488,750,102	36.63
Wise Logic		Beneficial owner	139,389,502	10.45
Mdm. Cai Hui Ni ("Mdm. Cai")	<i>(b)</i>	Interest of spouse	139,389,502	10.45

Notes:

- (a) Mdm. Chen is the spouse of Mr. Fok and is deemed to be interested in the 488,750,102 Shares in which Mr. Fok is deemed or taken to be interested for the purposes of the SFO.
- (b) Mdm. Cai is the spouse of Mr. Zhang and is deemed to be interested in the 139,389,502 Shares in which Mr. Zhang is deemed or taken to be interested for the purposes of the SFO.

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

Name of subsidiary	Name of substantial shareholder	Approximate % of shareholding
WaveLab Holdings Limited	Mr. Zheng Guo Bao	32%

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

4. DIRECTORS' SERVICE CONTRACTS

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

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of and except for the WaveLab Holdings Limited (in whose issued share capital Mr. Zheng is interested beneficially as to 32%) and its subsidiary's business in sale of wireless transmission and access products used in connection with microwave transmission outside the PRC, Hong Kong and Macau, none of the Directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or, any other conflicts of interest within the Group.

6. DIRECTORS' INTEREST IN ASSETS

The Directors confirm that none of the Directors has any interest, directly or indirectly, in any assets which had been, since 31 December 2010, being the latest published audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. DIRECTORS' INTEREST IN CONTRACTS

Except for Mr. Zheng's interest in the agreement for the wireless transmission and access products, the agreement for the components used in the wireless transmission and access products, both between WaveLab Holdings Limited and the Group (excluding WaveLab Holdings Limited and its subsidiaries) and the loan agreement between WaveLab Holdings Limited (the "Borrower") and the lender, Cascade Technology Limited (a wholly-owned indirect subsidiary of the Company) for a principal amount of US\$8,500,000, which is used for the working capital purpose of the Borrower and its subsidiaries, the Directors confirm that there is no other contract or arrangement subsisting as at the Latest Practicable Date in which a Director was materially interested which was significant in relation to the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Board confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2010 (being the date to which the latest published audited consolidated accounts of the Group were made up).

9. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualification of the expert who have given opinions or advice which are contained in this circular:

Name	Qualifications
Access Capital	A licensed corporation to conduct type 1 (securities dealing), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

Access Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name in the form and context in which it appears as at the Latest Practicable Date.

As at the Latest Practicable Date, Access Capital does not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Access Capital does not have any direct or indirect interests in any assets which had been since 31 December 2010, the date of which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any members of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong.

- (c) The principal share registrar and transfer office of the Company is Butterfield Fulcrum Group (Cayman) Limited, Butterfield House, 68 Fort Street, P.O. Box 609, Grand Cayman, KY1-1107, Cayman Islands.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (e) The secretary of the Company is Mr. Tong Chak Wai, Wilson, who is a Fellow Certified Practising Accountant of CPA Australia, a member of The Institute of Chartered Accountants in England and Wales, a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also an associate of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (f) The English text of this circular shall prevail over their respective Chinese text in case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection 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 during normal business hours from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the Share Award Scheme;
- (c) the letter from the Independent Board Committee, the text of which is set out on page 10 in this circular;
- (d) the letter of advice from Access Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 11 to 16 in this circular;
- (e) the written consent referred to in the paragraph headed “Qualification and consent of expert” in this appendix;
- (f) the annual reports of the Company for the two financial years ended 31 December 2009 and 31 December 2010; and
- (g) this circular.

Comba
COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京 信 通 信 系 統 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2342)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Comba Telecom Systems Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) will be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on Monday, 23 May 2011 at 3:30 p.m. or immediately after conclusion of the Company’s annual general meeting to be held on the same day, whichever is later, for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the award (the “**Award**”) of an aggregate of 3,332,000 new shares of HK\$0.10 each (each a “**Connected Awarded Share**”) to 12 selected persons (the “**Connected Selected Persons**”) who are directors of members of the Group and connected persons of the Company under the share award scheme (the “**Share Award Scheme**”) (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) adopted by the Company on 25 March 2011 and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Award and the transactions contemplated thereunder; and
- (c) the allotment and issue of the Connected Awarded Shares of HK\$0.10 each in the share capital of the Company, credited as fully paid, to the Connected Selected Persons in accordance with the terms of the Share Award Scheme be and is hereby approved.”

Yours faithfully,
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman and President

Hong Kong, 5 May 2011

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 EGM

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association 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 EGM 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. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. The record date for determination of both attendance and voting at the EGM will be on Monday, 23 May 2011. For details of the closure of register of members of the Company and the latest time for lodging transfers of the shares, please refer to the Company's circular dated 18 April 2011 for the forthcoming annual general meeting.