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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) NUMBER OF BONUS SHARES ISSUED; AND (2) ADJUSTMENTS TO SHARE OPTIONS

The number of Bonus Shares issued under the Bonus Issue was 223,726,347.

The exercise price of the Share Options and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the outstanding Share Options are adjusted in the manner as described herein.

Reference is made to the circular (the “**Circular**”) of Comba Telecom Systems Holdings Limited (the “**Company**”) dated 14 September 2016 and the announcement (the “**Announcement**”) in relation to the poll results of the extraordinary general meeting of the Company dated 11 October 2016. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

NUMBER OF BONUS SHARES ISSUED

As disclosed in the Circular and the Announcement, the Bonus Issue was made on the basis of one (1) Bonus Share for every ten (10) existing Shares in issue held on the Record Date, i.e. 18 October 2016, by the Qualifying Shareholders. As at 18 October 2016, there were in total 2,237,263,777 Shares in issue. Since the fractional entitlements arising from the Bonus Issue were cancelled by the Company, the number of Bonus Shares issued under the Bonus Issue was 223,726,347.

Based on the register of members of the Company as at 18 October 2016, there were no Qualifying Shareholders with registered addresses which were outside Hong Kong. Therefore, all the Qualifying Shareholders were entitled to participate in the Bonus Issue, and there were no Prohibited Shareholders.

ADJUSTMENTS TO SHARE OPTIONS

Pursuant to the terms of the share option scheme (the “**2013 Share Option Scheme**”) adopted by the Company on 3 June 2013, the exercise price of the Share Options granted under the 2013 Share Option Scheme and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to 121,272,342 outstanding Share Options are adjusted (the “**Share Option Adjustments**”) in the following manner as a result of the Bonus Issue:

Date of grant	Exercise period	Immediately before Bonus Issue		Immediately after Bonus Issue	
		Number of Share Options outstanding	Exercise price of each Share Option	Adjusted number of Share Options outstanding	Adjusted exercise price of each Share Option
11 April 2014	11 April 2015 to 10 April 2019	51,272,342	HK\$1.489	56,399,374	HK\$1.354
26 August 2016	26 August 2017 to 25 August 2021	70,000,000	HK\$1.380	77,000,000	HK\$1.255

The auditors of the Company, Ernst & Young, have performed certain factual finding procedures on the Share Option Adjustments and confirmed in writing to the Board that the Share Option Adjustments satisfied the relevant requirements as set out in the note to rule 17.03(13) of the Listing Rules.

By Order of the Board
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman

Hong Kong, 26 October 2016

As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. ZHENG Guo Bao, Mr. YEUNG Pui Sang, Simon and Mr. ZHANG Yuan Jian; and the following independent non-executive Directors: Mr. LIU Cai, Mr. LAU Siu Ki, Kevin, Dr. LIN Jin Tong and Mr. QIAN Ting Shuo.