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

**DISCLOSURE PURSUANT TO  
RULE 13.18 OF THE LISTING RULES**

This announcement is made pursuant to Rule 13.18 of the Listing Rules with respect to the New Facility Agreement (as hereinafter defined), which contains a specific performance obligation on the controlling shareholders of the Company.

This announcement is made by Comba Telecom Systems Holdings Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) with respect to the New Facility Agreement (as hereinafter defined).

Reference is made to the Company’s announcement dated 3 July 2009 and 2 September 2009 regarding Comba Telecom Systems Limited, an indirect subsidiary of the Company, as borrower (the “**Borrower**”) entered into a facility agreement (the “**Existing Facility Agreement**”) with a group of financial institutions as lenders for the grant of a United States dollar three-year term loan facility of up to US\$100,000,000 arranged by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) as the coordinator and the agent for the purpose of financing the Group’s capital expenditure, permanent working capital, 3G corporate development and expansion into the international market. As at the date hereof, the outstanding indebtedness under the Existing Facility Agreement amounts to US\$56,180,000 (the “**Outstanding Loan**”).

On 5 July 2010, the Borrower entered into a facility agreement (the “**New Facility Agreement**”) with a group of financial institutions namely HSBC, Australia and New Zealand Banking Group Limited, Hang Seng Bank Limited, Svenska Handelsbanken AB (publ), Hong Kong Branch, Bank of Ayudhya Public Company Limited, Hong Kong Branch, DBS Bank (Hong Kong) Limited, Bangkok Bank Public Company Limited, Hong Kong Branch, Cathay United Bank Company, Limited, Hong Kong Branch, Bank SinoPac, Hong Kong Branch, Chang Hwa Commercial Bank, Ltd., Hong Kong Branch, Industrial Bank of Taiwan, Hong Kong Branch, Taiwan Business Bank Hong Kong Branch and Hua Nan Commercial Bank, Ltd., Hong Kong Branch as lenders (“**Lenders**”) and HSBC as the mandated lead arranger and agent (“**Agent**”) (each of the Lenders and the Agent being a third party independent of the Company and its connected persons), whereby the Lenders agreed, inter alia, to grant the Borrower a United States dollar term loan facility of US\$130,000,000 (the “**Facility**”).

The Facility matures in 36 months from the signing date of the New Facility Agreement. The Facility was granted for general corporate purpose of the Group, including for the purpose of financing the Group's capital expenditure for new R&D center and office construction, research and development initiatives, additional working capital as well as for the purpose of refinancing the Outstanding Loan to reduce interest expense.

As a result of oversubscription from the term loan consortium, the facility amount under the New Facility Agreement was increased from the originally planed US\$100 million to US\$130 million. The Board believes that the overwhelming response reflects the confidence of the banking community in the Group's business development and its continuous support.

The Company and three of its wholly-owned subsidiaries, namely Comba Telecom Systems Investments Limited, Praises Holdings Limited and Comba Telecom Limited, also entered into the New Facility Agreement as guarantors, and agreed, inter alia, to guarantee to each of the Lenders and the Agent the punctual performance by the Borrower of all its obligations under the New Facility Agreement and the other Finance Documents (as defined by the New Facility Agreement).

Under the New Facility Agreement, there is a specific performance obligation that Mr. Fok Tung Ling and Mr. Zhang Yue Jun, the controlling shareholders of the Company, shall maintain beneficial ownership in aggregate, directly or indirectly, of at least 35% of the shares (of each class) of and equity interests in the Company free from any Security (as defined by the New Facility Agreement).

Unless consent from the Majority Lenders (as defined by the New Facility Agreement) is obtained, any breach of the above specific performance obligation would constitute an event of default under the New Facility Agreement. Such default would allow the Agent to cancel the Facility and/or declare all loans and interest under the New Facility Agreement be immediately due and payable.

In accordance with the requirements under Rule 13.21 of the Listing Rules, disclosure will be included in the interim and annual reports of the Company for so long as the above specific performance obligation continues to exist.

By order of the Board  
**COMBA TELECOM SYSTEMS HOLDINGS LIMITED**  
**Tong Chak Wai, Wilson**  
*Executive Director*

Hong Kong, 5 July 2010

*As at the date of this announcement, the Board comprises the following executive directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. TONG Chak Wai, Wilson, Mr. WU Jiang Cheng, Mr. YAN Ji Ci, Mr. ZHENG Guo Bao and Mr. YEUNG Pui Sang, Simon; and the following independent non-executive directors: Mr. YAO Yan, Mr. LAU Siu Ki, Kevin and Mr. LIU Cai.*