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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)

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 Facility Agreement (as hereinafter defined), which contains specific performance obligations on the controlling shareholder of the Company.

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

On 18 June 2014, Comba Telecom Systems Limited, an indirect wholly-owned subsidiary of the Company, as borrower (the “**Borrower**”) entered into a US\$125,000,000 facility agreement (the “**Facility Agreement**”) with a group of financial institutions, namely The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”), Bank of China (Hong Kong) Limited, China CITIC Bank International Limited and Hang Seng Bank Limited as lenders (the “**Lenders**”) and mandated lead arrangers (the “**Mandated Lead Arrangers**”) and HSBC as agent (the “**Agent**”) (each of the Lenders, the Mandated Lead Arrangers 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 3-year term loan facility of US\$125,000,000 (the “**Facility**”).

The Facility matures in 36 months from the signing date of the Facility Agreement. The Facility was granted for the purpose of repayment of an existing loan of the Group.

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 Facility Agreement as guarantors, and agreed, inter alia, to guarantee to each of the Lenders, the Mandated Lead Arrangers and the Agent the punctual performance by the Borrower of all its obligations under the Facility Agreement and the other Finance Documents (as defined by the Facility Agreement).

Under the Facility Agreement, there are specific performance obligations that Mr. Fok Tung Ling, the controlling shareholder of the Company and Mr. Zhang Yue Jun, the substantial shareholder of the Company, shall maintain (i) 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 Facility Agreement) and (ii) the ability in leading the management in determining the directions of overall strategies and business development for the Group.

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

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

By Order of the Board
Comba Telecom Systems Holdings Limited
Tong Chak Wai, Wilson
Executive Director

Hong Kong, 18 June 2014

As at the date of this announcement, the Board comprises the following executive directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Dr. TONG Chak Wai, Wilson, Mr. WU Jiang Cheng, Mr. YAN Ji Ci, 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.