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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)

UPDATE ON THE CONNECTED TRANSACTION RELATING TO A LOAN

Reference is made to the Announcement in relation to, inter alia, the connected transaction relating to a Loan granted by the Lender to the Borrower under the Loan Agreement.

The Board hereby announces that the parties to the Loan Agreement entered into a Supplemental Agreement on 30 September 2015 to lower the interest rate of the Loan under the Loan Agreement to LIBOR plus 4% per annum.

Reference is made to the announcement of Comba Telecom Systems Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 December 2013 (the “**Announcement**”) in relation to, inter alia, the connected transaction relating to a loan agreement dated 24 December 2013 (the “**Loan Agreement**”) entered into between Cascade Technology (the “**Lender**”, a wholly-owned subsidiary of the Company) and WaveLab Holdings (the “**Borrower**”, a 55%-owned subsidiary of the Company), pursuant to which the Lender agreed to make available a loan in the principal amount of up to USD11,000,000 to the Borrower subject to the terms and conditions as stipulated in the Loan Agreement. The terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise specified.

The board of directors (the “**Board**”) of the Company hereby announces that after arm’s length negotiations, the parties to the Loan Agreement entered into a supplemental agreement (the “**Supplemental Agreement**”) on 30 September 2015 to lower the interest rate of the Loan under the Loan Agreement from LIBOR plus 4.75% per annum to LIBOR plus 4% per annum. Given that the overall borrowing cost of the Group’s banking facilities decreased resulting from the continuous improvement in its annual results for the year ended 31 December 2014 and interim results for the six months ended 30 June 2015, the Board considers that it would be fair and reasonable to lower the borrowing cost of the Lender accordingly. The independent non-

executive directors of the Company have reviewed the revised terms and expressed no disagreement on the same.

To the best of the Directors' knowledge, information and belief, save for Mr. Zheng and his associates, no Directors have a material interest in the Loan Agreement and/or the Supplemental Agreement. Mr. Zheng has abstained from voting in the relevant resolutions of the Board approving the Supplemental Agreement.

The Company is of the view that the revised interest rate under the Supplemental Agreement is fair and reasonable in the current market circumstances and on normal commercial terms and does not constitute a material change of the terms of the Loan Agreement. Save as disclosed above, all other terms of the Loan Agreement shall remain unchanged. It is contemplated that the change of terms will not have material adverse impact on the financial position and/or the daily operations of the Group as a whole.

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

Hong Kong, 30 September 2015

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. 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.