

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)

PLACING OF EXISTING SHARES

The Company has been informed by Mr. Fok, the Chairman and controlling shareholder of the Company, and Mr. Zhang, a substantial shareholder and a director of the Company, that the Placing Agreement has been executed pursuant to which the Placing Agent will place an aggregate of 100,000,000 Shares to independent investors at the Placing Price of HK\$3.58 per Placing Share. The Placing Shares represent approximately 11.6% of the existing issued share capital of the Company. Upon completion of the Placing, Mr. Fok's aggregate interests in the Company (held personally and through Prime Choice and Total Master) will be reduced from 446,202,000 Shares to 366,202,000 Shares or approximately 52.3% to 43.0% of the existing issued share capital of the Company and Mr. Zhang's interests in the Company will be reduced from 117,000,000 Shares to 97,000,000 Shares or approximately 13.7% to 11.4% of the existing issued share capital of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company has been informed by Mr. Fok, the chairman and controlling shareholder of the Company, and Mr. Zhang, a substantial shareholder and a director of the Company, that a placing agreement dated 14 June 2007 (the "Placing Agreement") has been concluded on the terms summarised below.

Parties:

- (1) Mr. Fok Tung Ling ("Mr. Fok");
- (2) Mr. Zhang Yue Jun ("Mr. Zhang");
- (3) Prime Choice Investments Limited, a company incorporated under the laws of the British Virgin Islands ("Prime Choice") and wholly owned by Mr. Fok;
- (4) Total Master Investments Limited, a company incorporated under the laws of the British Virgin Islands ("Total Master") and wholly owned by Mr. Fok; and
- (5) Wise Logic Investments Limited, a company incorporated under the laws of the British Virgin Islands ("Wise Logic") and wholly owned by Mr. Zhang; and
- (6) Deutsche Bank AG, Hong Kong Branch (the "Placing Agent"), a third party independent of and not connected with the connected person of the Company as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Fok is the chairman and controlling shareholder of the Company and holds, through Prime Choice and Total Master, 437,954,000 shares of HK\$0.10 each in the capital of the Company (the "Shares"). Mr. Fok also owns 8,248,000 Shares in his own name. His aggregate shareholding represents approximately 52.3% of the existing issued share capital of the Company.

Mr. Zhang is a substantial shareholder and a director of the Company and holds, through Wise Logic, 117,000,000 Shares, representing approximately 13.7% of the existing issued share capital of the Company.

Signing of the Placing Agreement:

The Placing Agreement was entered into after trading hours on 14 June 2007.

Places:

The places of the placing (the "Placing") will be more than 6 professional independent investors. The Placing Agent has undertaken to ensure that the investors and their ultimate beneficial owners are independent of and not connected with the Company and its connected person as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It is expected that none of the places will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares:

100,000,000 Shares (the "Placing Shares"), representing approximately 11.6% of the existing issued share capital of the Company.

Placing Price:

HK\$3.58 per Placing Share (the "Placing Price"), representing a discount of approximately 8.0% to the closing price of HK\$3.89 per Share as quoted on The Stock Exchange of Hong Kong Limited on 14 June 2007. The Placing Price also represents a discount of approximately 7.7% to the average closing price of HK\$3.878 per Share over the last 5 consecutive trading days up to and including 14 June 2007.

Termination events:

The Placing Agent has the right to terminate the Placing Agreement in certain circumstances such as breach of representations, warranties and undertakings given by Mr. Fok, Mr. Zhang, Prime Choice, Total Master and Wise Logic or the occurrence of an event of force majeure.

Expected Completion of the Placing:

20 June 2007.

Shareholding structure

Upon completion of the Placing, Mr. Fok's aggregate interests in the Company (held personally and through Prime Choice and Total Master), will be reduced from 446,202,000 Shares to 366,202,000 Shares or from approximately 52.3% to approximately 43.0% of the existing issued share capital of the Company and Mr. Zhang's interests in the Company, which are held through Wise Logic will be reduced from 117,000,000 Shares to 97,000,000 Shares or approximately 13.7% to 11.4% of the existing issued share capital of the Company.

The effects on the shareholding structure of the Company immediately after completion of the Placing are as follows assuming no other changes to the Company's shareholding structure prior to such completion:

	Existing		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Fok	446,202,000	52.3	366,202,000	43.0
Mr. Zhang	117,000,000	13.7	97,000,000	11.4
Places	0	0	100,000,000	11.6
Other directors	6,116,000	0.7	6,116,000	0.7
Public	283,193,500	33.3	283,193,500	33.3
Total	852,511,500	100.0	852,511,500	100.0

By Order of the Board
Chan Kai Leung, Clement
Executive Director

Hong Kong, 14 June 2007

As at the date of this announcement, the Board comprises the following executive Directors: Mr FOK Tung Ling, Mr ZHANG Yue Jun, Mr CHAN Kai Leung, Clement, 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.