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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 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**”).

The board (the “**Board**”) of directors (the “**Directors**”) announces that on 30 January 2019, (i) Comba Telecom Systems Limited, an indirect wholly-owned subsidiary of the Company, as borrower (the “**Borrower**”), and (ii) the Company and three of its wholly-owned subsidiaries, namely Comba Telecom Systems Investments Limited, Praises Holdings Limited and Comba Telecom Limited as guarantors, have entered into a facility agreement (the “**Facility Agreement**”) with, among others, certain banks and financial institutions, namely (1) The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) as mandated lead arranger and bookrunner and lender, (2) DBS Bank Ltd. and Hang Seng Bank, Limited as mandated lead arrangers and lenders and (3) HSBC as agent (the “**Agent**”), pursuant to which the lenders agreed, among other things, to make available to the Borrower a 36-month term loan facility in the principal amount of HK\$980,000,000, which may be further increased to a maximum aggregate amount of not more than HK\$1,900,000,000 by way of accession by the lenders and/or certain other banks and financial institutions (the “**Facility**”). Each of the lenders and the Agent is a third party independent of and not a connected person (as defined in the Listing Rules) of the Company.

The Facility is to be applied for the purposes of (i) prepaying and/or repaying any existing loans and indebtedness owing by any member of the Group to any person which is neither a member of the Group nor an affiliate of any member of the Group, and (ii) general corporate purpose of the Group.

Pursuant to the Facility Agreement, the following conditions are imposed on Mr. Fok Tung Ling (“**Mr. Fok**”), the controlling shareholder of the Company and Mr. Zhang Yue Jun (“**Mr. Zhang**”), the substantial shareholder of the Company:

- (a) Mr. Fok and Mr. Zhang are required to maintain beneficial ownership in aggregate, directly or indirectly, of at least 30% of the issued share capital (of each class) of, and equity interests in the Company free from any security; or
- (b) Mr. Fok and Mr. Zhang, together or individually, are required to have the ability in leading the management in determining the directions of the overall strategies and business development for the Group.

As at the date of this announcement, Mr. Fok and Mr. Zhang (directly or indirectly) own approximately 30.00% and 10.13% of the issued share capital of the Company respectively.

A breach of any of the above conditions will constitute an event of default under the Facility Agreement and the lenders may:

- (a) cancel all commitments under the Facility Agreement; and/or
- (b) declare all or part of the loans, together with accrued interest, and all other amounts accrued under the Facility Agreement be immediately due and payable; and/or
- (c) demand that all or part of the loans under the Facility Agreement be payable on demand.

The Company will make continuing disclosure in its subsequent interim and annual reports pursuant to Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the above conditions continue to exist.

By order of the Board
Comba Telecom Systems Holdings Limited
Chang Fei Fu
Executive Director

Hong Kong, 30 January 2019

As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. XU Huijun, Mr. CHANG Fei Fu, Mr. BU Binlong and Mr. WU Tielong; and the following independent non-executive Directors: Mr. LAU Siu Ki, Kevin and Dr. LIN Jin Tong.