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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)

EXERCISE OF OVER-ALLOTMENT OPTION

The Board would like to announce that The Hongkong and Shanghai Banking Corporation Limited ("HSBC") exercised in full the Over-allotment Option on 18 July 2003 to require the Company to issue 30,000,000 additional new Shares at the Offer Price. Such additional Shares will be returned to Prime Choice Investments Limited ("Prime Choice") pursuant to the stock borrowing arrangements between Prime Choice and HSBC to cover over-allocations in the International Placing.

Unless otherwise defined herein, the use of capitalised terms herein shall have the same meanings as defined in the prospectus (the "Prospectus") of the Company dated 3 July 2003.

The Board would like to announce that HSBC exercised in full the Over-allotment Option on 18 July 2003 to require the Company to issue 30,000,000 additional new Shares at the Offer Price. HSBC has borrowed 30,000,000 Shares from Prime Choice pursuant to the Stock Borrowing Agreement to cover over-allocations of Shares under the International Placing. The Over-allotment Shares will be returned and redelivered to Prime Choice following the allotment and issue of the Over-allotment Shares.

The Over-allotment Shares represent 3.75 per cent. of the existing issued share capital of the Company and approximately 3.61 per cent. of the issued share capital of the Company as enlarged by the issue of the Over-allotment Shares. The Over-allotment Shares will be issued and allotted by the Company at the Offer Price.

Immediately after the exercise of the Over-allotment Option in full, the total number of Shares in issue (including the Over-allotment Shares) will be 830,000,000, of which an aggregate of 230,000,000 Shares will be in public hands, representing approximately 27.71 per cent. of the total number of Shares in issue (including the Over-allotment Shares).

Details of the shareholding structure of the Company before and after the issue of the Over-allotment Shares are as follows:

Shareholder	Before the exercise of the Over-allotment Option		Immediately after the exercise of the Over-allotment Option in full	
	Number of Shares held	Approximate percentage of the issued Shares	Number of Shares held	Approximate percentage of the issued Shares
Prime Choice	390,000,000	48.75%	390,000,000	46.99%
Wise Logic	120,000,000	15.00%	120,000,000	14.46%
Total Master	90,000,000	11.25%	90,000,000	10.84%
Public	200,000,000	25.00%	230,000,000	27.71%
	<u>800,000,000</u>	<u>100.00%</u>	<u>830,000,000</u>	<u>100.00%</u>

The Company will receive additional net proceeds of approximately HK\$54.7 million from the issue of the Over-allotment Shares and such additional net proceeds will be used as general working capital of the Group as set out in the Prospectus.

By order of the Board
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman

Hong Kong, 21 July 2003

“Please also refer to the published version of this announcement in South China Morning Post”.