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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group anticipates to report a loss in the results for the Reporting Period.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Comba Telecom Systems Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the Group anticipates to report a loss in the results for the six months ended 30 June 2012 (the “**Reporting Period**”), which is primarily attributable to the following factors:

1. Because of the postponement of certain investment activities and inspection process conducted by the PRC telecommunications operators, some of the Group’s projects revenue were not recognized in the Reporting Period and that may result in a decline in the Group’s revenue of some major products as compared to the same period last year.
2. The overall gross profit margin of the Group may be decreased due to the increase in the cost of sales caused by the inflation, the increasingly fierce competition in the telecommunications industry and the unrealized sales scalability of new products and new businesses.
3. Continuous investment in the development and expansion of product offerings as well as global expansion of sales and service networks of the Group resulted in the surge in operating costs.

The Group is now actively promoting the deployment of its new products and new businesses while implementing more stringent cost control and taking various measures in downsizing at the same time. Going forward, the Board continues to review the Group's operations and strategies to meet the challenges ahead and remains optimistic about the growth opportunities in telecommunications industry in the PRC and global markets.

The information contained in this announcement is based on the preliminary assessment by the Company's management on the unaudited management accounts of the Group only. The Company is still in the process of finalizing the unaudited consolidated management accounts of the Group, which is under the review of the Company's auditor and may be subject to adjustments. Shareholders of the Company and potential investors are advised to read the interim results announcement for the Reporting Period of the Company carefully, which is expected to be published within this month.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 1 August 2012

As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. 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, Mr. LIN Jin Tong and Mr. QIAN Ting Shuo.