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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

The board of directors (the “**Board**”) of Comba Telecom Systems Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that its new production plant in Guangzhou City, the PRC has recently commenced operations. In addition, the Group will further enhance its R&D capability by expanding its R&D facilities in the R&D headquarters in Guangzhou Science City, the PRC (the “**R&D Headquarters**”).

Due to the increasing volume of business in the global market, particularly following the granting of fourth generation mobile communications (“**4G**”) network licenses in the PRC in December 2013, customer orders have exceeded the Group’s then production capacity. To cater for the rising demand, a new production plant adjacent to the Group’s existing manufacturing base in Guangzhou City has recently commenced operations. This will expand the Group’s manufacturing capacity in wireless enhancement, antennas and subsystems, wireless access and transmission as well as other related innovative products. In addition, the Group will build additional R&D facilities which are in close proximity to its existing R&D Headquarters to help it meet the latest technological developments and innovations.

The new production plant and additional R&D facilities mark a new milestone in the Group’s continuing development. The new production plant greatly enhances the production capacity of the Group, enabling greater economies of scale and faster delivery of customer orders. The new R&D facilities will further strengthen its leading position by offering more innovative products and technologies that support multi-standard and multi-network deployment along network migration.

The Board considers that with the inauguration of the new production plant, the Group has significantly expanded its manufacturing capacity in all its businesses. Its R&D strength is expected to be further enhanced as well. Such facilities will bolster the leading market position of the Group, enabling it to grasp the enormous opportunities presented by 4G LTE and the Big Data Era. The Group will remain committed to providing innovative solutions to its customers and generating optimal returns to the shareholders of the Company.

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

Hong Kong, 23 May 2014

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. 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, Dr. LIN Jin Tong and Mr. QIAN Ting Shuo.