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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board is pleased to inform that based on its preliminary review of the relevant unaudited consolidated financial information of the Group for the Reporting Year, it is expected that a turnaround of its results by recording Net Profit of not less than approximately HK\$140,000,000 for the Reporting Year as compared to Net Loss of approximately HK\$240,722,000 for the Prior Year mainly due to (i) a satisfactory revenue growth, (ii) an improvement in the gross profit margin; and (iii) economy of scale and effective costs control measures.

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

This announcement is made by Comba Telecom Systems Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) 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**”) of the Company is pleased to inform the shareholders of the Company and potential investors that based on its preliminary review of the relevant unaudited consolidated financial information of the Group for the year ended 31 December 2014 (the “**Reporting Year**”), it is expected that a turnaround of the Group’s results by recording profit attributable to shareholders of the Company (the “**Net Profit**”) of not less than approximately HK\$140,000,000 for the Reporting Year as compared to the loss attributable to shareholders of the Company (the “**Net Loss**”) of approximately HK\$240,722,000 for the year ended 31 December 2013 (the “**Prior Year**”).

Compared with the Prior Year, the Board is of the view that such expected turnaround of the Group's results for the Reporting Year is mainly attributable to (i) a satisfactory growth in the total revenue of the Group of not less than approximately 10% due to the aggressive 4G networks rollout in Mainland China and the strong demand of mobile network solutions in the global market during the Reporting Year; (ii) an improvement in the gross profit margin of not less than approximately 1 percentage point due to the optimization of product mix and the launch of high-end products, and (iii) a reduction, of not less than approximately 3 percentage points, in the operating expenses as percentage of total revenue of the Group attributable to economy of scale and the effective costs control measures.

The information and figures contained in this announcement are only based on the unaudited consolidated financial information of the Group for the Reporting Year which have not yet been reviewed or audited by the auditors of the Company and may be subject to adjustments. The Company is still in the course of preparing and finalizing the information and figures in the consolidated financial statements for the Reporting Year. Shareholders of the Company and potential investors are advised to read carefully the announcement on the annual results for the Reporting Year, which is expected to be released on or before the end of March 2015 in accordance with the requirements of the Listing Rules.

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

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

Hong Kong, 6 February 2015

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. 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.