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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)

ANNOUNCEMENT ON THE LATEST DEVELOPMENT OF SMALL CELL BUSINESS

This announcement is made by Comba Telecom Systems Holdings Limited (the "Company", together with its subsidiaries, are hereinafter referred to as the "Group") on voluntary basis.

The Company is pleased to announce the success of the Group in the bid for enterprise-level TD-SCDMA Femto equipment open tender of China Mobile Group Zhejiang Company Limited recently to provide a TD-SCDMA Femto system (one of the Small Cell systems (hereinafter referred to as "Small Cell")) solution for China Mobile Group Zhejiang Company Limited, with key products including a system gateway and multi-carrier enterprise-level products.

As of 31 August 2013, the Group has gained a satisfactory share in the Small Cell open tender of various provinces in China. Currently, the Group has been involved in the successful bid of commercial tenders of Small Cell in Zhejiang Province, Guangdong Province, Jiangxi Province, Xinjiang Province, Hubei Province, Liaoning Province, Beijing and Chongqing for products including system gateways, gateway management systems, AAA (Authentication, Authorization, Accounting) systems, enterprise-level Femtocells and home-level Femtocells, while system trials are being conducted simultaneously in over 10 provinces and municipalities such as Anhui Province, Hebei Province, Henan Province, Shaanxi Province, Sichun Province, and Shanghai, etc. Furthermore, the Group continues to accelerate the inspection procedures for Small Cell, and part of the revenue was recognized in the current year. Since 2012, Small Cell has been gradually gaining the operators' attention as a rapid, low-cost and excellent solution to address the issues of capacity, access and weak coverage of the networks. As a domestic leading supplier of Small Cell with the predominance of nationwide extensive service network coverage, the Group successively promoted commercialization and trial runs of Small Cell in more than 20 provinces and municipalities all over the country. As an important complement to macrocell, Small Cell delivers outstanding performance by increasing capacity, providing precise and in-depth coverage as well as hotspot traffic coverage. With the features of low-cost, convenient installation and rapid deployment, Small Cell is gaining acceptance gradually by the operators as a new model of network deployment.

The board of directors of the Company (the "Board") considered the successful bid as further recognition of the Group's innovative technologies and products. While continuously expanding the commercialization of Small Cell, the Group will strive to enhance economies of scale by speeding up the progress of nationwide promotion and trial runs of Small Cell business.

Being the leading domestic supplier of Small Cell providing a full series of end-to-end integrated system solutions, the Group is also one of the few equipment suppliers which can provide products of all-standard for GSM, TD-SCDMA, WCDMA, TDD-LTE, FDD-LTE and WLAN (WiFi). Along with further maturity of the domestic Small Cell industry chain, the Group will be dedicated to serving domestic mobile operators and providing superior products and solutions for wireless network deployment.

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

Executive Director

Hong Kong, 13 September 2013

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.