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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 of the Listing Rules and the Inside Information Provision under Part XIVA of the SFO.

The Board wishes to inform shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the Current Year, the Group is expected to record net loss for the Current Year as compared with net profit for the corresponding period of 2017.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the “**Current Year**”), the Group is expected to record net loss for the Current Year as compared with net profit for the corresponding period of 2017.

The Group's consolidated net loss for the Current Year was primarily attributable to the following factors:

1. In order to be well-prepared for the launch of 5G network, the Group intensified its effort in the relevant research and development, leading to an increase in research and development costs;
2. The Group conducted an internal restructuring and employee optimization for the Current Year, leading to one-off restructuring and optimization costs; and
3. ETL COMPANY LIMITED, a non wholly-owned subsidiary of the Company, has been proactively building local 4G network in Laos, leading to an increase in the relevant investment and costs.

Looking forward, the Board remains optimistic about the growth opportunities in telecommunication industry in the Mainland China and the global market (particularly, the business growth prospect of the forthcoming 5G network) and will continue to review the Group's operations and strategies from time to time to meet the challenges ahead. Meanwhile, the Board believes the decision-making process, intra-department communication and actual execution of the Group will be conducted in a more efficient way upon the completion of internal restructuring and employee optimization.

The information contained in this announcement is based on the preliminary assessment by the Company's management on the unaudited consolidated management accounts of the Group only. Such accounts are under audit by the Company's auditor and may be subject to adjustments. Shareholders of the Company and potential investors are advised to read the annual results announcement of the Company for the Current Year carefully, which is expected to be published in late March 2019.

By order of the Board
Comba Telecom Systems Holdings Limited
Chang Fei Fu
Executive Director

Hong Kong, 1 March 2019

As at the date of this announcement, the Board comprises the following executive directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Mr. XU Huijun, Mr. CHANG Fei Fu, Mr. BU Binlong and Mr. WU Tielong; and the following independent non-executive directors: Mr. LAU Siu Ki, Kevin and Dr. LIN Jin Tong.