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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 Comba Telecom Systems Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, 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 Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Current Period**”), the Group is expected to record a loss attributable to owners of the Group’s parent company of approximately HK\$90,000,000 for the Current Period as compared to a profit attributable to owners of the Group’s parent company of approximately HK\$53,137,000 for the six months ended 30 June 2020.

The Group’s consolidated loss for the Current Period was primarily attributable to the following factors:

1. Major China telecom operators have delayed the construction of certain 5G network capital projects. The process of centralized procurement biddings of related 5G antenna products have started from May 2021 onwards one after another. As a result, no related revenue has been recognized in the financial statements within the

Current Period. Besides, the global economy is continuously affected by the COVID-19 pandemic. The operating costs, including the transportation expenses, etc, have increased. As a result, the gross profit of certain overseas customers of the Group has also dropped;

2. The Group increased its relevant investment in its research and development activities in order to become well-prepared for the launch of the 5G network, which led to an increase in research and development costs; and
3. The selling and distribution expenses have increased due to enhancement of business development.

The Board considers that the Group's financial position remains sound with sufficient working capital. Looking forward, the Board will continue to review the Group's operations and strategies from time to time to meet the challenges ahead and remains optimistic about the growth opportunities in telecommunication industry in the Mainland China and the global markets (particularly the business development prospects in the launch of 5G network).

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 have not been reviewed by the audit committee of the Company and may be subject to adjustments. Shareholders of the Company and potential investors are advised to read the interim results announcement of the Company for the Current Period carefully, which is expected to be published around end of August 2021.

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
Comba Telecom Systems Holdings Limited
Chang Fei Fu
Executive Director

Hong Kong, 3 August 2021

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 Ms. HUO Xinru; the following non-executive Director: Mr. WU Tielong; and the following independent non-executive Directors: Mr. LAU Siu Ki, Kevin, Dr. LIN Jin Tong, Ms. NG Yi Kum and Ms. WONG Lok Lam.