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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)

SIGNING NANOCELL COOPERATIVE MOU WITH CHINA MOBILE RESEARCH INSTITUTE

This announcement is made by Comba Telecom Systems Holdings Limited on voluntary basis.

Comba Telecom Systems Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) participated in the Nanocell Technology Round Table Forum and China Mobile’s Technical White Paper Conference on 21 August 2012 where the Group signed a memorandum of understanding (MOU) with China Mobile Research Institute (“CMRI”) for a joint research project on the nanocell technology. The MOU outlines the scope of cooperation including research into Nanocell commercial applications, key features, network architecture, amongst others.

Nanocell as defined by the CMRI is follows: an integrated Smallcell supporting GSM/TD-SCDMA/TD-LTE standards and WLAN (WiFi) solutions. With the key feature of supporting both wireless network and WLAN (WiFi) services, it can be deployed in enterprise, home and high capacity hotspot locations. It also uses standard broadband connection as a low-cost network backhaul, hence reducing deployment and maintenance cost while providing advanced and reliable security features.

The board of directors of the Company believes that the publication of the Nanocell technical white paper by China Mobile marks an important milestone in the development of mobile communications technology. The signing of the MOU underscores the recognition of the Group’s effort in Femtocell where the Group has launched a series of products for GSM,TD-SCDMA, and TD-LTE standards, where all these are WLAN (WiFi)-enabled. As an effective complement to macrocell base stations, these products have gained market acceptance where it is being applied to increase capacity and provide accurate and in-depth coverage for high-density hotspot locations. Allowing direct access to broadband networks, it can be quickly deployed at a low cost. This new network build-out model has gradually gained acceptance by major mobile operators where nine out of ten leading mobile operators in the world have already adopted this model.

In addition, the market potential of nanocell is huge. This partnership will greatly enhance the pace of development and advance the field of research in nanocell technology in China. At the same time, the collaboration with CMRI will enhance the functionalities, explore further commercial applications and improve the efficiency of nanocells as well as to strengthen the Group's relationship with its customers.

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

Hong Kong, 22 August 2012

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.