

Comba

京信通信系統控股有限公司

Comba Telecom Systems Holdings Limited

Stock Code: 2342.HK

Corporate Presentation

Interim Results 2008



Agenda

- **Overview**
- **Financial Highlights**
- **Financial Review**
- **Customer Review**
- **Business Review**
- **Market Outlook**
- **Open Forum**

- Revenue from international market more than double
- Revenue from China Mobile and China Unicom remains stable
- Increasing revenue from most product segments:
 1. Antennas and Subsystems ↑ 37%
 2. Wireless Transmission (DMS) ↑ 37%
 3. Services ↑ 74%
- Gross profit margin maintained at 41%
- ↑ Selling & administrative expenses for global market expansions
- Net profit margin ↓ 1.2 basis points
- Well ready for both 2G and 3G markets globally

Financial Highlights

Financial Results

Financial Position

Key Financial Indicators



Financial Results

Comba

For the six months ended 30 June

<i>HK\$'000</i>	2008	2007	Change
Revenue	835,492	777,821	+7%
Gross profit	343,697	322,639	+7%
Gross profit margin	41.1%	41.5 %	-0.4% pts
Profit attributable to shareholders	71,970	76,386	-6%
Net profit margin	8.6%	9.8 %	-1.2% pts
Basic EPS (HK cents)	8.43	9.09	-7%

Financial Position

<i>HK\$'000</i>	As at 30 June 2008	As at 31 December 2007	Change
Current assets	2,780,128	2,343,942	+19%
Current liabilities	1,395,148	1,047,631	+33%
Net current assets	1,384,980	1,296,311	+7%
Total assets	3,234,509	2,759,342	+17%
Total liabilities	1,401,909	1,054,392	+33%
Net assets	1,823,136	1,698,256	+7%
NAV Per Share (HK\$)	2.13	1.99	+7%

Key Financial Indicators

For the six months ended 30 June

	2008	2007
Inventory turnover days	330	262
A/R turnover days	269	215
A/P turnover days	233	203
Current ratio	2.0X	2.3X
Quick ratio	1.2X	1.5X
Gearing ratio	7.3%	5.0%
Return on average equity	8.2%	10.5%

Financial Review

Revenue Breakdown by Customers

Revenue Breakdown by Businesses

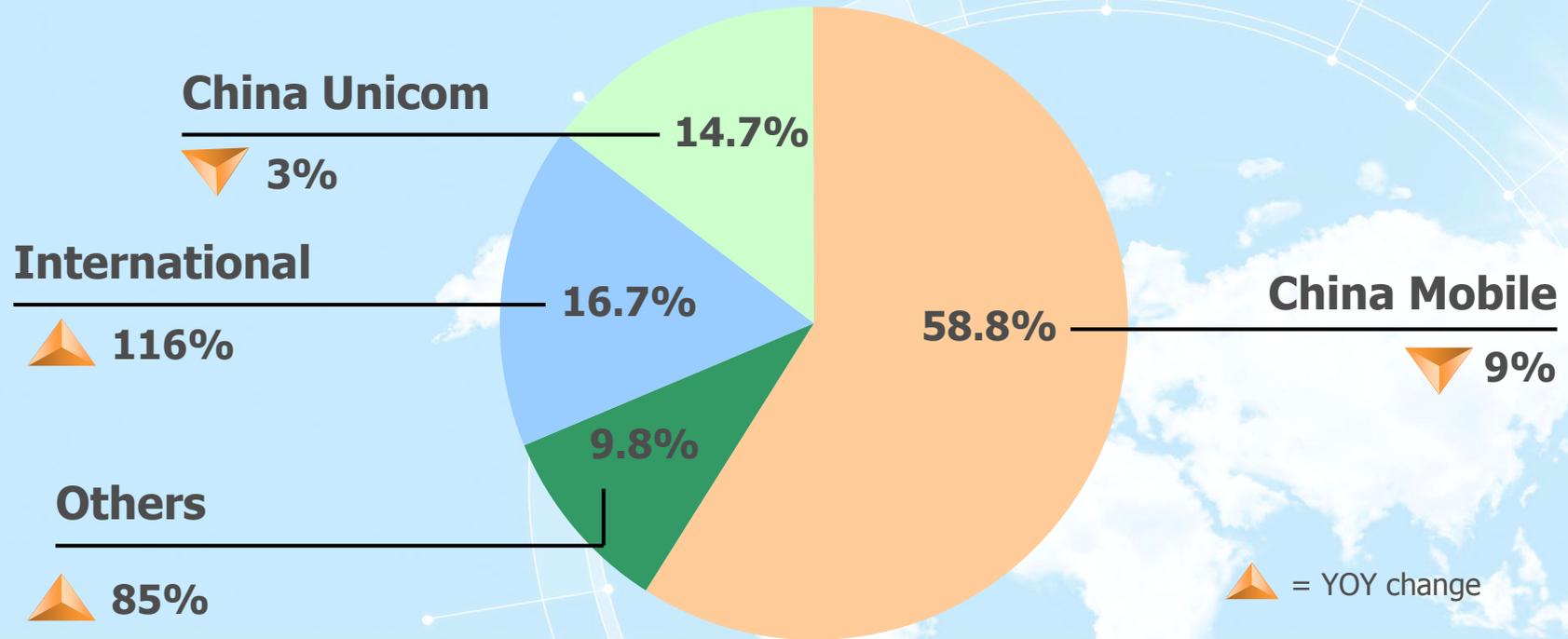
Profit & Margin

Cost Structure



Revenue Breakdown by Customers

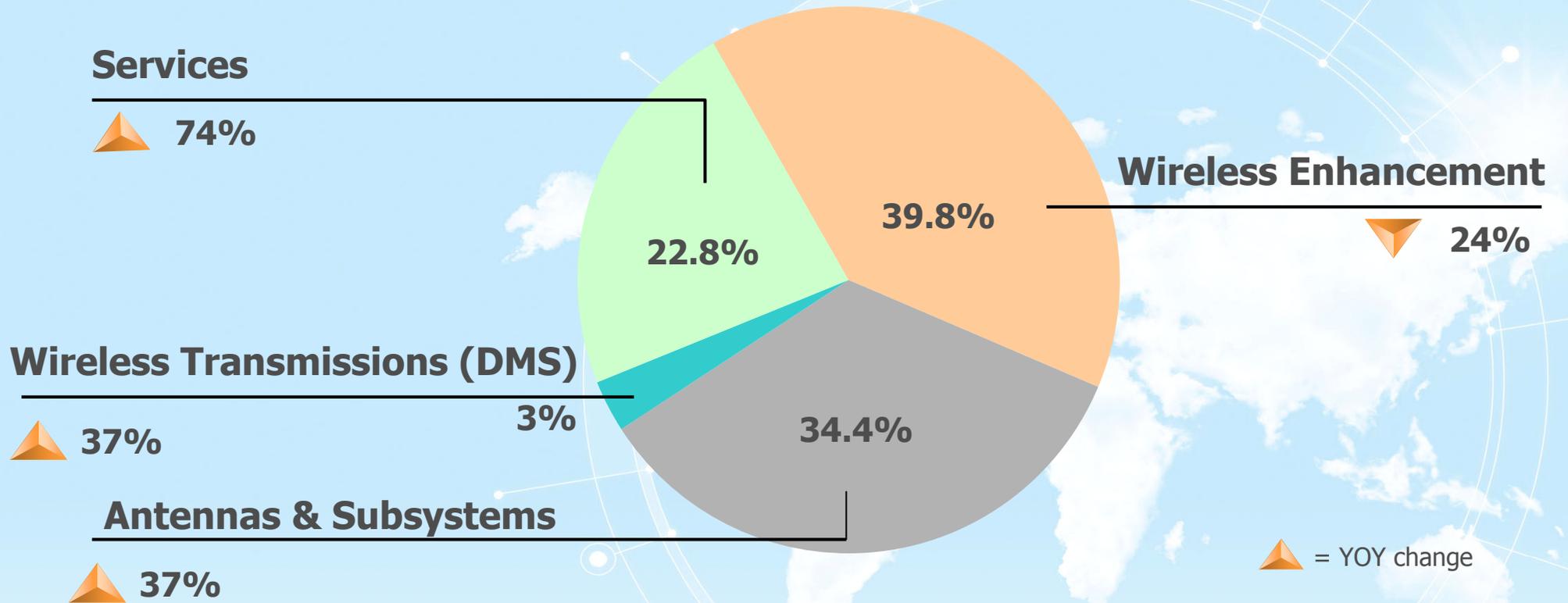
For the six months ended 30 June 2008



Stable PRC market
Double in international market

Revenue Breakdown by Businesses Comba

For the six months ended 30 June 2008

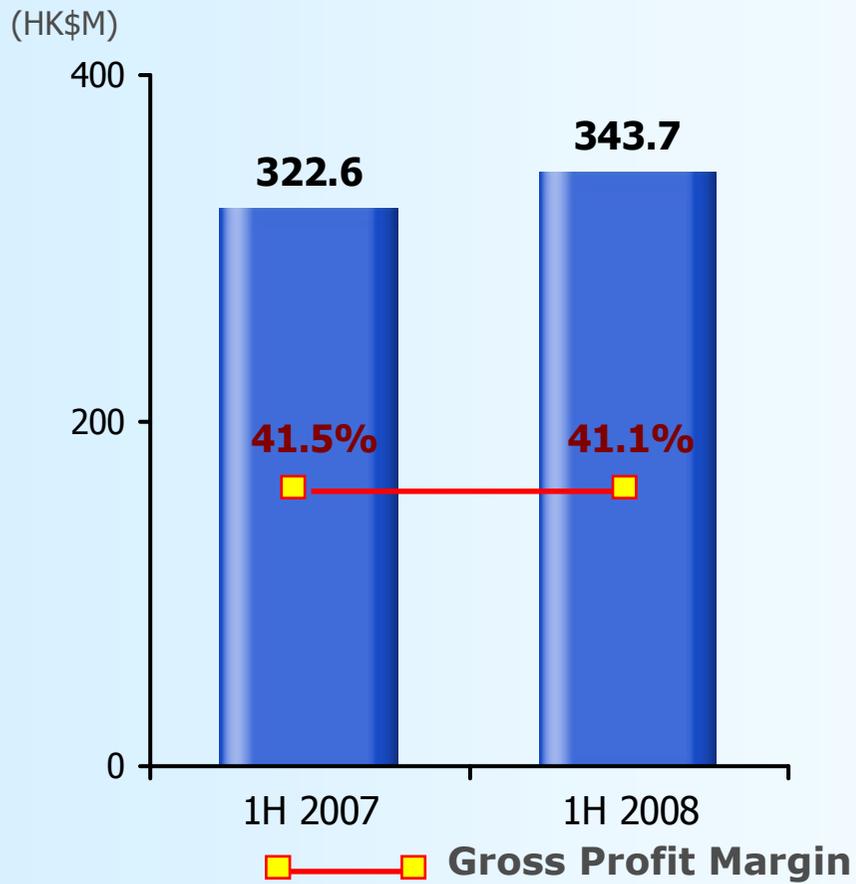


Remarkable growth in most product segments

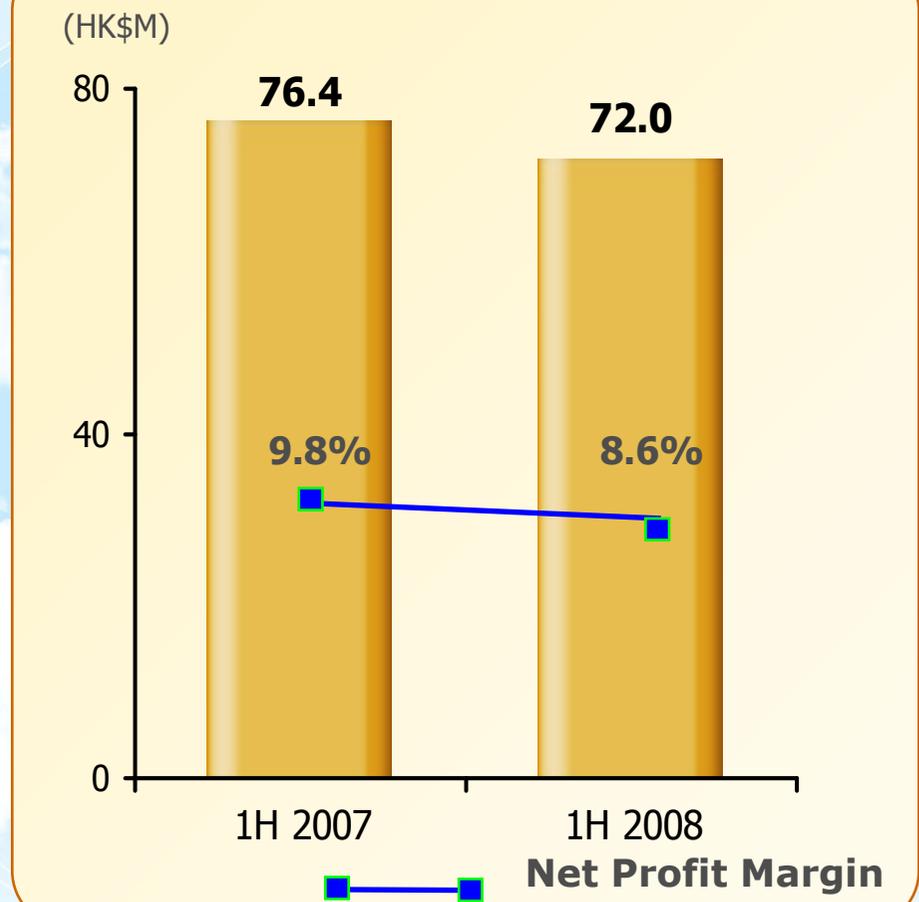
Profit & Margin

For the six months ended 30 June

Gross Profit ▲ 7%

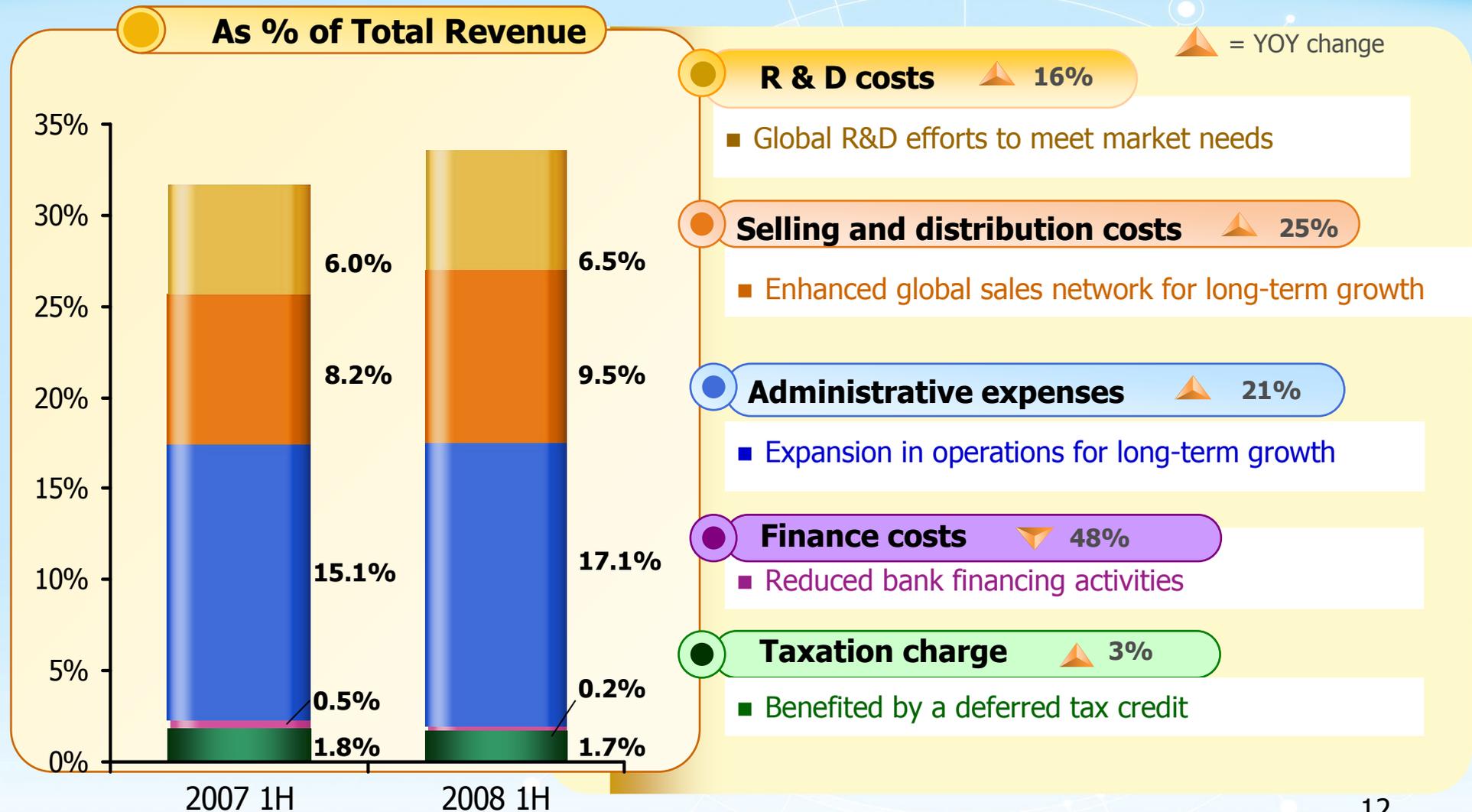


Net Profit ▼ 6%



Cost Structure

For the six months ended 30 June



Customer Review

Global Customer Base

China Business

International Business



Global Customer Base

China

中国移动通信 CHINA MOBILE
中国联通 CHINA UNICOM
中国电信 CHINA TELECOM
CNC 中国网通

Core Equipment Vendor

HUAWEI
Nokia Siemens Networks
Alcatel-Lucent
TD Tech
ZTE中兴
RADIOFRAME

EMEA

vodafone
T-Mobile
TIM
الاتصالات السعودية SAUDI TELECOM
voda.com
MTN
TURKCELL
orange
TELECOM ITALIA
TELEFONICA MÓVILES
TELE2

APAC

SmartTone
vodafone
SingTel
PEOPLES
celcom
m1
RELIANCE Communications
Airtel Express Yourself
TANCO
GLOBE TELECOM
true
TATA
Oves MobiFone
台灣大哥大 Taiwan Mobile
PT METAPLAS HARMONI
AIS
MIC
DiGi
StarHub
Hutch

Americas

ST MÓVIL
PORTÁ
movistar
USACEL
Personal
vivo
ENTEL PCS
Claro

China Business



Revenue
(HK\$'000)



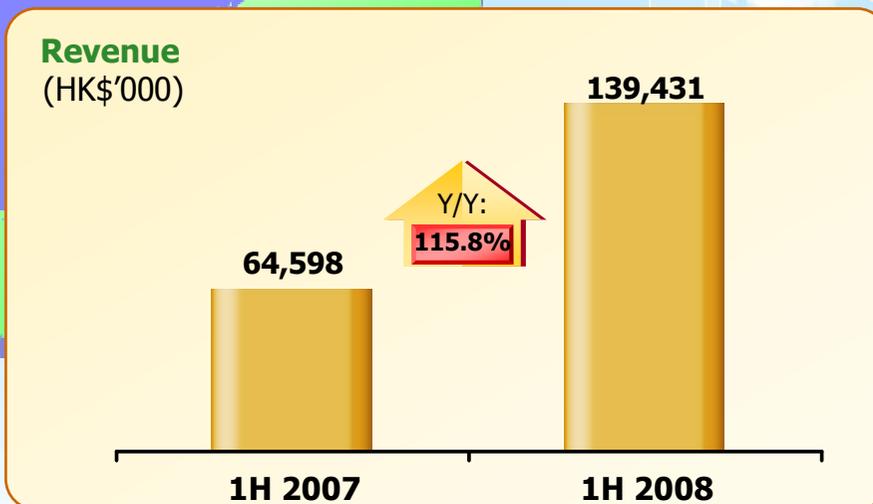
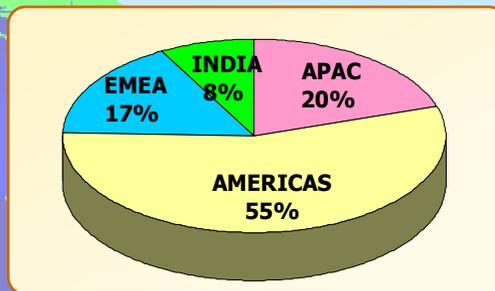
Review:

- Industry pressure impacting average selling prices
- Implementation of network coverage projects for Olympic venues
- Sichuan earthquake – emergency orders for Comba, but also meant other infrastructure projects were affected
- Restructuring of national telecoms industry affecting short term capex

Opportunities:

- Finalization of industry restructure (resulting in one more wireless operator) and 3G licensing will ignite growth
- Offering of innovative solutions to drive demand for 2G/3G equipment and services
- Continuous network enhancement demand Infrastructure projects and network enhancement for urban and rural areas
- Rebuilding of telecoms network in Sichuan

International Business



* Including sales to PRC core equipment manufacturers

Review:

- Growth strategy showing significant results
- Considerable growth at 116% from 2007
- Contributing **17%** of group revenue
- Increased customer portfolio with orders from India and Americas
- Two pronged strategy targeting multinational operators and vendors:
 - Global approval at HQ level with operators (e.g. Vodafone)
 - Global and regional relationship with core equipment vendors

Opportunities:

- First tier operators' recognition will extend opportunities globally
- Growth in OEM business with core equipment vendors
- Increase global footprint with direct points of presence and channel partners
- Growth areas:
 - network buildout & backhaul, in-building systems

Business Review

Wireless Enhancement
Antennas & Subsystems
Wireless Transmission
Services



Business Review

Wireless Enhancement *(indoor)*



Antennas and Subsystems



Wireless Transmission



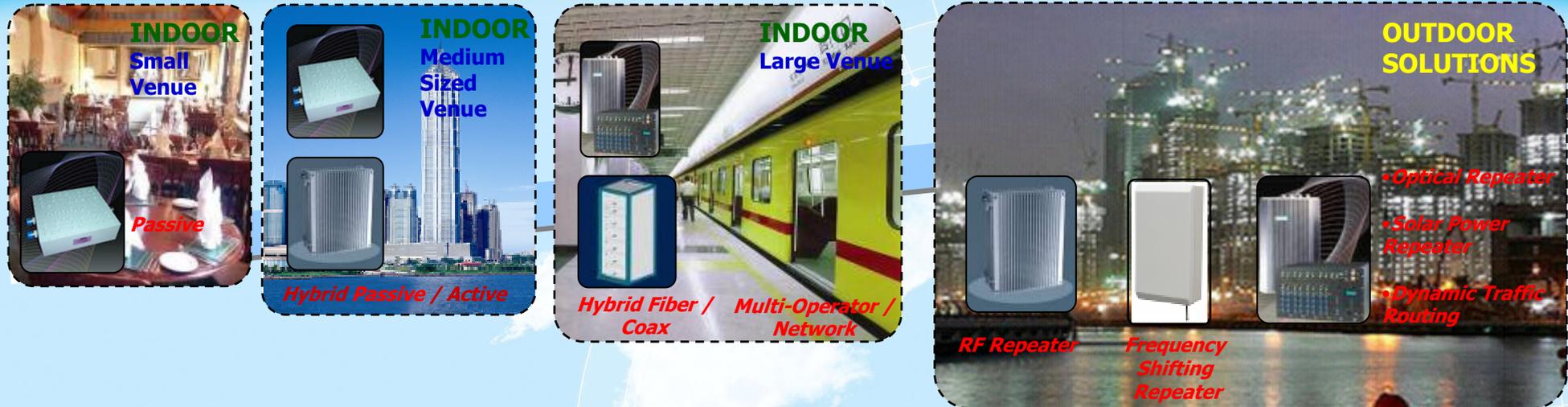
Services



Wireless Enhancement *(outdoor)*



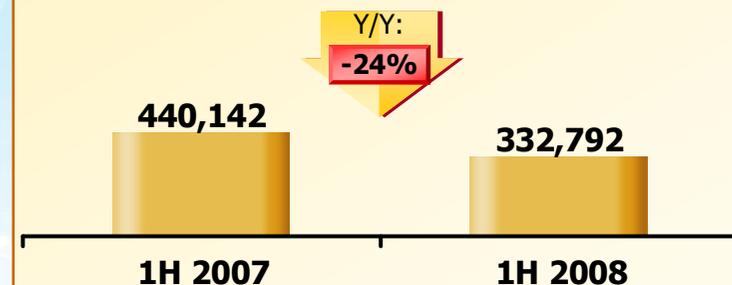
Wireless Enhancement



Review & Opportunities:

- Industry pressure on average selling prices for standard repeater solutions in China market
- Diversifying portfolio base with new products/solutions
- Rollout of solutions in globally including:
 - Olympic related projects and Qinghai-Tibet railroad in China
 - Network rollout related orders in India
 - 2G and 3G wireless enhancement orders in Americas and APAC
- Implementation of TD-SCDMA and other 3G mobile networks will create substantial demand for wireless enhancement solutions
- Continue to innovate and offer high performance/cost solutions for 2G wireless operators in China

Revenue (HK\$'000)

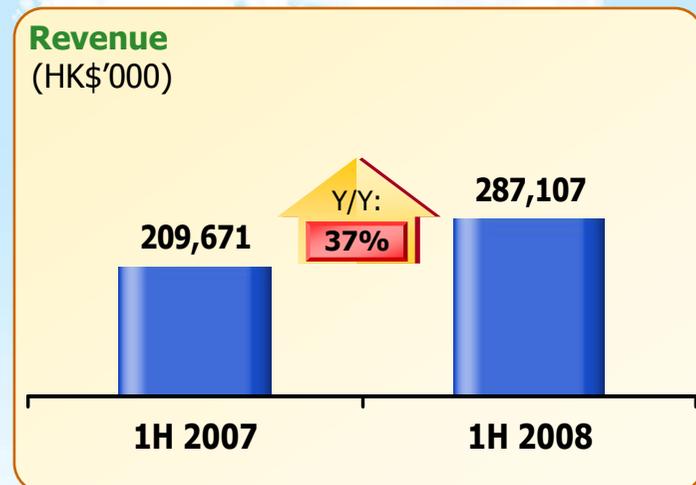


Antennas & Subsystems



Review & Opportunities :

- The major BTS antenna manufacturer in China
- Leveraging successful procurement programs with China operators
- Volume orders of 3G TD-SCDMA and WCDMA antenna in China
- Product portfolio expansion new global launches:
 - RET multiband antennas
 - Customized camouflaged antennas
- Volume orders of 2G and 3G antennas and subsystems, especially within India sub-continent and CALA
- Increase numbers of logistic centers around the world to cater to increasing demand and opportunities
- Substantial orders on hand for subsystems products in emerging markets



Wireless Transmission

Digital Microwave Systems

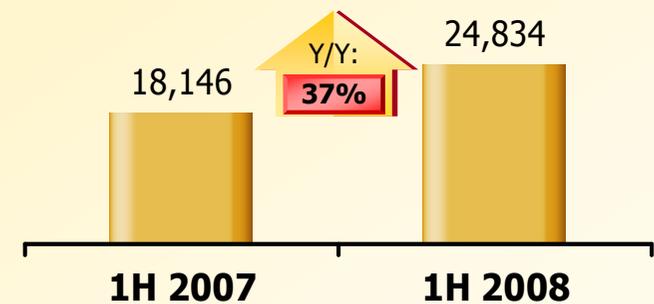
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Review & Opportunities:

- Gain traction within China and international markets
- Portfolio expansion:
 - IP backhaul solutions for future requirements
 - Segmentation of market by developing cost-effective solutions
- Initiated supply of DMS products to core equipment vendors
 - OEM expected to be a key growth driver for wireless transmission in the next few years
- Increased focus on wireless backhaul in China will bring opportunities
- Growth areas and further opportunities in India, Asia Pacific and Middle East in particular

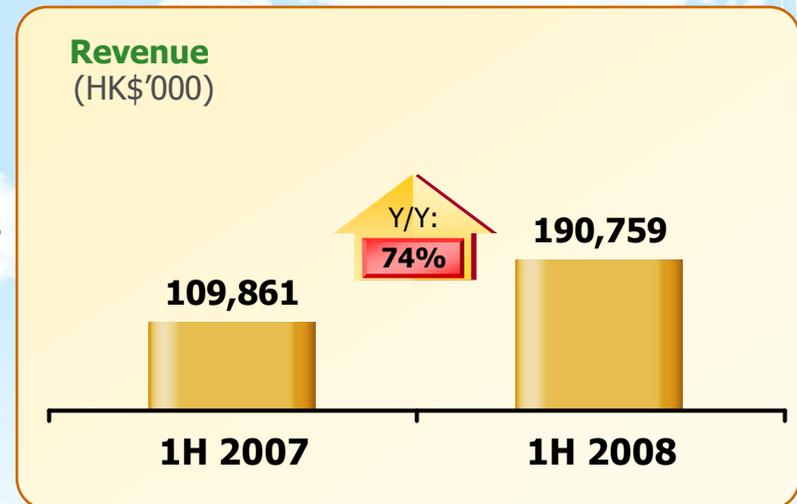
Revenue
(HK\$'000)





Review & Opportunities:

- Services include maintenance, consultation, commissioning, network optimization and project management
- Expansion in both domestic and international market
- Existing installation base driving extended maintenance service revenues
- Recurring maintenance contracts from existing customers
- Building on strengthening brand name to potentially offer further VAS
 - Partnering with global customers to expand service offerings
 - Initiating service offerings in Middle East and CALA



Market Outlook

China Outlook

Global outlook



China Outlook

- Commercialization of TD-SCDMA network by late 2008
- Restructuring of China telecoms industry allowing more operators
 - 3G network buildouts
 - CAPEX increase of major operators
- Continuous demand on 2G network upgrades
- Continued growth rates of mobile phone adoption fuelled by annual economic growth rates
- Demand for services beyond voice



Global Outlook

Western Europe

- 3G enhancement
- 2G/3G enhancements
- Mature markets
- Regulated – e.g. RoHS

Eastern Europe

2G & 3G Plays

- Enhancement solutions
- Fragmented market

North America

700Mhz, AWS & WiMAX

- Rollout of AWS Networks
- Strong WiMAX market
- Demand for multi-operator solutions

China

Industry restructure
3G Rollouts
2G Coastal & Inner Regions

India

New buildouts

- 2G network rollout
- 3G activities
- New operators (TRAI licenses)

ME & Africa

New buildouts/enhancements

- Backhaul rollout
- Huge infrastructure buildouts (telecom and non-telecom)
- Nascent service markets

APAC

2G & 3G Plays

- New buildouts & enhancements
- Fragmented market
- Differing maturity levels between markets

CALA

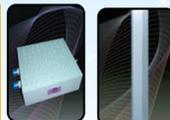
3G growth

- New buildouts & enhancements
- Dominated by several major regional operators

Wireless Enhancement



Antennas & Subsystems



Wireless Transmission



Services



Open Forum

