

The Comba logo is displayed in a bold, blue, sans-serif font.

京信通信系統控股有限公司
Comba Telecom Systems Holdings Limited

股份編號 Stock Code : 2342

INNOVATIVE IMPLEMENTATION
BALANCED DEVELOPMENT
創新進步 均衡發展

Corporate Presentation Interim Results 2010

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Agenda

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



Financial Overview

For the six months ended 30 June 2010

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- Revenue **↑ 13.3%**
- Gross profit margin **↓ 1.1% points**
- Operating profit margin **↑ 1.5% points**
- Net profit margin **↑ 0.8% points**

Business Overview

For the six months ended 30 June 2010

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■ Revenue by customers

1. China Telecom ↑ 63.3%
2. China Mobile ↑ 41.8%
3. China Unicom ↓ 18.7%
4. International Customers & Core Equipment Manufacturers ↓ 30.5%

■ Revenue by product segments

1. Services ↑ 81.1%
2. Wireless Enhancement ↑ 34.9%
3. Antennas and Subsystems ↓ 5.4%
4. Wireless Access (DMS & WLAN) ↓ 60.1%

Financial Highlights

Financial Results

Financial Position

Key Financial Indicators

Syndication Loan

Financial Results



<i>HK\$'000</i>	For the six months ended 30 June			For the year ended 2009
	2010	2009	Change	
Revenue	2,002,261	1,767,389	+13.3%	4,439,991
Gross profit	805,119	729,311	+10.4%	1,681,923
Gross profit margin	40.2%	41.3%	-1.1% pts	37.9%
Operating profit	354,900	286,383	+23.9%	765,331
Operating profit margin	17.7%	16.2%	+1.5% pts	17.2%
Tax	57,592	16,839	+242.0%	142,291
Profit attributable to shareholders	278,989	232,221	+20.1%	564,500
Net profit margin	13.9%	13.1%	+0.8% pts	12.7%
Basic EPS (HK cents)	23.66	20.50 (restated)	+15.4%	49.17 (restated)
Dividend per share (HK cents)	6.0	6.0	0%	18.0
Proposed bonus issue of shares	1 for 10	1 for 10	0%	2.1 for 10

Financial Position

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<i>HK\$'000</i>	As at 30 June 2010	As at 31 December 2009	Change	As at 30 June 2009
Net cash / (debt)	(94,107)	706,780	n/a	352,149
Net current assets	2,445,779	2,337,037	+4.7%	1,720,732
Total assets	6,034,015	5,725,107	+5.4%	5,156,484
Total liabilities	3,228,833	3,131,992	+3.1%	2,914,390
Net assets	2,737,130	2,536,342	+7.9%	2,196,818
NAV per share (HK\$)	2.31	2.16 (restated)	+6.9%	1.93 (restated)

Key Financial Indicators



	For the six months ended 30 June			For the year ended 2009
	2010	2009	Change	
Inventory turnover days	251	236	+15	176
A/R turnover days	222	164	+58	139
A/P turnover days	262	255	+7	179
Current ratio	1.8X	1.6X	+0.2% pts	1.8X
Quick ratio	1.3X	1.0X	+0.3% pts	1.3X
Gross gearing ratio	10.2%	5.4%	+4.8% pts	7.7%
Dividend payout ratio *	25.4%	24.2%	+1.2% pts	33.3%
Return on average equity	21.2%	22.3%	-1.1% pts	25.0%

* Calculation is based on basic EPS

Syndicated Loan (3 years)

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Lead Manager

HSBC 滙豐

Participating
Banks

HSBC 滙豐

ANZ

恒生銀行
HANG SENG BANK

Handelsbanken



DBS

國泰世華銀行
Cathay United Bank

Bangkok Bank
盤谷銀行

永豐銀行
Bank SinoPac

CHB
CHANG HWA BANK

IBT
台灣工業銀行

臺灣企銀 香港分行
TAIWAN BUSINESS BANK

華南銀行
HUA NAN BANK

Use of Proceeds (US\$130 million)

1. Refinancing of last year's syndicated loan for interest savings
2. R&D expenditure
3. Capex on new R&D & office buildings
4. Additional working capital

Financial Review

Revenue Breakdown by Customers

Revenue Breakdown by Businesses

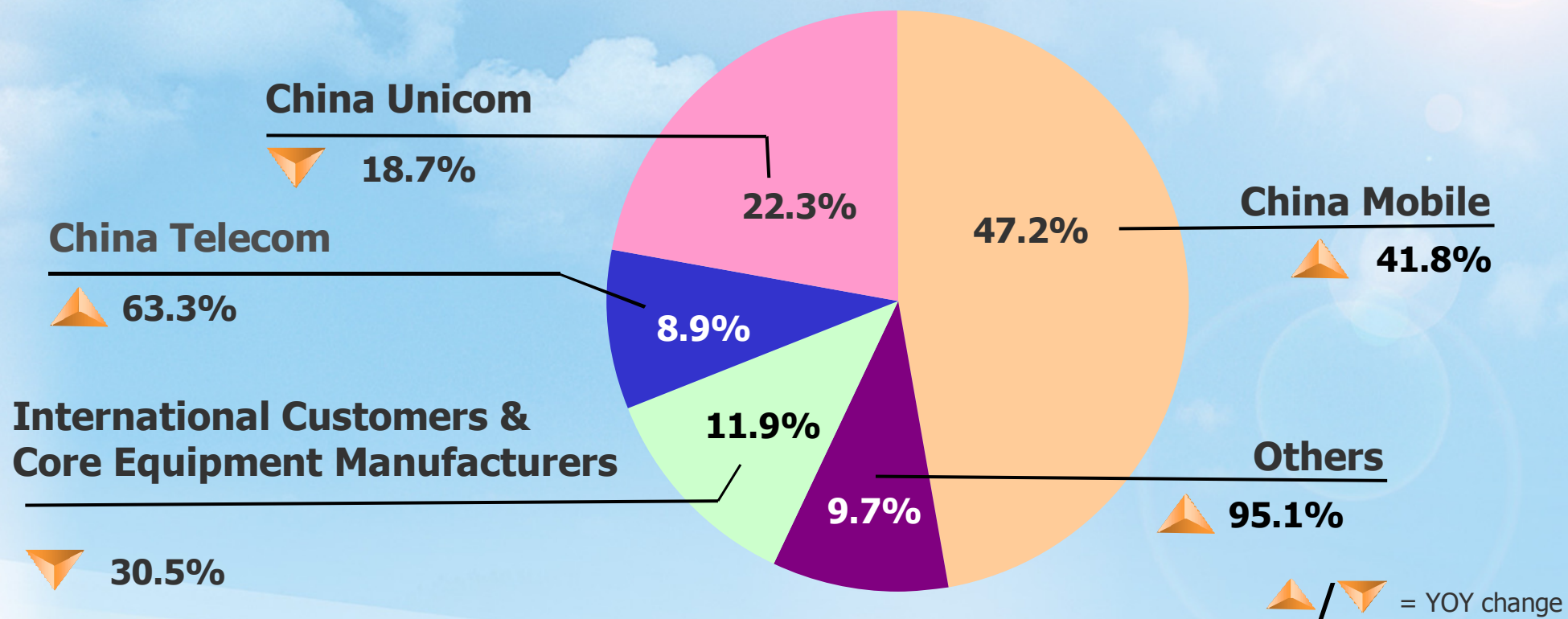
Profit & Margin (1H2006 – 1H2010)

Cost Structure



Revenue Breakdown by Customers Comba

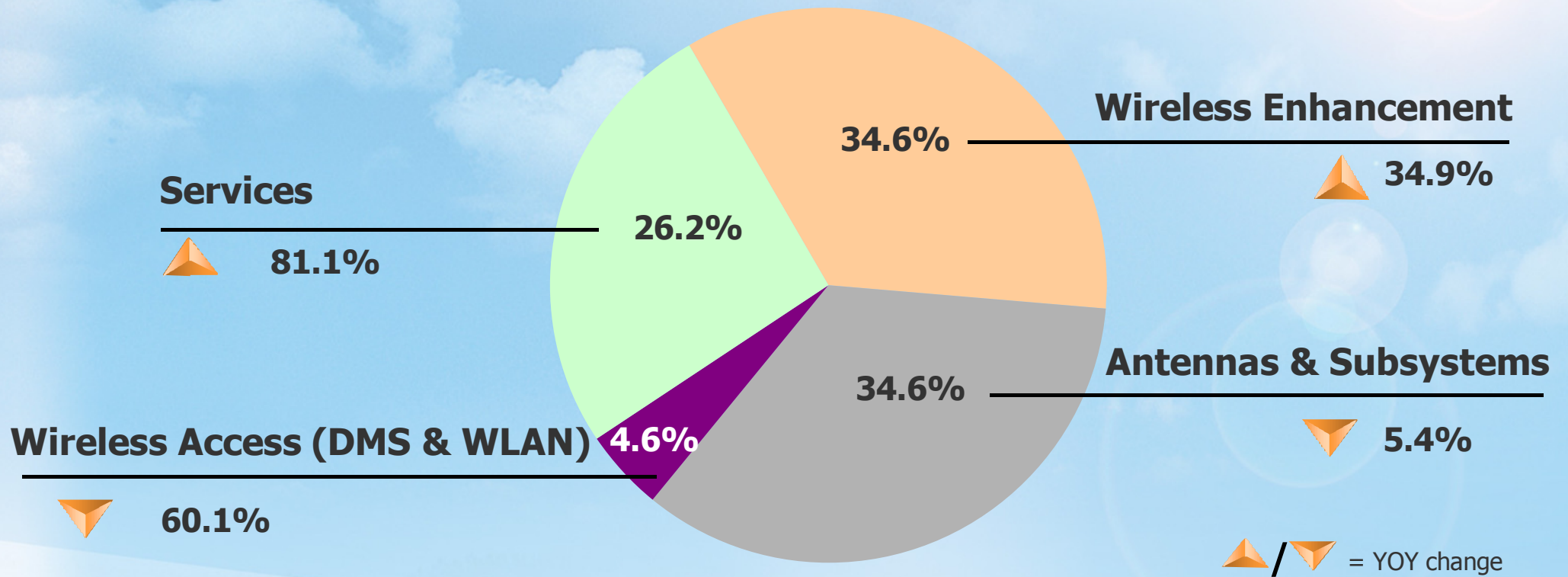
For the six months ended 30 June 2010



Strong Growth in PRC Market

Revenue Breakdown by Businesses Comba

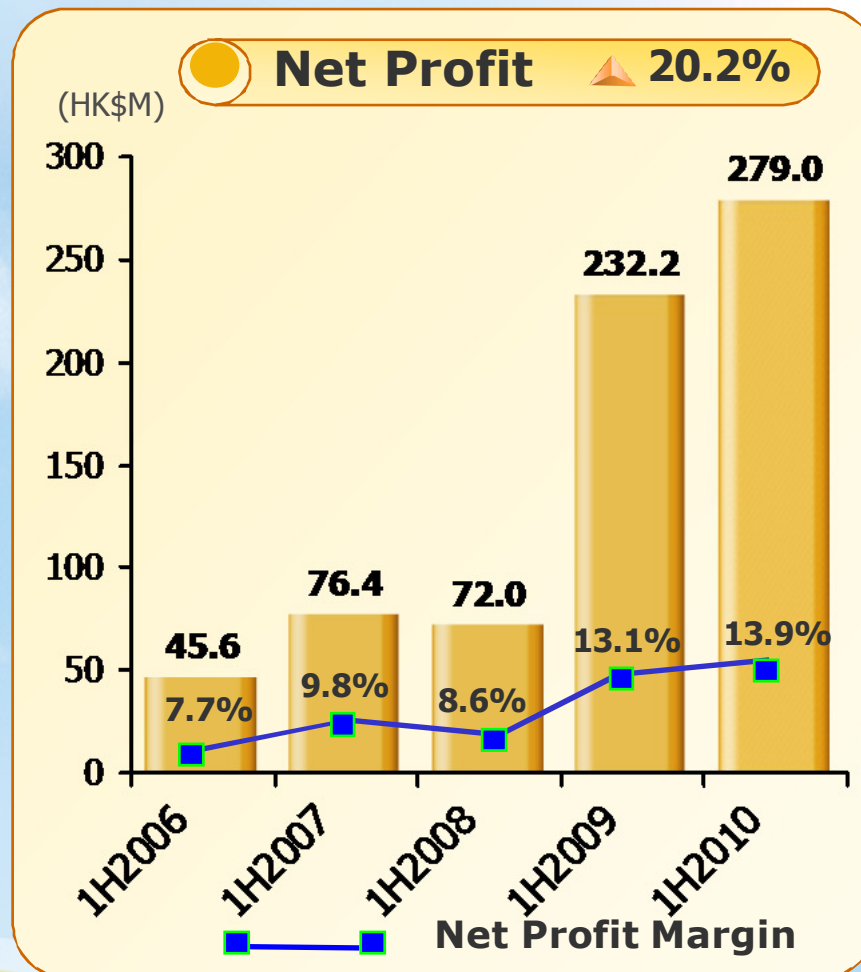
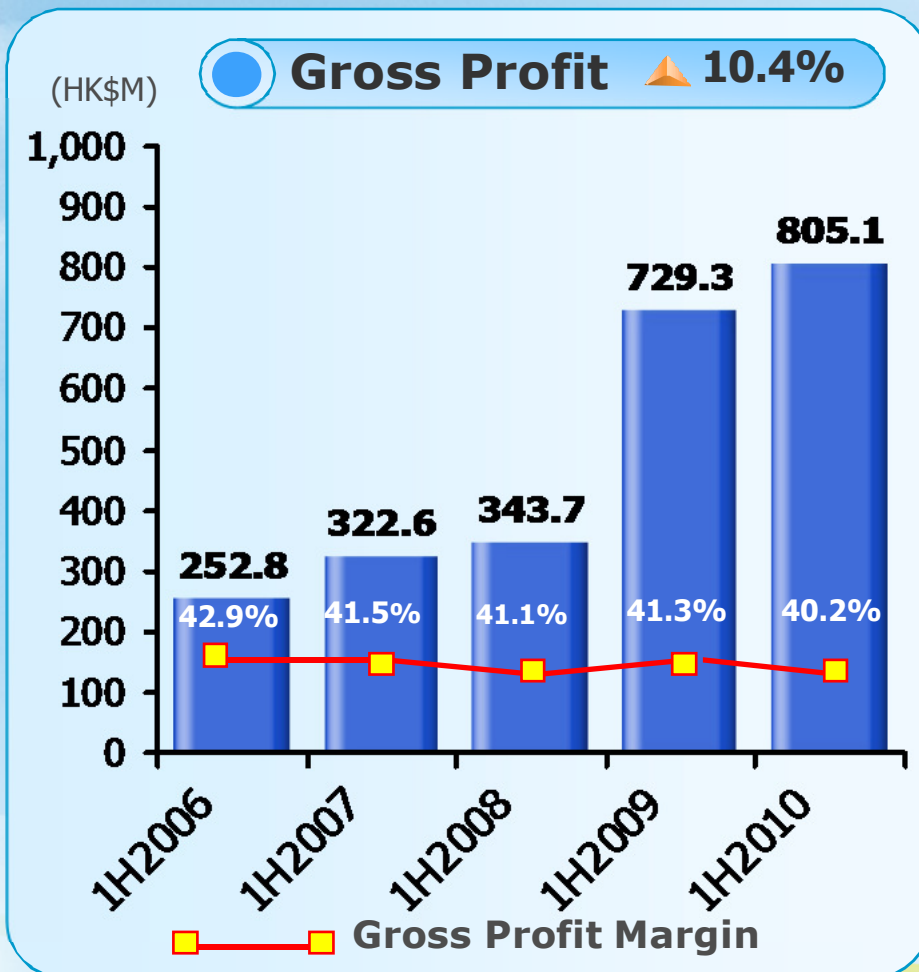
For the six months ended 30 June 2010



**Strong Growth in Both
Wireless Enhancement & Services**

Profit & Margin (1H2006 – 1H2010) Comba

For the six months ended 30 June

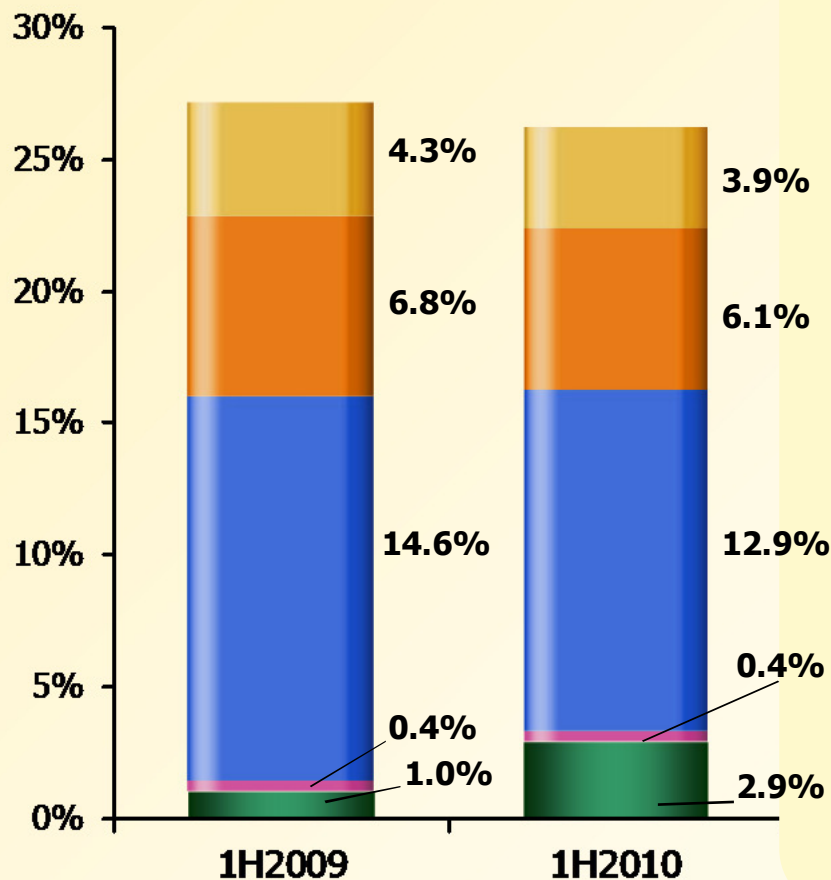


Slight Drop in Gross Profit Margin
Continuous Growth in Net Profit Margin

Cost Structure

For the six months ended 30 June

As % of Total Revenue



R & D costs

2.9%

▲ = YOY change

- R&D efforts for strategic products

Selling and distribution costs

1.2%

- Increased expansion for larger business volume

Administrative expenses

0.4%

- Stable administrative headcount

Finance costs

25.2%

- More financing activities due to higher business volume

Taxation charge

242.0%

- Increased profitability

Increasing Economies of Scale Benefits

Customer Review

Global Customer Base

China Business

International Customers & Core Equipment Manufacturers



Global Customer Base

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China



Core Equipment Vendor



EMEA



APAC

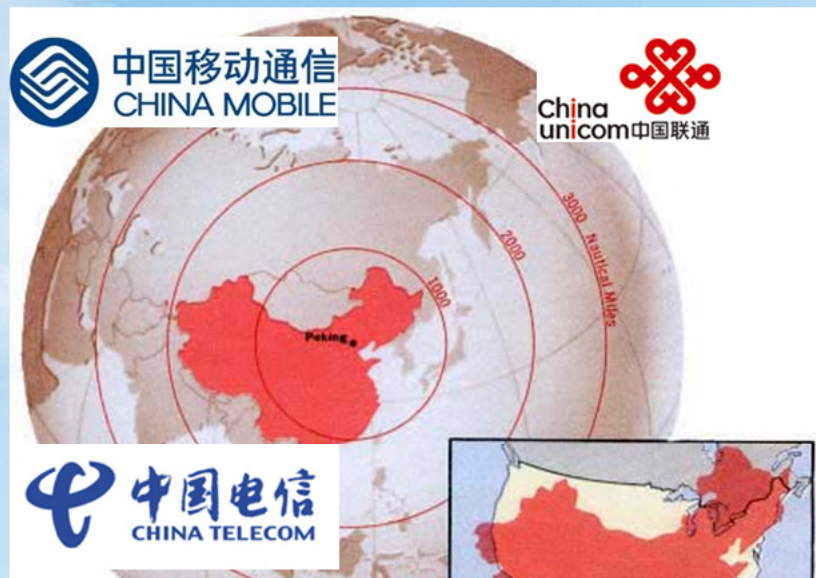


Americas

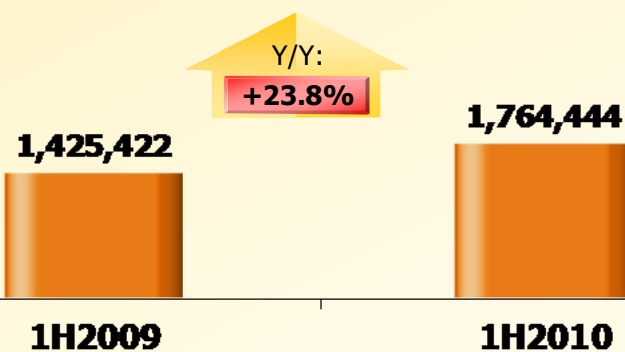


China Business

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Revenue
(HK\$'000)



Review & Opportunities:

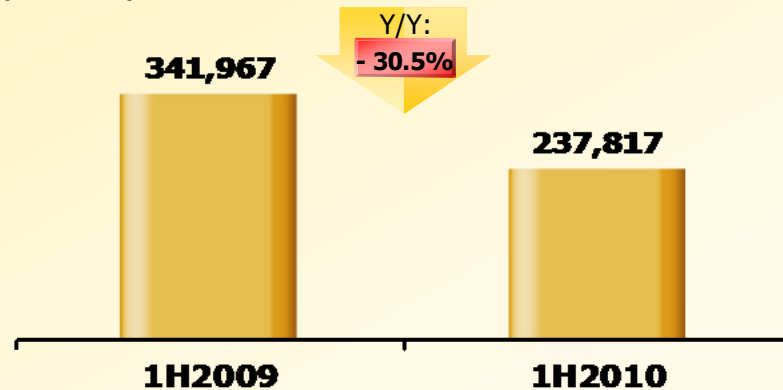
- Strong growth of 24% to HK\$1.8 Bn
- Successfully boosted penetration as leading *solutions partner* to operators with innovations in product and services:
 - 3G network buildouts
 - Network enhancement projects in urban areas
 - Long term 2G network enhancement and extension projects in rural areas and transport networks
- Matching needs of mobile operators at different stages of development:
 - Network rollout: BTS antenna, tower mounted solution
 - Network enhancement: repeaters, network optimization, in-building solutions
 - 2G/3G integration

International Customers & Core Equipment Manufacturers

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Revenue
(HK\$'000)



Review & Opportunities:

- Sales to international customers & core equipment manufacturers decreased by 31% to HK\$238 million
- Indirect sales via core equipment manufacturers were particularly affected with a delayed industry recovery in 1H.
 - India-related indirect sales affected
 - Diversification with development of new OEM partners
 - Signs of improving situation towards the end of reporting period.
- Good growth recorded in direct sales to the international market
 - Successfully expanded customer portfolio
 - Strategy of up-selling and cross-selling projects showing positive results
 - International supply and support agreements with operators
- Wireless operator CapEx expected to continue recovering in 2010 and beyond
 - 3G in India and South America markets
 - Rise of HSPA driving network demands

Business Review

Wireless Enhancement

Antennas & Subsystems

Wireless Access (DMS & WLAN)

Services



Solutions for all Network Stages

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Solutions for all Network Stages

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In-Building Solutions



Wireless LAN

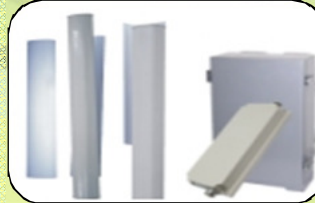


Stadium/Large Venues

Outdoor Wireless Enhancement



BTS Antennas Tower Mounted Solutions



Installation commissioning etc.



Wireless Backhaul



Scenic Areas (Camouflaged Solutions)

Network Optimization Solutions etc..



Rural Area Coverage

Rollout Phase

Base Station Solutions

Urban Area Coverage

Enhancement Phase

Wireless Enhancement

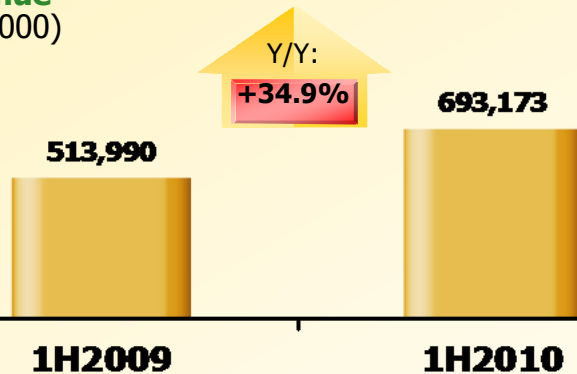
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Review & Opportunities:

- Increased 35% to HK\$693million
- China 2G and 3G network buildout and enhancement driving demand for repeater solutions
- Escalating industry pressure on selling prices for standard repeaters
 - Volume order strategy to preserve profits
 - Integrated wireless solutions with services to maintain competitive differentiation and margins
- Successful push of DAS solutions into China and international markets
- Global increasing data capacity requirements will drive demand for wireless enhancement solutions

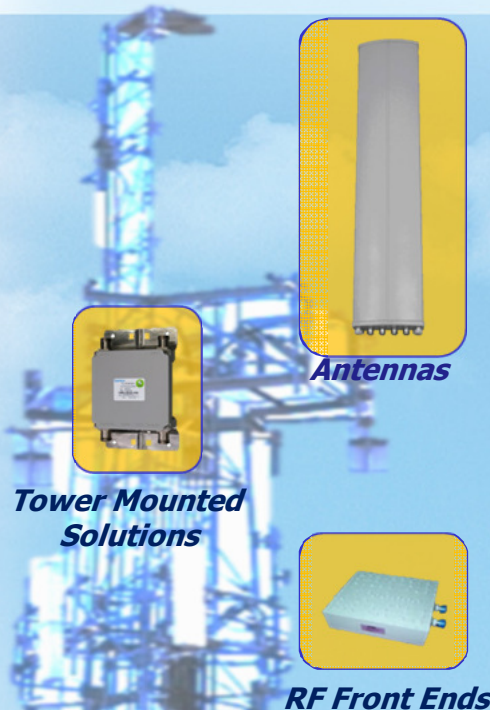


Revenue
(HK\$'000)



Antennas & Subsystems

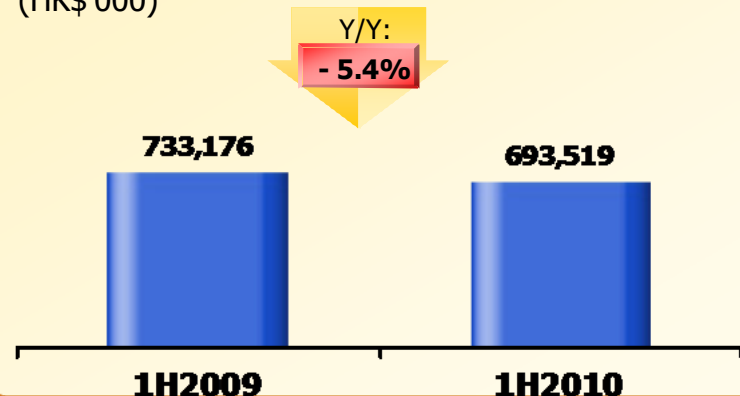
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Review & Opportunities:

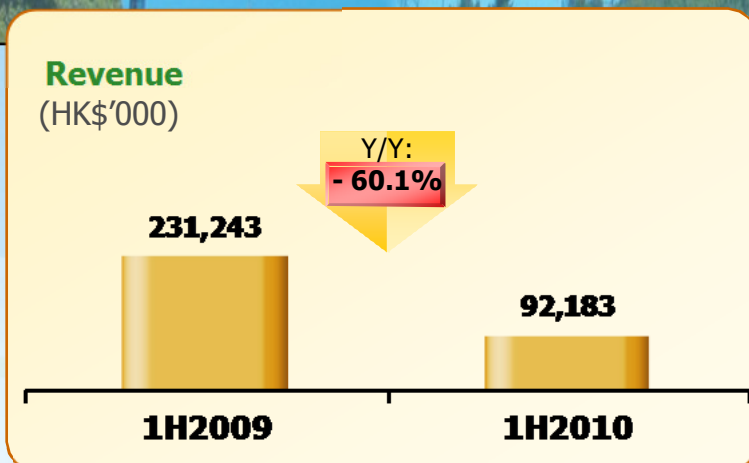
- Revenues decreased slightly by 5% to HK\$694 million
- Maintained leading position as antenna supplier in China market
 - Diversified portfolio to support network rollout and integration activities
- Converting recognition from top tier operators to solid revenue opportunities in the global market.
 - Preferred antenna supplier status with operators in certain EMEA markets.
- Continuing product portfolio expansion and segmentation for future growth. E.g. expansion of TD-SCDMA product portfolio

Revenue
(HK\$'000)



Wireless Access (*DMS and WLAN*)

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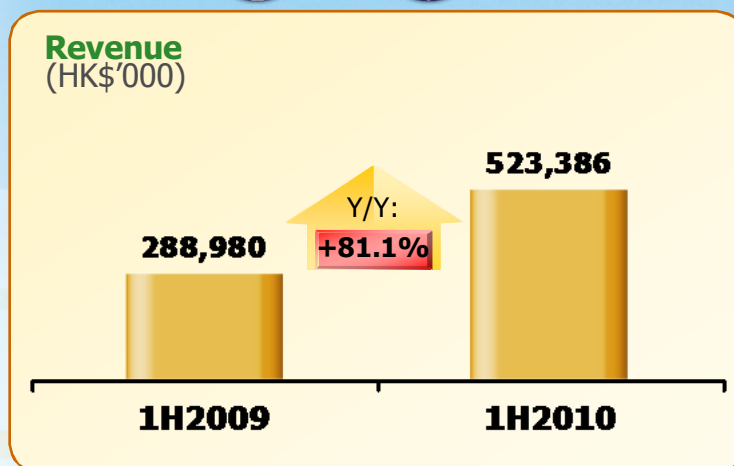
Review & Opportunities:

- Decreased 60.1% to HK\$92.2 million
- India-related indirect sales orders decreased
- Strategy of direct sales to customers showed positive results
- Good market feedback of diversified of product portfolio
 - *Wireless LAN solutions*
 - *IP backhaul solutions* for future requirements
 - Cost-effective solutions developed including couplers and integrated microwave equipment
- Positive outlook on 2H 2010 with increasing market demand



Review & Opportunities:

- Increased 81.1% to HK\$523.4 million
- Key differential element enabling the Comba to supply total solutions to customers in China and International market.
- Services include maintenance, consultation, commissioning, network optimization and project management
- General positive growth in all service elements reflecting a positive cross/up-selling strategy on solutions to customers.
- Recurring maintenance contracts from existing and new customers



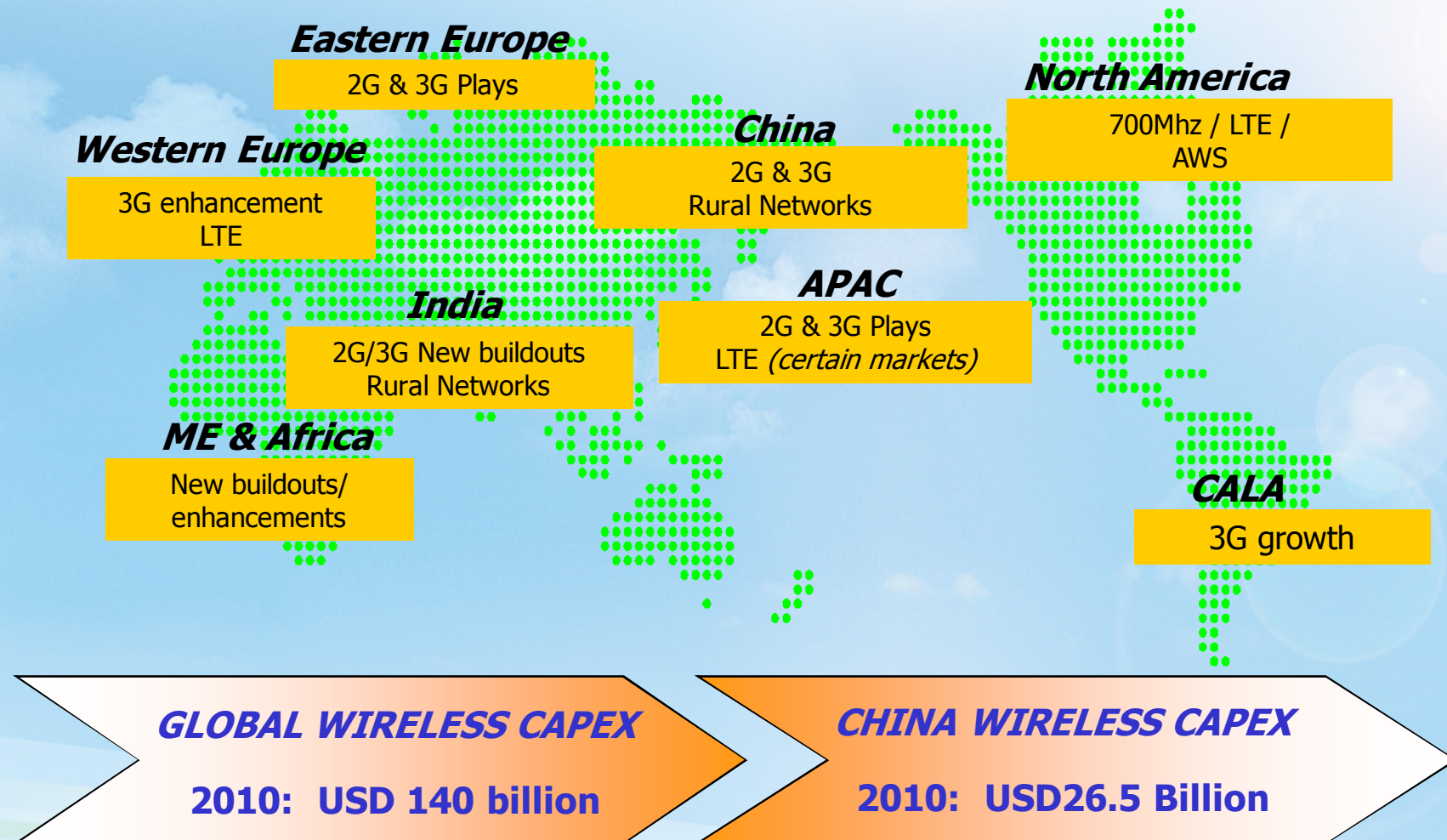
Market Outlook

Global Outlook



Global Outlook

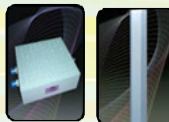
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Wireless
Enhancement



Antennas
&
Subsystems



Wireless
Access



Services



Open Forum

