

Comba

京信通信系統控股有限公司

Comba Telecom Systems Holdings Limited

Stock Code: 2342.HK

Corporate Presentation

Annual Results 2007



Agenda

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

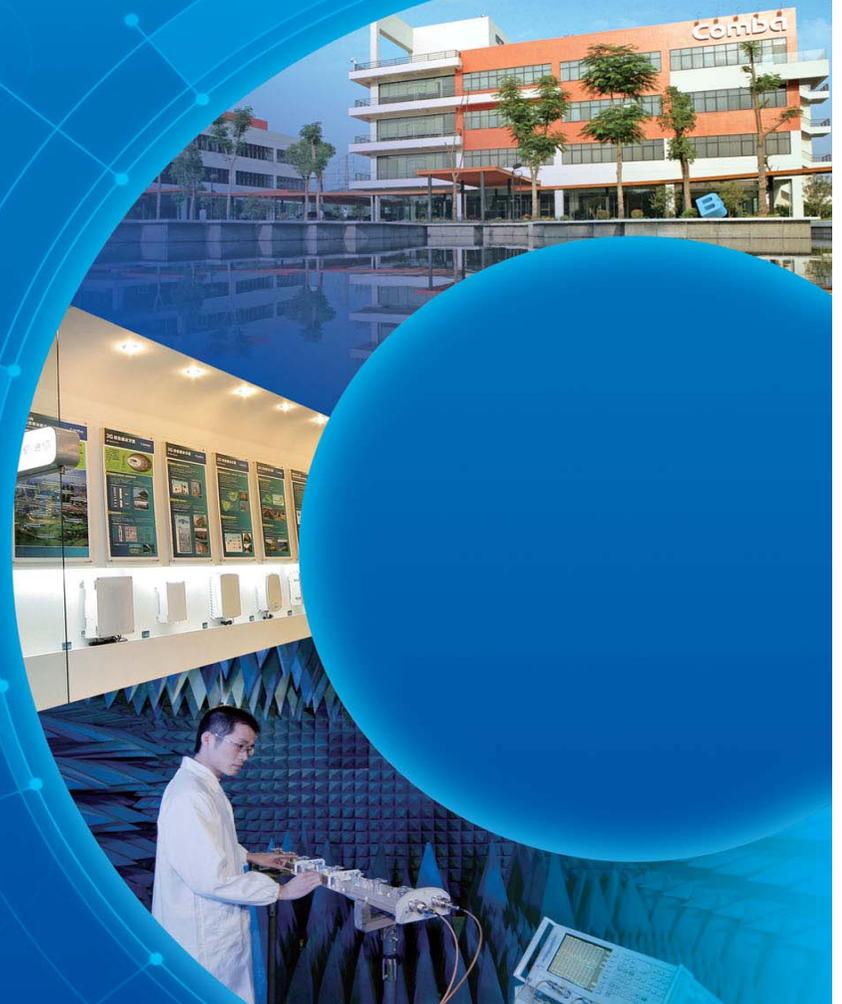
- Steady revenue growth from China Mobile and China Unicom
- Rapid international expansion to deliver robust growth
- Remarkable growth in antennas and subsystems business
- Increasing importance of services – a new growth driver
- Enhanced revenue mix and cost controls improved gross profit margin
- Impressive net profit margin expansion of 230 basis points
- Well positioned to capture growing opportunities in both 2G and 3G markets globally

Financial Highlights

Financial Results

Financial Position

Key Financial Indicators



Financial Results

For the year ended 31 December

<i>HK\$'000</i>	2007	2006	Change
Revenue	1,768,418	1,550,441	+14%
Gross profit	681,257	586,540	+16%
Gross profit margin	38.5%	37.8%	+0.7 % pts
Profit attributable to shareholders	191,619	131,140	+46%
Net profit margin	10.8%	8.5%	+2.3 % pts
Basic EPS (HK cents)	22.56	15.69	+44%
Final Dividend per share (HK cents)	6.0	4.5	+33%

Financial Position

As at 31 December

<i>HK\$'000</i>	2007	2006	Change
Current assets	2,343,942	2,082,581	+13%
Current liabilities	1,047,631	1,009,693	+4%
Net current assets	1,296,311	1,072,888	+21%
Total assets	2,759,342	2,416,552	+14%
Total liabilities	1,054,392	1,009,693	+4%
Net assets	1,698,256	1,399,117	+21%
NAV Per Share (HK\$)	1.99	1.66	+20%

Key Financial Indicators

For the year ended 31 December

	2007	2006
Inventory turnover days	230	225
A/R turnover days	200	172
A/P turnover days	176	162
Current ratio	2.2X	2.1X
Quick ratio	1.5X	1.5X
Gearing ratio	3.2%	6.3%
Return on average equity	12.4%	10.1%

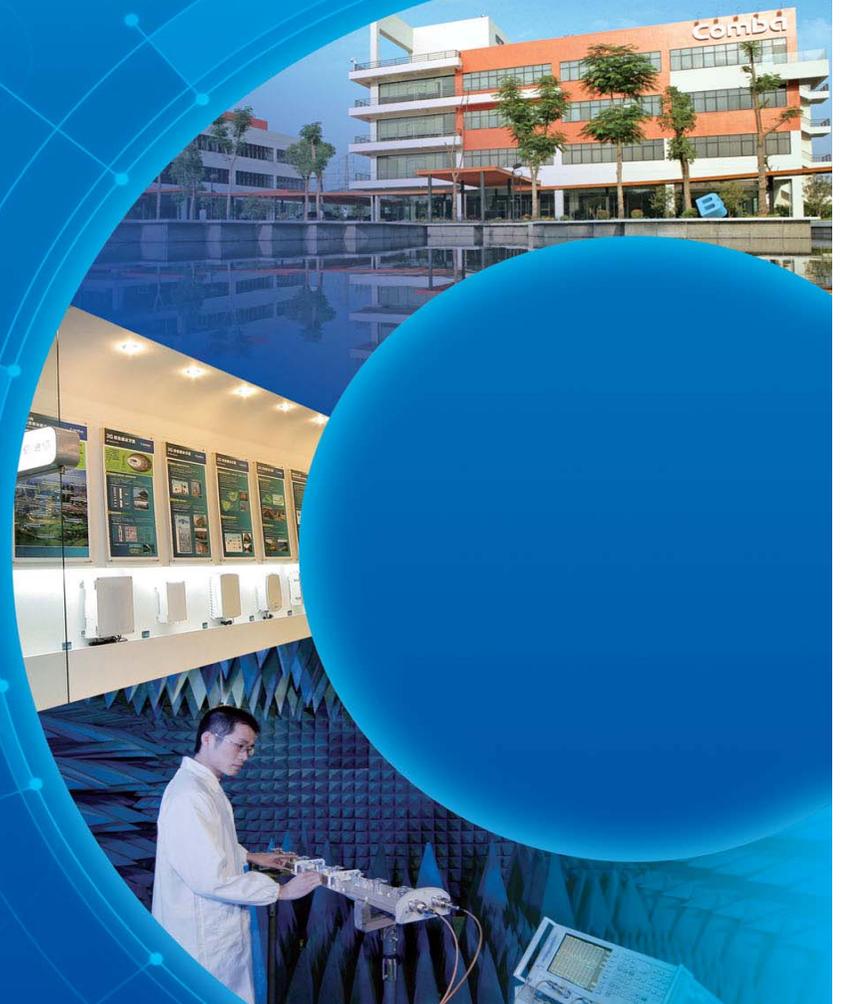
Financial Review

Revenue Breakdown by Customers

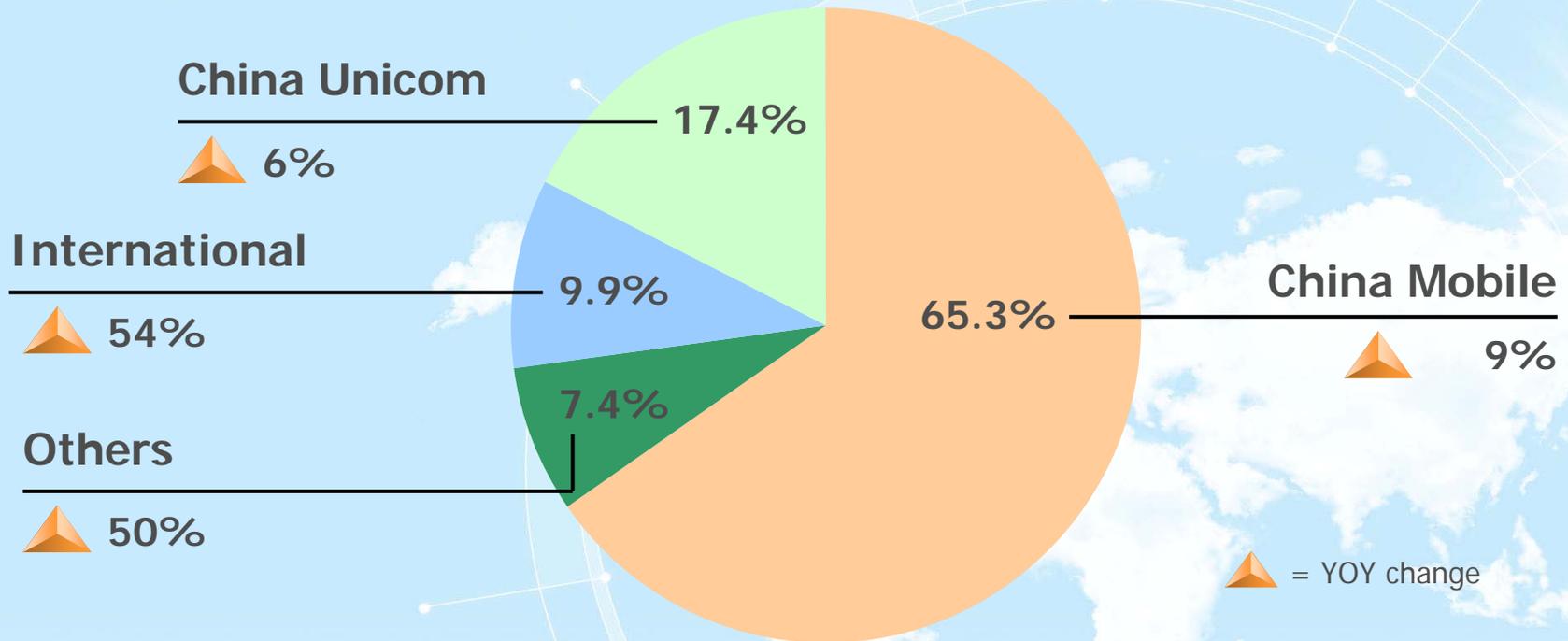
Revenue Breakdown by Businesses

Profit & Margin

Cost Structure

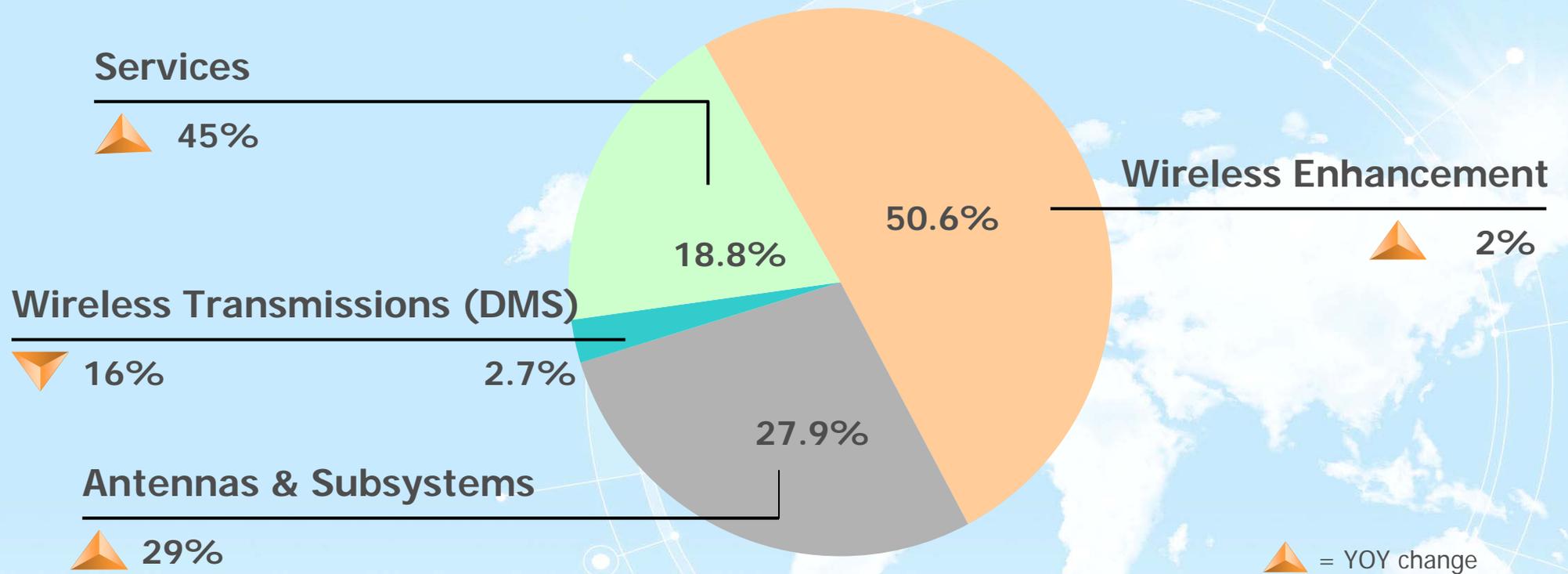


Revenue Breakdown by Customers



Steady growth in China
Fastest growth internationally

Revenue Breakdown by Businesses



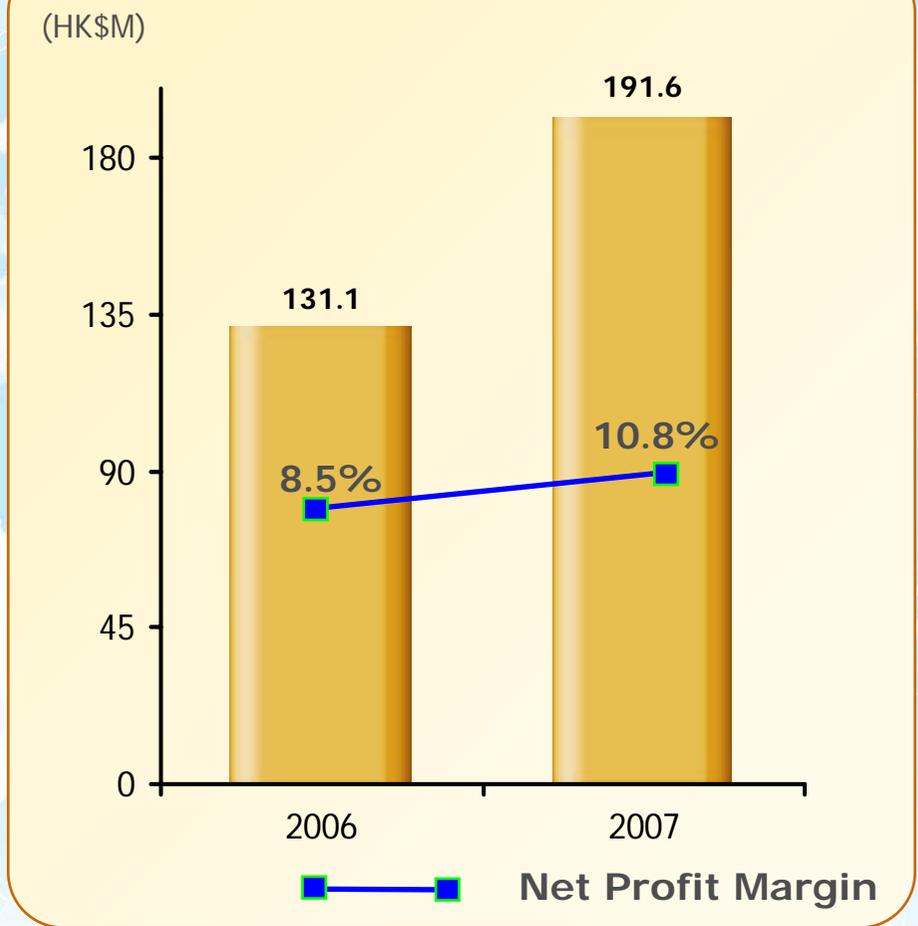
Remarkable growth in Antennas & Subsystems as well as Services

Profit & Margin

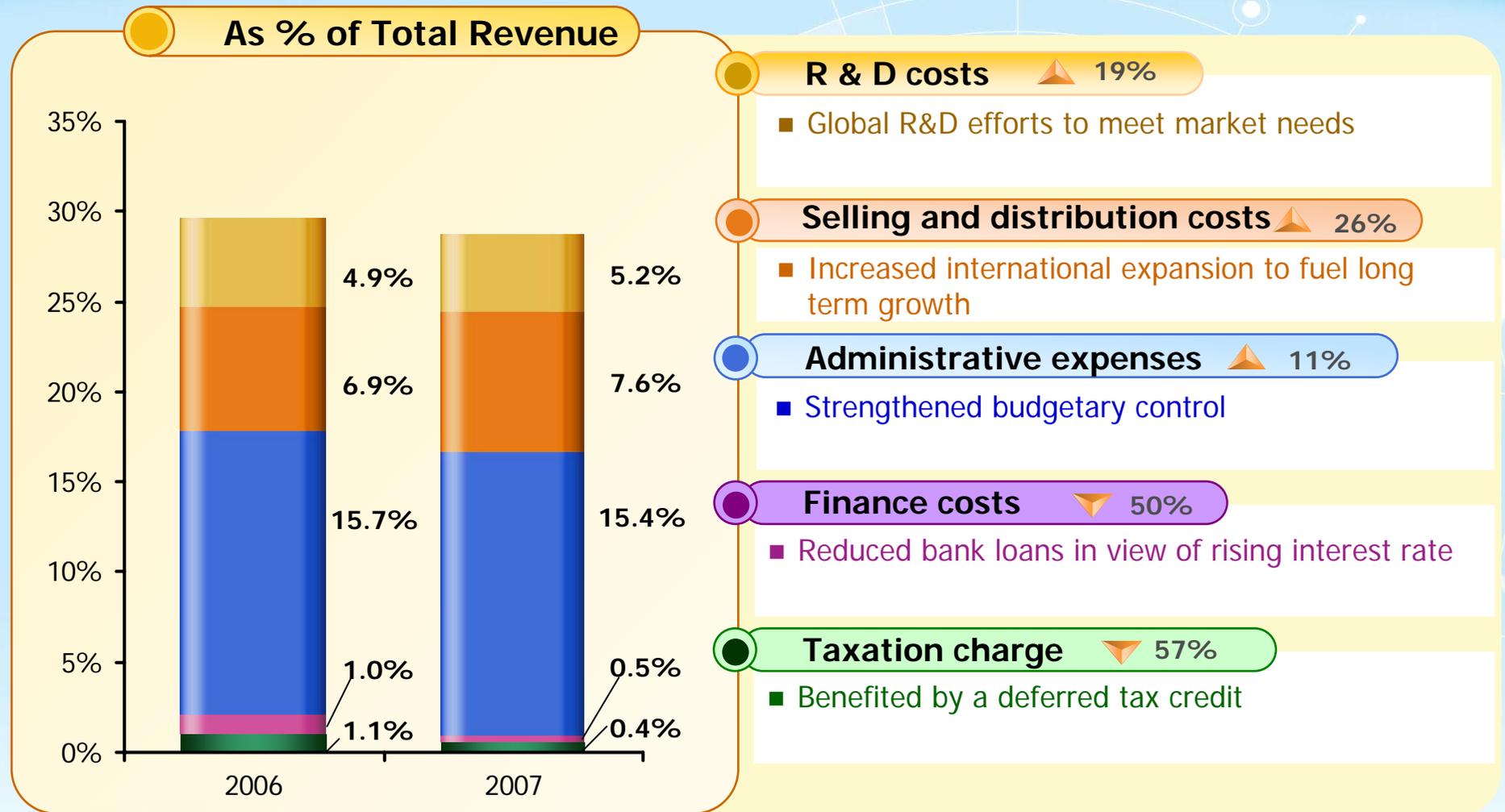
Gross Profit ▲ 16%



Net Profit ▲ 46%



Cost Structure



▲ = YOY change

R & D costs ▲ 19%
 ■ Global R&D efforts to meet market needs

Selling and distribution costs ▲ 26%
 ■ Increased international expansion to fuel long term growth

Administrative expenses ▲ 11%
 ■ Strengthened budgetary control

Finance costs ▼ 50%
 ■ Reduced bank loans in view of rising interest rate

Taxation charge ▼ 57%
 ■ Benefited by a deferred tax credit

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
ZTE中兴
Nokia Siemens Networks
Alcatel-Lucent
TD Tech
RADIOCOMM

EMEA

TIM
Vodafone
SAUDI TELECOM
TURKCELL
orange
MTN
TELECOM ITALIA
БИКОМ
PK-TELECOM
TELE2
Telefonica M6viles

APAC

SmartTone
Vodafone
Singtel
PEOPLES
celcom
m1
RELIANCE Communications
Airtel Express Yourself
TANGA
GLOBE TELECOM
spice
true
TATA
LADTELECOM
Taiwan Mobile
台湾大哥大
DiGi
StarHub
PT METAPLAS HARMONI
AIS
MIC
DST GROUP
Hutch

Americas

CT M6VIL
PORTAFON
MOVISTAR
USACEL
Personal
vivo
ENTELEPCS
Claro

China Business

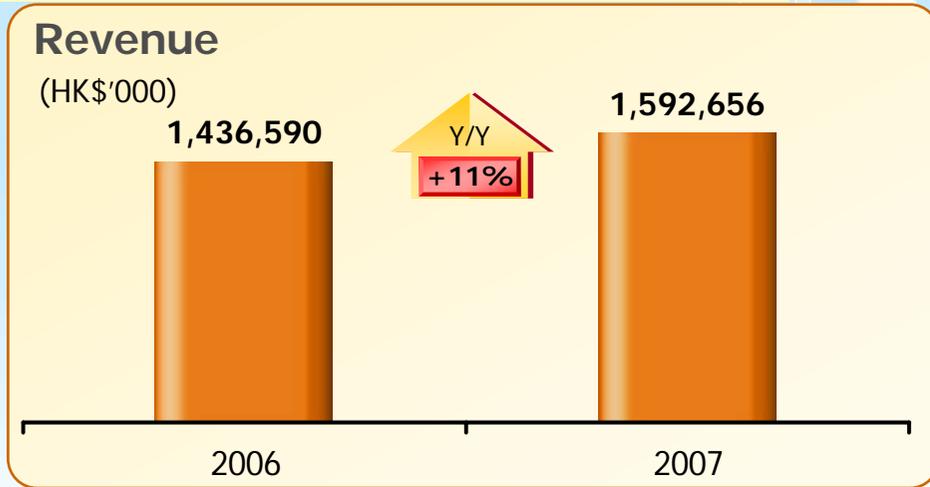


Review:

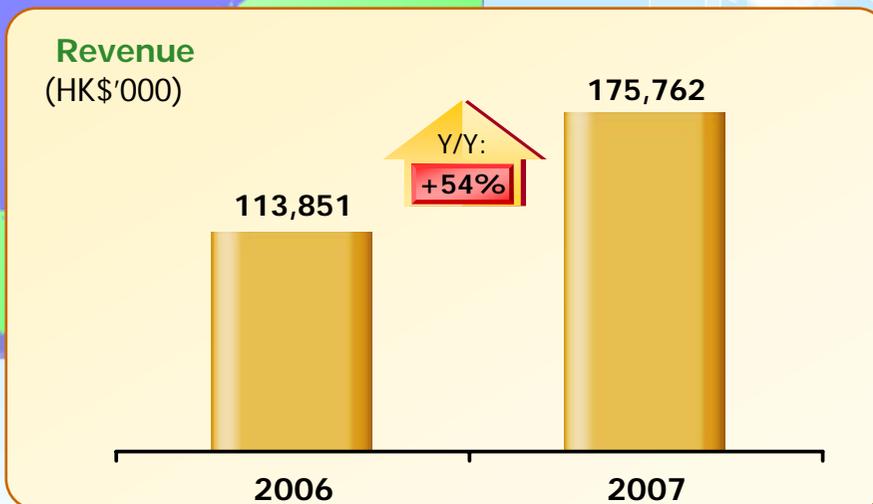
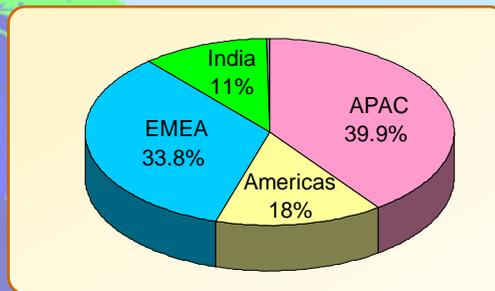
- Continuing subscriber growth drives demand
- Continuous growth in urban and rural China
 - 2G growth with Village Connect Projects
 - Transport network coverage projects for the Qinghai-Tibet Railway (Qingzang)
 - Olympic Stadium coverage projects
- Expansion of VAS driving capacity demand
- Cemented leadership position in customer procurement programs
- Product launch and delivery of TD-SCDMA products

Opportunities:

- Offering of innovative solutions to drive equipment and service sales
- Completing Beijing Summer Games 2008 wireless projects
- Continuous network enhancement demand
Infrastructure projects and network enhancement for urban and rural areas
- CAPEX Increase for major operators
- Commercialization of TD-SCDMA network



International Business



Review:

- Group's core committed growth strategy
- Consistently strong year-on-year growth at 54%
- Contributing 10% of group revenue
- Continued inroads into new markets through direct and partners
 - Increased global points of presence

Opportunities:

- Continuous increase in CAPEX with new network buildout, 3G upgrade and extensions
- Focused product development for international markets
- Broadened customer base allows faster business development with repeat customers
- Particular growth areas
 - Undeveloped regions: network buildout & backhaul
 - Developed regions: In-Building Systems

Business Review

Wireless Enhancement
Antennas & Subsystems
Wireless Transmission
Services



Business Review

Wireless Enhancement *(indoor)*



Antennas and Subsystems



Wireless Transmission



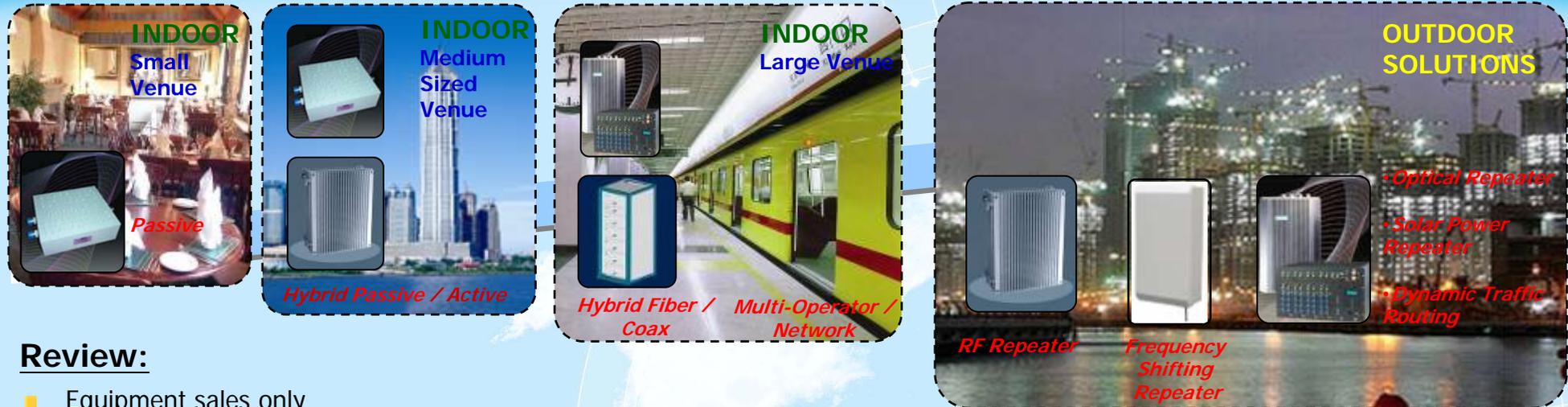
Services



Wireless Enhancement *(outdoor)*



Wireless Enhancement

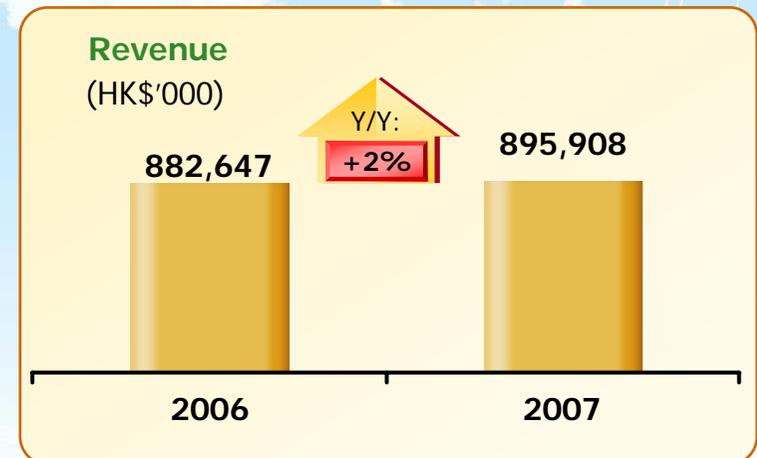


Review:

- Equipment sales only
- Continuous product development and rollout e.g. TD-RRU and Olympic stadium coverage projects in China
- Customized solutions for numerous large-scale projects internationally
- International operations increasing contribution to division and group growth
- New solutions sales driving services growth (see later slide)

Opportunities:

- Volume deliveries of TD-SCDMA/ 3G products in China
- Increased 2008 CAPEX budget from China's mobile operators
- Network rollouts and enhancement activities in developing markets



Antennas & Subsystems

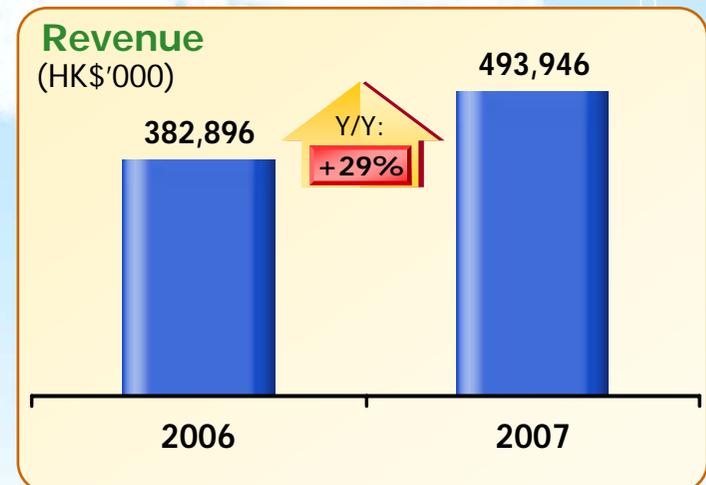


Review:

- The major BTS antenna manufacturer in China
- Tech leadership: sole high-end antenna supplier for key customers
- Leveraging successful procurement programs with China operators
- TD-SCDMA antenna deployment
- Wide product portfolio of high performance and cost effective antennas
- Growth of customer base in China and global market
- Gaining traction with RF conditioning products

Opportunities:

- Solid opportunities seen for TD-SCDMA / 3G
- TD-SCDMA antenna deployment
- Major 2G and 3G new network rollouts in various regions
- Build on traction with RF conditioning products



Wireless Transmission

Digital Microwave Systems

Comba

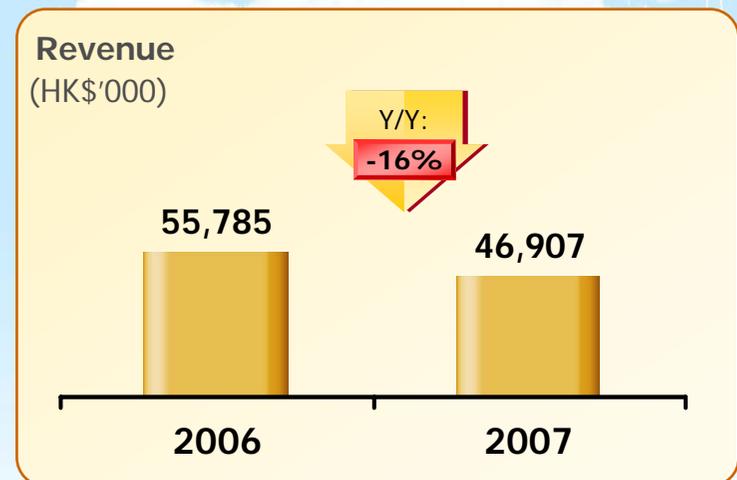


Review:

- Slower deployment of wireless transmission solutions from existing customers
- Growing and diversifying customer base
- Launch of new solution range to address a wider market segment more competitively in 4Q08

Opportunities:

- Qualified as ODU supplier to leading core equipment vendors
- Recurring businesses from existing customers
- Gaining traction with domestic and int'l customers
- Opportunities in developing countries' infrastructure expansion initiatives
- Continue to diversify customer base



Services

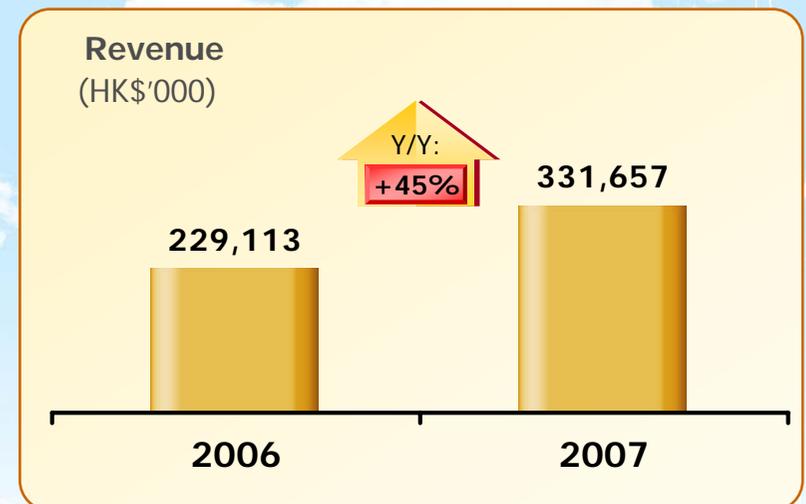


Review:

- Services include maintenance, consultation, commissioning, network optimization and project management
- New product launch has fuelled additional services revenue
- Expansion in both domestic and international market
- Existing installation base driving extended maintenance service revenues

Opportunities:

- Recurring maintenance contracts from existing customers
- Focus growth in certain strategic markets internationally

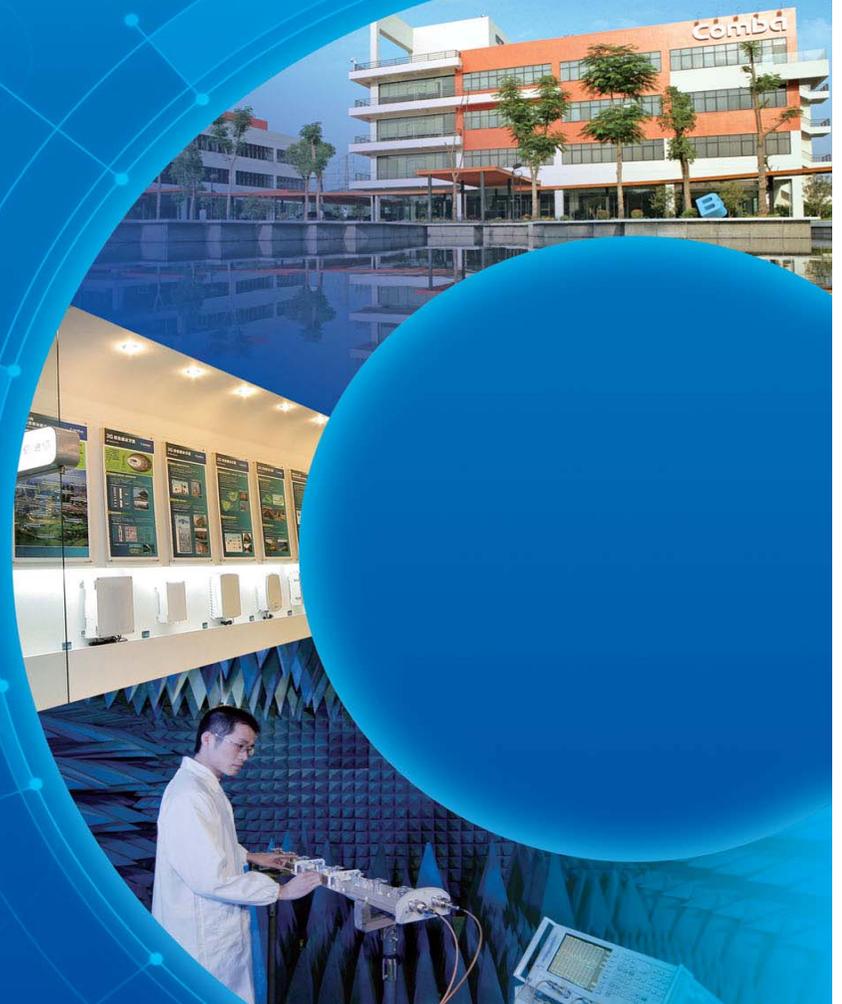


Market Outlook

Global Industry Trend

China Outlook

Major Global Opportunities

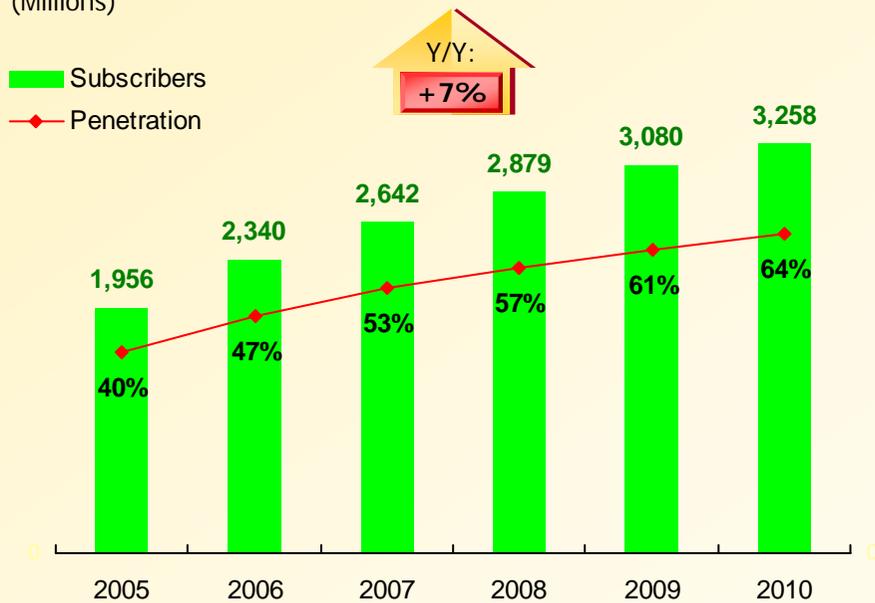


Global Industry Trend

Mobile Connections GLOBAL

(Millions)

Subscribers
Penetration

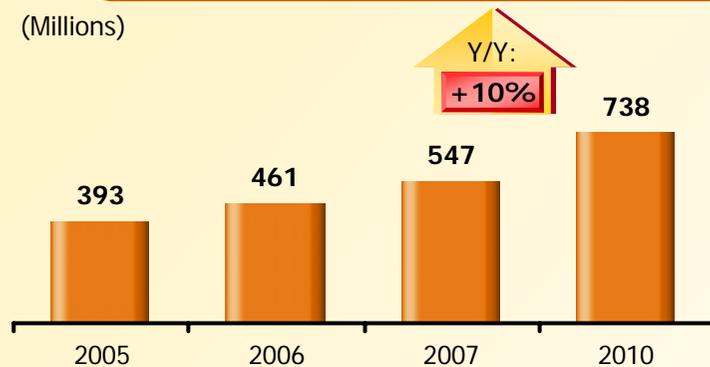


Source: EIU 2008

- 2G expected to dominate mobile subscriber base up to 2012 (*In-Stat 2008*)
- 3G buildouts are rapidly escalating with China adding further impetus
- Substantial increase in capacity demands for data and voice traffic

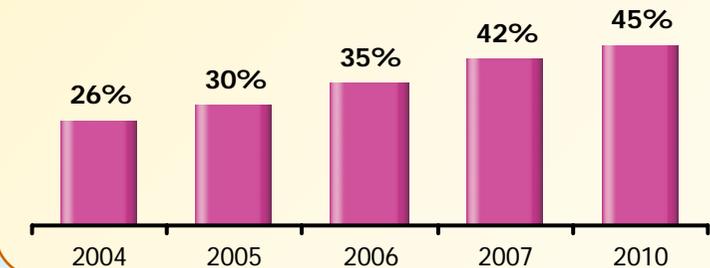
China – Mobile Subscribers

(Millions)



2007 penetration = 42%

China – Mobile Penetration



Source: MII 2008, IE Market Research Corp 2008
EIU 2008

China Outlook

- Commercialization of TD-SCDMA network in 2008
- Restructuring of China telecoms industry allowing more operators
- CAPEX increase of major operators
- Completion of various Olympic venues
- Continued growth rates of mobile phone adoption fuelled by annual economic growth rates of 8-9%
- Demand for services beyond voice



Major Global Opportunities

Western Europe

3G enhancement

- 3G equipment agreement with TIM
- Approval of major vendors

Eastern Europe

New buildouts & enhancements

- Enhancement solutions

North America

AWS & Extensions

- Launch of MCPA solutions

China

3G Rollouts 2G Coastal & Inner Regions

India

New buildouts & enhancements

- Solutions for rollout
- Backhaul
- Enhancement solutions

ME & Africa

New buildouts & enhancements

- Supply of solutions for rollout
- Backhaul
- Enhancement solutions

APAC

3G, New buildouts & enhancements

- Supply of solutions for rollout
- Backhaul, Antennas
- Enhancement solutions

CALA

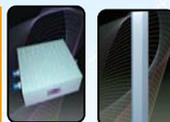
3G, New buildouts & enhancements

- Solutions for network rollout
- Enhancement solutions

Wireless Enhancement



Antennas & Subsystems



Wireless Transmission



Services



Open Forum

