

The logo for Comba, featuring the word "Comba" in a bold, blue, sans-serif font.

京信通信系統控股有限公司
Comba Telecom Systems Holdings Limited
Stock Code: 2342.HK

A large, faded version of the Comba logo and a world map composed of blue dots, serving as a background for the top half of the slide.

Interim Results 2007 Corporate Presentation

September 2007

Agenda

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

Overview

- Remarkable growth in revenue from China Mobile
- Significant growth in international sales
- Sales of BTS antennas more than tripled
- Innovative products and cost controls sustained healthy margin
- Maintained strong net profit growth due to economies of scale
- Broadened product and solution portfolio including TD-SCDMA
- Captured growing opportunities in both 2G and 3G markets globally

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Financial Highlights

Financial Results

Financial Position

Key Financial Indicators

Financial Results

For the six months ended 30 June

<i>HK\$'000</i>	2007	2006	Change
Revenue	777,821	589,490	+ 31.9%
Gross profit	322,639	252,788	+ 27.6%
Gross profit margin	41.5 %	42.9%	- 1.4 % pts
Profit attributable to shareholders	76,386	45,561	+ 67.7%
Net profit margin	9.8 %	7.7%	+ 2.1 % pts
Basic EPS (HK cents)	9.09	5.46	+ 66.5%

Financial Position

<i>HK\$'000</i>	As at 30 June 2007	As at 31 December 2006	Change
Current assets	2,099,948	2,082,581	+ 0.8%
Current liabilities	923,665	1,009,693	- 8.5%
Net current assets	1,176,283	1,072,888	+ 9.6%
Total assets	2,451,625	2,416,552	+ 1.5%
Total liabilities	923,665	1,009,693	- 8.5%
Net assets	1,527,960	1,406,859	+ 8.6%

Key Financial Indicators

For the six months ended 30 June

	2007	2006
Inventory turnover days	262	339
A/R turnover days	215	233
A/P turnover days	203	221
Current ratio	2.3X	2.0X
Gearing ratio	5.0%	11.3%
Return on average equity	10.5%	7.5%

Financial Review

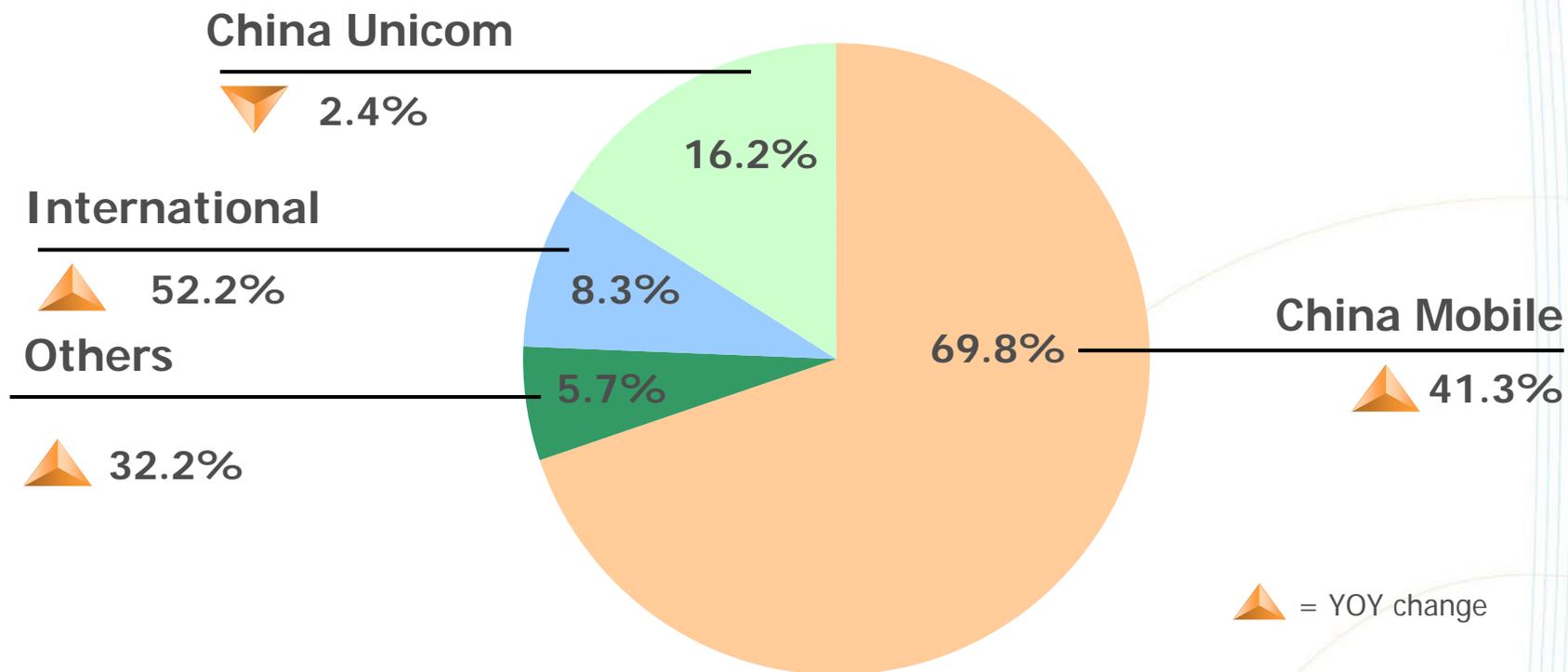
Revenue Breakdown by Customers

Revenue Breakdown by Businesses

Profit & Margin

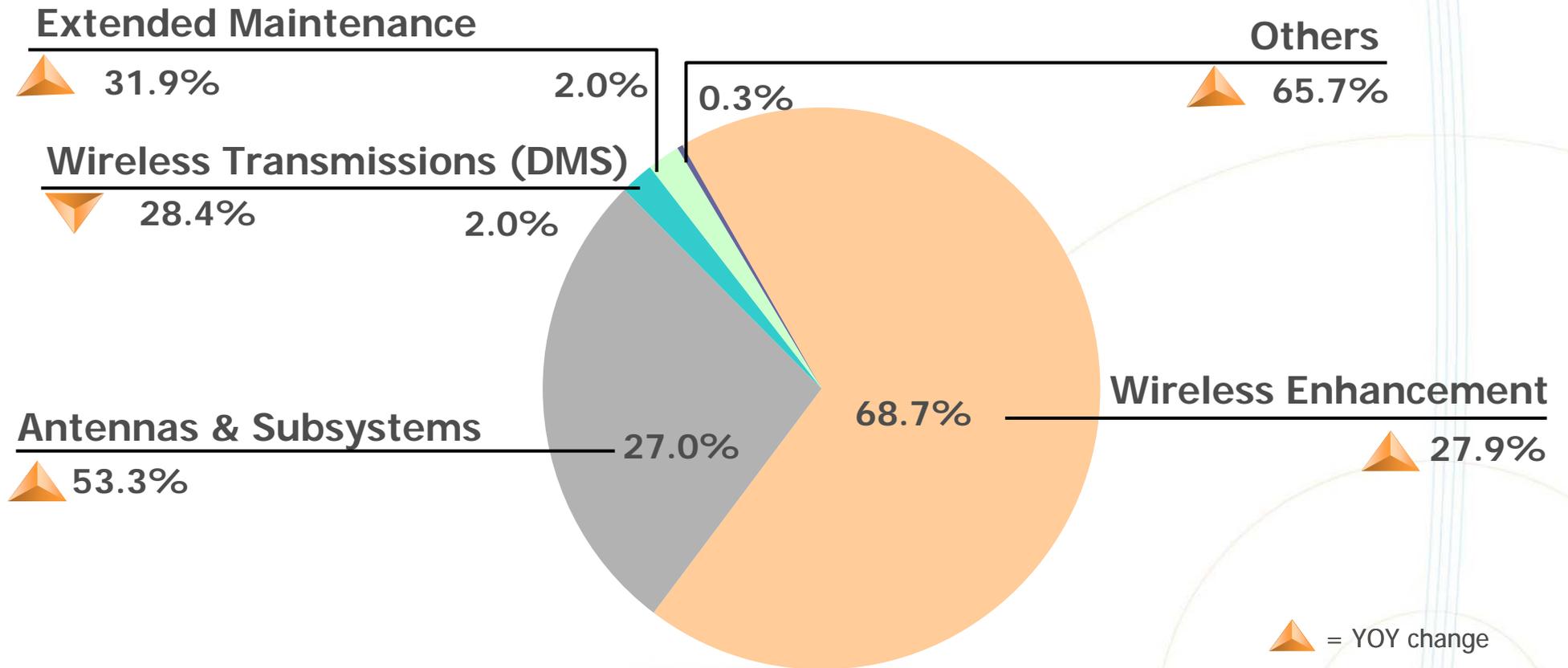
Cost Structure

Revenue Breakdown by Customers



Remarkable revenue growth from China Mobile

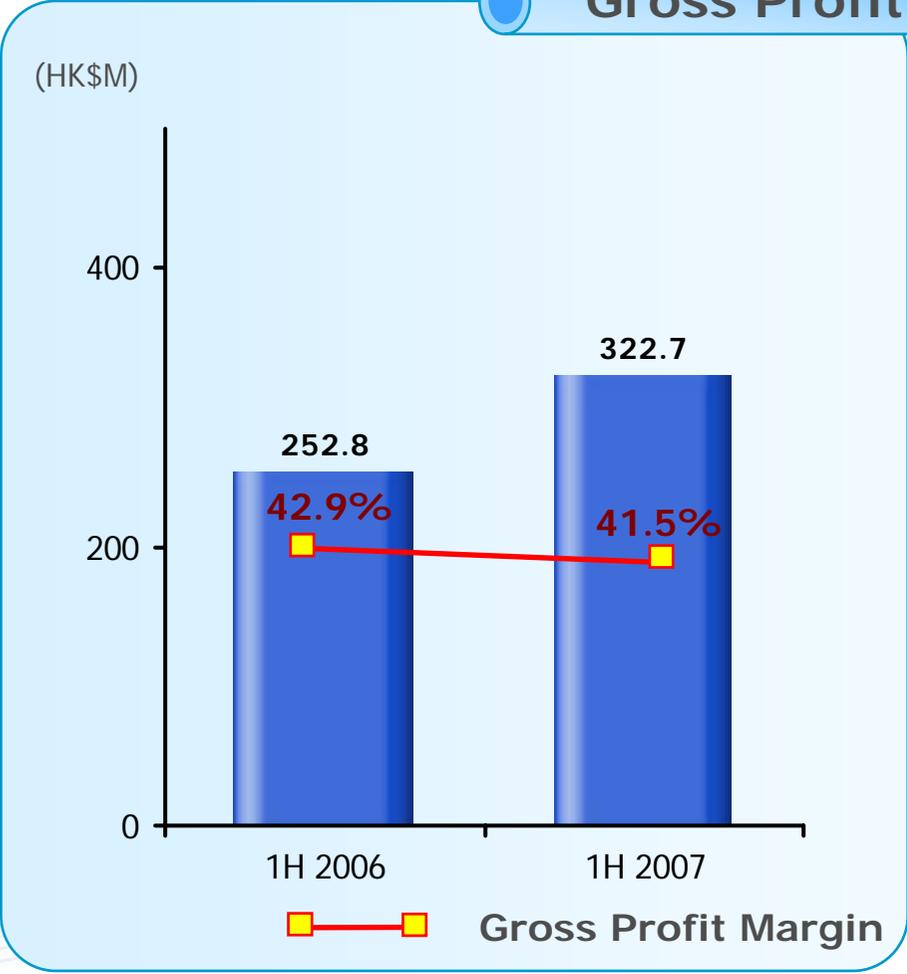
Revenue Breakdown by Businesses



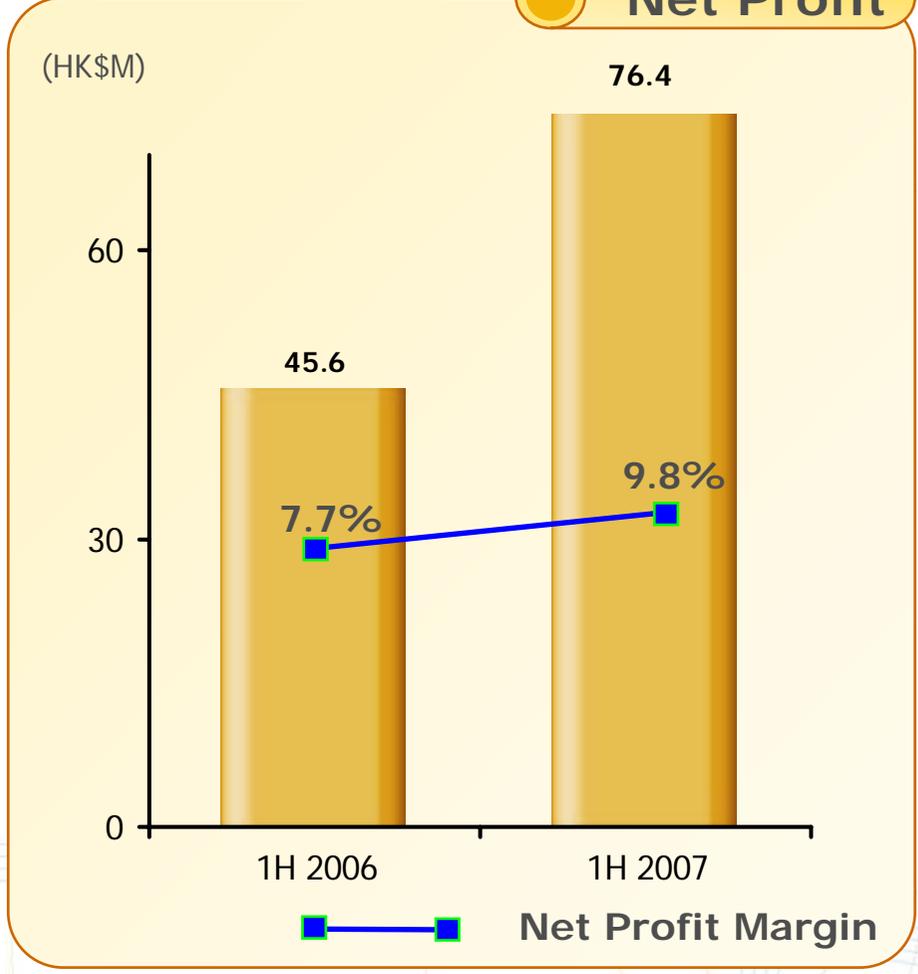
Robust growth in Antennas and Subsystems

Profit & Margin

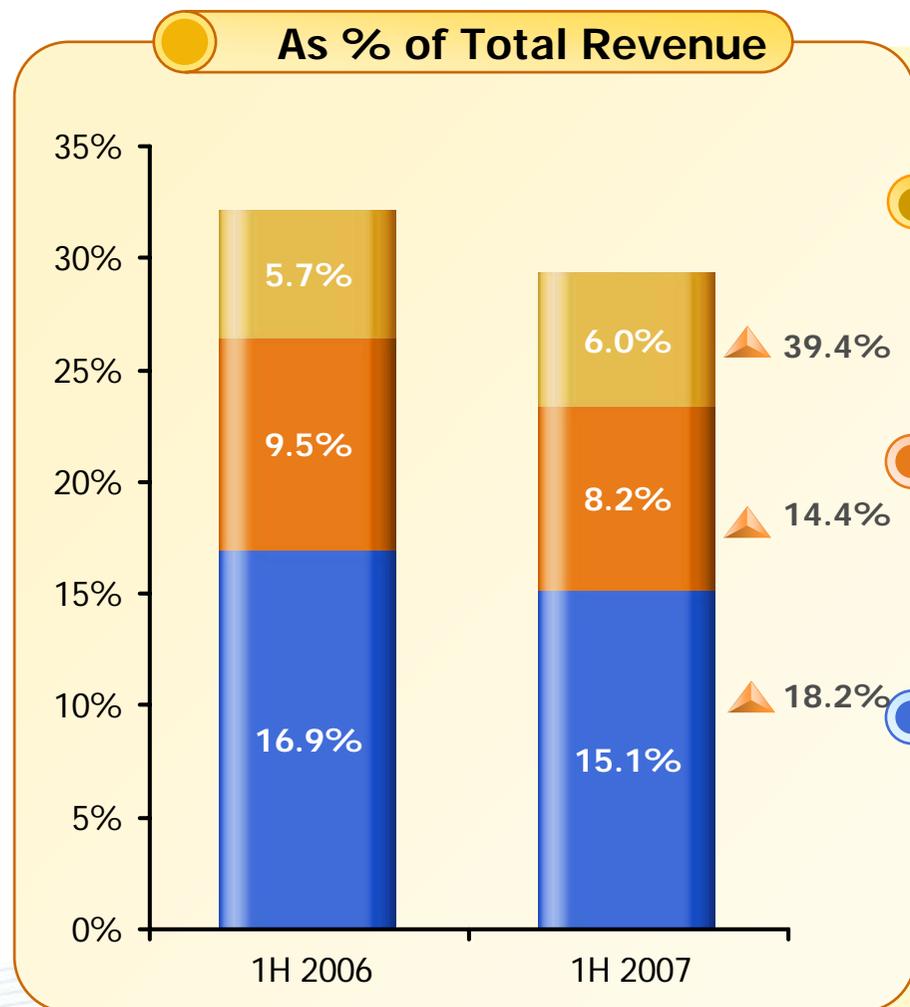
Gross Profit



Net Profit



Cost Structure



▲ = YOY change

R & D costs

- Enhanced R&D capabilities in innovative products
- Focused R&D efforts to cater global market needs

Selling and distribution costs

- Focused sales efforts in high demand markets
- Leveraged well-established sales platform to extend product offerings

Administrative expenses

- Strengthened budgetary control
- Achieved economies of scale amid strong revenue growth

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Customer Review

Global Customer Base

China Business

International Business

International Customer Base

EMEA

Logos of EMEA customers: T-Mobile, Telefonica Móviles, TIM, ERICSSON, Saudi Telecom (الاتصالات السعودية), Vodacom (South Africa's Leading Cellular Network), Turkcell, Telecom Italia, Orange, MTN, Bimain GSM, Irantelecom (irantelecom.ir), PK-TELEKOM, and TELE2.

China

Logos of China customers: China Mobile (中国移动通信), China Unicom (中国联通), China Telecom (中国电信), and CNC (中国网通).

Americas

Logos of Americas customers: CTI Móvil, USACELL, PORTA, Personal (Plus primus), ENTEL PCS (Pensamos en ti), vivo, Claro, and Movistar.

APAC

Logos of APAC customers: SmartTone, Vodafone, SingTel, Peoples, m1, Spice Telecom, Airtel (Express Yourself), Tango, Globe Telecom, TATA, Celcom, StarHub, Taiwan Mobile (台湾大哥大), DiGi, DTAC, PT METAPLAS HARMONI, AIS, MIC (Silicon Solutions), DST GROUP (Aspires Towards Excellence), and Hutch.

OEM

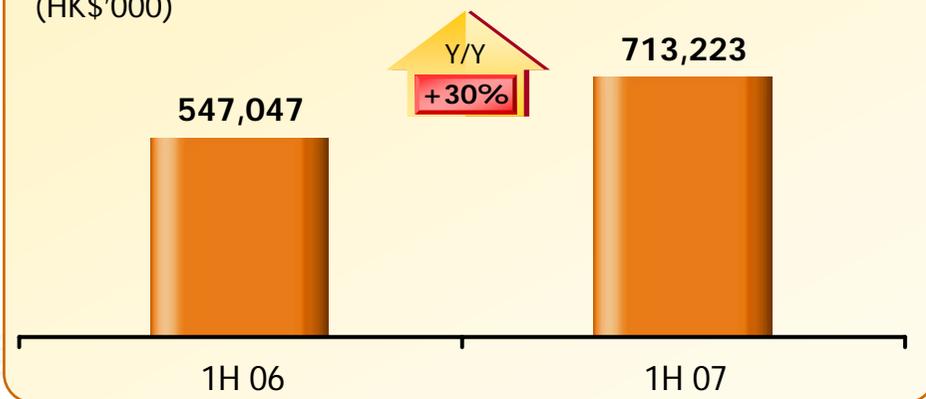
Logos of OEM customers: HUAWEI, ZTE中兴, TD Tech (A Siemens and Huawei Company), 中国普天 CHINA PUTIAN, and 大唐移动 DTmobile.

China Business



Revenue

(HK\$'000)



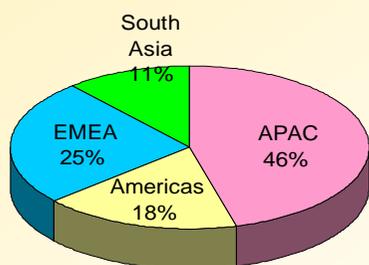
Review:

- Continuing subscriber growth drives demand
- Growth of addressable markets with addition of BTS solution set
- Continuous growth in urban and rural China
 - 2G growth with Village Connect Projects
 - Transport network coverage projects for the Qinghai-Tibet Railway (Qingzang)
- Cemented leadership position in customer procurement programs
- Product launch and delivery of TD-SCDMA products

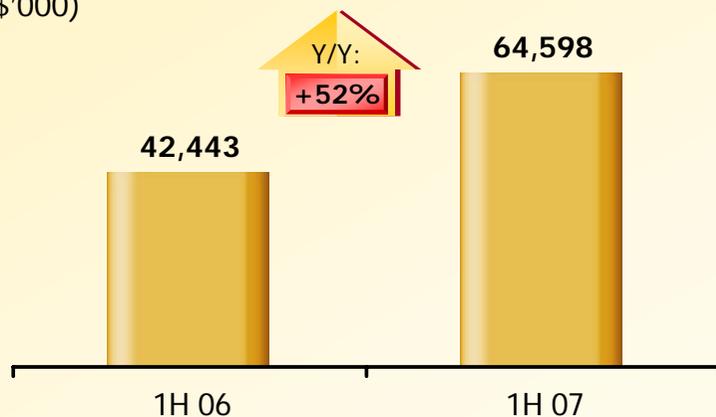
Opportunities:

- Beijing Summer Games 2008 wireless projects
- Continuous network enhancement demand with growth of mobile subscribers
- Infrastructure projects and network enhancement for urban and rural areas – with focus on coastal and inner regions
- Leverage on expanded product portfolios to increase addressable market

International Business



Revenue
(HK\$'000)



Review:

- Group's core committed growth strategy
- International business strategy showing firm year-on-year growth at 52%
- Continued inroads into new markets through direct and partner presence
 - CALA presence already showing good returns after 1 year of operations
 - Master frame agreement with Telecom Italia Mobile (TIM)

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

The background features a light blue gradient with a stylized world map composed of white dots. A central orange dot is surrounded by concentric circles and intersected by a vertical line of three parallel lines and a horizontal line of three parallel lines, suggesting a global network or signal transmission.

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Business Review

Wireless Enhancement

Antennas & Subsystems

Wireless Transmission

Business Review

Wireless Enhancement
(indoor)



Antennas and Subsystems



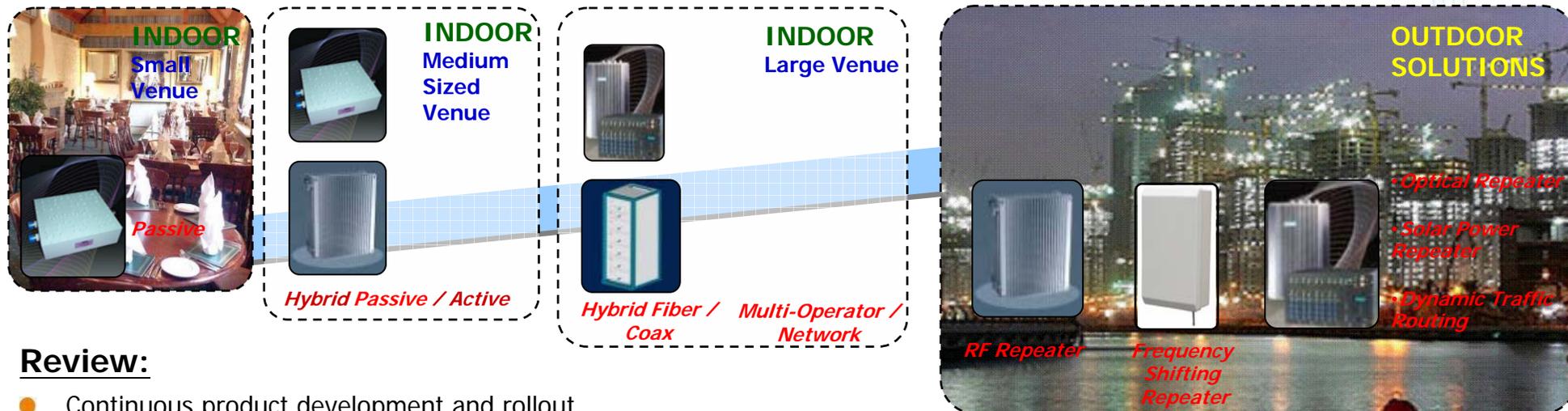
Wireless Transmission



Wireless Enhancement
(outdoor)



Wireless Enhancement

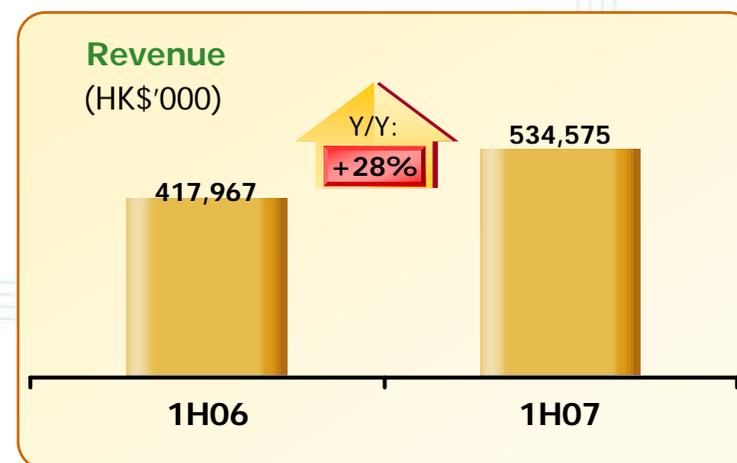


Review:

- Continuous product development and rollout
- Benefiting from China's "Village Connect Projects" in rural area
- Customized solutions for numerous large-scale projects
- Product successfully adopted by major global operators
- Frame agreement for 3G products with TIM
- Solutions implemented for the HongKong/China "Western Corridor" border crossing

Opportunities:

- Volume deliveries of TD-SCDMA/ 3G products in China
- Continuous growth in urban and rural China
- Activities in rural network projects – China and India
- In-Building projects expected to be worth US\$3.6B by 2011 (ABI Research)



Antennas & Subsystems

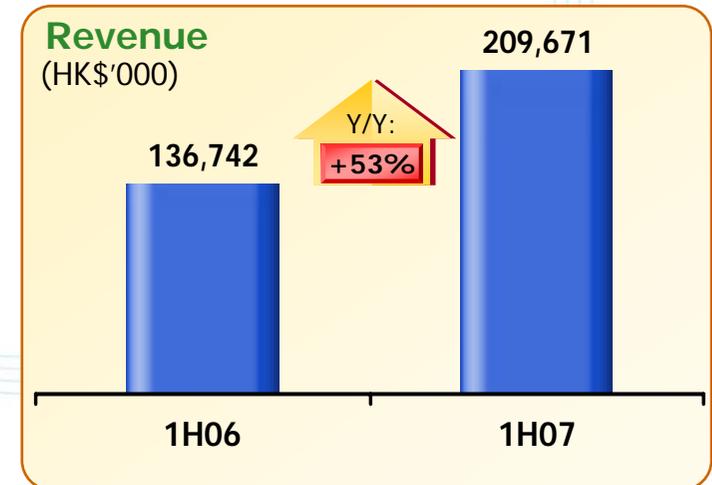


Review:

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

Opportunities:

- Solid opportunities seen for TD-SCDMA / 3G
- Leverage on successful procurement programs with China operators
- Build on promising returns internationally
- Build on traction with RF conditioning products



Wireless Transmission

Digital Microwave Systems



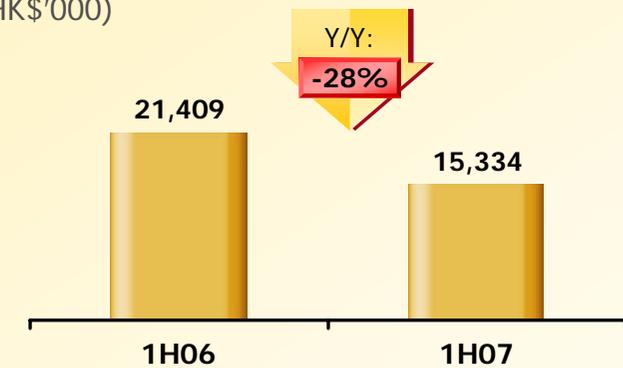
Review:

- Slower deployment of wireless transmission solution
- Growing and diversifying customer base
- Developed and completed outdoor solution with new product range

Opportunities:

- Recurring businesses from existing customers
- Gaining traction with domestic and int'l customers
- Opportunities in developing countries' infrastructure expansion initiatives
- OEM partnership
- Continue to diversify customer base

Revenue (HK\$'000)



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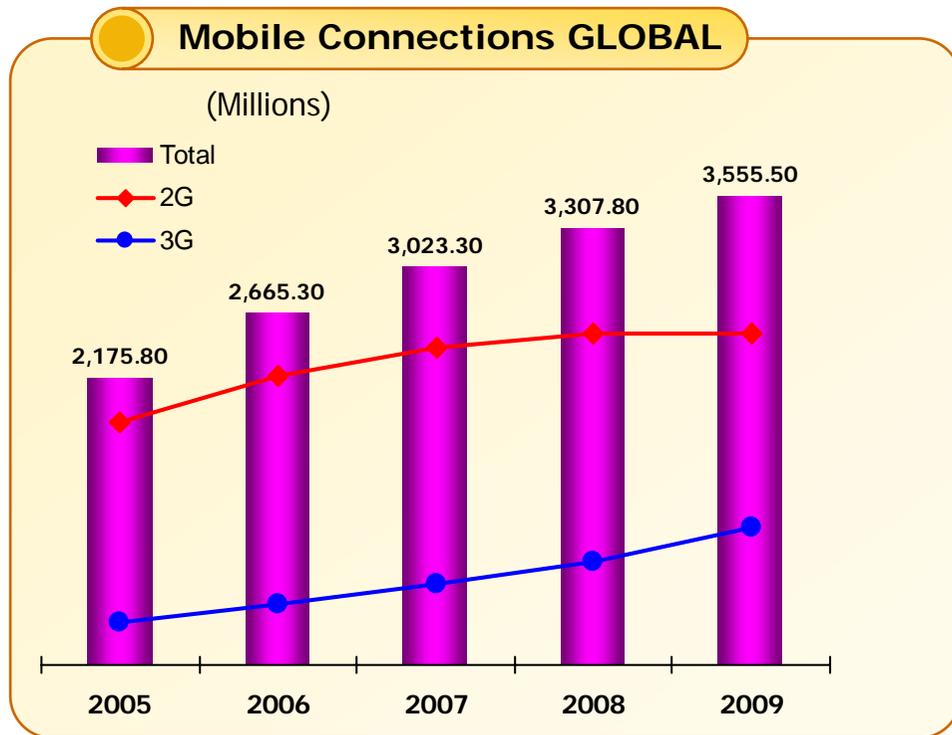
Market Outlook

Global Industry Trend

China Outlook

Major Global Opportunities

Global Industry Trend



Source: Gartner Inc 2006



2006 penetration = 33%



Source: IDC 2006

- 2G infrastructure expenditure will continue to be significant globally (Dell'Oro Group 2007)
- 3G buildouts are rapidly escalating with China adding further impetus
- Substantial increase in capacity demands for data and voice traffic

China Outlook

- Solid 2G base
- Increasing 3G base with solutions deployments in trials
- Long term trusted partner of China operators
- Successful partnerships with core equipment vendors
- Proven products & solutions for high volume deployment
- Continuous product development and cost reduction efforts allows good growth and stabilization of gross margin
- **Diversified product portfolio** addressing **all** deployment needs:
 - Increased addressable markets encompass indoor and outdoor solutions including BTS solutions
- **Total solutions:**
 - Extensive support and deployment team in China for quick and quality support



Combining Comba's geographical, technical, relationship, services and support creates an unrivaled advantage for both 2G and 3G China opportunities

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

- Launch of AWS MCPA

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

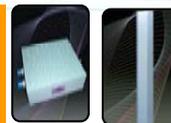
3G, New buildouts & enhancements

- Solutions for network rollout
- Enhancement solutions

Wireless Enhancement



Antennas & Subsystems



Wireless Transmission



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Open Forum

