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京信通信系統控股有限公司

Comba Telecom Systems Holdings Limited

股份編號 Stock Code : 2342

Corporate Presentation
Annual Results 2010

Promoting growth with innovation
Seizing opportunities with technology
用創新推動成長 憑科技再取先機

V .01 updated on 25 Mar 2011 (IP & PC)

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Agenda

- Financial Overview
- Business Overview
- Financial Highlights
- Financial Review
- Customer Review
- Business Review
- Summary

Financial Overview
For the year ended 31 December 2010

- **Revenue ↑ 16.9%**
- **Gross profit margin ↓ 0.5% point**
- **Net profit margin ↑ 1.3% points**
- **Basic EPS ↑ 24.1%**
- **Operating cash flow**
  HK$471M (2010) v. HK$485M (2009)
- **Net cash**
  HK$880M (2010) v. HK$707M (2009)

Business Overview
For the year ended 31 December 2010

- **Revenue by customers**
  1. China Mobile ↑ 30.4%
  2. China Unicom ↓ 1.0%
  3. China Telecom ↑ 15.1%
  4. International Customers & Core Equipment Manufacturers ↑ 6.7%
- **Revenue by product segments**
  1. Services ↑ 39.4%
  2. Wireless Enhancement ↑ 24.9%
  3. Antennas and Subsystems ↑ 0.7%
  4. Wireless Access (DMS & WLAN) ↓ 13.3%

Financial Highlights

- **Financial Results**
- **Dividend and Bonus Share**
- **Financial Position**
- **Key Financial Indicators**

Financial Results

HK$'000	2010	2009	Change
	For the year ended 31 December		
Revenue	5,191,358	4,439,991	+16.9%
Gross profit	1,939,700	1,681,923	+15.3%
Gross profit margin	37.4%	37.9%	(0.5%) pt
Operating profit	877,520	765,331	+14.7%
Operating profit margin	16.9%	17.2%	(0.3%) pt
Tax	119,540	142,291	(16.0%)
Profit attributable to shareholders	724,326	564,500	+28.3%
Net profit margin	14.0%	12.7%	+1.3% pts
Basic EPS (HK cents)	55.47	44.70 (restated)	+ 24.1%

Dividend and Bonus Share

	For the year ended 31 December		
	2010	2009	Change
Paid interim dividend per share (HK cents)	6.0	6.0	0%
Proposed final dividend per share (HK cents)	8.0	8.0	0%
Proposed special dividend per share (HK cents)	4.0	4.0	0%
Total dividends (HK cents)	18.0	18.0	0%
Issued bonus of shares (interim)	1 for 10	1 for 10	0%
Proposed bonus issue of shares	1 for 10	1 for 10	0%

Financial Position

HK$'000	As at 31 December 2010	2009	Change
Net cash	880,084	706,780	+24.5%
Net current assets	3,061,004	2,337,037	+31.0%
Total assets	7,262,426	5,725,107	+26.9%
Total liabilities	3,953,401	3,131,992	+26.2%
Net assets	3,239,524	2,536,342	+27.7%
NAV per share (HK$)	2.45	1.97 (restated)	+24.4%

Key Financial Indicators

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	For the year ended 31 December		
	2010	2009	Change
Inventory turnover days	187	176	+11
A/R turnover days	176	139	+37
A/P turnover days	221	179	+42
Current ratio	1.9X	1.8X	+0.1% pt
Quick ratio	1.4X	1.3X	+0.1% pt
Gross gearing ratio	8.2%	7.7%	+0.5% pt
Dividend payout ratio *	32.4%	33.3%	(0.9%) pt
Return on average equity	25.1%	25.0%	+0.1% pt

* Calculation is based on basic EPS

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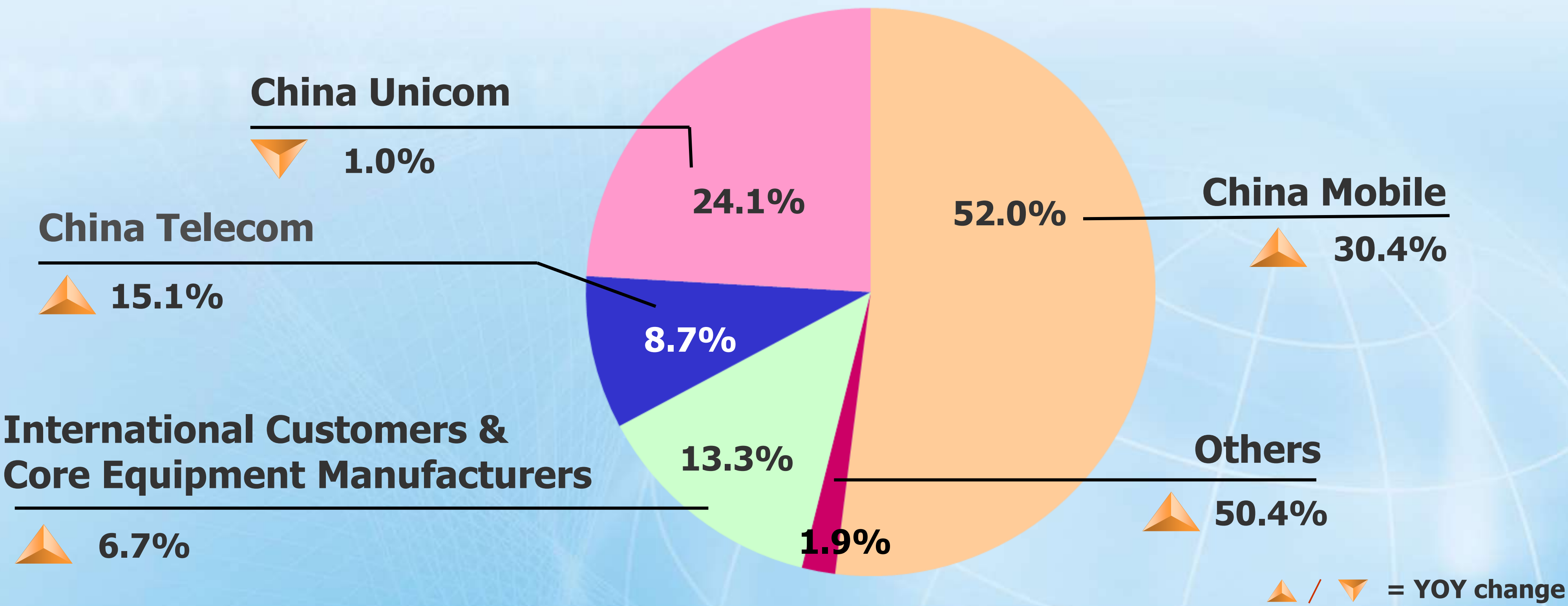
Financial Review

- Revenue Breakdown by Customers
- Revenue Breakdown by Businesses
- Revenue (2006 - 2010)
- Profit & Margin (2006 - 2010)
- Cost Structure

Revenue Breakdown by Customers

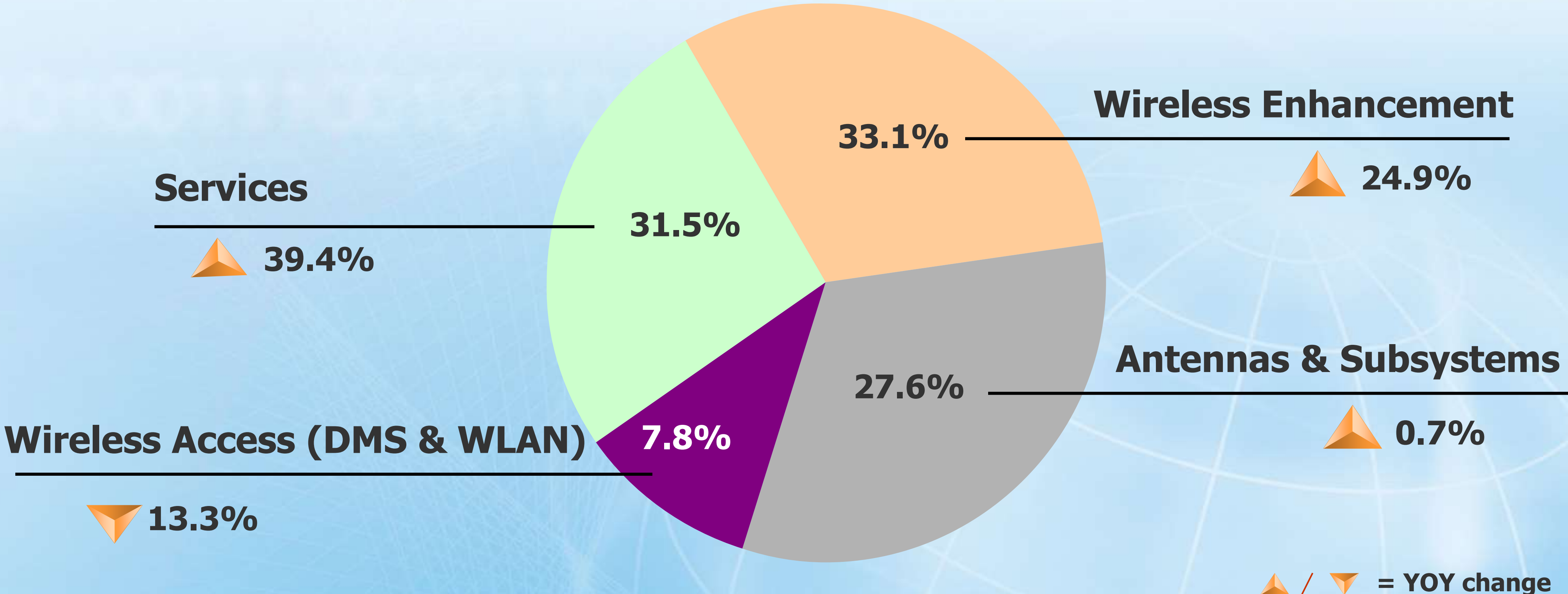
For the year ended 31 December 2010



Moderate Growth in the PRC Customers

Revenue Breakdown by Businesses

For the year ended 31 December 2010



Satisfactory Growth in Both Services & Wireless Enhancement

Revenue (2006 – 2010)

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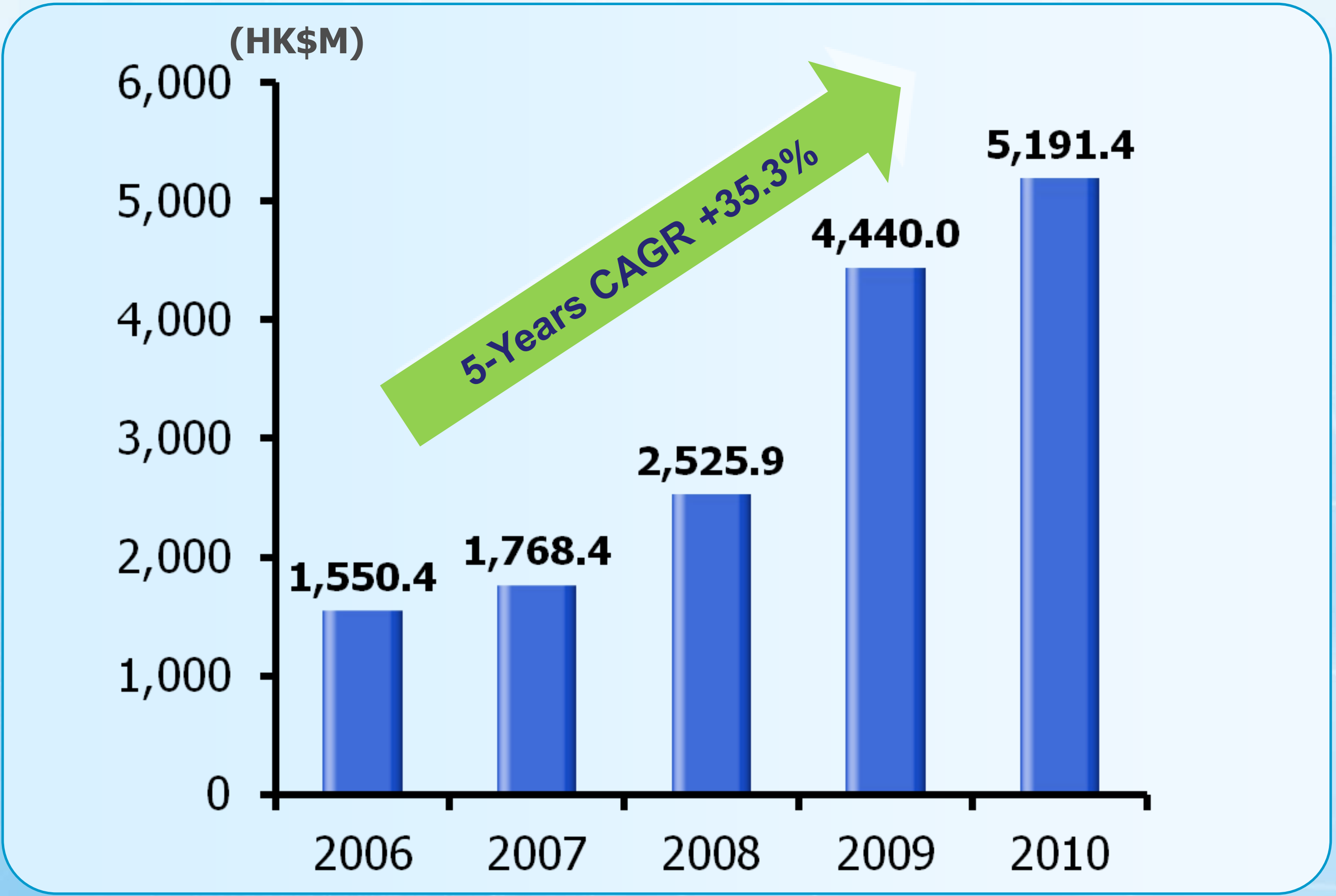
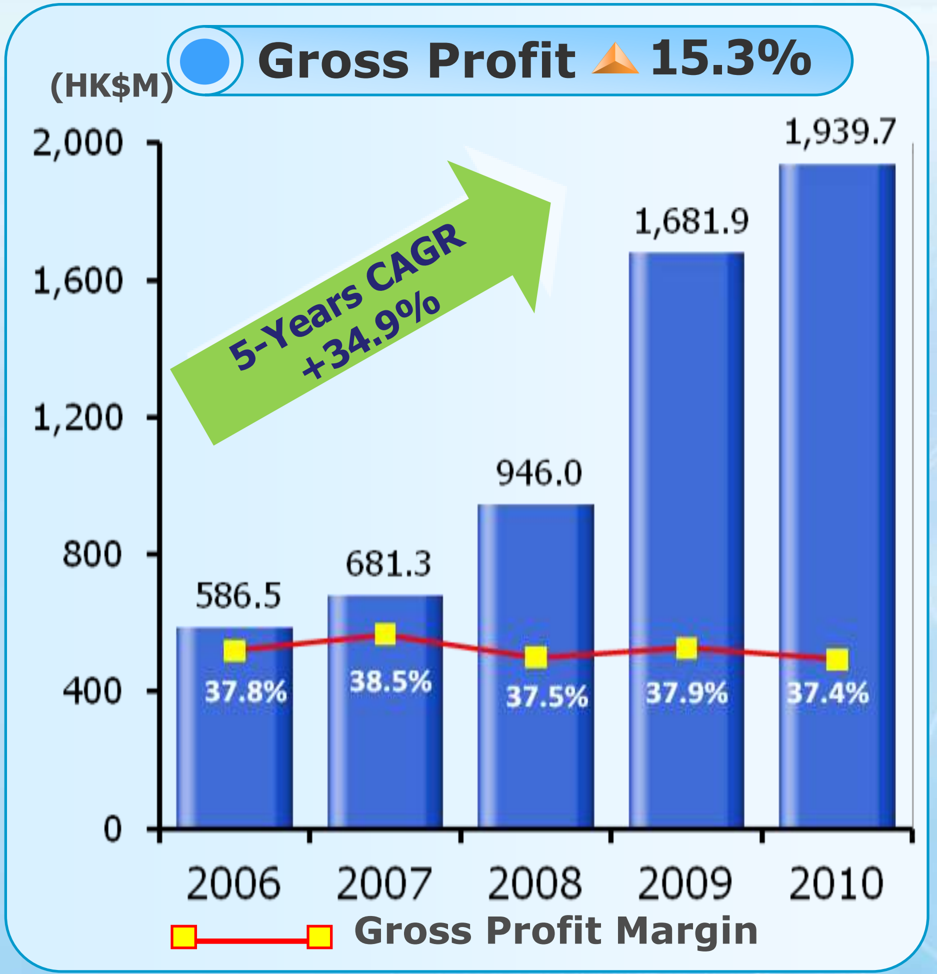
For the year ended 31 December

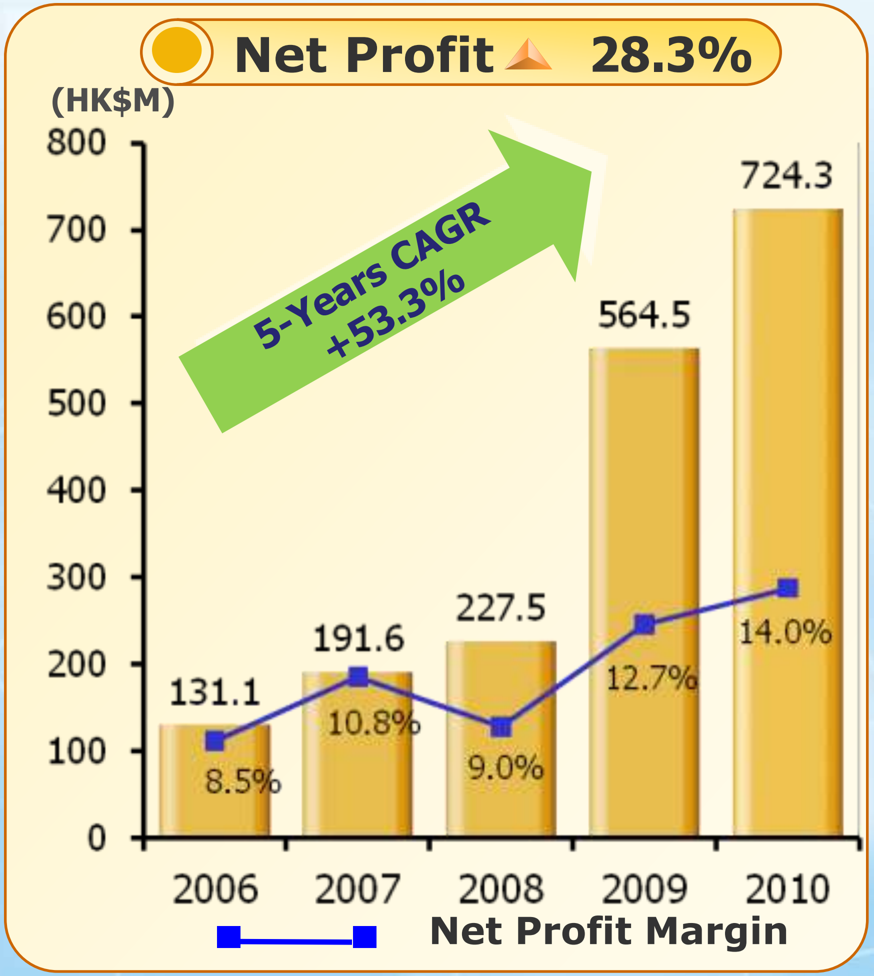


Strong Growth in Revenue

Profit & Margin (2006 – 2010)

For the year ended 31 December





Stable Gross Profit Margin
Very Strong Growth in Net Profit

Cost Structure

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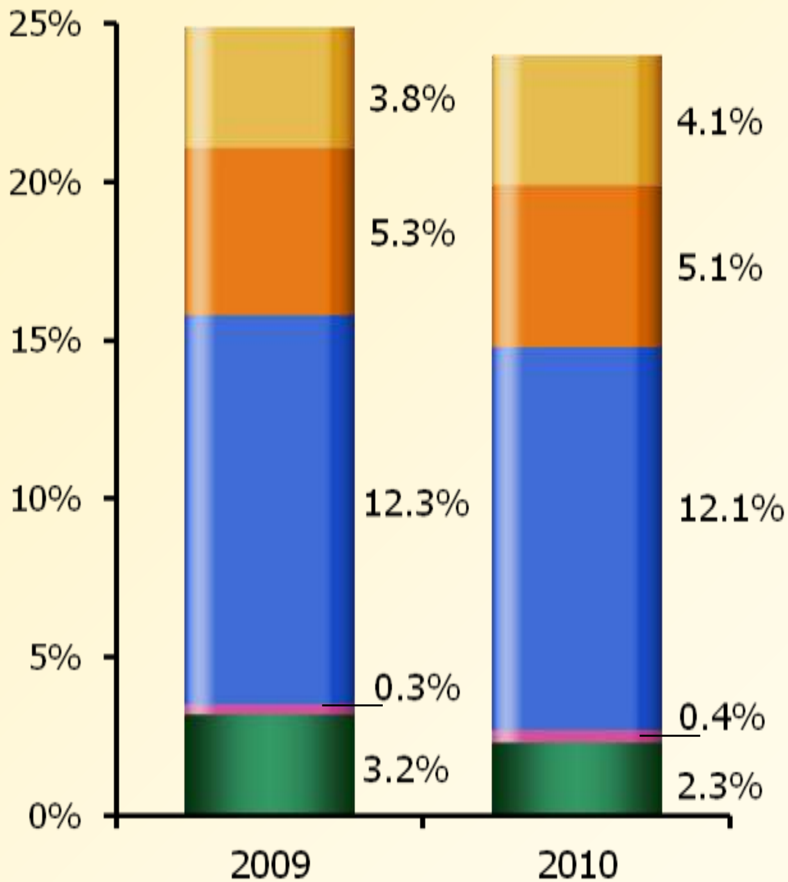
For the year ended 31 December

As % of Total Revenue



▲/▼ = YOY change

R & D costs ▲ 26.3%

- R&D efforts for future growth

Selling and distribution costs ▲ 13.4%

- Expansion for global sales network

Administrative expenses ▲ 15.3%

- Increased administrative supports for higher business volume

Finance costs ▲ 63.4%

- More financing activities due to higher business volume

Taxation charge ▼ 16.0%

- Decrease in profit tax of the PRC subsidiaries and deferred tax credit

Increasing Economies of Scale Benefits

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Customer Review

- Global Customers
- China Business
- International Customers & Core Equipment Manufacturers

Global Customers

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China

中国移动通信 CHINA MOBILE

China unicom中国联通

中国电信 CHINA TELECOM

Core Equipment Vendors

HUAWEI

Alcatel·Lucent

Nokia Siemens Networks

ZTE中兴

EMEA

Telefonica

МегаФон

vodacom

etisalat

orange

موبايلي mobily

كيوتل Qtel

optimus

WATANIYA

MTN

zain

vodafone

du

TURKCELL

APAC

SingTel

SL

true

TATA

中国移动通信 CHINA MOBILE

airtel

RELIANCE

StarHub

m1

S Tel

SmarTone vodafone

GLOBE TELECOM

AIS

celcom

MIC

SmarTone

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entel

Claro

China Business

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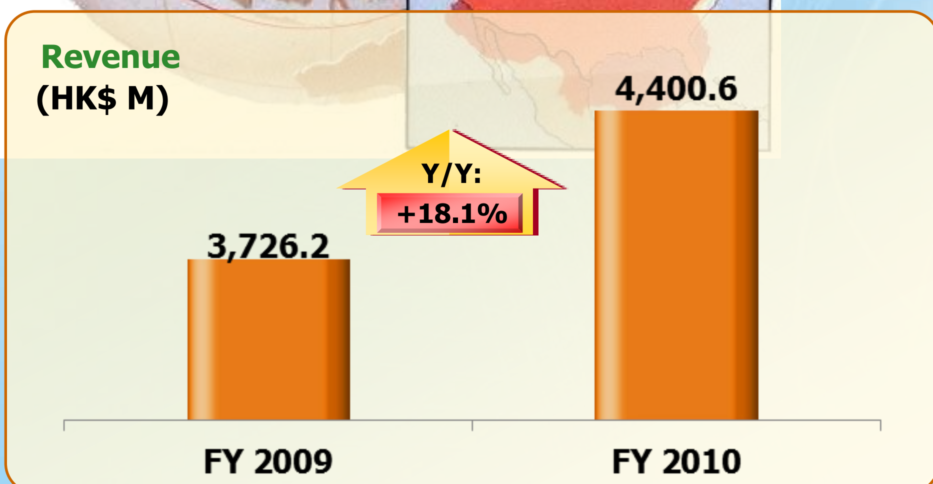

Review & Opportunities:

- Strong growth of 18% to HK$4,401 million
- Increased penetration as leading *solutions partner* to operators with innovations in product and services:
  - Long term, multi-year 2G/3G projects with operators
  - Development of new product lines to strengthen position
- 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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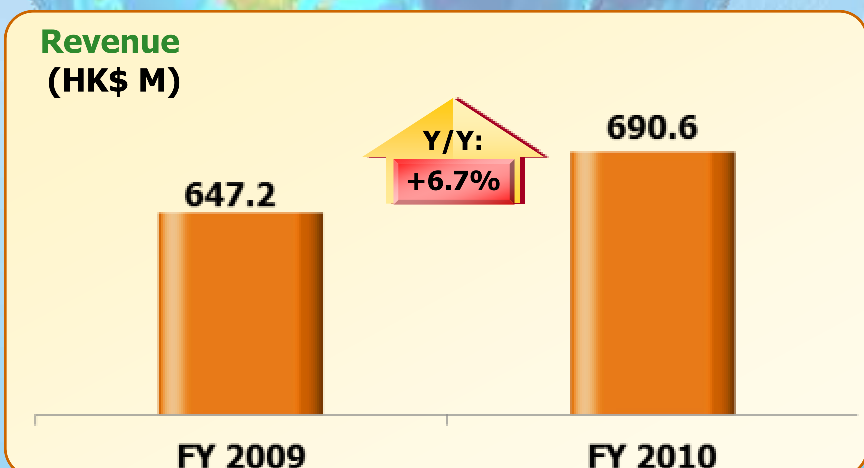

Review & Opportunities:

- Sales rebounded by 7% to HK$691 million
- Direct sales to international operators recovering and driving division growth
- Penetration of service offering into international markets
- Indirect sales via core equipment manufacturers began to pick up in late 2010 with several landmark successes with international manufacturers
- Wireless operator CapEx expected to continue recovering in 2011 and beyond
  - 3G proliferation in emerging markets
  - Rise of HSPA driving network demands
  - LTE trials will build long-term growth

Business Review

- Wireless Enhancement
- Antennas & Subsystems
- Wireless Access (DMS & WLAN)
- Services

Solutions for all Network Stages

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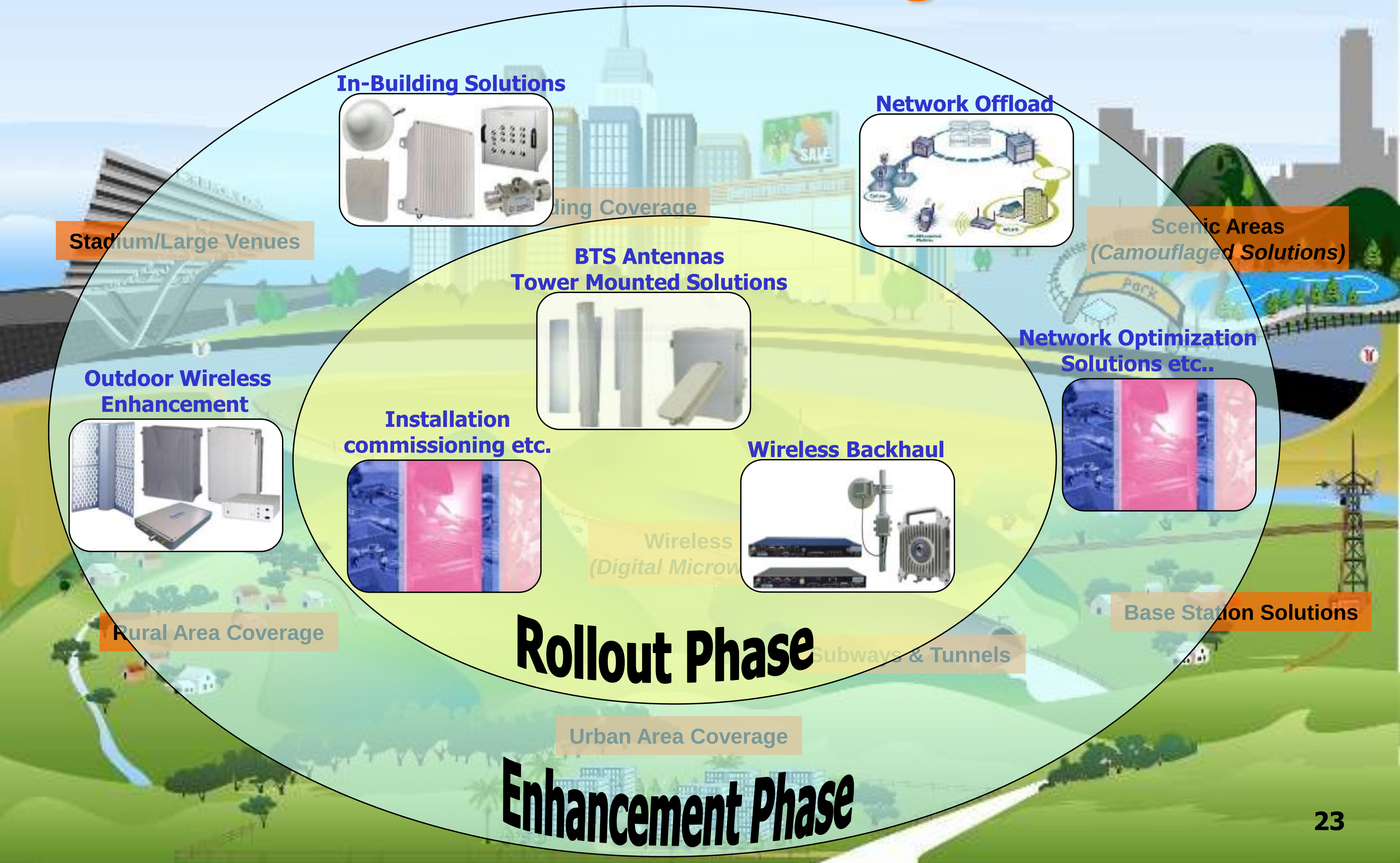
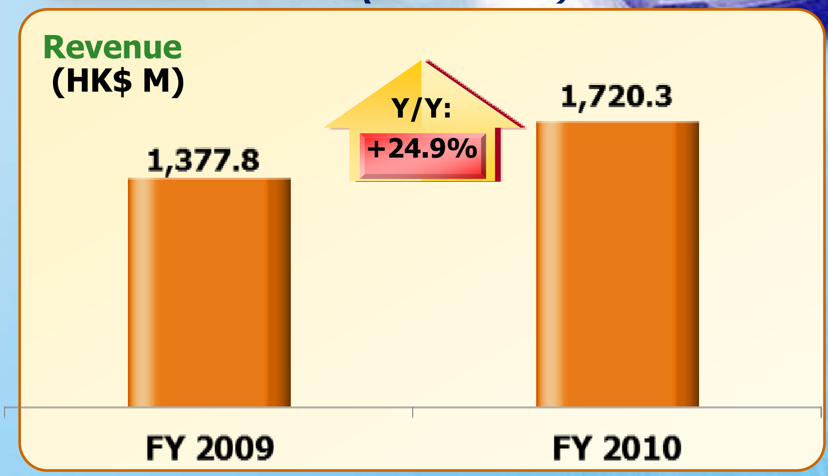
Solutions for all Network Stages



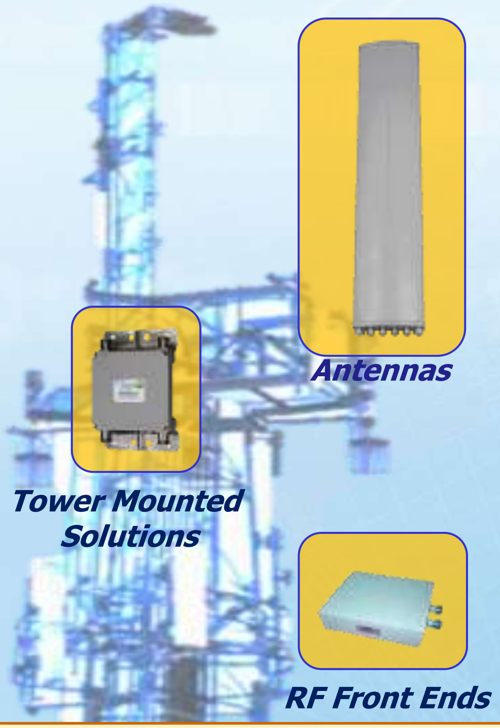
Wireless Enhancement

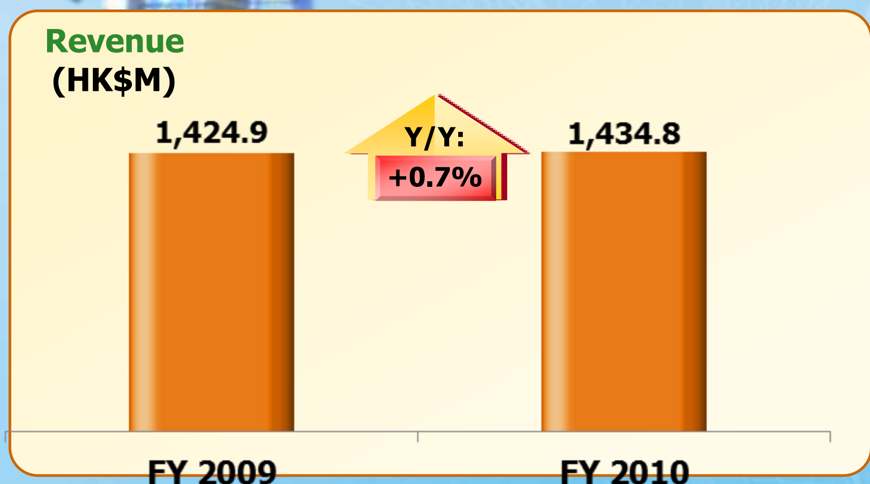


Review & Opportunities:

- Increased 25% to HK$1,720 million
- China 2G and 3G network buildout and enhancement driving demand for repeater solutions
- Promotion of new solutions into China and international markets to strengthen lead
- Global increasing data capacity requirements will drive demand for wireless enhancement solutions

Antennas & Subsystems



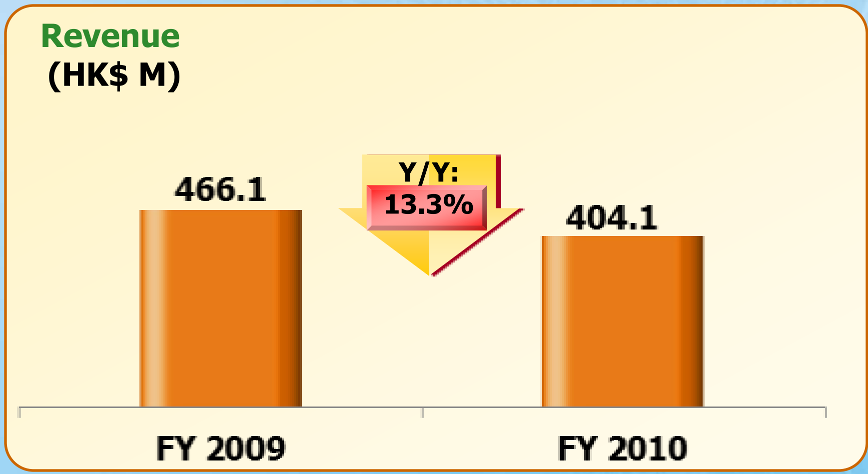


Review & Opportunities:

- Revenues increased by 1% to HK$1,435 million
  - Satisfactory growth seen in 2H and ongoing
- Maintained leading position as antenna supplier in China
- Now a global supplier to major operators worldwide
  - Recognized as one of the top 4 base station antennas vendor*
  - Worldwide leader in Tower Mounted Amplifiers*
- Continued portfolio expansion for future growth. E.g. 4G trials and deployment of LTE antennas and passives

** ABI Research 2010, 2011*

Wireless Access *(DMS and WLAN)*



Review & Opportunities:

- Decreased 13% to HK$404 million
- India-related indirect sales orders decreased but showed signs of improving in 2H
- Strategy of direct sales to customers showed positive results through 2H and expected to continue improving viz:
  - Wireless LAN solutions for offloading
  - IP backhaul solutions for LTE requirements
  - Cost-effective solutions developed including couplers and integrated microwave equipment

Services

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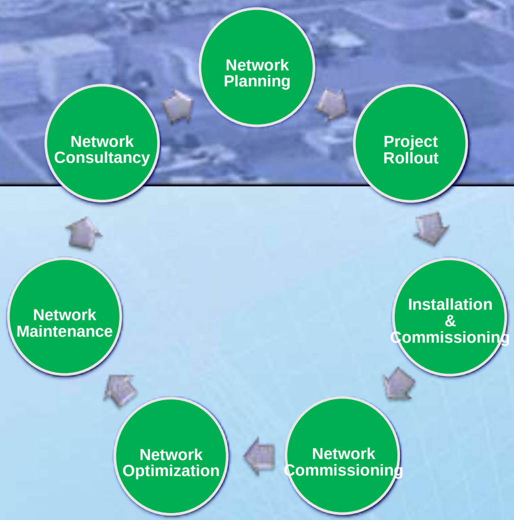

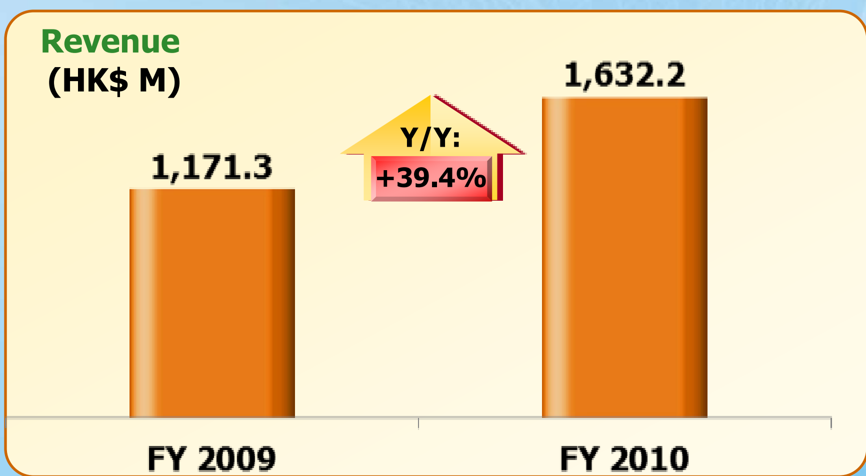

Review & Opportunities:

- Increased 39% to HK$1,632 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
- Recurring maintenance contracts from existing and new customers
- Expansion of service offering teams internationally to drive future growth

Summary

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Solutions/Product Portfolio Development

Global Wireless Equipment Capex

2011: US$ 110 bn

Increase penetration In China market

International Expansion

Lte

3GPP

HSPA/
HSPA+

wimax

Increasing demand for data services

Wireless Enhancement

Antennas & Subsystems

Wireless Access

Services

Open Forum