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 SOLUTIONS

Corporate Presentation
Annual Results 2008

Agenda

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

Overview

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- Strong revenue growth from all major customers ↑ **43%**
- Strong growth from all product segments:
  1. Wireless Transmission (DMS) ↑ **182%**
  2. Antennas and Subsystems ↑ **71%**
  3. Services ↑ **66%**
  4. Wireless Enhancement ↑ **12%**
- Gross profit margin ↓ **1.0% point**
- Operating profit ↑ **33%**
- Net profit ↑ **19%**
- Positive operating cashflow: HK$215M (2008) v. HK$(53M) (2007)

Financial Highlights

Financial Results

Financial Position

Key Financial Indicators

Financial Results

HK$'000	2008	2007	Change
	For the year ended 31 December		
Revenue	2,525,895	1,768,418	+42.8%
Gross profit	946,034	681,257	+38.9%
Gross profit margin	37.5%	38.5 %	-1.0% pt
Operating profit	273,387	205,737	+32.9%
Operating profit margin	10.8%	11.6%	-0.8% pt
Tax	27,493	7,193	+282.2%
Profit attributable to shareholders	227,512	191,619	+18.7%
Net profit margin	9.0%	10.8 %	-1.8% pts
Basic EPS (HK cents)	26.68	22.56	+18.3%
Proposed final dividend per share (HK cents)	7.0	6.0	+16.7%
Bonus issue of shares	1 for 10	Nil	N/A

Financial Position

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HK$'000	2008	2007	Change
	As at 31 December		
Net cash	416,922	285,702	+45.9%
Net current assets	1,501,532	1,296,311	+15.8%
Total assets	3,452,397	2,759,342	+25.1%
Total liabilities	1,463,390	1,054,392	+38.8%
Net assets	1,974,539	1,698,256	+16.3%
NAV per share (HK$)	2.33	1.99	+17.1%

Key Financial Indicators

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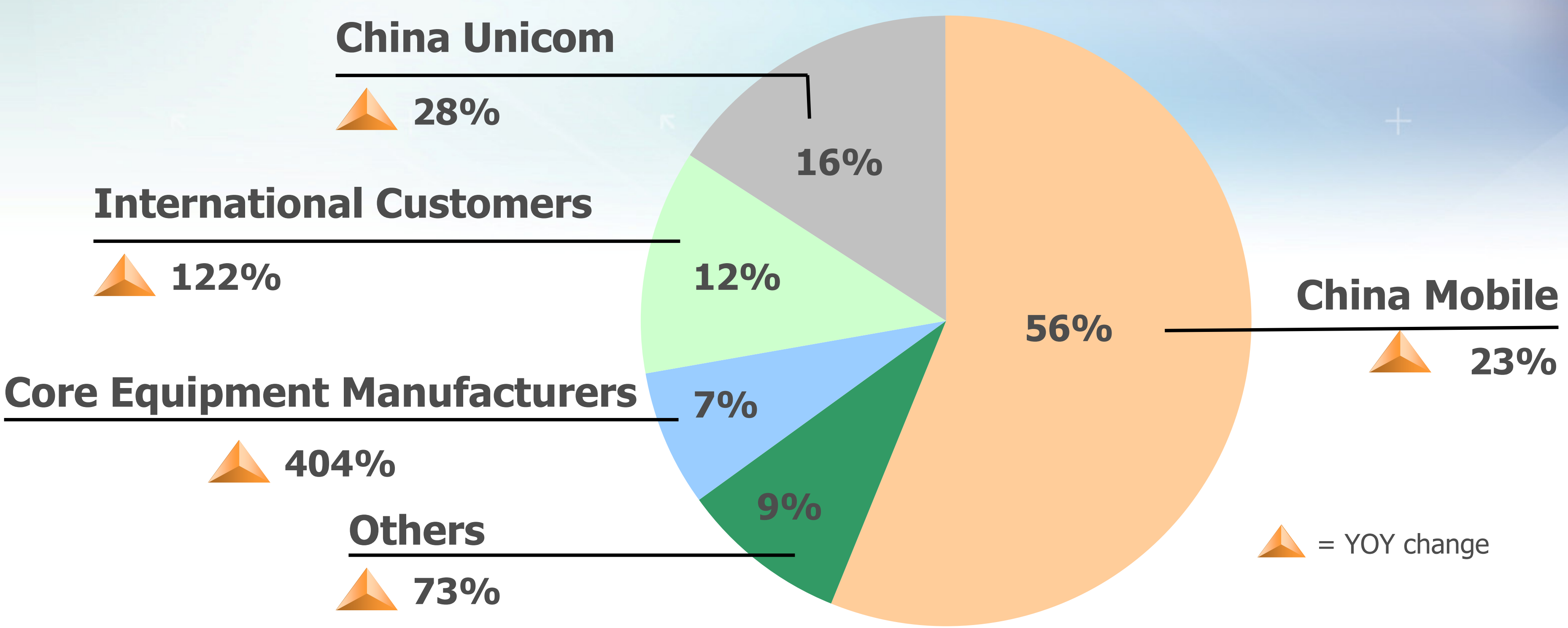
	For the year ended 31 December	
	2008	2007
Inventory turnover days	209	230
A/R turnover days	171	200
A/P turnover days	170	176
Current ratio	2.0X	2.2X
Quick ratio	1.3X	1.5X
Gearing ratio	1.5%	3.2%
Return on average equity	12.4%	12.4%

Financial Review

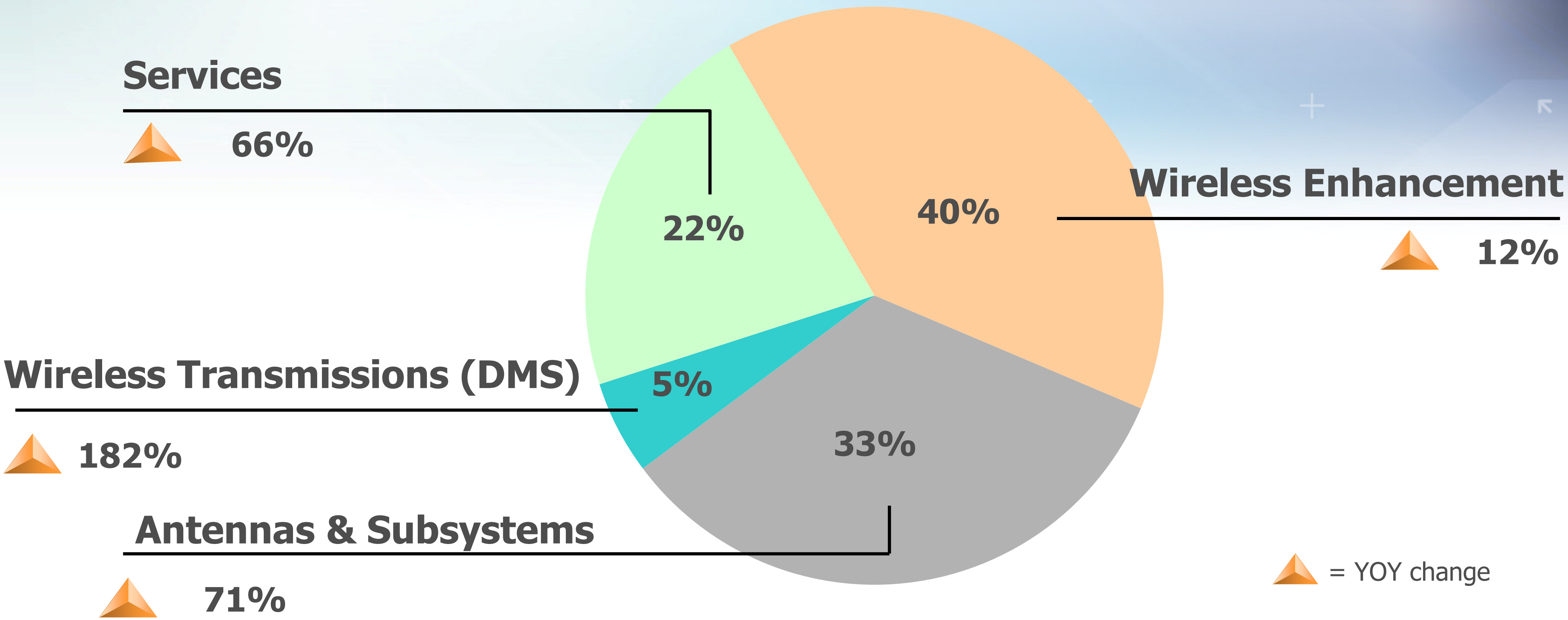
- Revenue Breakdown by Customers
- Revenue Breakdown by Businesses
- Profit & Margin
- Cost Structure

Revenue Breakdown by Customers



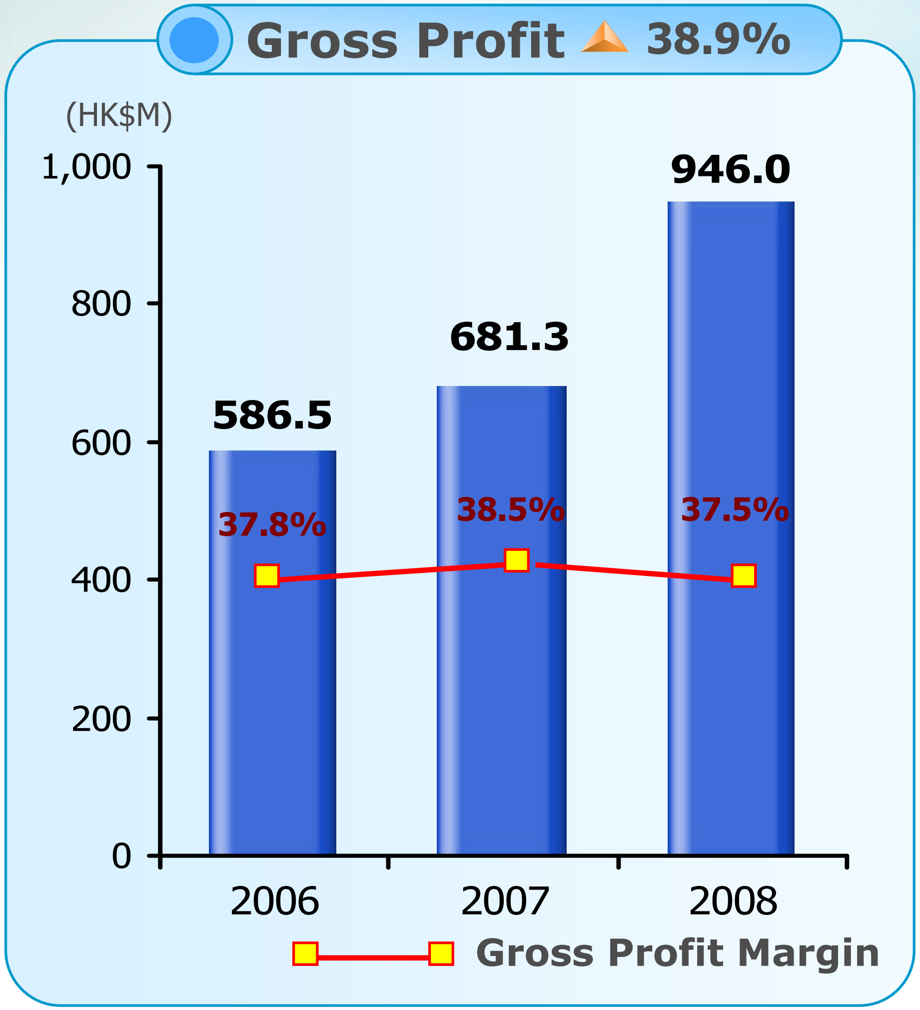
Strong Growth in All Customers

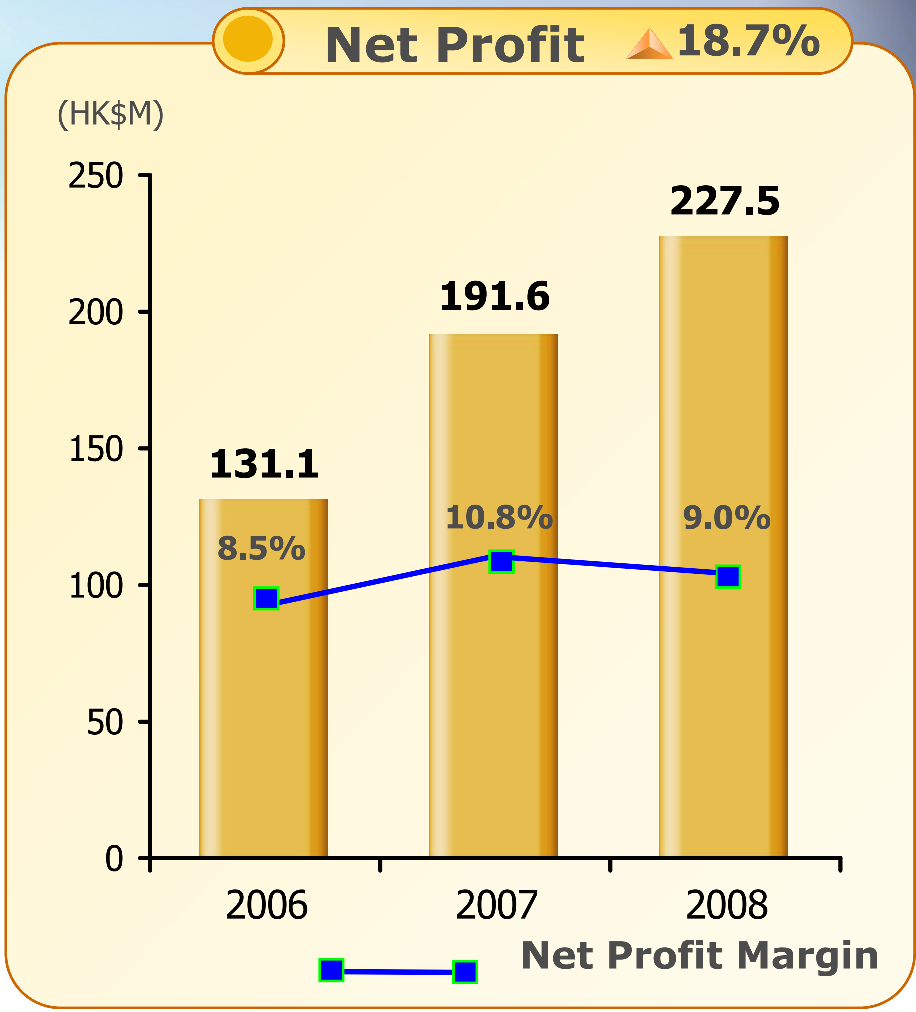
Revenue Breakdown by Businesses



Remarkable Growth in Wireless Transmissions
Strong Growth in Antennas & Subsystems and Services

Profit & Margin





Cost Structure

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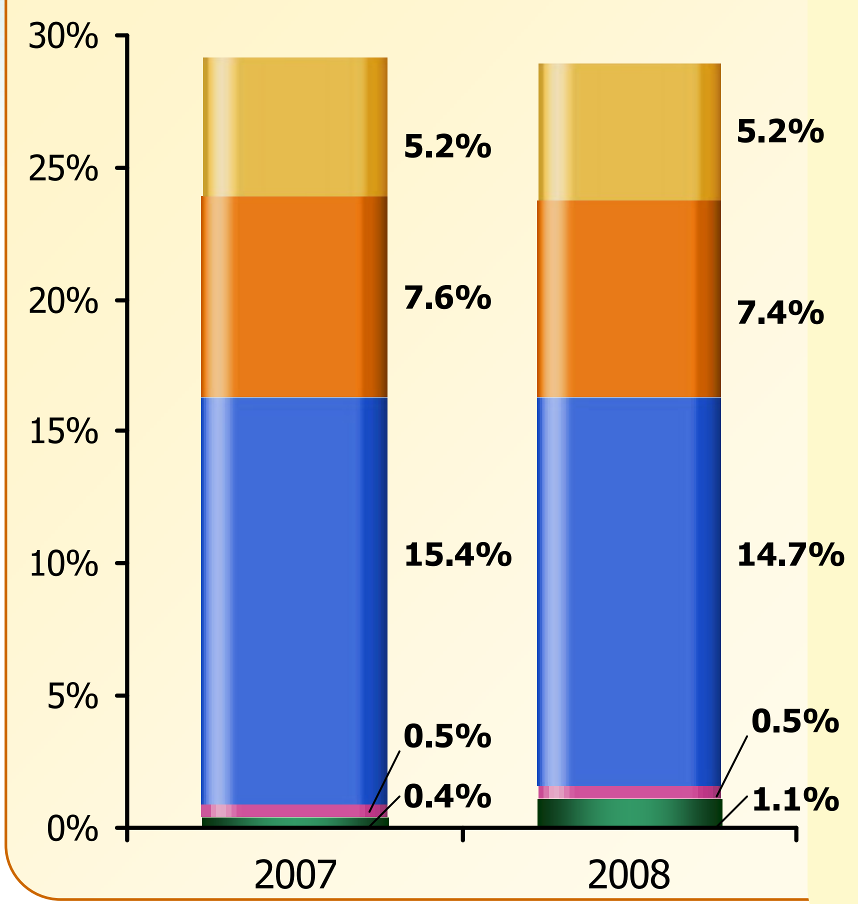
As % of Total Revenue



= YOY change

R & D costs ▲ 45.2%

- R&D efforts to prepare for 3G networks

Selling and distribution costs ▲ 37.7%

- Increased expansion to fuel long-term growth

Administrative expenses ▲ 36.2%

- Strengthened budgetary control

Finance costs ▲ 68.1%

- More financing activities due to higher business volume

Taxation charge ▲ 282.2%

- Less deferred tax credit & slightly higher profit tax rate

Stable Operating Expenses

Customer Review

Global Customer Base

China Business

International Business

Global Customer Base

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China

中国移动通信 CHINA MOBILE
中国电信 CHINA TELECOM
China unicom中国联通

Core Equipment Vendor

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

EMEA

vodafone
T-Mobile
TIM
الاتصالات السعودية SAUDI TELECOM
vodacom
MTN
TURKCELL
orange
БИЛАЙН GSM
TELECOM ITALIA
РК-ТЕЛЕКОМ
TELE2
Telefónica Móviles

APAC

SmarTone vodafone
SingTel
PEOPLES
celcom
m1
RELIANCE Communications
Airtel Express Yourself
TANGO
GLOBE TELECOM
true
MobiFone
TATA
LAOTELECOM
Taiwan Mobile 台湾大哥大
DTAC
PT METAPLAS HARMONI
DiGi
StarHub
AIS
MIC
DST GROUP
HUTCH

Americas

PORTA
CTI MÓVIL
at&t
movistar
IUSACELL Pensamos en ti
Personal
vivo
ENTEL PCS
Claro

PRC Telecommunications Industry & Mobile Network after Restructuring

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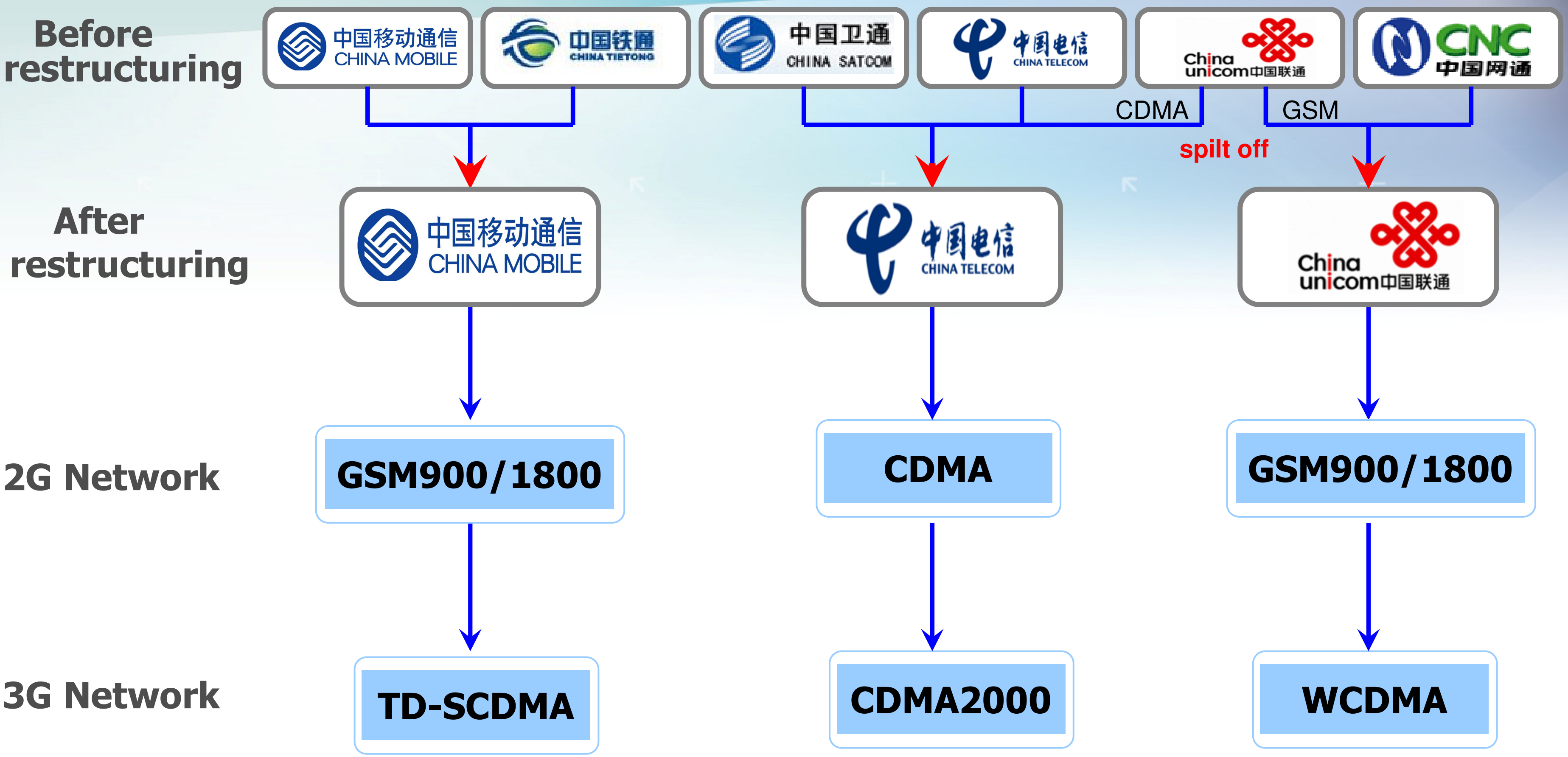

China Business

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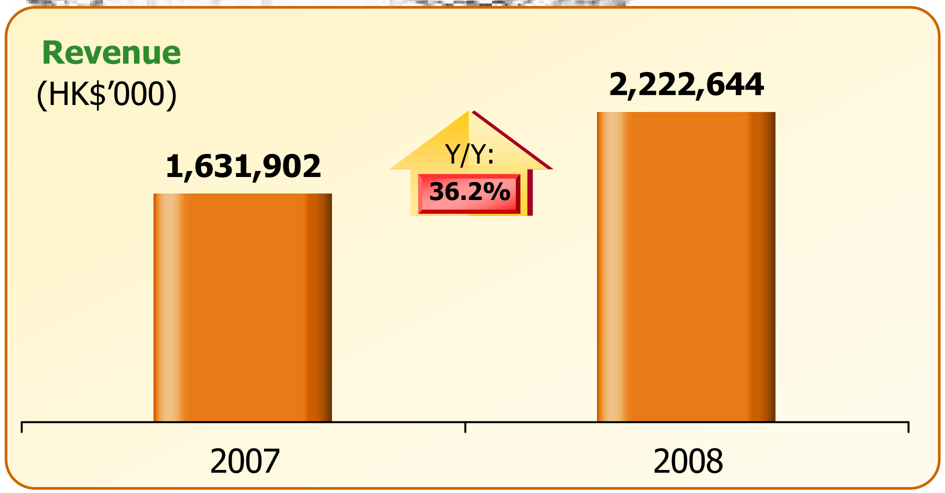


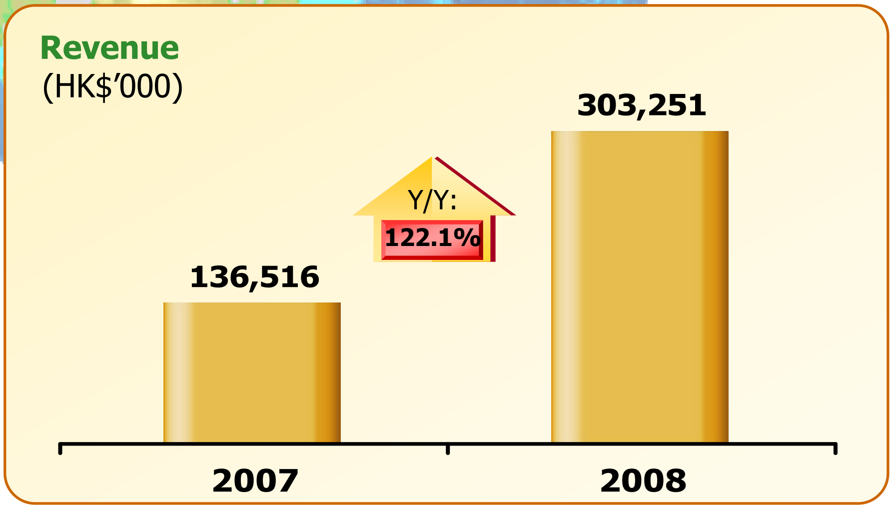
Review:

- Year started off with natural disasters and restructuring of national telecoms industry which delayed CAPEX
- Industry pressure impacting average selling prices
- Natural disaster-related projects for infrastructure renewal
- Olympic-related network coverage projects
- New solutions driving demand for network enhancements

Opportunities:

- Global economic impact offset by strong domestic growth
- 3G launch driving growth
- Offering of innovative solutions to drive demand for 2G/3G equipment and services
- Offering extensive solutions for network buildouts

International Business



Review:

- Growth impetus increased 122.1% from 2007, contributing 12% of group revenue
- Major breakthrough and approvals to multiple 1st tier global operators
- Major orders from multiple regions
- Expansion of operations to include new regions

Opportunities:

- First tier operators' recognition will extend opportunities globally
- Expansion to include global supply agreements
- Continuous CAPEX investments in high growth regions
- Value-add to customers through total solution offerings

Core Equipment Vendors

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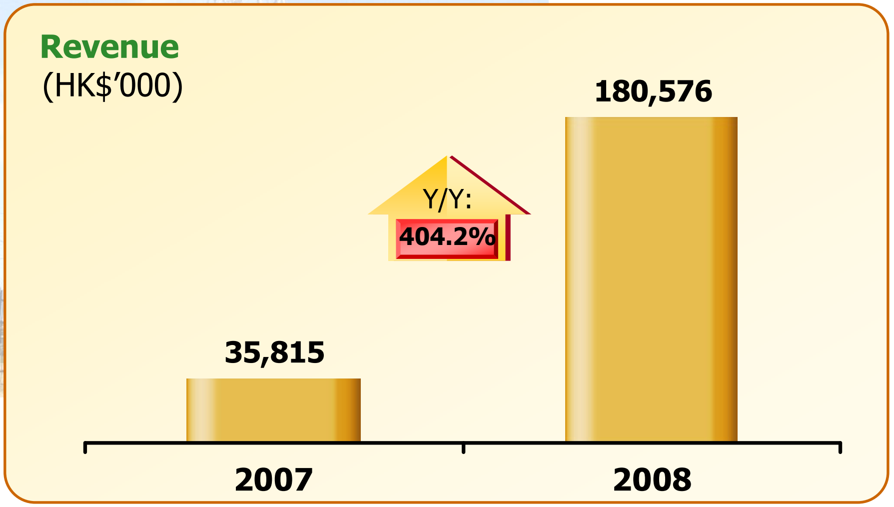


Review:

- Major growth of 404.2% to account for 7.2% of revenues
- Expanded portfolio of core equip. vendor customers
- Deeper entrenchment with existing OEM customer base and supply to vendors globally
- Increased brand recognitions drive operator's adoption of Comba products from equipment vendors
- Global & regional relationship w/ core equip. vendors
- Expansion of customer base to other regions

Opportunities:

- Continue to expand on top tier core equip. vendor base
- Build on core equip. vendor relationship to extend opportunities globally
- Supply of equipment to existing core equipment vendors operations around the world
- Expansion of offerings to include value-add services

Business Review

Wireless Enhancement

Antennas & Subsystems

Wireless Transmission

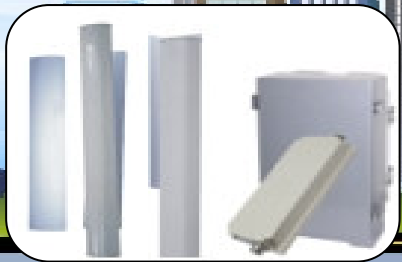
Services

Business Review

Wireless Enhancement *(indoor)*

Wireless Enhancement *(outdoor)*

Antennas and Subsystems



Wireless Transmission

Services

Wireless Enhancement

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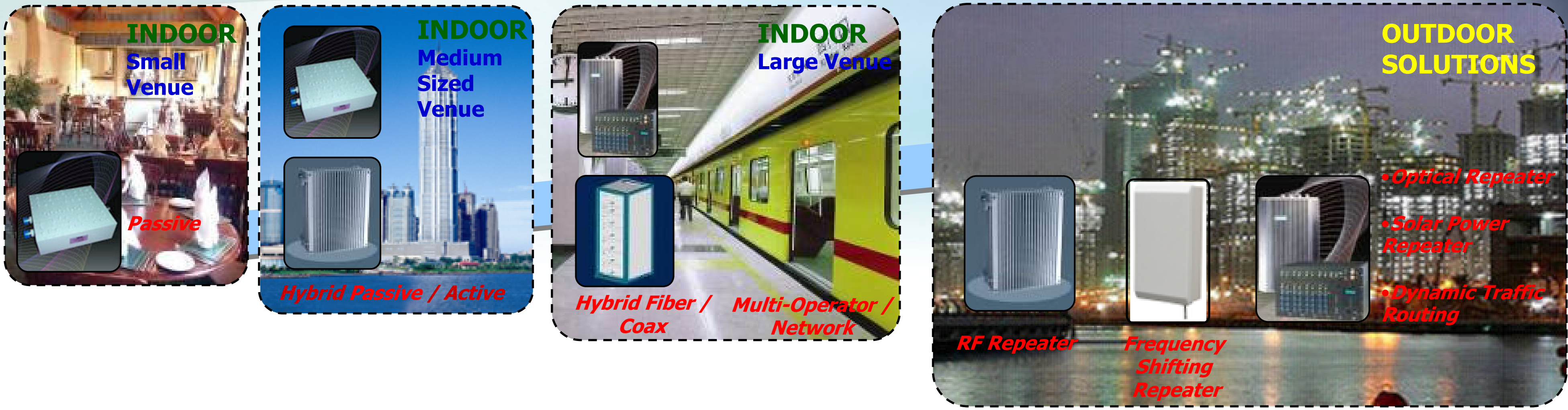
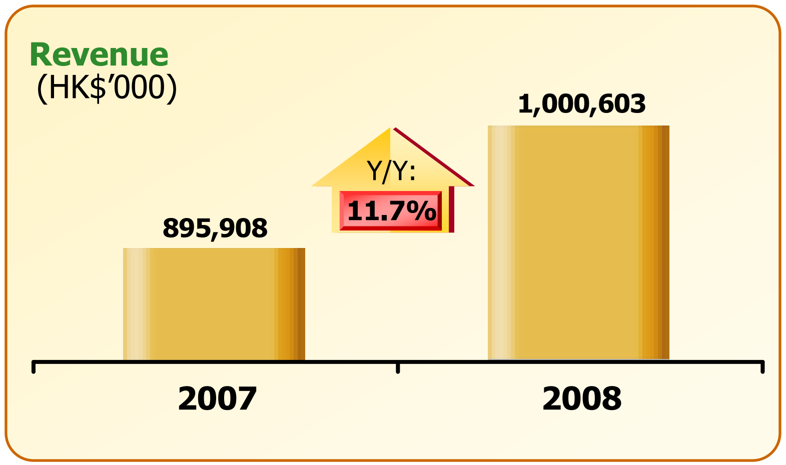


Review & Opportunities:

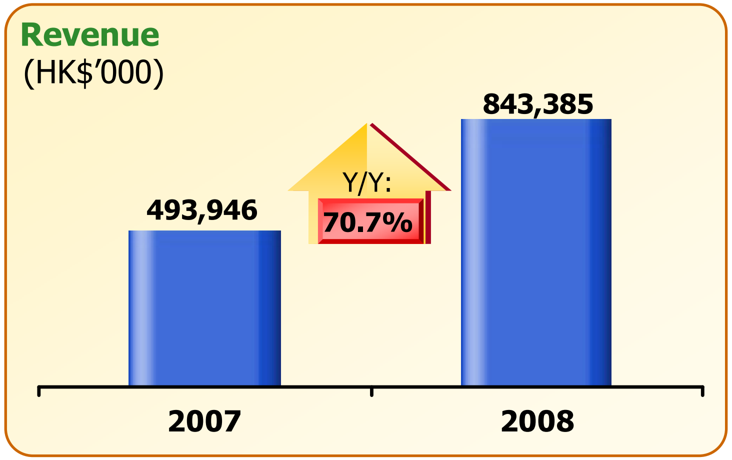
- Industry pressure on selling prices for standard repeater solutions
- Commercialization of new products/solutions drives global growth momentum
- Successful rollout of solutions in globally
- Implementation of all 3G mobile networks will create substantial demand for wireless enhancement solutions



Antennas & Subsystems

Review & Opportunities :

- The major BTS antenna manufacturer globally with leading position in procurement programs with multiple 1st tier operators domestically and internationally
- Volume orders of 3G TD-SCDMA and WCDMA antenna in China
- High volume supply agreements for Subsystems and Tower Mounted Solutions for major global operators in multiple regions
- Product portfolio expansion
- Increase market penetration into new emerging markets

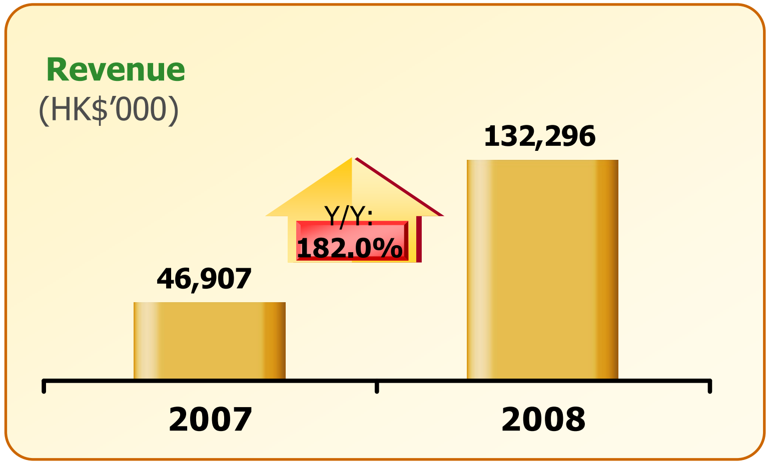


Wireless Transmission

Digital Microwave Systems

Review & Opportunities:

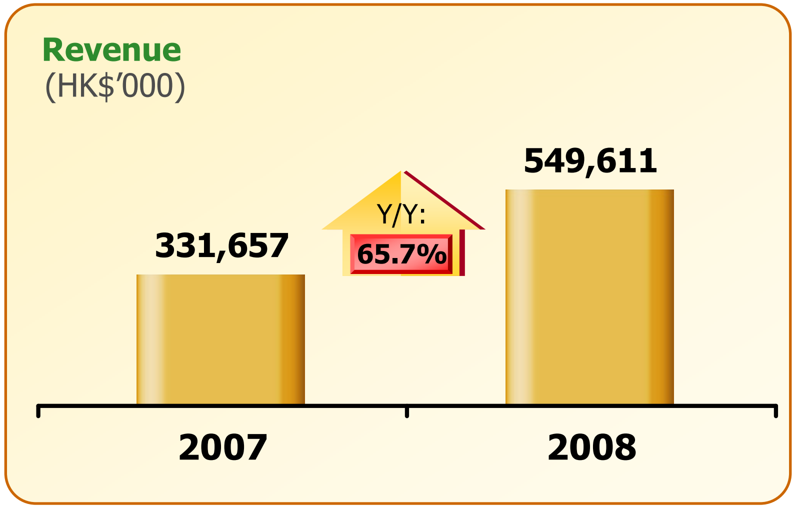
- Tremendous growth in domestic and international markets
- Volume orders with core equipment vendors
- Portfolio expansion:
  - IP backhaul solutions for future requirements
  - Segmentation of market by developing cost-effective solutions
- Growth areas and further opportunities in India, Asia Pacific and Middle East in particular
- Opportunities in radio access and wireless backhaul with new network rollouts around the world



Services

Review & Opportunities:

- Services include maintenance, consultation, commissioning, network optimization and project management
- Existing installation base driving extended maintenance service revenues
- Recurring maintenance contracts from existing customers
- Successful expansion in both domestic and international market with service element in solution offerings
- 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



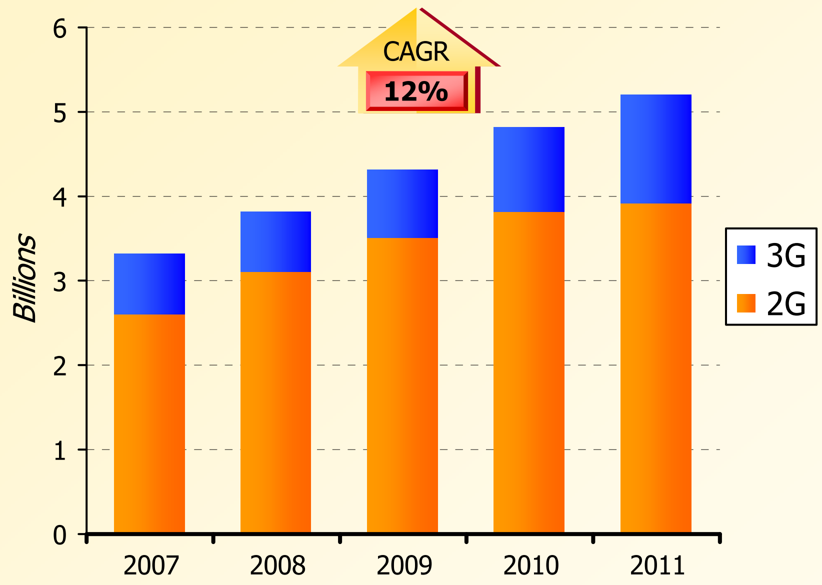
Market Outlook

China Outlook

Global Outlook

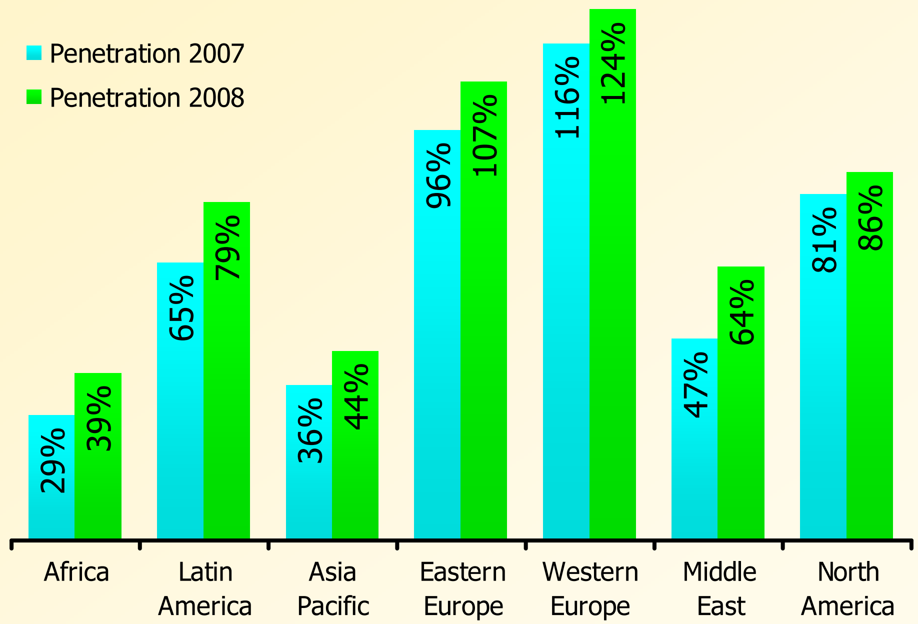
Global Industry Trend

Mobile Connections GLOBAL



Source: Infonetics Oct 2008

Mobile Connections GLOBAL

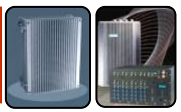


Source: Ericsson 2009

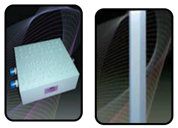
- Despite economic impact, mobile users will continue to increase from 3.3B in 2007 → 5.2B in 2011 (12% growth)
- 2008 saw a global penetration of 59% with expectations for deeper penetration in future.
- 3G will increase prominence, but its still a 2G world

Global Outlook

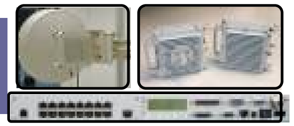
Wireless Enhancement



Antennas & Subsystems



Wireless Transmission



Services

China Outlook

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- Financial crisis will affect China, but growth rates of mobile phone adoption expected to continue unabated
- Restructuring of China telecoms industry completed which will drive:
  - **CAPEX:** RMB400+ billion for 3G buildouts by operators
  - **Urban:** 2G network enhancements. 3G network buildouts/enhancements
  - **Rural:** 2G village connect projects
- Increasing competition among operators will drive demand for VAS and capacity

Global Outlook

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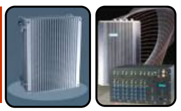
"… majority of mobile operators have healthy balance sheets, so the global economic turmoil is not likely to have a significant impact on the mobile network infrastructure market… Traffic growth remains unabated and many networks are fairly loaded…"

Infonetics, March 2009

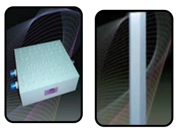
- **2G is strong & will continue. Numerous 2G rollouts particularly APAC & Americas**
- **2G anticipate accelerated activities in MEA and Eastern Europe**
- **3G driven by China and India on massive rollouts.**
- **3G Hotspots also include Latin America with 3G activity by pan-region operators**
- **4G next generation network (LTE and WiMAX) led by developed regions**
- **Anticipate rapid increase in demands on capacity in particular North America, Europe and parts of APAC driven by the increase of unlimited mobile data plans.**

Wide Product portfolio ensures capture of network upgrades & enhancement demand

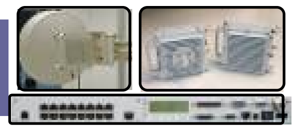
Wireless Enhancement



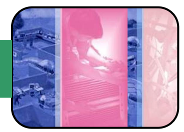
Antennas & Subsystems



Wireless Transmission



Services



Open Forum

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