



中信國際電訊集團有限公司
CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(stock code : 01883)



Annual Results Announcement
for the year ended 31 December 2015
25 February 2016

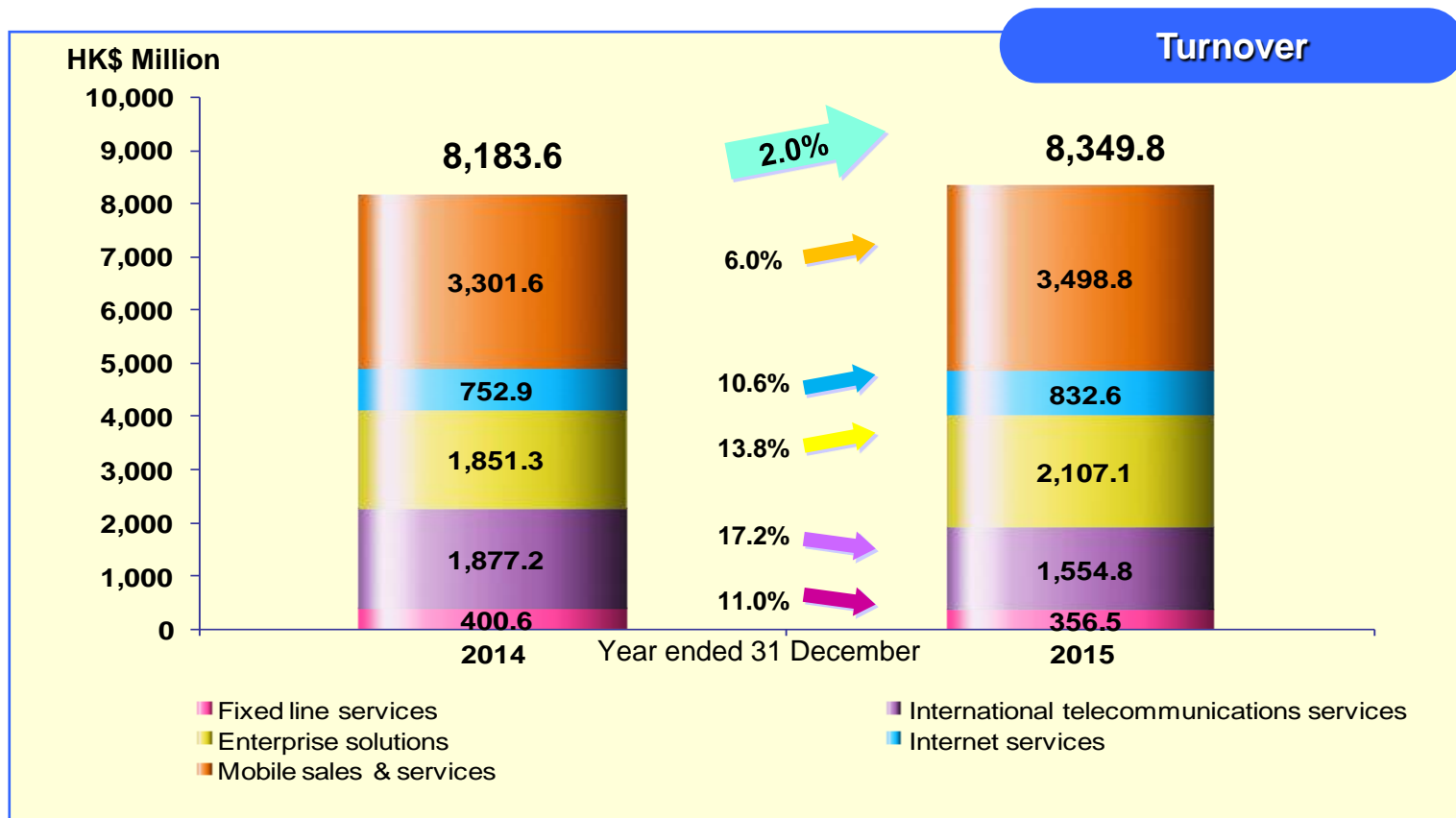
Highlights for the Year 2015

- ④ Turnover recorded a growth of 2.0% to **HK\$8,349.8 million** as compared against last year
- ④ Profit attributable to equity shareholders of the Company amounted to **HK\$802.2 million**, an increase of 10.8% as compared against last year
- ④ At 31 December 2015, net debt was **HK\$6,249.5 million** (31 December 2014: HK\$6,570.7 million), including cash and bank deposits of **HK\$1,223.0 million** (31 December 2014: HK\$1,396.9 million)
- ④ Final dividend of **HK9.7 cents per share**. Including the interim dividend of **HK2.8 cents per share**, dividends per share totaled **HK12.5 cents** for the year, a 10.6% year-on-year increase. (2014 : HK11.3 cents)



Turnover by Services

Turnover increased 2.0% over last year to HK\$8,349.8 million



Liquidity and Capital Structure

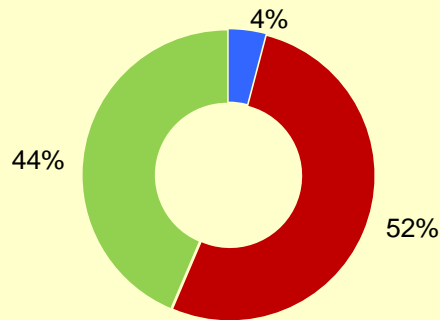
HK\$Million	2014	2015
	Year ended 31 December	
Earnings before interest, tax, depreciation & amortisation (EBITDA)	1,926.8	2,022.4
Capital expenditure –		
Data centre	104.4	20.3
LTE network & mobile systems upgrade	160.4	328.3
Recurring Capex	466.1	470.1

HK\$Million	At 31 December	
Cash and bank deposits	1,396.9	1,223.0
Bank and other borrowings	7,967.6	7,472.5
Net Debt	6,570.7	6,249.5
Net gearing ratio	50%	47%



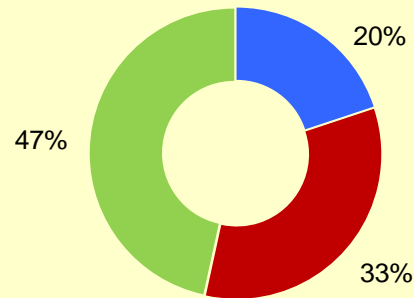
Bank and Other Borrowings

Bank and other borrowings (by denomination)

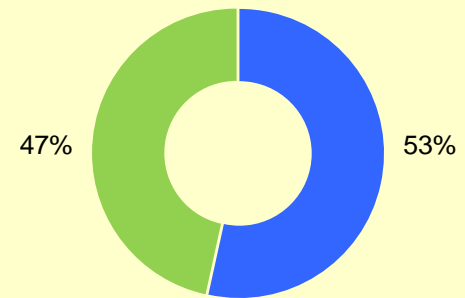


As at 31 Dec 2014

■ Bank borrowings (in HKD) ■ Bank borrowings (in USD) ■ Guaranteed bonds (in USD)

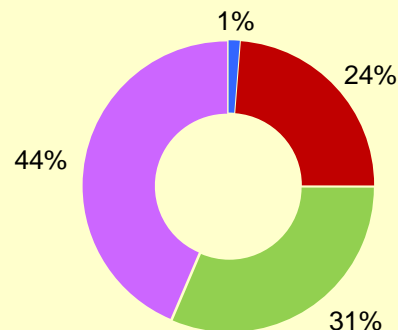


As at 31 Dec 2015

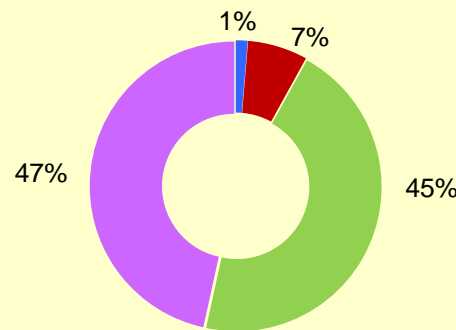


As at 21 Jan 2016

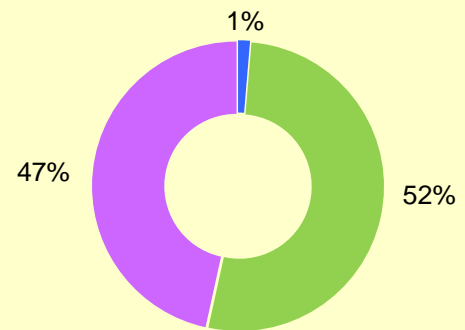
Bank and other borrowings (by maturity)



As at 31 Dec 2014



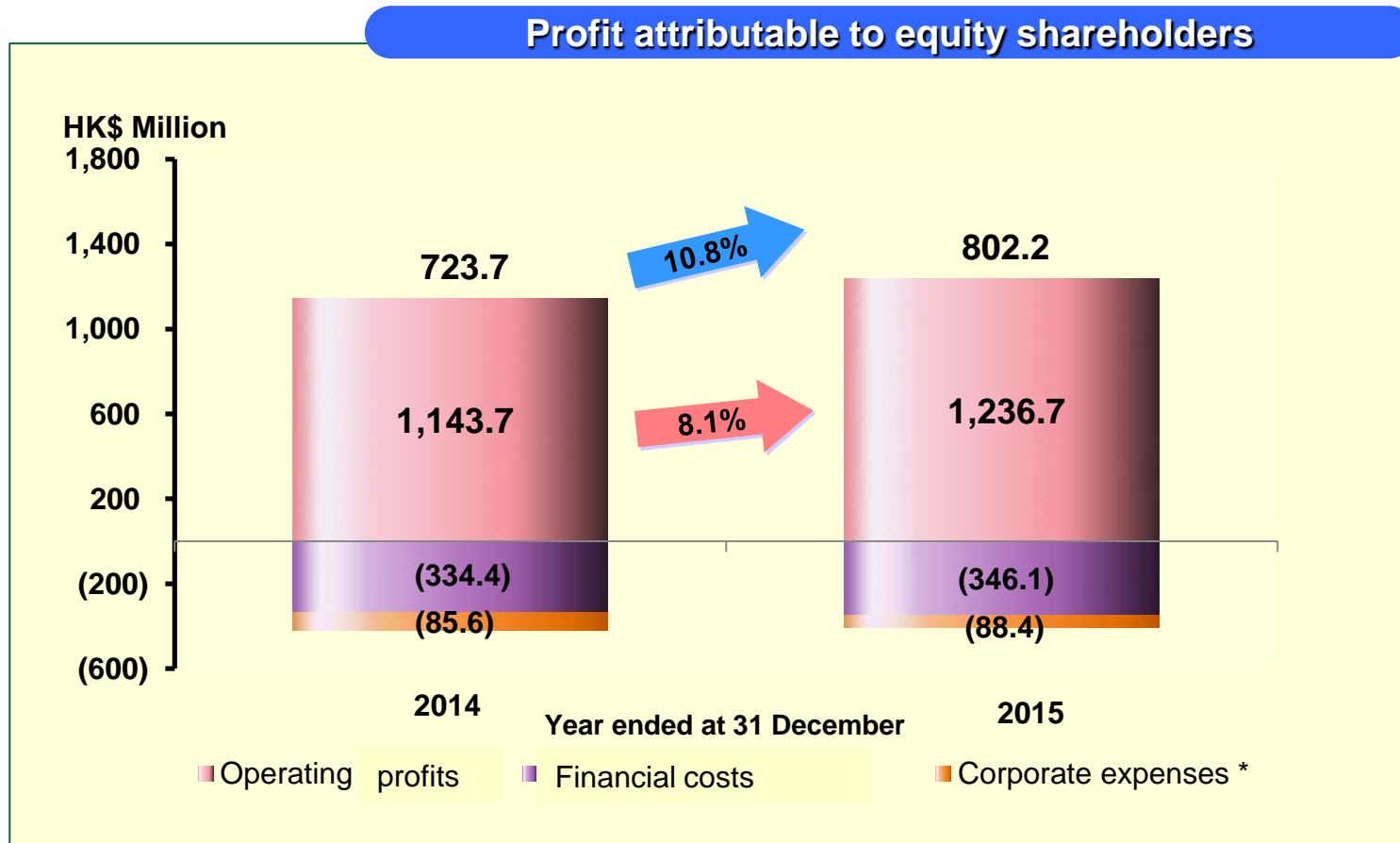
As at 31 Dec 2015



As at 21 Jan 2016

■ Within 1 year or on demand ■ After 1 year but within 2 years ■ After 2 years but within 5 years ■ Over 5 years

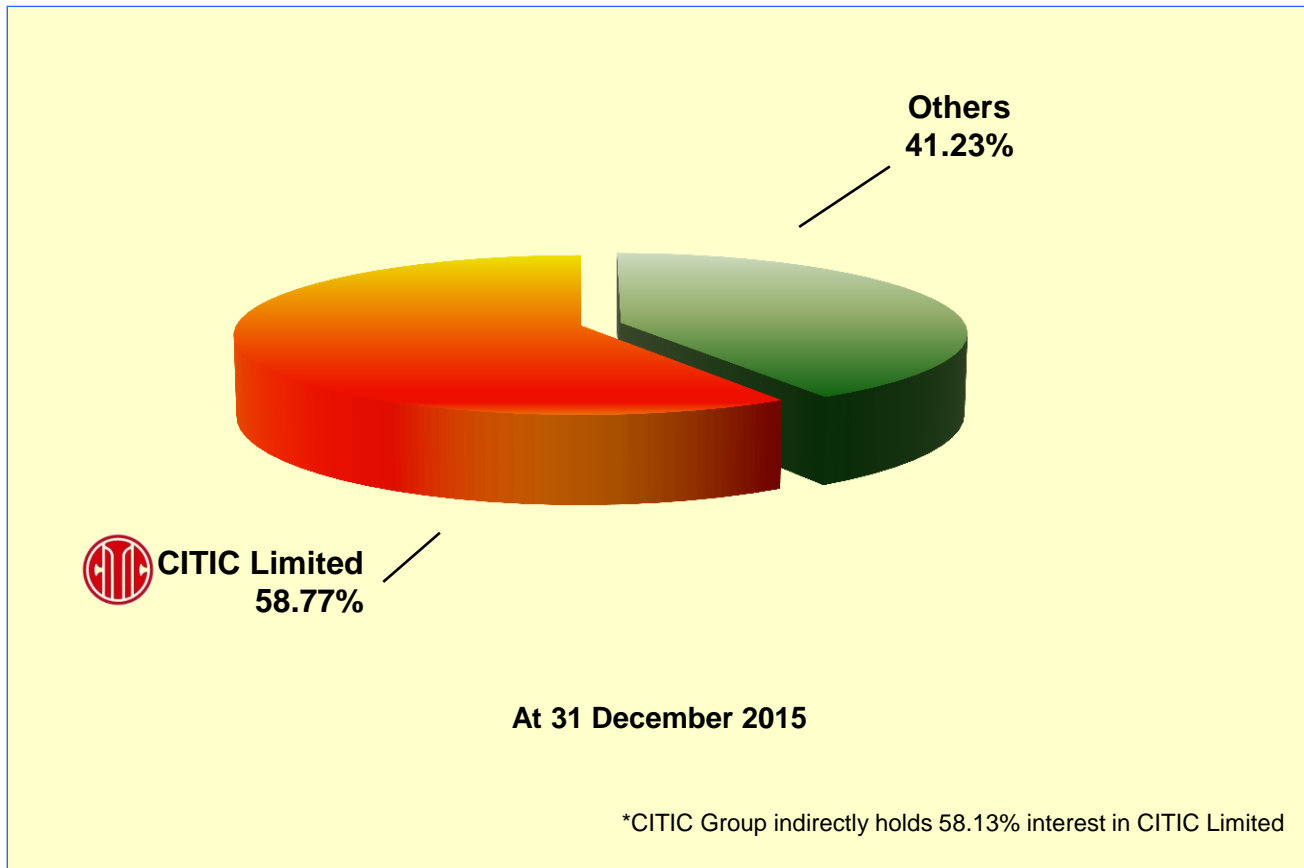
Profit Attributable to Equity Shareholders



* Corporate expenses included staff costs for corporate function, equity-settled share-based payment expenses, listing fee and others



Shareholding Structure



Mobile Sales & Services

- Mobile sales and services revenue increased 6.0% to HK\$3,498.8 million
- Growth in mobile data usage and customisation of products also contributed to the increase in revenue
- Adjusted postpaid Average Revenue Per User (“ARPU”) up 8.1% to HK\$234.2 when compared with 2014
- Prepaid ARPU dropped 19.0% to HK\$13.9 for 2015 due to intense price competition in mobile voice revenue, which offset the growth in mobile data revenue
- Overall number of subscribers increased by 0.9% to over 821,000 subscribers
- Market share for both 2015 and 2014 at around 43%



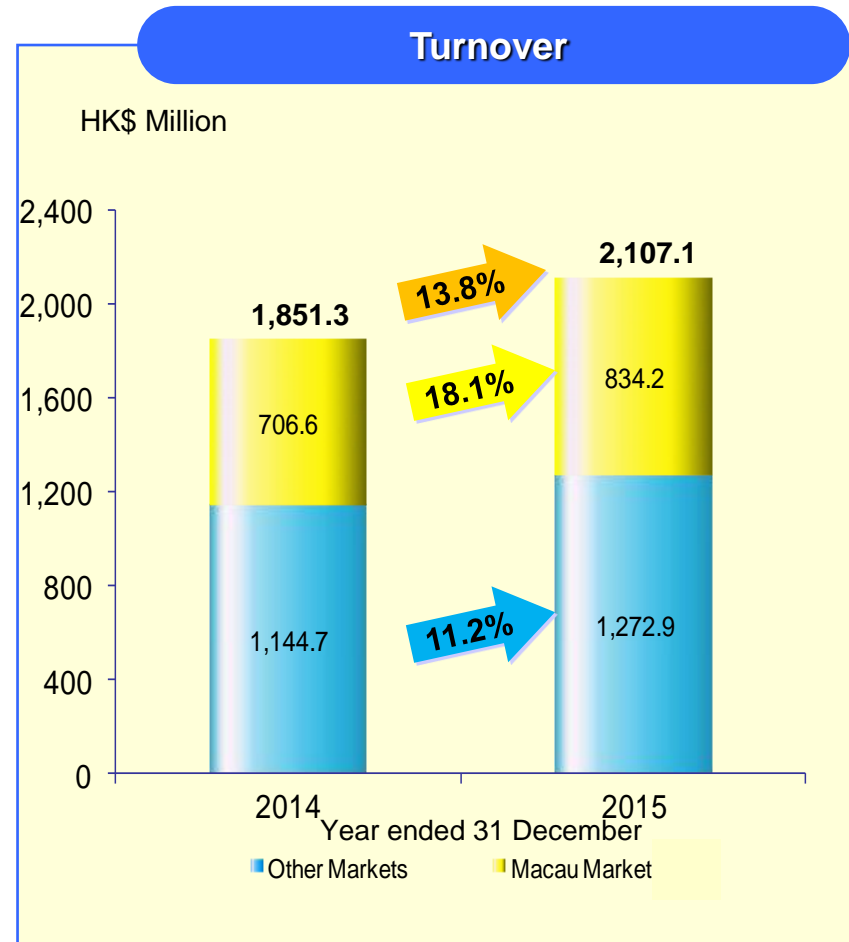
Internet Services

- Internet services revenue increased 10.6% to HK\$832.6 million as compared to 2014 mainly due to good fibre broadband uptake and increase in data centre revenue
- Overall broadband ARPU increased 5.0% to HK\$316.1
- Total broadband customers reached 169,000 in December 2015, a year-on-year increase of 4.6%
- Market penetration rate in Macau was around 86.4%, a year-on-year increase of 3.1%
- Both fibre coverage & Internet market share close to 100%
- Collaboration with CITIC Networks brings new opportunities



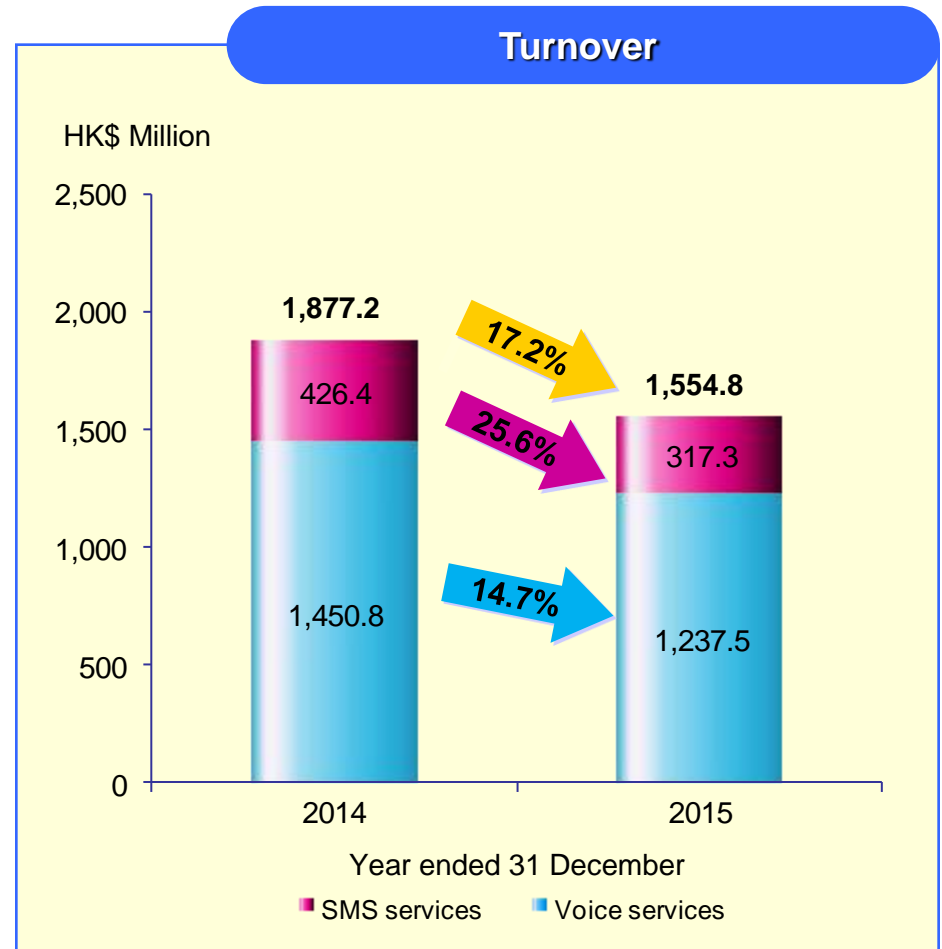
Enterprise Solutions

- Enterprise solutions revenue increased by 13.8% to HK\$2,107.1 million
- Several large projects in the casino, hotel and government sectors
- Higher demand for leased lines from carriers and corporates
- Steady growth in cloud computing and information security services
- Continuing popularity of VPN services with global coverage to over 100 Points-of-Presence (“PoPs”) with 9 new PoPs added in 2015



International Telecommunications Services

- Global voice and SMS wholesale market remains challenging
- With focus on regions with higher profit margins, overall voice revenue per minute increased 8.3% to HK\$0.26 when compared against last year
- Successful efforts in accelerating the development of A2P has partly countered the substitution impact of emerging Internet applications
- SMS services continued to be adversely affected by the growing popularity of social network services, resulting in a decrease in P2P message volumes
- In addition, SMS service revenue dropped due to the loss of a major customer as a result of the customer's change in business strategy
- Even under such adverse conditions, the number of Hong Kong domestic and International SMS handled by the Group in 2015 was up 18.0% and 13.7% respectively, which partly offset the decrease in China inbound and outbound messages



Fixed Line Services

- Fixed line usage continued to decrease
- Fixed line services revenue continued to dropped 11.0% to HK\$356.5 million
- Gradual replacement of fixed residential lines by mobile services partially offset by growth in business as a result of enlarged commercial activities





Update on DataMall

Update on DataMall

- Commercially launched for a major mobile operator in China through partnership with five operators spread over Hong Kong, Taiwan and Macau
- Initial conversion rate during the first month was over 90%. That means 9 out of 10 people who installed DataMall app had made purchases on the DataMall
- Mobile operator participants are growing, and target to attract operators from 11 more Asian countries in 2016
- Major mobile operator group from Europe and North America have shown interest in joining DataMall
- Apart from mobile operators community, Internet community has also shown great interest in participating in DataMall thereby accelerating DataMall's development during 2016





Update on CITIC Networks

Update on Acquisition of up to 39% of CITIC Networks

- On 24 August 2015, CITIC Group and the Company agreed to implement the Acquisition Arrangement whereby CITIC Group has proposed to sell, and the Company has proposed to bid (or to procure its subsidiary including CPC to bid) for, in an open tender process at China Beijing Equity Exchange, up to 39% equity interest in CITIC Networks (“Sale Interest”) from CITIC Group
- On 23 October 2015, the ordinary resolutions for approving the Acquisition Arrangement were duly passed
- In October 2015, the Group and CITIC Networks entered into an agreement with GDS Services Ltd. (“GDS”) forging a long-term, stable and high performance strategic business relationship with GDS, aiming to leverage the expertise and strengths of each party in the data centre and optic fiber network markets. The partnership also places an important role in facilitating both parties’ development and deployment in the data communication and data centre business, facilitating early entry into the high bandwidth market, subsequently expanding their market share, and ultimately improving the competitive position of both parties in Greater China as well as Asia Pacific
- Recently the Group together with CITIC Networks entered into an agreement with ChinaCache International Holdings Ltd. (“ChinaCache”) to form a strategic business partnership with ChinaCache. It sets forth a framework for the parties to collaborate in the areas of domestic and international data transmission and communications, Internet Exchange (IX) related services, Content Delivery Network (CDN) services, data centre development and operation, and other value-added offerings including innovative cloud products and services. The new strategic partnership to form a powerful collaboration that lays the foundation upon which innovative new high-bandwidth capacity and data centre products and services can be offered, creating opportunities in China’s ICT market



Update on Acquisition of up to 39% of CITIC Networks

- CITIC Networks introduced a new sales strategy to expand its sales channels and penetrate specific target market segments such as IDCs and ICPs, resulting in an increase in its on-going potential bandwidth sales pipeline of 500G during the last few months. Outstanding positive growth potential for CITIC Networks as the subscribed bandwidth in 2015 for this new market segment was only approximately 50G
- CITIC Networks has launched new Ethernet product features and improved SLAs to address customer requirements by deploying an advanced Ethernet networking platform and a new network operations and customer circuit monitoring system
- CITIC Group is in the process of obtaining regulatory approval for the sale of up to 39% equity interest in CITIC Networks. The approval process is progressing smoothly
- Operating data

	2015 RMB'000	2014 RMB'000	Variance
Turnover	115,508	110,040	↑5%
EBITDA	(62,665)	(64,269)	↑2%





Q&A