



**中信國際電訊集團有限公司**

**CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED**

**(Stock Code: 01883)**

**2016**

**Annual Results Announcement**

**20 March 2017**





# 1 ➤ **Results Summary**

## 2 ➤ **Financial Performance**

## 3 ➤ **Operational Performance**

# Results Summary of 2016

## Record high in operating profit

- Profit attributable to equity shareholders of the Company amounted to **HK\$850.1 million**, an increase of 6.0% as compared against last year
- Final dividend of **HK10.35 cents** per share. Including an interim dividend of HK2.85 cents per share, dividends per share totaled **HK13.20 cents** for the year, a 5.6% year-on-year increase (2015: HK12.50 cents)
- Turnover decreased 7.8% to **HK\$7,699.1 million** as compared against last year
- At 31 December 2016, net debt was **HK\$6,448.3 million** (2015: HK\$6,249.5 million), including cash and bank deposits of **HK\$1,459.1 million** (31 December 2015: HK\$1,223.0 million)



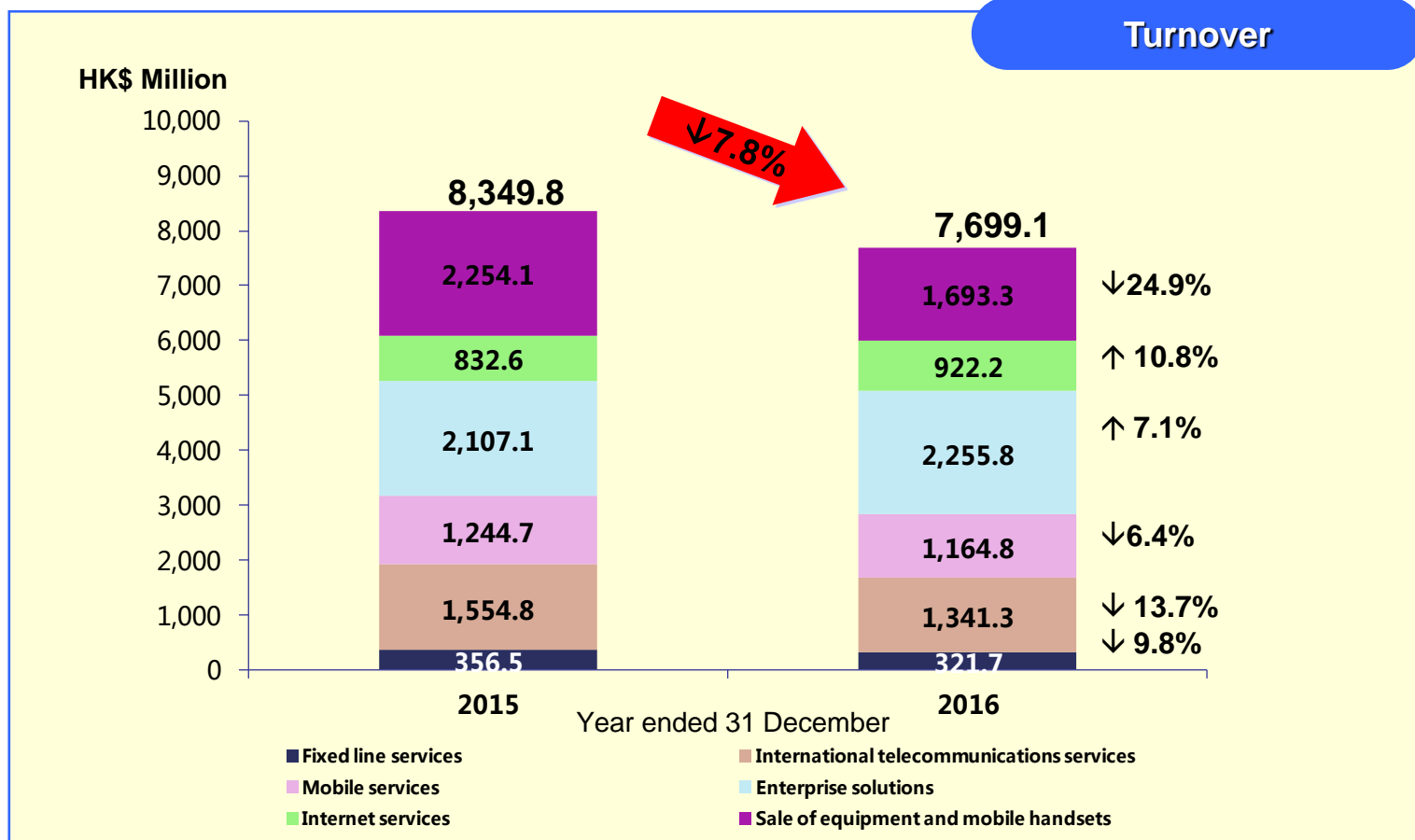
- 1 ➤ Results Summary
- 2 ➤ **Financial Performance**
- 3 ➤ Operational Performance



# Turnover by Business Segment

Enterprise solutions and Internet services continued to grow, overall turnover dropped yoy mainly affected by handsets and equipment sales

📞 Turnover decreased 7.8% from last year to HK\$7,699.1 million



# EBITDA, Capital Expenditure & Liquidity

	2015	2016
HK\$ Million	Year ended 31 December	
Adjusted EBITDA*	2,009.8	2,027.1
Capital expenditure –		
Data centre	20.3	9.4
LTE network & mobile system upgrade	328.3	102.4
Recurring Capex	470.1	384.7

HK\$ Million	At 31 December	
Cash and bank deposits	1,223.0	1,459.1
Total debt	7,472.5	7,907.4
Net Debt	6,249.5	6,448.3
Net gearing ratio	47%	45%

• Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortisation, and adjusted for any net gains/losses on foreign exchange and disposal of other property, plant and equipment.





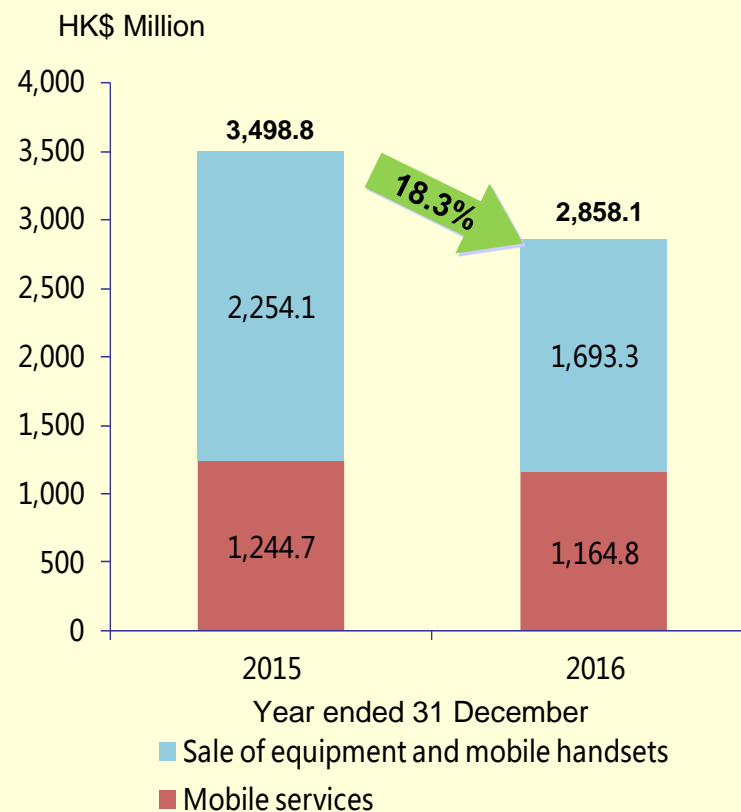
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# Mobile Sales & Services

Increase in total number of subscribers,  
but affected by handsets sales, total sales decline

- Mobile sales and services revenues decreased 18.3% to HK\$2,858.1 million mainly due to drop in mobile handset sales
- Adjusted Postpaid Average Revenue per User (“ARPU”) slightly increased to HK\$236.2 when compared with first half of 2016
- Prepaid ARPU was HK\$10.9 for 2016, went up 7.9% when compared with the first half of 2016 but down 22% when compared to last year due to intense price competition in mobile voice revenue
- Overall number of subscribers increased by 4.3% to approximately 857,000 subscribers
- Market share for both 2016 and 2015 was at around 43.5%
- Launched 4G + “City Link” service plan covering mobile service in Macau, Hong Kong and Mainland China

Turnover – Mobile Sales & Services

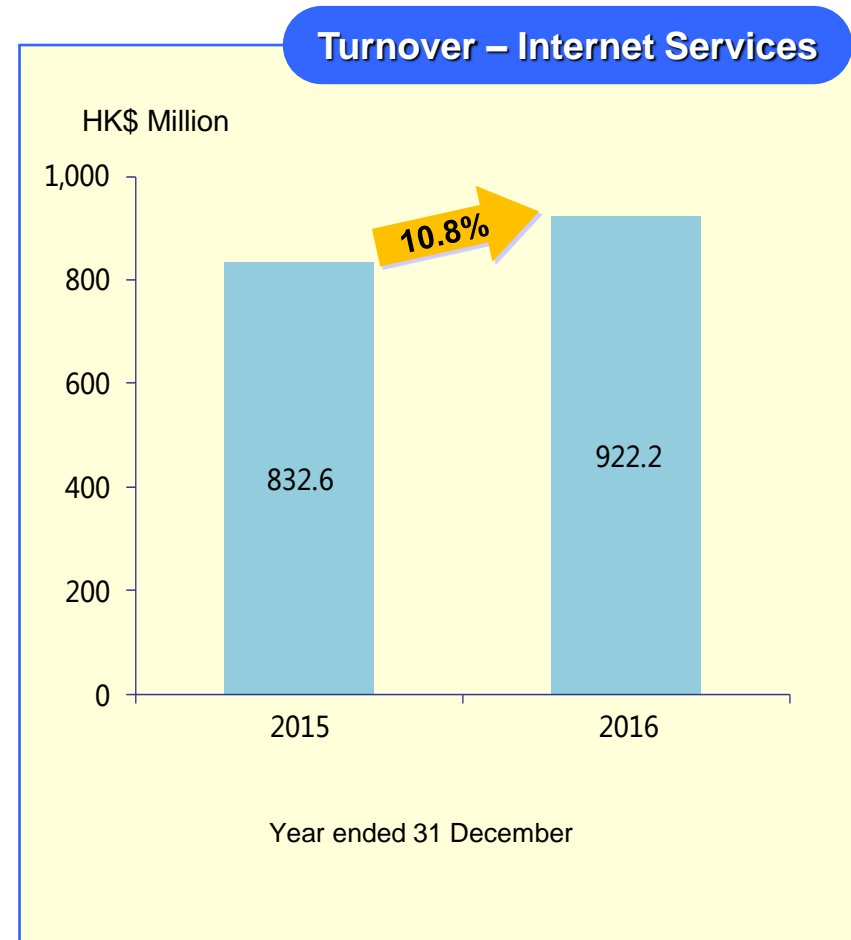




# Internet Services

Driven by broadband and data centre services, revenue up by 10.8% yoy

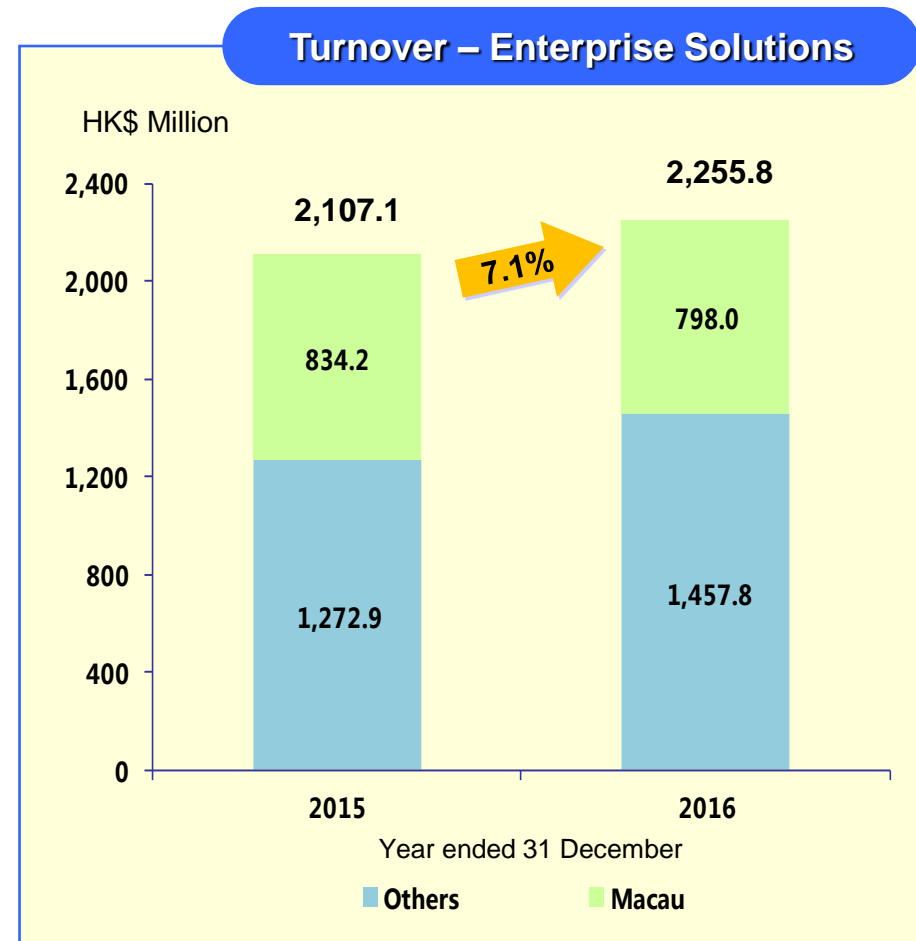
- Internet services revenue increased 10.8% to HK\$922.2 million as compared to 2015 which mainly due to increase in fibre broadband and data centre revenue
- Overall broadband ARPU was similar to last year and the first half of the year
- Total broadband subscribers had a year-on-year increase of 3.6%, reaching approximately 175,000 subscribers at the end of December 2016



# Enterprise Solutions

Growth of MPLS VPN and cloud computing businesses plus acquisition of Acclivis supported consistent growth

- Enterprise solutions revenue increased by 7.1% to HK\$2,255.8 million
- Several large projects implemented for the casino, hotel and government sectors
- Higher demand for leased lines from carriers and business corporations
- Steady growth in cloud computing and information security services
- Established interconnections with Amazon Web Services in strategic global locations to facilitate our customers to access their specific cloud services over high quality MPLS VPN network
- Completion of acquisition of Acclivis in November 2016

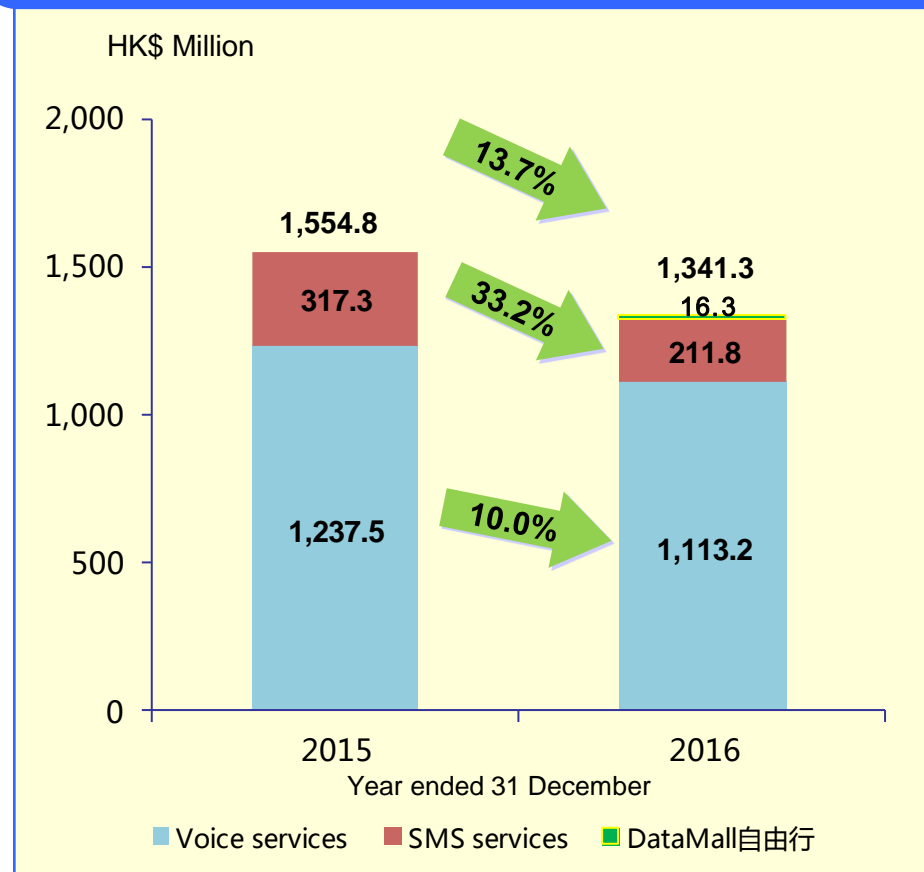


# International Telecommunications Services

Voice and SMS businesses continued to face challenges, while “DataMall 自由行” began to bring contribution

- Global voice and SMS wholesale market remains challenging with continued declining trends on tariffs and traffic volume
- With continued focus on regions with higher profit margins, overall voice revenue per minute was stable at around HK\$0.26 for both 2016 and 2015
- Successful efforts in accelerating the development of “DataMall 自由行” has produced promising results and partly countered the decline in traditional international telecommunication services
- Continued efforts in accelerating the development of corporate SMS (“A2P”)
- Increasing popularity of social networking applications continued to have an adverse impact on the SMS business

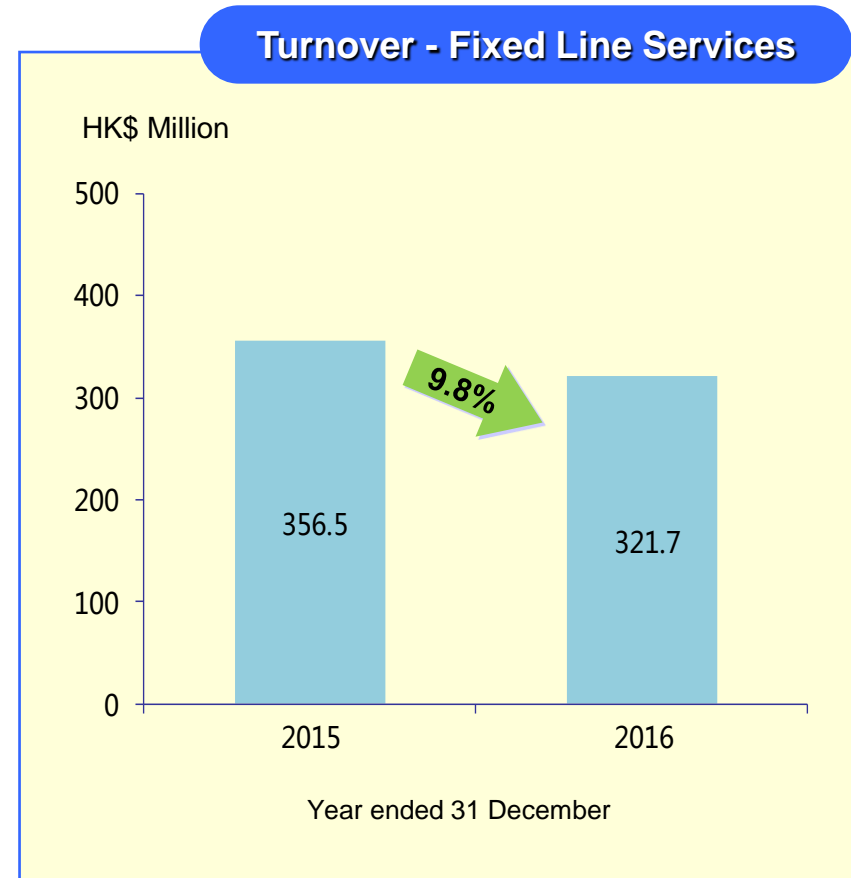
## Turnover - International Telecommunications Services



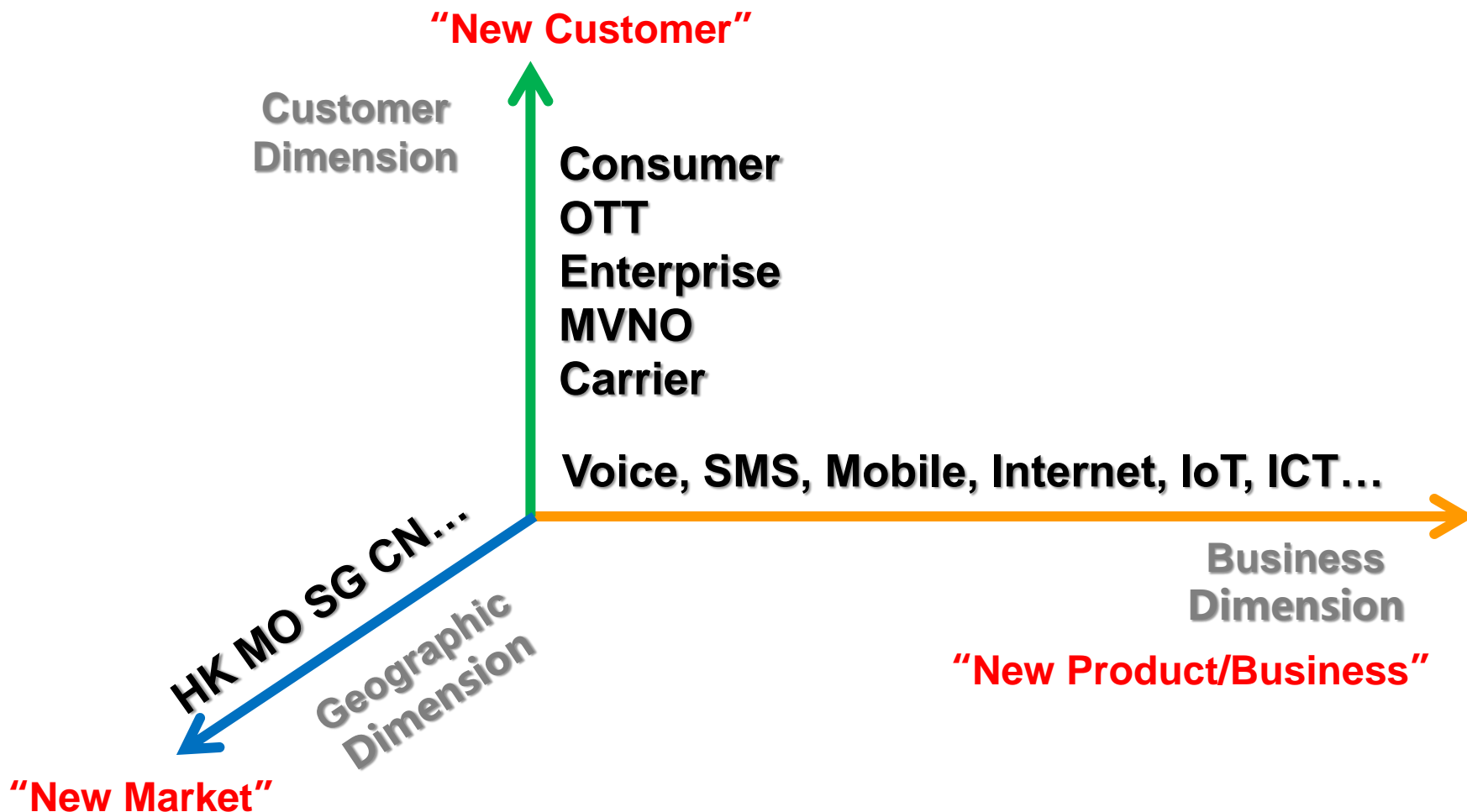
# Fixed Line Services

Usage & revenue continued to drop, echoing global trends

- Fixed line usage continued to decrease
- Fixed line services revenue dropped 9.8% to HK\$321.7 million
- Gradual replacement of fixed residential lines by mobile services



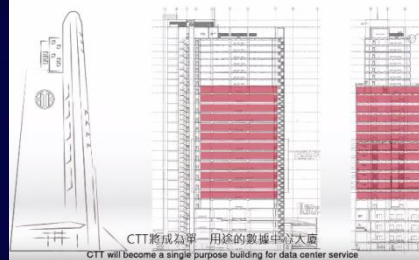
# The Group Continues to Expand Around the Three Dimensions of Business, Customers and Geography in 2016





# Completed Acquisition of CITIC Telecom Tower for Renovating into High Quality Data Centre

- Completed acquisition of entire title in CITIC Telecom Tower
- CITIC Telecom Tower will be renovated into a high quality data centre. When the conversion is completed, it will rank high as one of the largest data centres in Hong Kong
- It boasts advantages in many aspects including location, connectivity, capacity, scale and synergy



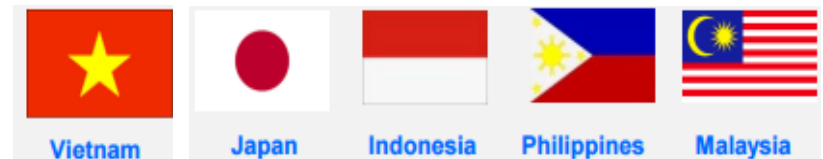
# Breakthrough DataMall自由行 Business Model Begins Expanding Business Scale



Covered Hong Kong, Macau, Taiwan, Singapore, Korea and Thailand



Will be launched:



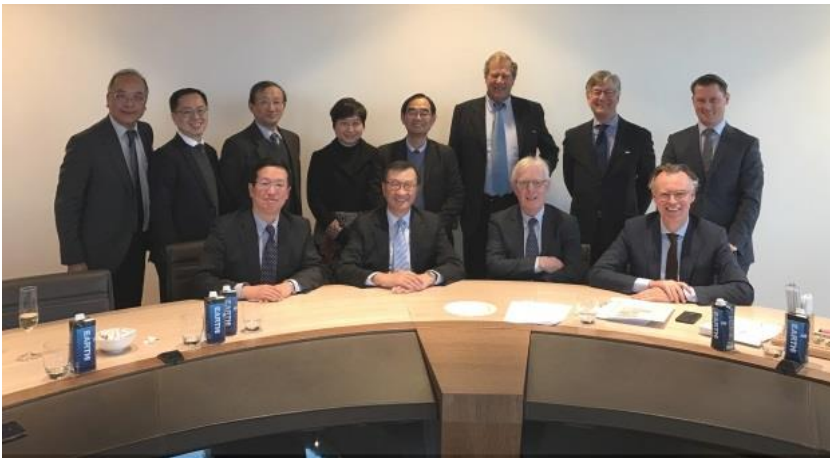


# DataMall自由行 User Experience Demonstration

## Video

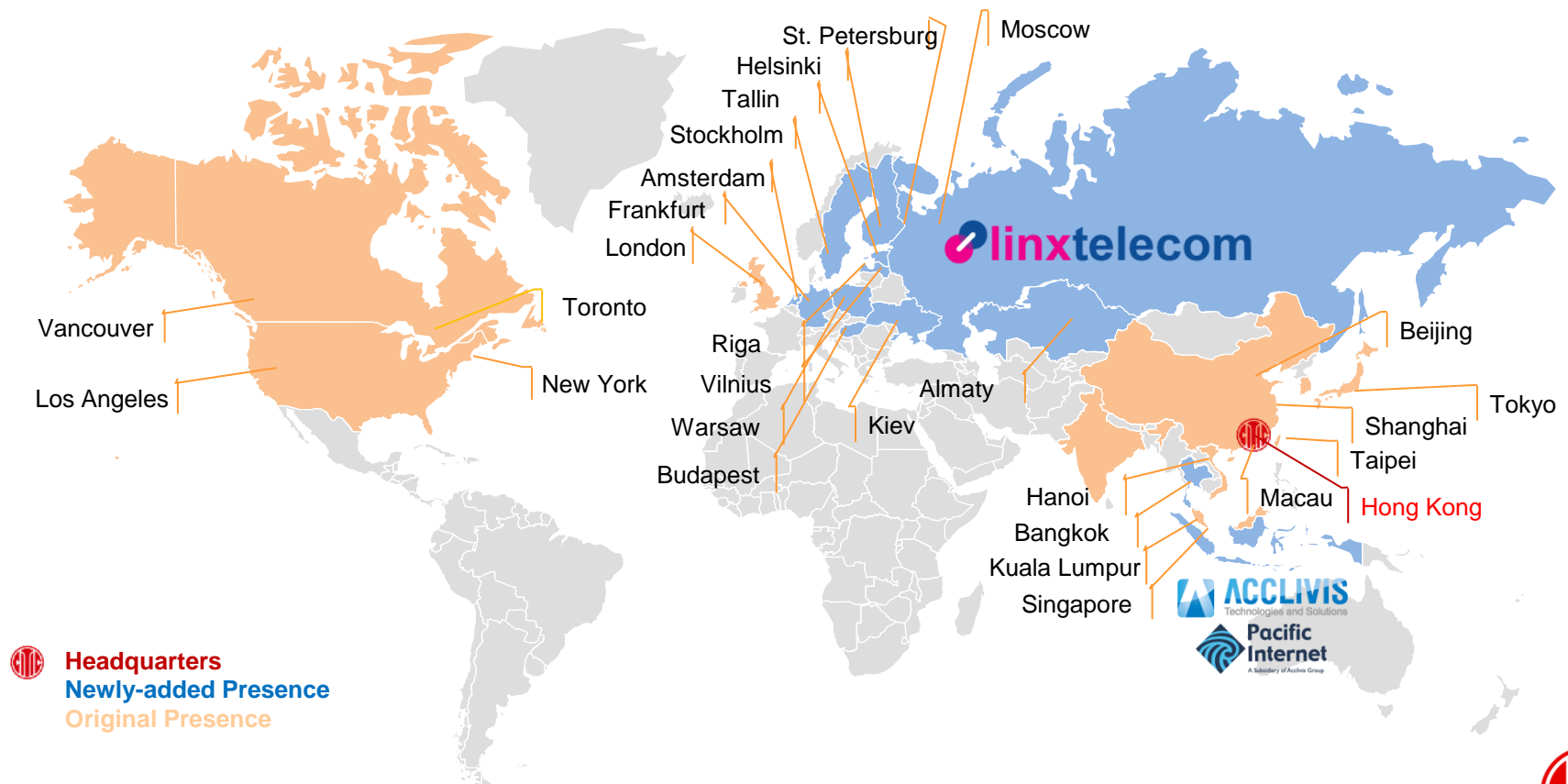


# Build Advantages through M&A & Business Expansion in Potential-rich Strategic Areas & Sectors



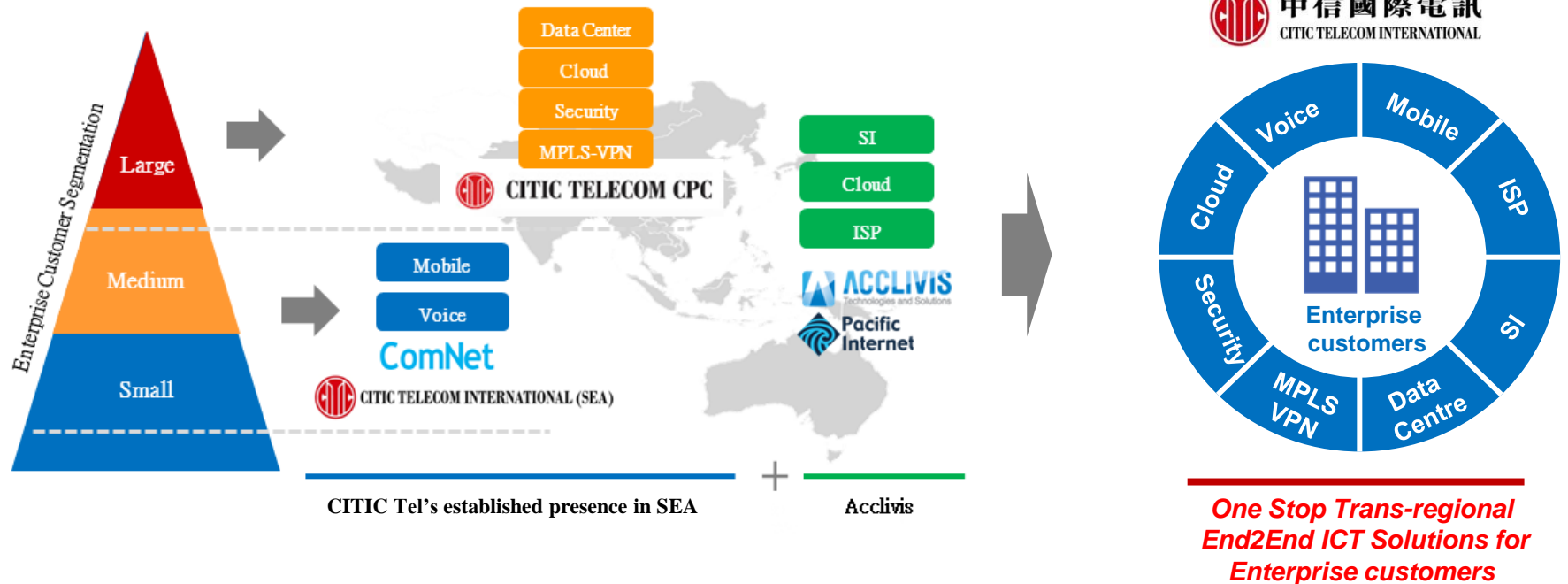
# Network will Extend to Cover High Potential Areas After Linx and Acclivis Acquisitions are Completed

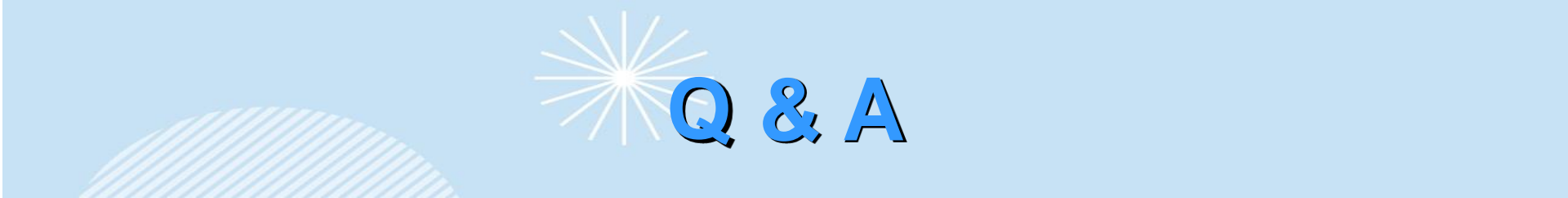
- Enjoys advantages with coverage extended to include “Belt & Road” areas





# Offers Trans-regional, One-stop and End-to-end Corporate ICT Solutions in Southeast Asia





# Q & A



**Thank You**