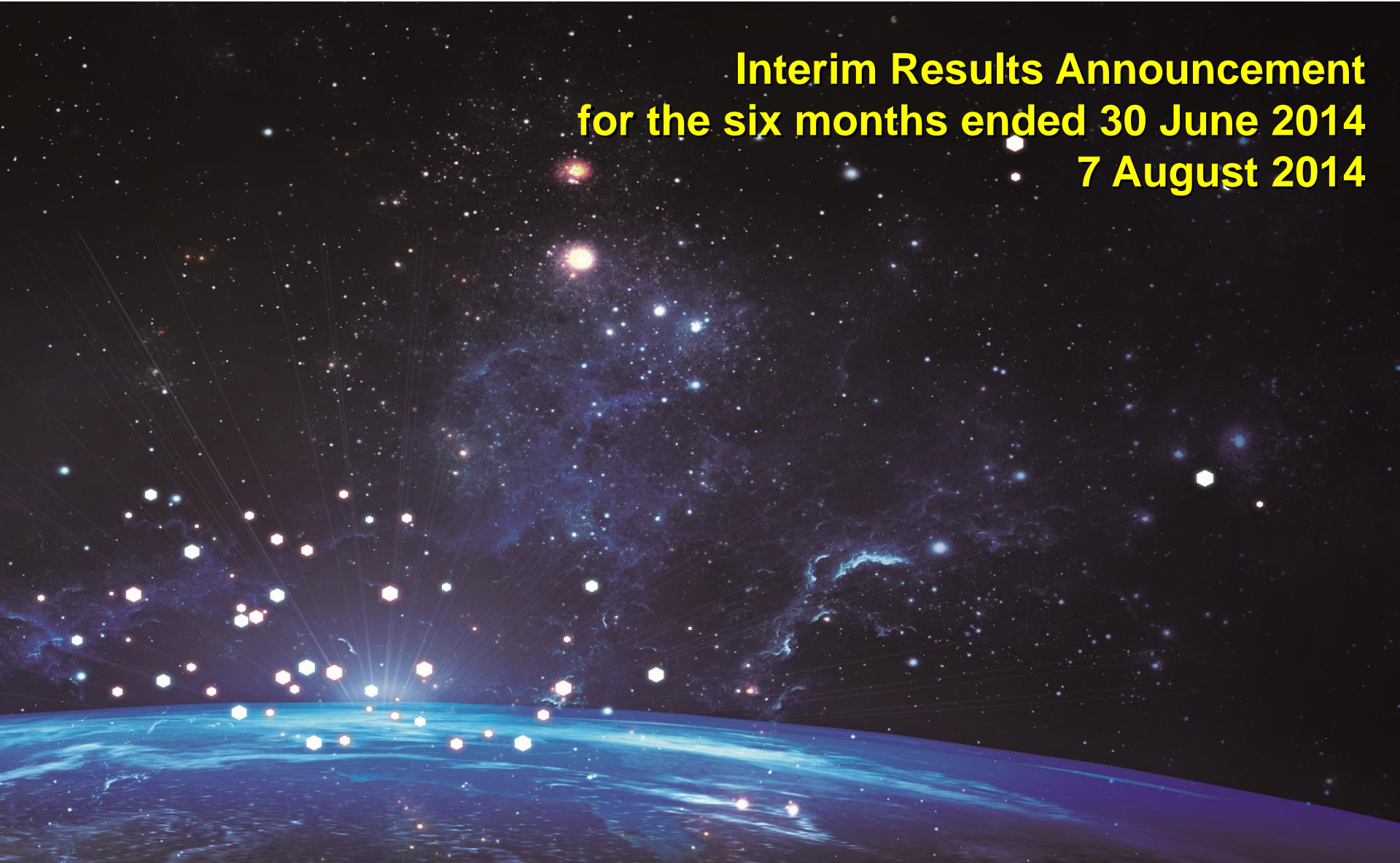




**中信國際電訊集團有限公司**

**CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED (stock code : 01883)**

**Interim Results Announcement  
for the six months ended 30 June 2014  
7 August 2014**

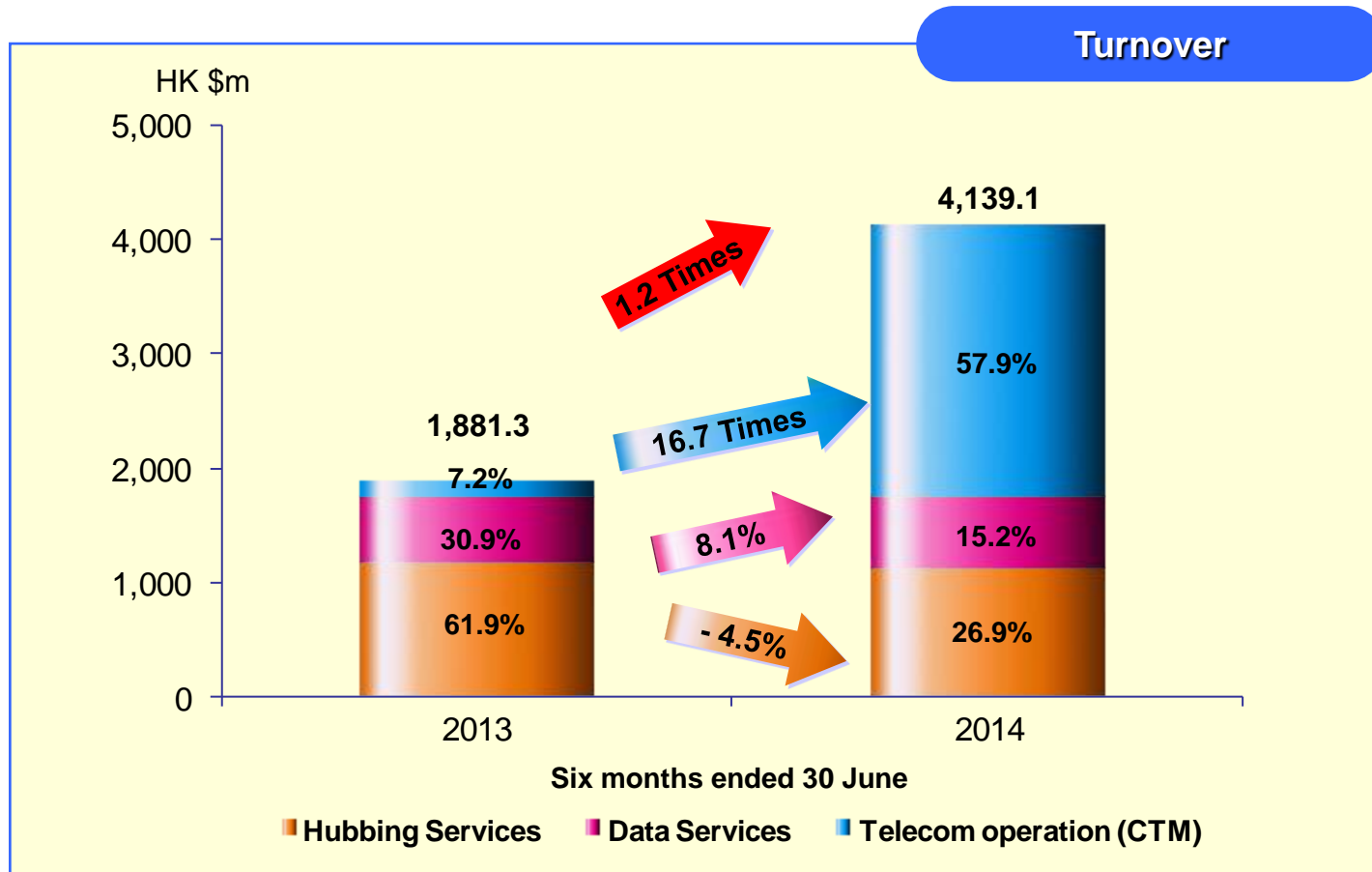


# Highlights for the Six Months Ended 30 June 2014

- Turnover recorded a growth of **120%** to **HK\$4,139.1 million** as compared against last year
- Profit attributable to equity shareholders of the Company amounted to **HK\$360.4 million**. Excluding the exceptional items (minus share options expenses) recognised in 2013 of **HK\$565.6 million**, operating profit increased by **57.7%**, as compared to last year
- At 30 June 2014, net debt was **HK\$6,669.9 million** (Dec 2013: HK\$6,860.5 million) , including cash and bank deposits of HK\$1,256.8 million (Dec 2013: HK\$856.1 million)
- Interim dividend of **HK2.7 cents** (2013 Interim : HK2.4 cents)

# Turnover

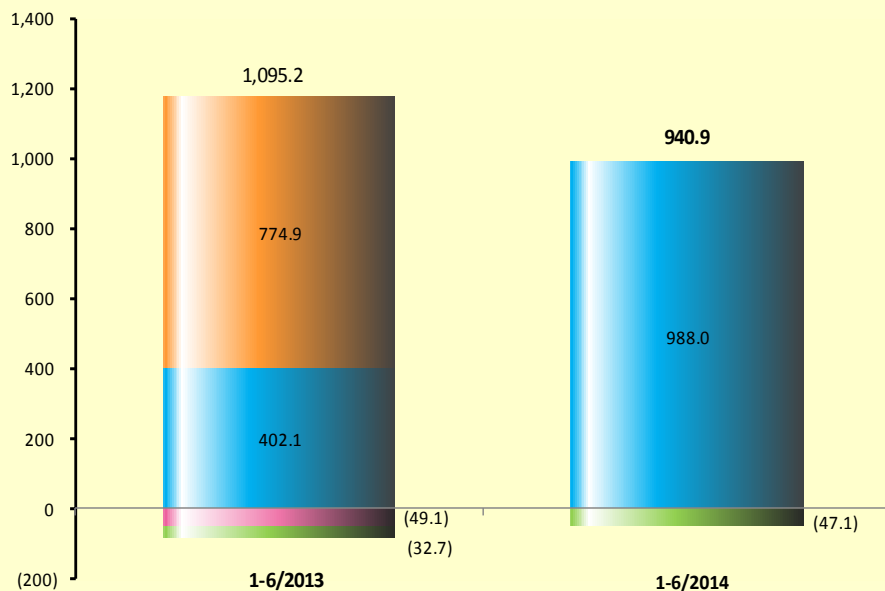
- Turnover increased by 120% to HK\$4,139.1 million when compared with last year



# Contribution Breakdown by Business Operations

EBITDA - Operational versus Exceptional

HK\$ Million



Operational profit

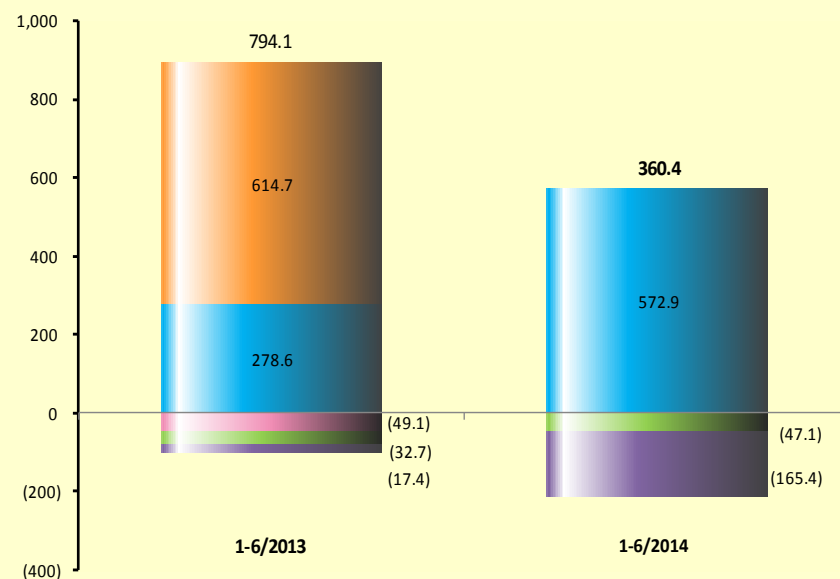
Exceptional items \*

Equity-settled share-based payment expenses

Corporate expenses \*\*

Contribution - Operational versus Exceptional

HK\$ Million



Operational profit

Exceptional items \*

Equity-settled share-based payment expenses

Corporate expenses \*\*

Recurring finance costs

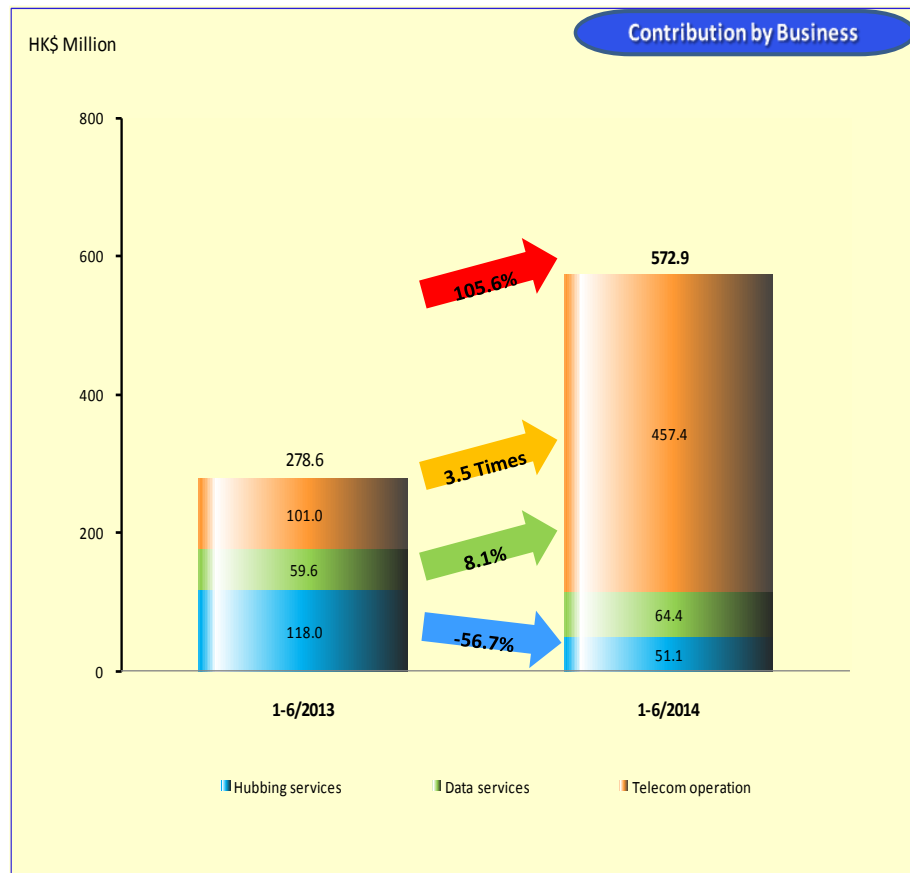
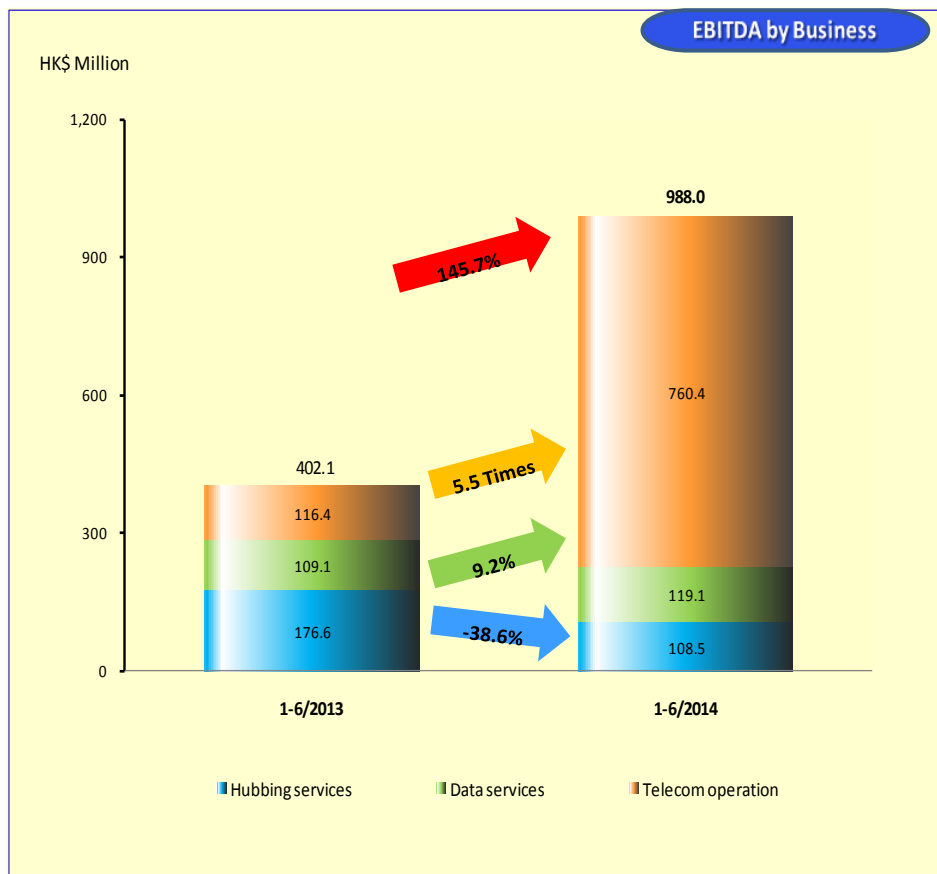
\* **Exceptional items included items such as gain on deemed disposal of equity interest in an associate, transaction costs related to the Acquisition, impairment losses, finance costs incurred prior to completion of the Acquisition (if applicable) and others.**

\*\* **Corporate expenses included staff cost for corporate function, listing fee, unallocated staff bonus and others.**



中信國際電訊  
CITIC TELECOM INTERNATIONAL

# Contribution Breakdown by Business Operations (Con't)

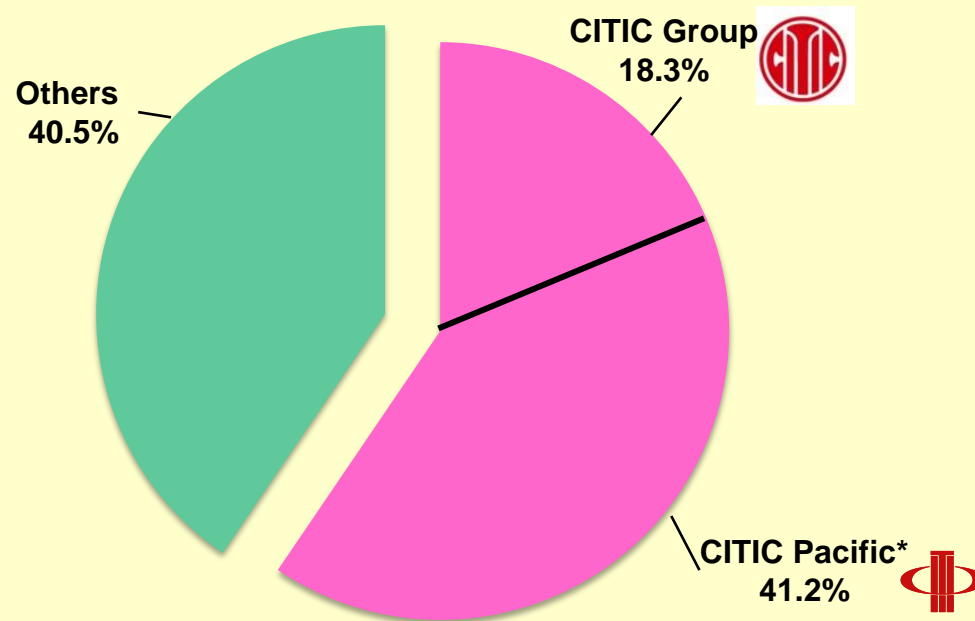


# Liquidity and Capital Structure

	2013	2014
HK\$m	For the six months ended 30 June	
Net cash generated from consolidated activities	352.8	935.2
Payment for acquisitions	8,923.9	1.2
Capital expenditure for Data centre	7.1	56.4
Capital expenditure - recurring	46.4	148.0

HK\$m	At 31 December	At 30 June
Cash and bank deposits	856.1	1,256.8
Bank and other borrowings	7,716.6	7,926.7
Net Debt	6,860.5	6,669.9
Net gearing ratio	53%	51%

# Shareholding Structure



\*CITIC Group indirectly holds 57.5% interest in CITIC Pacific

# Major Business Operation

## CTM – Leading Telecoms Operator in Macau

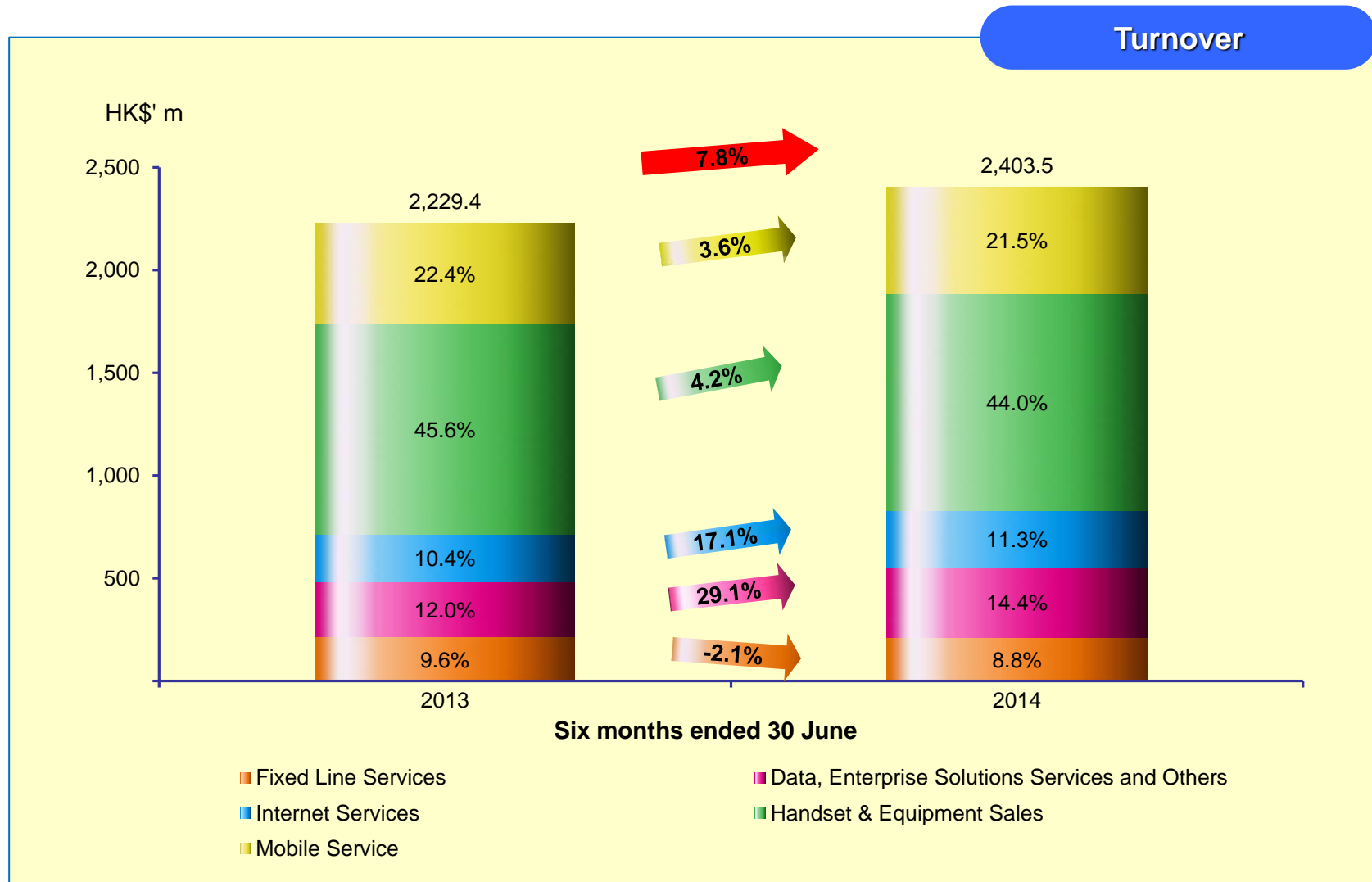
- CTM's turnover increased 7.8% to HK\$2,403.5 million while net profit increased 7.1% to HK\$531.6 million when compared to the corresponding period in 2013.
- The major growth drivers were mobile communications, internet, data and enterprise solutions.





# Major Business Operation

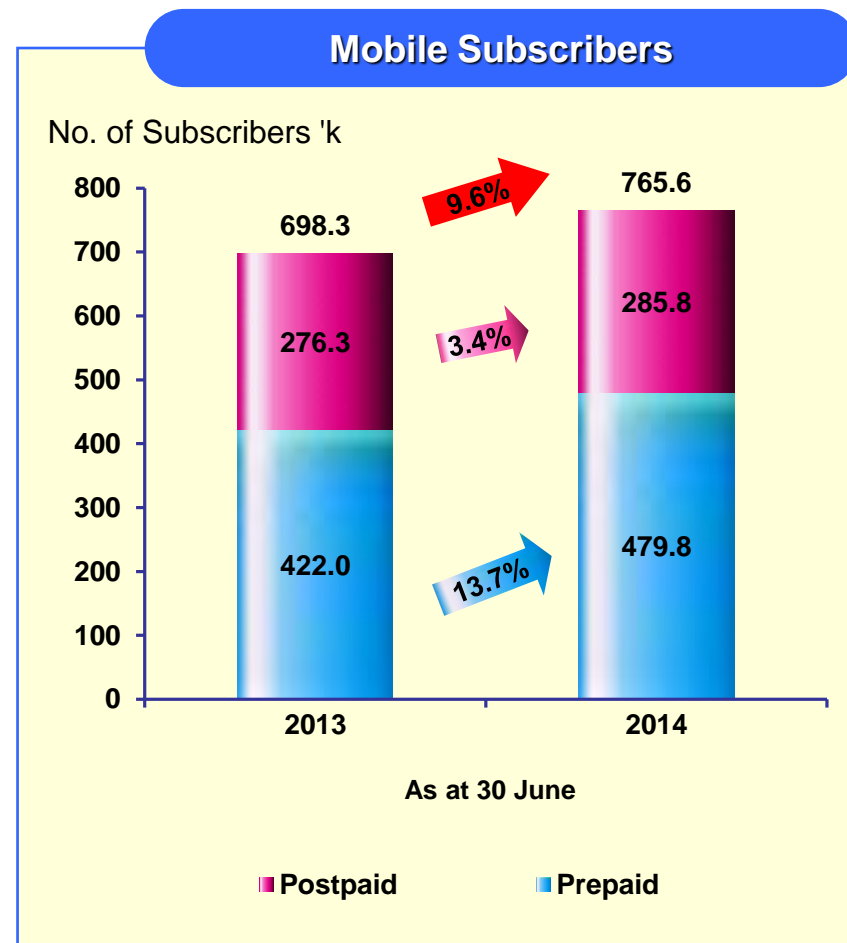
## CTM – Turnover



# Major Business Operation

## CTM – Mobile Services and Equipment Sales

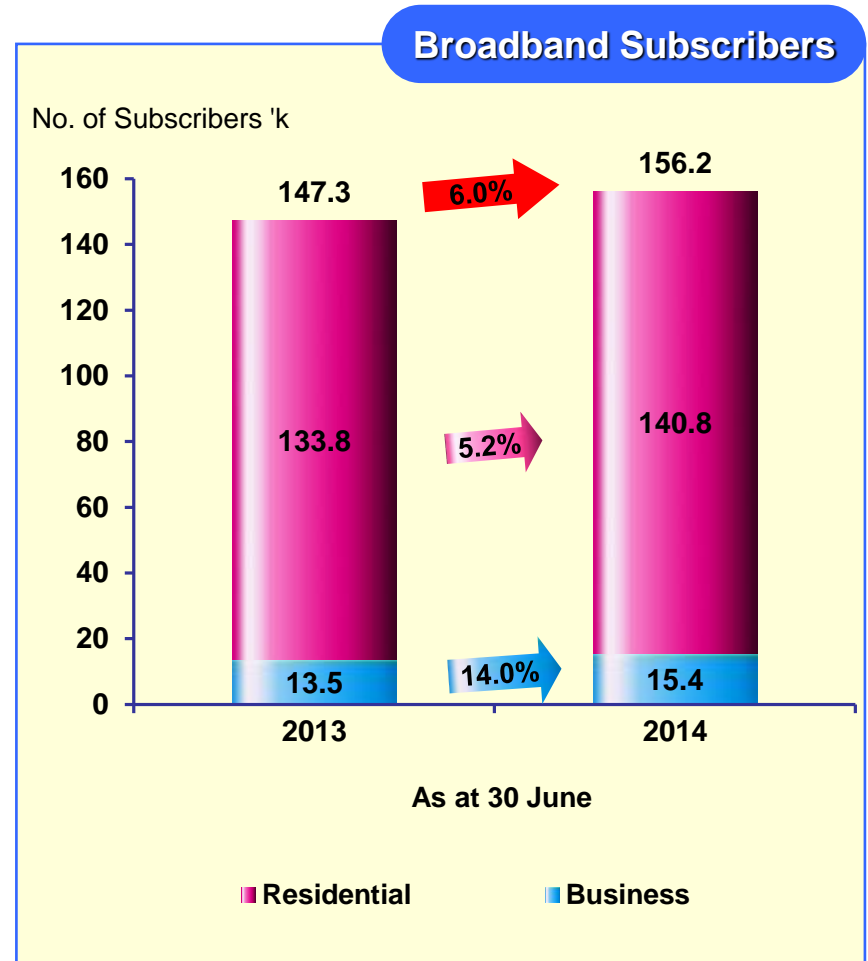
- Mobile services revenues increased 3.6% to HK\$515.9 million due to the growth of mobile data
- Postpaid Average Revenue per User (“ARPU”) up 13% to HK\$207 (inbound roaming excluded)
- Number of postpaid customers increased by 3.4% to 285.8k, 64% of which are mobile broadband customers
- Prepaid ARPU decreased by 11% to HK\$17 due to drop in average airtime per user
- Market share was maintained at around 45%
- Sales of mobile handsets and telecommunications equipment increased 4.2% due to growth in sales of smartphones



# Major Business Operation

## CTM – Internet

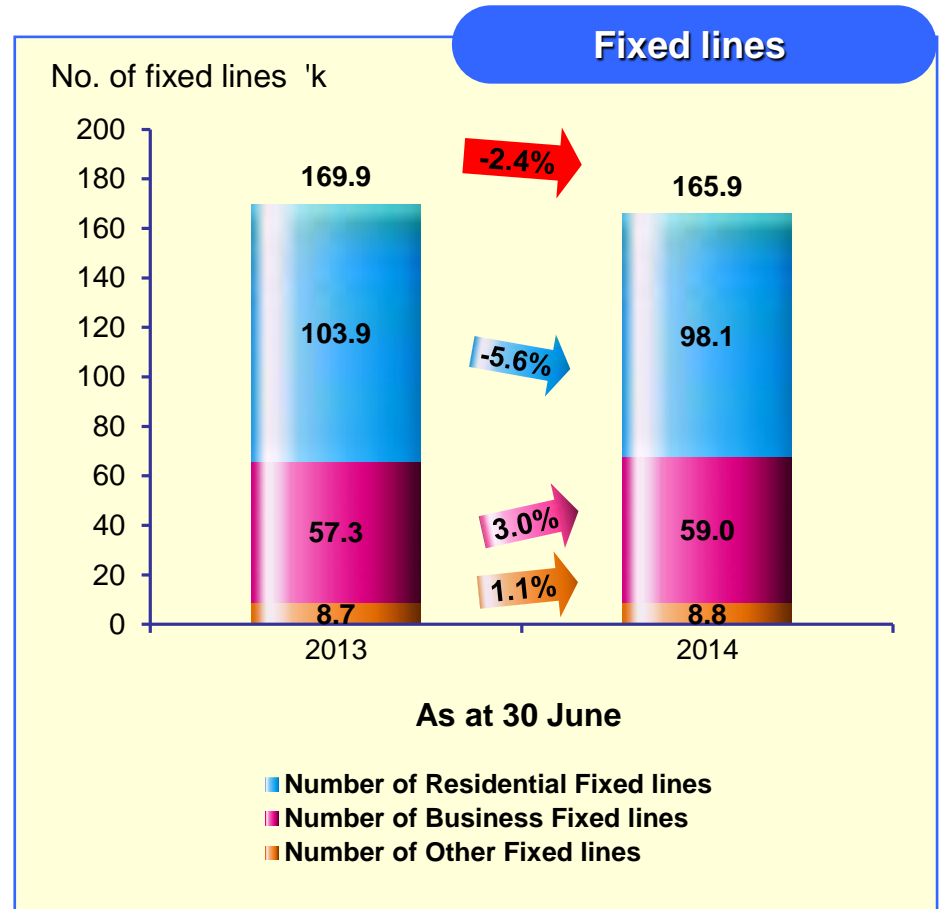
- Internet revenue increased 17.1% to HK\$272.6 million as compared to same period last year mainly due to good fibre broadband uptake
- Fibre to the business building coverage reached 100% and fibre to the home 84% in June 2014
- Offer Residential broadband speed upto 250m and business broadband speed with 1G
- Overall broadband ARPU increased 10% to HK\$295
- Total broadband customers reached 156.2k in June 2014, of which, 22.5k were residential fibre broadband customers
- Penetration rate was around 83%



# Major Business Operation

## CTM – Fixed Services

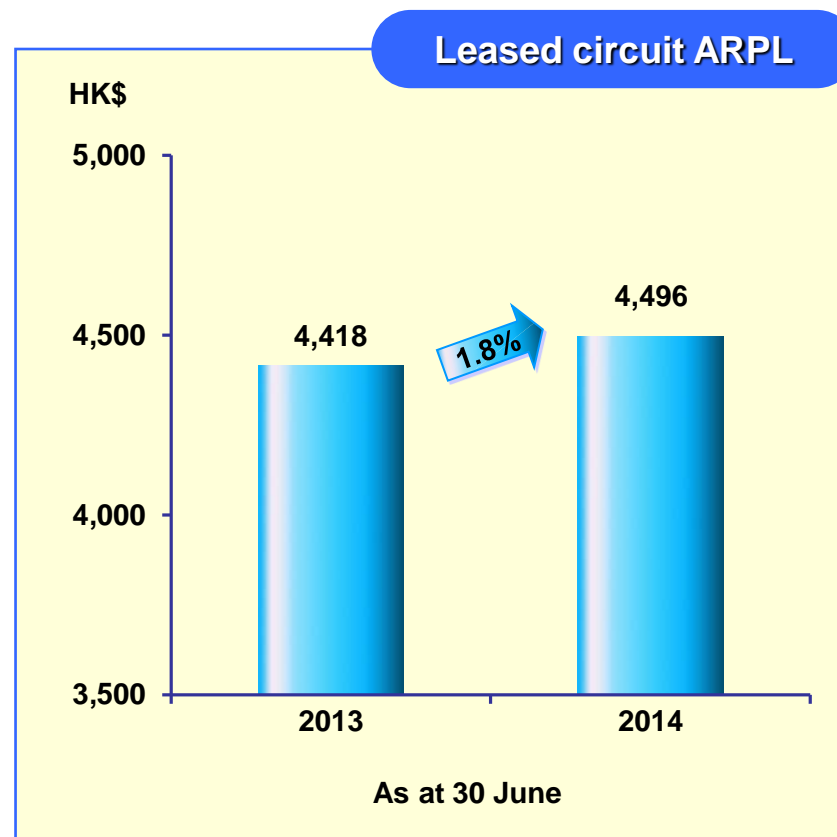
- Fixed line services revenue decreased 2.1% to HK\$210.3 million, in line with worldwide trends of declining fixed retail and transit IDD traffic volumes
- Gradual replacement of fixed residential lines by mobile services while business lines grew as a result of enlarged commercial activities
- Through effective cost management to maintain healthy profit margins



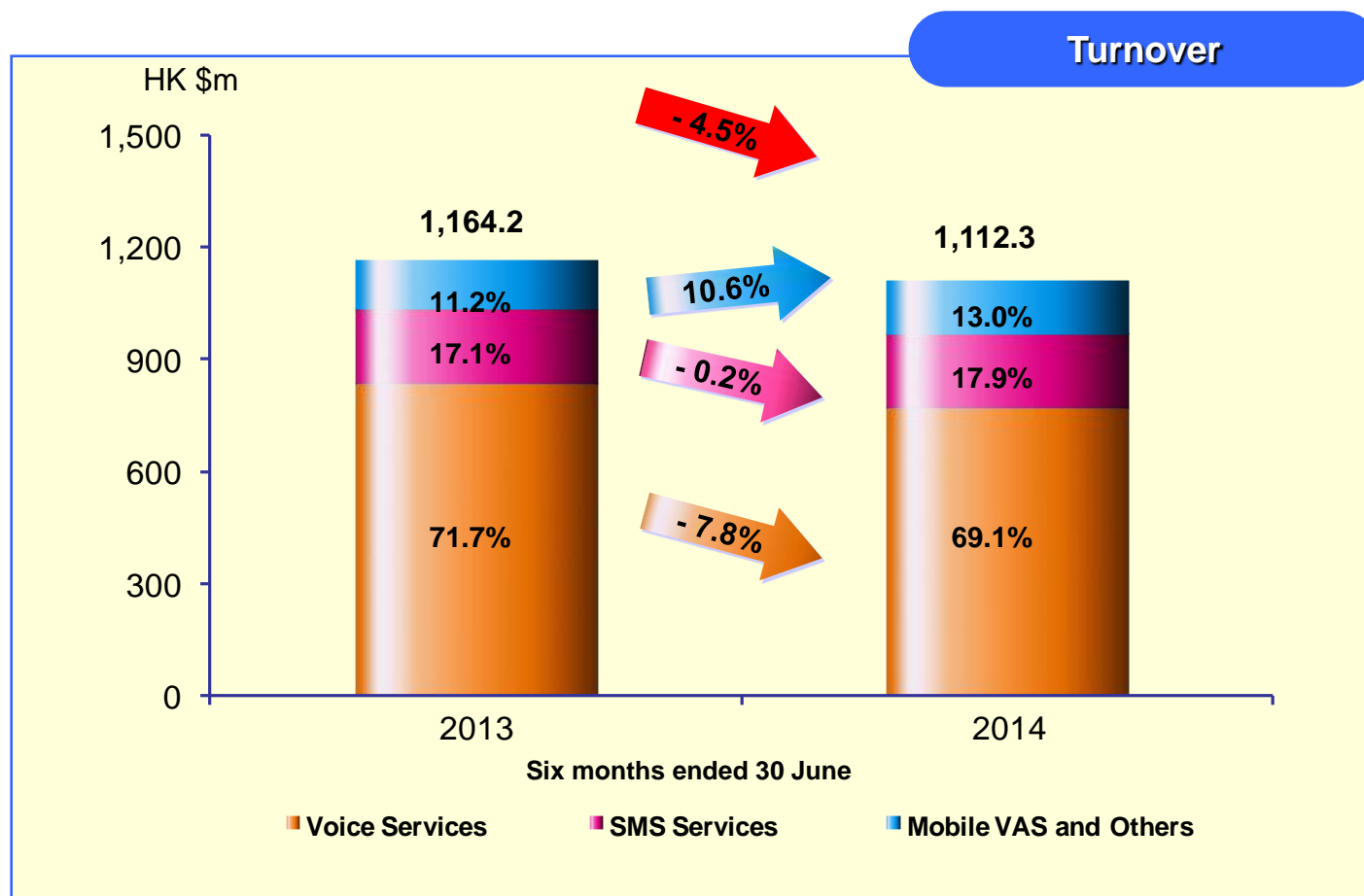
# Major Business Operation

## CTM – Data, enterprise solutions services and others

- Revenue increased by 29.1% to HK\$346.5 million
- Higher demand for leased lines and growth in professional services from carriers, casinos / hotels, banks and government
- New Data Centre with 100 racks will be available in January 2015
- Enrich cloud products to support Education and Tourism sectors
- Continuous Cotai developments from all six gaming operators
- Strong government spending on transport, infrastructure, housing, medical and health, and education

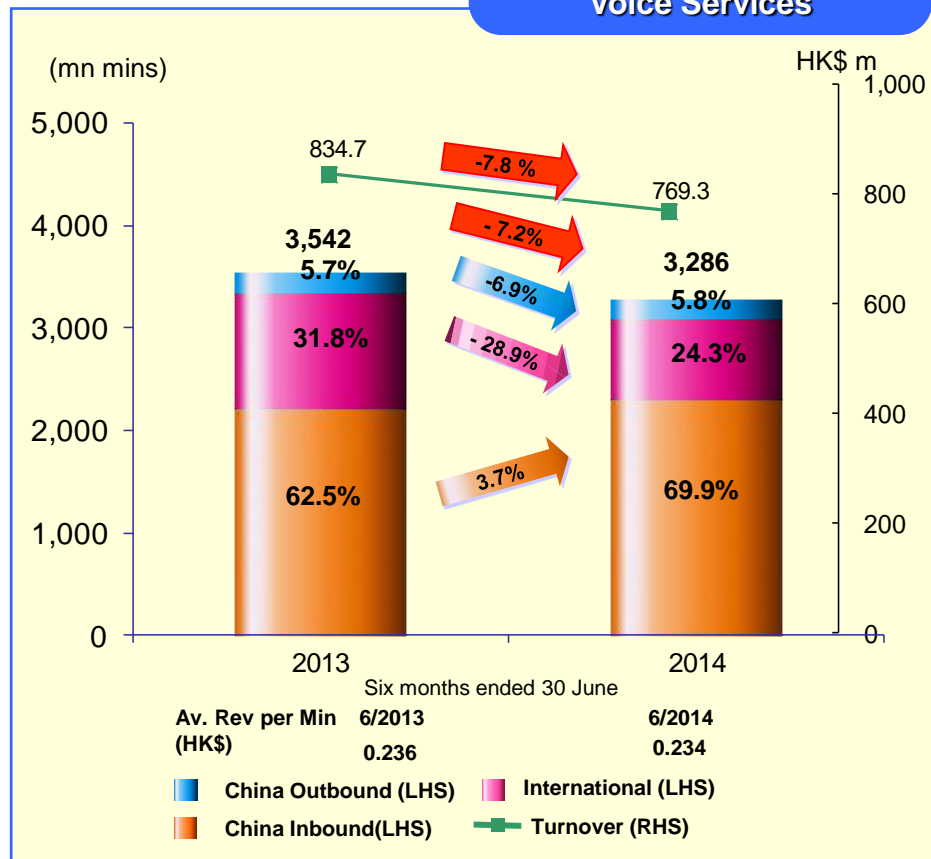


# Turnover of Hubbing Service – CITIC Telecom

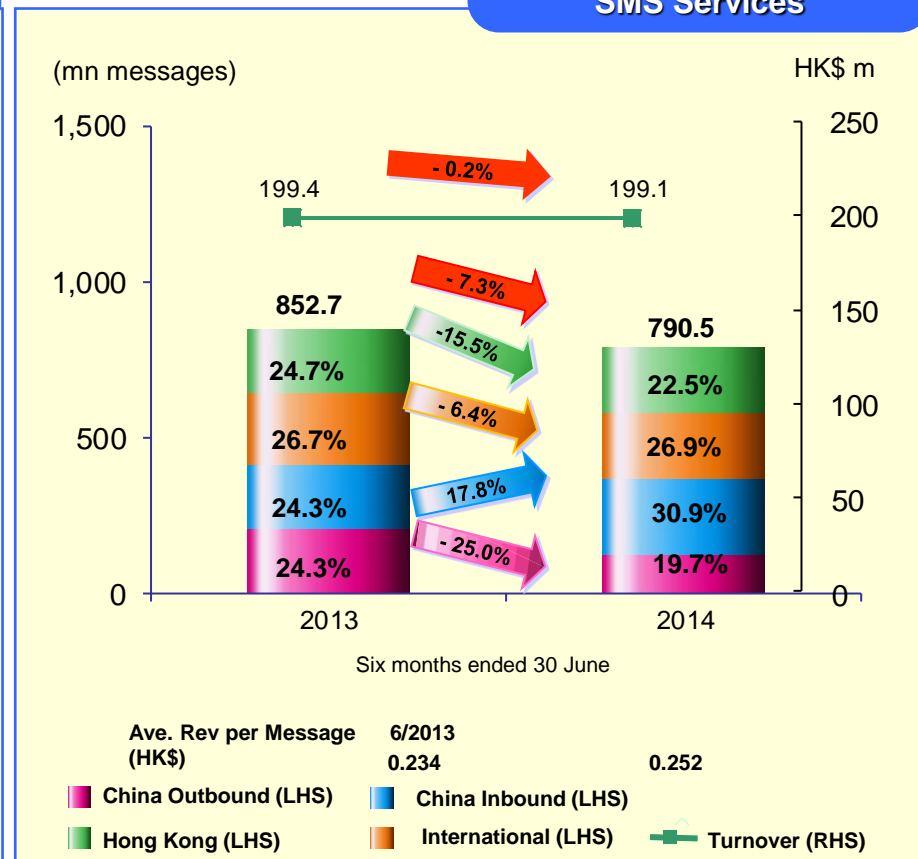


# Hubbing Service (Con't)

## Voice Services



## SMS Services



- Handled approximately 3.29 bn mins voice traffic
- Expand our services to bridge OTT player and telecom operators
- Expand market coverage to include Turkey and South Africa

- Handled over 0.79 bn SMS messages
- Expand A2P/Enterprises SMS to China and Asia

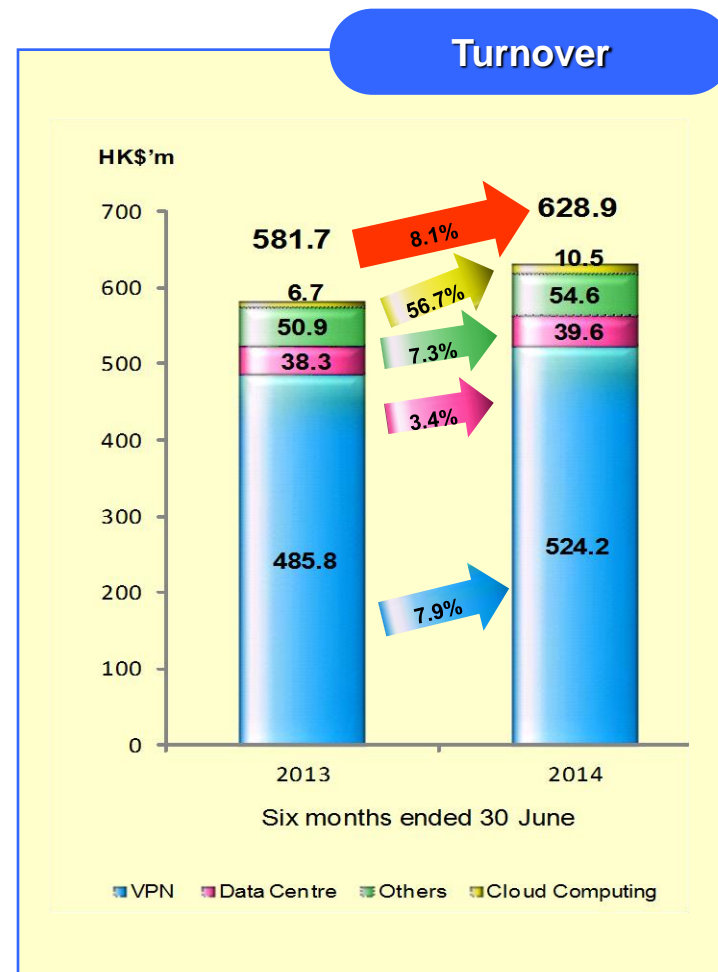
# Turnover of Data Business - CPC

## Expansion of service coverage in the first half of 2014

- Three new points-of-presence (POPs) located in Hanoi of Vietnam, and Zhengzhou and Changsha of mainland China were established in the first half of 2014.
- TrueCONNECT™ MPLS VPN service provides more than 60 POPs, coverage across Greater China and the Asia-Pacific region, with over 9,100 customer sites in 100 cities. To date, our customers have spread across mainland China, Asia and even Europe, serving most of the key business regions as well as banking and financial centres.
- The new data centre located in Ap Lei Chau of Southern Hong Kong was commissioned in March this year. Total floor area is approximately 40,000 square feet, providing 700 sets of rack.

## Innovative products launched in the first half of 2014

- SmartCLOUD™ SafeBox - cloud backup solution. It is the most scalable cloud backup and storage solution in the industry which can transcend traditional tape- and disk-based backup methods.





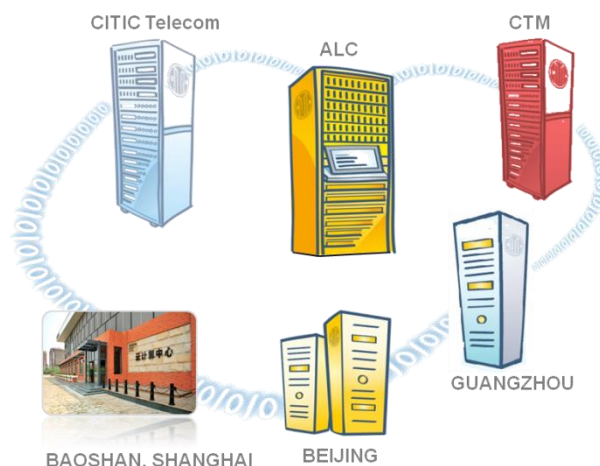
# Data Centre

## Business development in the first half of 2014

- In March, the Group secured the cross-regional value-added telecoms services Internet Data Centre/ Internet Content Provider (IDC/ICP) operating license from the Ministry of Industry and Information Technology of the PRC.
- In April, the Group entered into an agreement with CITIC Group to provide management consultancy and technical services to China Express Network
- In June, the Group signed a cooperation agreement to setup a cloud computing data centre in Baoshan, Shanghai.

No. of racks	As of 31 Dec 13	New capacity ALC
Total no. of racks	1,669	709
Occupancy	1,530	68

Newly committed	No. of racks	Estimating date of availability
Shanghai	+ 500	4 <sup>th</sup> quarter 2014
Macau	+ 300	+ 100 - 1 <sup>st</sup> quarter 2015 Remaining 200 - 4 <sup>th</sup> quarter 2015



Q&A