



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

(Stock Code: 01883)



2019
**Interim Results
Announcement**
14 August 2019



1 ➤ Results Summary

2 ➤ Financial Performance

3 ➤ Operational Performance



2019 Interim Results Summary

↑2.7%

Revenue from
telecommunications
services

↑4.6%

Profit attributable to
equity shareholders

↑25.0%

Interim dividends

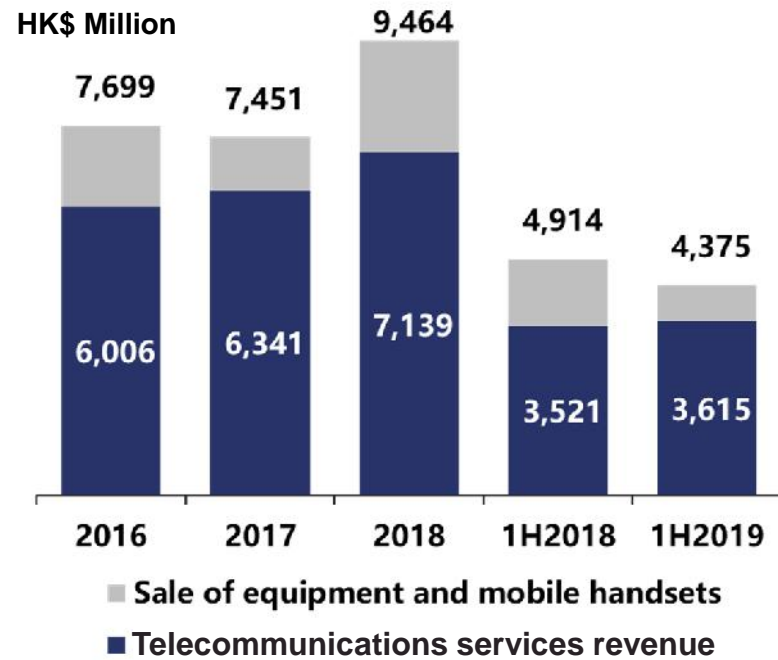
- Revenue from telecommunications services (i.e. excluding equipment and mobile handsets sales) for the period increased by 2.7% to **HK\$3,615.3 million** when compared with the first half of 2018. Revenue decreased by 11.0% to **HK\$4,375.2 million** when compared with the first half of 2018 mainly due to the decline in mobile handset sales
- Profit attributable to equity shareholders of the Company amounted to **HK\$511.1 million**, an increase of 4.6% when compared with the first half of 2018
- Interim dividend of **HK5.0 cents** (2018 Interim dividend: HK4.0 cents), a 25% year-on-year increase

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

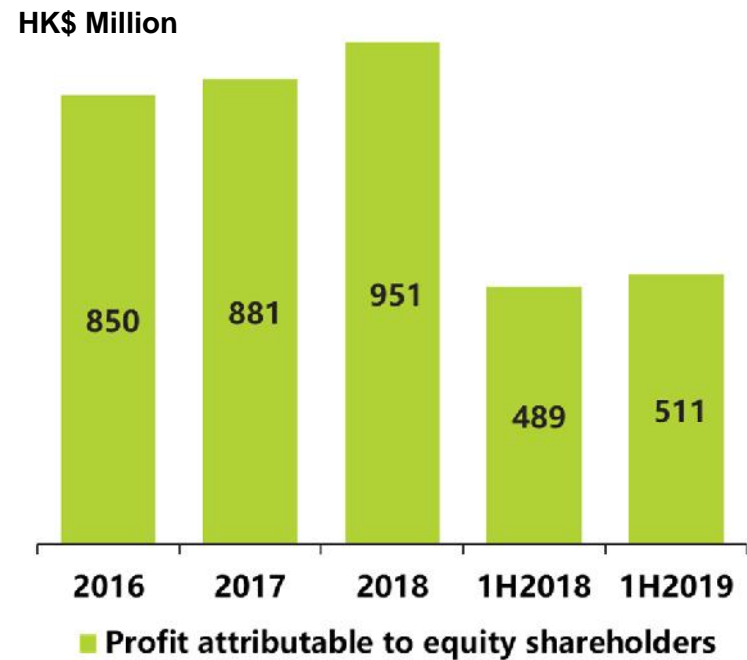


Financial results overview

Total revenue and telecommunications services revenue



Profit attributable to equity shareholders



EBITDA, Capital Expenditure & Liquidity

2018

2019

HK\$ Million	For the six months ended 30 June	
EBITDA*	1,080.6	1,251.1
Capital Expenditure	125.2	153.8

HK\$ Million	At 31 December	At 30 June
Cash and bank deposits	1,049.1	1,164.7
Total debt@^	6,857.5	6,579.4
Net debt ^	5,808.4	5,414.7
Net gearing ratio#^	40%	38%

* EBITDA represents earnings before interest, taxes, depreciation and amortisation

@ Includes current and non-current bank and other borrowings

^ Comparatives were amended to conform to the presentation of current period

Net gearing ratio = Net debt / (Total Equity Attributable to Equity Shareholders + Net Debt) X 100%



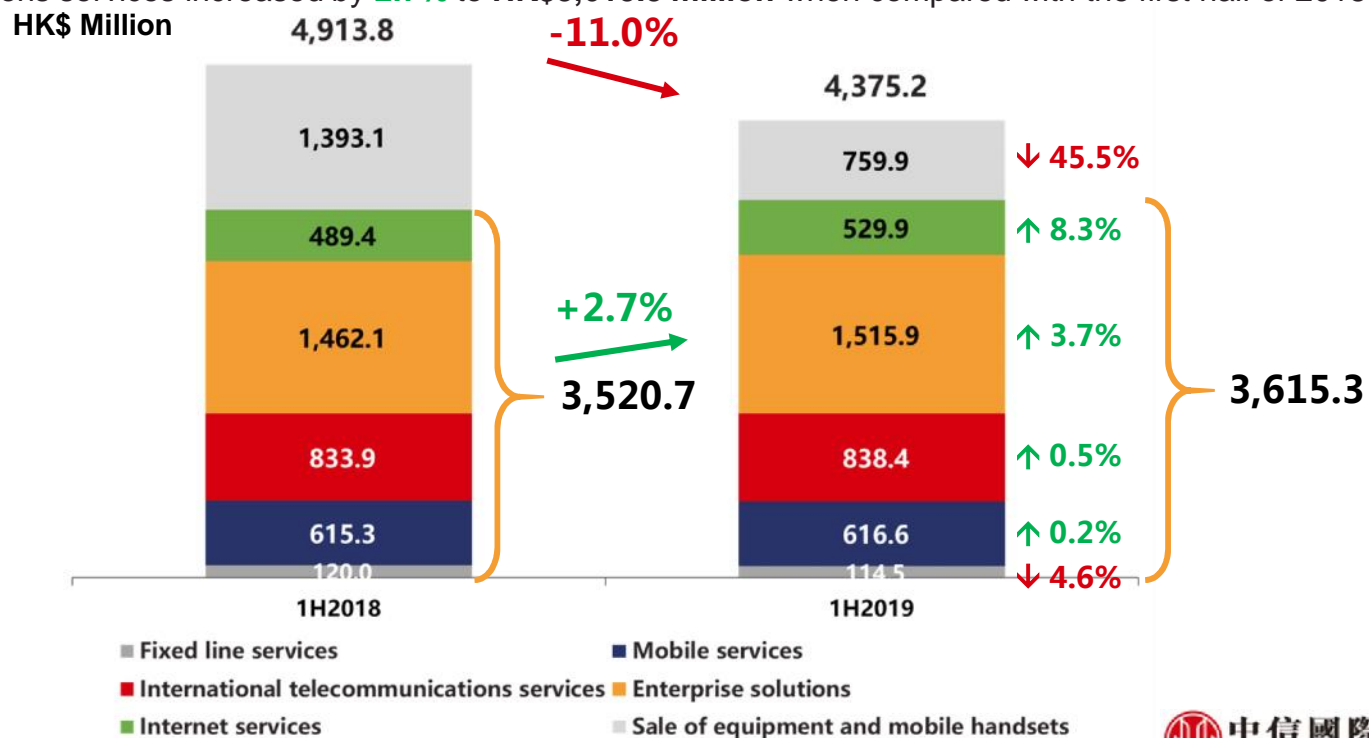
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Revenue by Business Segments

Growth in majority of major businesses

- Revenue decreased by **11.0%** to **HK\$4,375.2 million** when compared with the first half of 2018. Revenue from telecommunications services increased by **2.7%** to **HK\$3,615.3 million** when compared with the first half of 2018.



Mobile Sales & Services

Continuous growth in revenue from services; well prepared for 5G services

- Revenue from mobile sales and services decreased by **31.5%** year-on-year to **HK\$1,376.5 million** mainly due to the decline in mobile handsets sales
- Continuous growth in revenue from mobile services was mainly attributable to the increase in outbound and inbound roaming and postpaid revenue resulting from the popularity of the services and products in the Guangdong-Hong Kong-Macau Greater Bay Area
- As at 30 June 2019, share of the Macau mobile market and 4G market reached approximately 42.9% and around 44.5% respectively, thus maintaining its leading market position
- The Group has completed the construction plan for its 5G network. It intends to launch 5G services in Macau in 2020, at the same pace with peripheral areas. The Group is ready to provide 5G cross-border roaming services to operators



Share of Macau mobile market



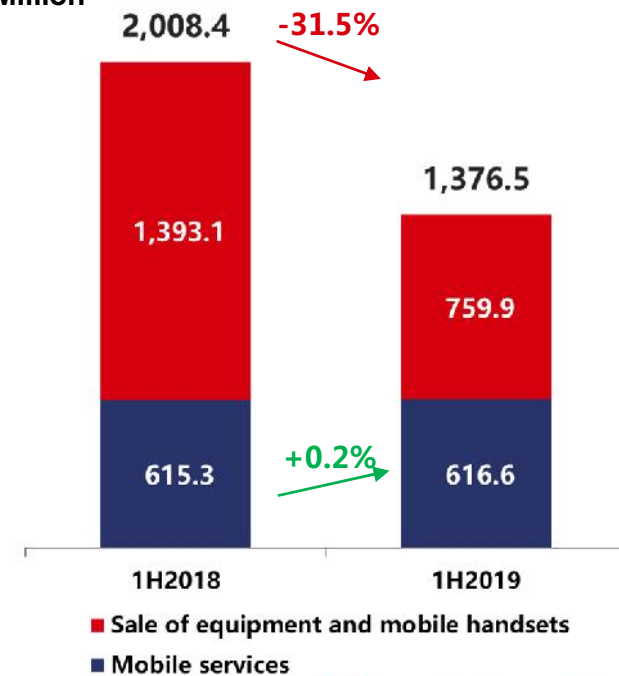
Share of Macau 4G market



4G customer penetration rate

Revenue – Mobile Sales & Services

HK\$ Million



■ Sale of equipment and mobile handsets
■ Mobile services

Internet Services

Revenue rose driven by fibre broadband and data centre services

- Revenue from Internet services increased by **8.3%** when compared to the first half of 2018 to **HK\$529.9 million**, mainly due to the increase in revenue from fibre broadband and data centre services
- The Group's share of the Macau Internet market was approximately 96.8%, thus maintaining its lead in the market
- Leveraging on its full fibre coverage, the Group continued to increase the weighting of fibre network for home and business broadband service customers in Macau. As at 30 June 2019, fibrelisation rate of commercial broadband users was near 100%, while that of residential customers rose further to 89%
- Data Centre Phase 3 (A) at CITIC Telecom Tower has been launched. Phase 3 (B) is expected to be launched to the market in 2H2020



Internet market share
in Macau



~100%

Fibrelisation rate of
commercial broadband



89%

Fibrelisation rate of
residential broadband

Revenue – Internet Services

HK\$ Million



■ Internet Services



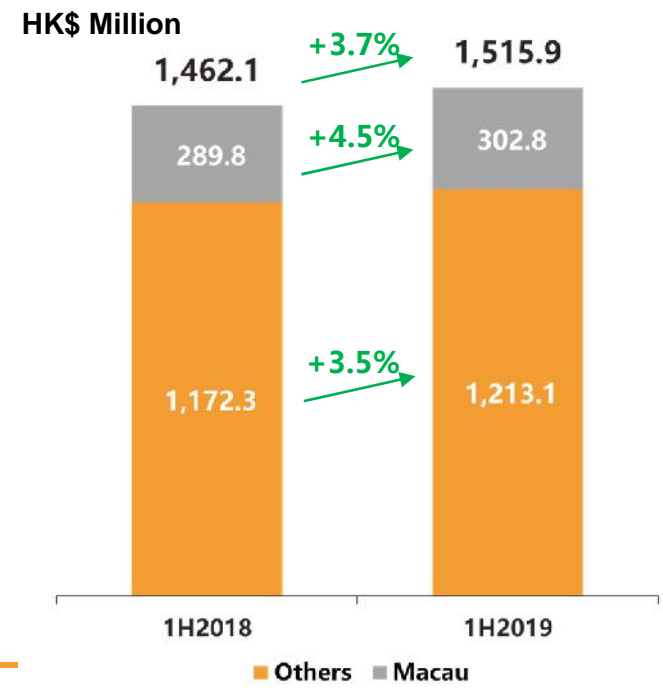
Enterprise Solutions

Expanded coverage, stronger capabilities, rising revenue

- Revenue increased by **3.7%** to **HK\$1,515.9 million**
- The Group further expanded its VPN coverage. TrueCONNECT, our exclusive VPN, covered over 140 network service spots around the world. It has established coverage advantage along the Belt and Road, and enabled access to more public cloud platforms
- The Group constantly improved its IT capabilities; its services have transformed from network access to comprehensive ICT services including connectivity, Cloud computing, information security and disaster recovery
- Further ICT resources were devoted to the Guangdong-Hong Kong-Macau Greater Bay Area, where services such as co-location, Cloud computing, MPLSVPN and Internet, together with 100 Mbps to 10Gbps high-speed Ethernet broadband, disaster recovery, network security, etc, were in place
- Integration of CT and IT services in Southeast Asia – High-end Cloud computing platform business had undergone healthy development in Southeast Asia, as evidence by the ongoing expansion of coverage of the “Pacific Internet” brand

↑3.7%	140+	18
Enterprise solutions revenue	Global PoPs	Cloud computing platform

Revenue — Enterprise Solutions



International Telecommunications Services

A2P messaging businesses deliver rapid growth, while “DataMall 自由行” products upgrade to 4G

- Revenue from international telecommunications services increased by **0.5%** when compared to the first half of 2018 to **HK\$838.4 million**
- The Group enjoyed a leading position in the market for Internet-based SMS business, and the A2P SMS business maintained a strong growth momentum, leading to notable increase of 49.3% in overall messaging revenue
- “DataMall 自由行”, the Group’s internet-based mobile roaming data trading platform, was updated to offer 4G services while the deployment of eSIM service was completed, laying a solid foundation for the expansion of business scale and grabbing the advance opportunities for 5G international roaming business
- Achieved encouraging progress in the development of its Internet-based business system which has commenced to support part of its Internet-based business operations

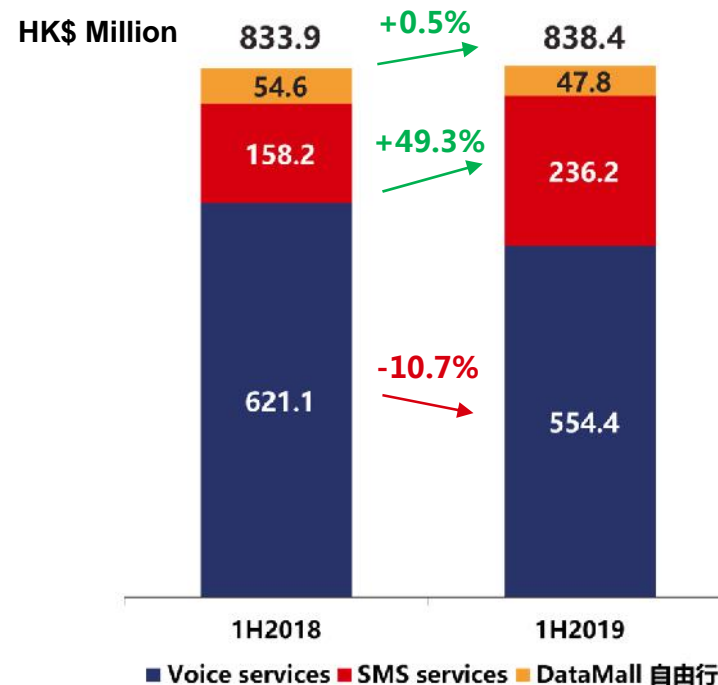
↑ 49.3%

Messaging revenue

DataMall 自由行 4G

DataMall 自由行

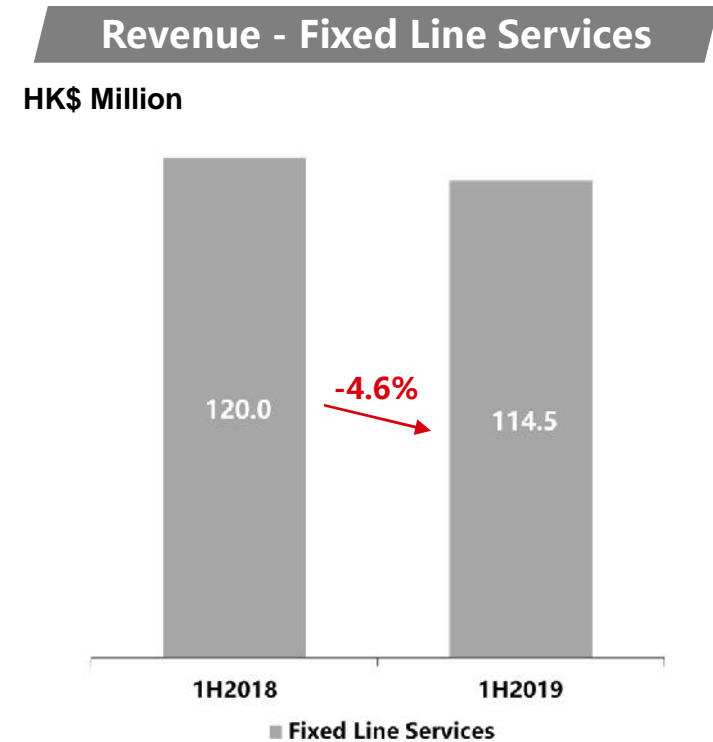
Revenue — International Telecommunications Services



Fixed Line Services

Usage and revenue continued to drop, echoing global trend

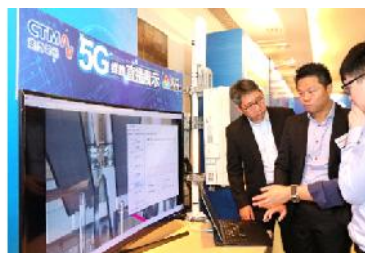
- Revenue from fixed line services declined by **4.6%** to **HK\$114.5 million**. This was mainly due to the ongoing decline in revenue, including from fixed line rental and IDD, which is consistent with the overall trend of the global industry.



Early strategic plan for 5G to grasp opportunity

5G Network Construction in Macau

- In Sept 2018, the success of commencement of CTM 5G network testing was announced
- In 2019, the construction plan for 5G network has completed and 5G services in Macau will be launched in 2020, at the same pace with peripheral areas
- In Mar 2019, a collaboration agreement of 5G mobile technology has been signed with University of Macau
- At 17 May 2019, the Group successfully made the first 5G call in Macau
- Based on the sufficient network facilities in Macau, the Group will complete 5G network construction in fast speed and in a cost-effective way



5G Roaming Services Preparation

- In Apr 2019, the Group joined the 5G International Cooperation Alliance with many other renowned international operators and digital service providers, aiming to explore 5G roaming industry cooperation model and work hand in hand to help the development of the 5G roaming industry chain
- The Group is ready to provide 5G cross-border roaming services to operators



Bearing fruits from technological innovation and product R&D

- Strategy of technological innovation and product R&D – Collaborative innovation strategy for advancing R&D and for reaching out to partners
- Over 200 R&D employees
- Co-organized “CTM x Tencent TENNOVATION” in April 2019 , solutions involved AI, Big Data and Cloud service were demonstrated
- Further expanded TrueCONNECT™ Hybrid Software Defined Wide Area Network (SD-WAN) solution in May 2019, elevating the professionally managed hybrid infrastructure solution to a new level of innovation
- Announced plans in Jun 2019 to join forces with the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) on research and development for next-generation operations and maintenance technologies using Augmented Reality (AR) glasses
- The Group is ready for 5G roaming, eSIM platform and others



Zhuhai R&D Centre



CTM x Tencent TENNOVATION



Q&A



Industry Recognitions

- “Listed Company Awards of Excellence - Main Board” 2018 -- 《Hong Kong Economic Journal》
- “ Most Valuable TMT Stocks Company” awards at the “2018 Golden Hong Kong Stocks Awards” -- *zhitongcaijing , 10jqka*
- “ Outstanding ICT Solution Provider 2018” -- *Quamnet*
- “ Most Trusted Service Partner Award 2019” -- *China Unicom*
- “ 2018 Excellence Innovation Award in ICT Solution Market (China)” -- *Frost & Sullivan*
- “Cloud Infrastructure Award” at the “Asia Communication Awards 2018” -- *Total Telecom*
- “Top 10 Data Center (Consulting/ Implementation)” 2018 -- *APAC CIO Outlook*
- “ Best Managed Services Provider” awards at the “Telecom Asia Awards 2018” -- *Telecom Asia*
- “2018 Business Excellence Awards” -- *Acquisition International*
- “Hong Kong Awards for Environmental Excellence Silver Award” -- *Hong Kong Productivity Council*
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Thanks !

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