



中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Stock Code: 01883)

***2020***

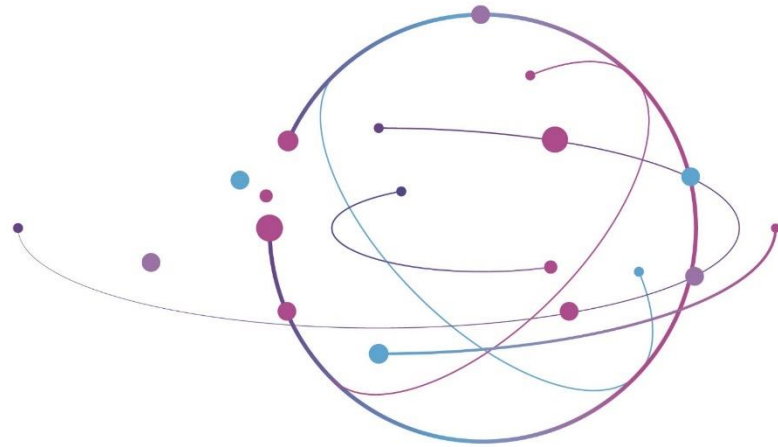
# Annual Results Announcement

4 March 2021

# 1 ➤ Results Summary

## 2 ➤ Financial Performance

## 3 ➤ Operational Performance



# Results Summary of 2020

- Revenue from telecommunications services for the year increased by **7.9%** to **HK\$7,978 million** when compared with last year
- Profit attributable to equity shareholders of the Company amounted to **HK\$1,023 million**, an increase of **2.1%** as compared against last year; excluding the valuation loss on investment property of HK\$4 million (2019: valuation gain of HK\$18 million), profit attributable to equity shareholders of the Company would increase by 4.4% year-on-year to HK\$1,027 million
- Basic earnings per share was up **1.5%** from last year to **HK27.9 cents**
- Final dividend of **HK16.0 cents** per share. Including an interim dividend of HK5.0 cents per share, dividends per share totaled **HK21.0 cents** for the year (2019: HK20.0 cents), a **5.0%** year-on-year increase
- Strong cash flow sustained with net debt further down by **HK\$616 million**, even with capex up by HK\$398 million from last year. Net gearing ratio dropped to **31%** (2019: 35%)

**+7.9%**

Revenue from  
telecommunications  
services

**+2.1%**

Profit attributable to  
equity shareholders

**+5.0%**

Full year dividends

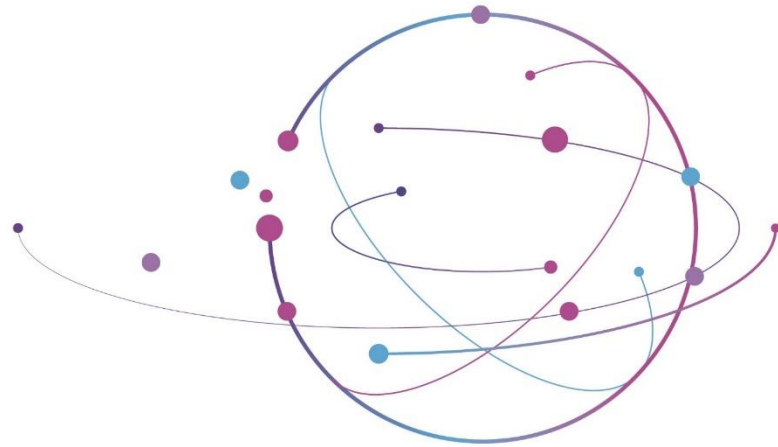
Reduced  
To **31%**

Net gearing ratio

1 ➤ Results Summary

2 ➤ Financial Performance

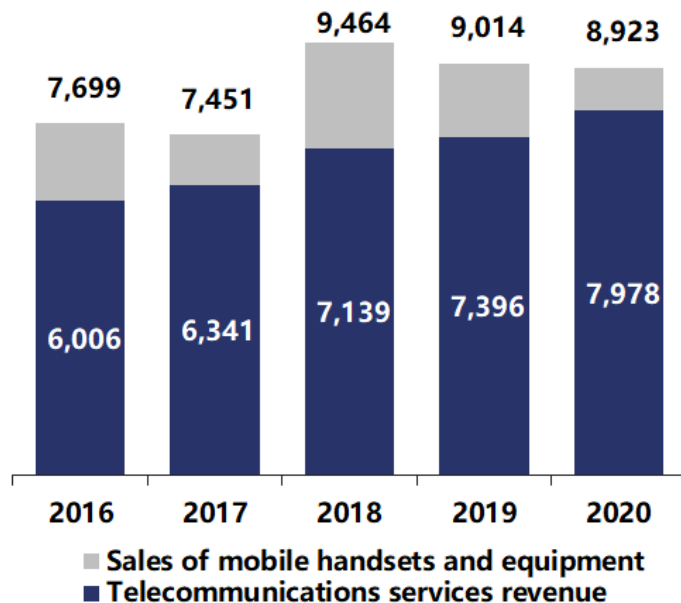
3 ➤ Operational Performance



# Financial results overview

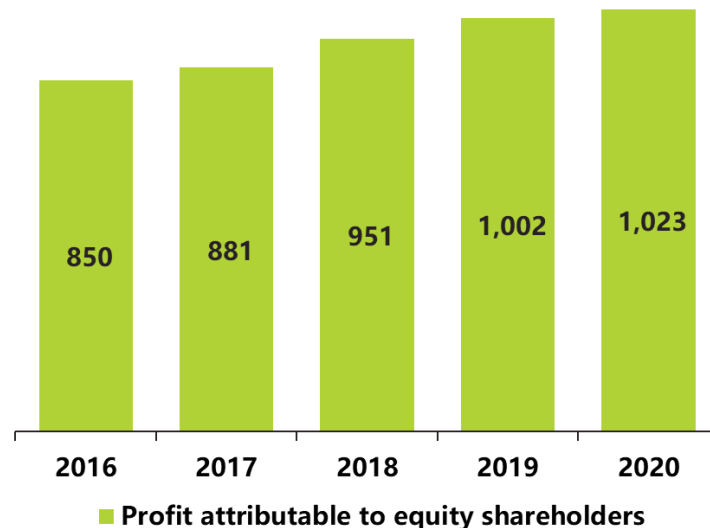
## Total revenue and telecommunications services revenue

HK\$ Million



## Profit attributable to equity shareholders

HK\$ Million



# EBITDA, Capital Expenditure & Liquidity

HK\$ Million	2019	2020
	Year ended 31 December	
<b>EBITDA*</b>	<b>2,493</b>	<b>2,460</b>
<b>Capital expenditure</b>	<b>446</b>	<b>844</b>

HK\$ Million	As at 31 December	
<b>Cash and bank deposits</b>	<b>1,313</b>	<b>1,519</b>
<b>Total debt @</b>	<b>6,278</b>	<b>5,868</b>
<b>Net debt</b>	<b>4,965</b>	<b>4,349</b>
<b>Net gearing ratio<sup>#</sup></b>	<b>35%</b>	<b>31%</b>

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

<sup>#</sup> Net gearing ratio = Net debt / (Total equity attributable to equity shareholders + net debt) X 100%

@ Includes current and non-current bank and other borrowings

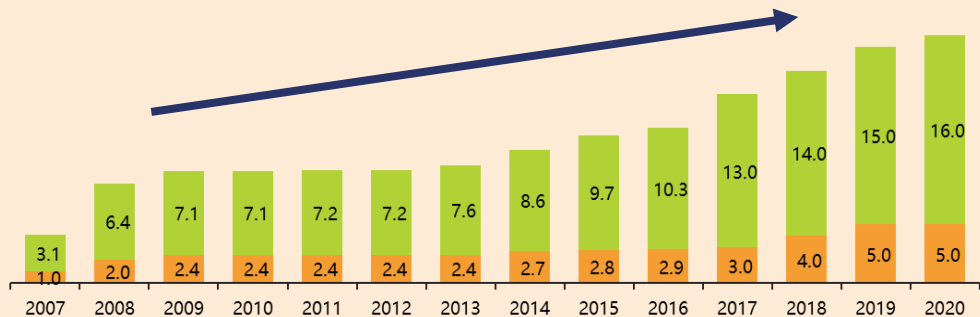
# Maintained Stable Dividend Growth for 13 Consecutive Years; Continuous Optimisation of Debt Levels

- Maintained stable dividend growth for 13 years since listing and has never declined

HK cent

Dividends per share

Interim Final

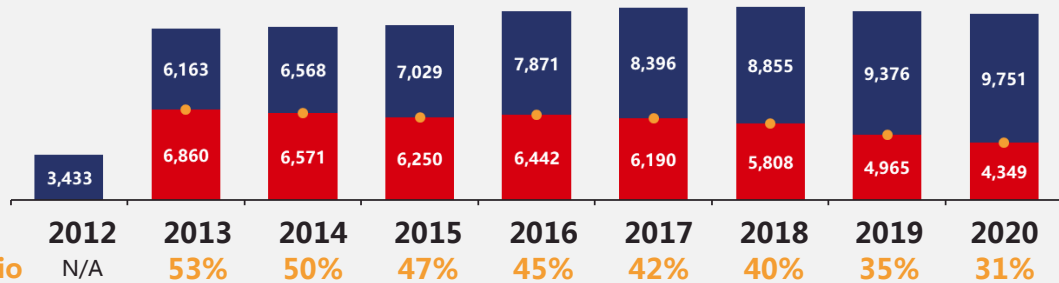


- In 2013, further acquired 79% equity of CTM through equity financing + debt financing (previously the Group was a net cash company)
- In recent years, the Group has continued to generate strong operating cash flow to repay loans early, reduce interest costs, and maintain a healthy financial level

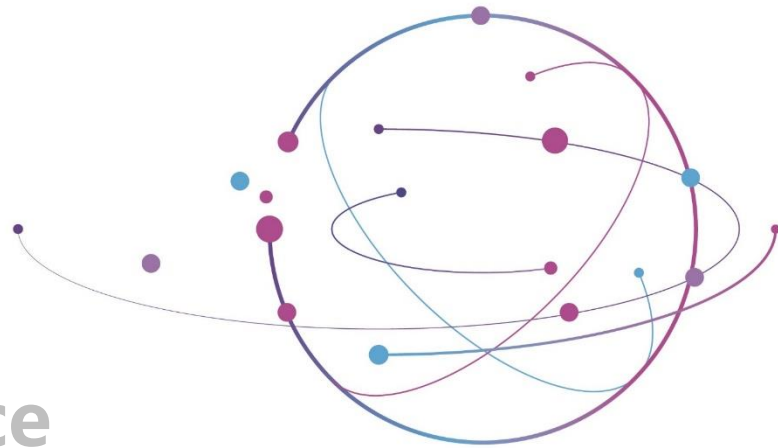
HK\$ Million

Net debt Total equity attributable to equity shareholders Net gearing ratio

Net gearing ratio



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



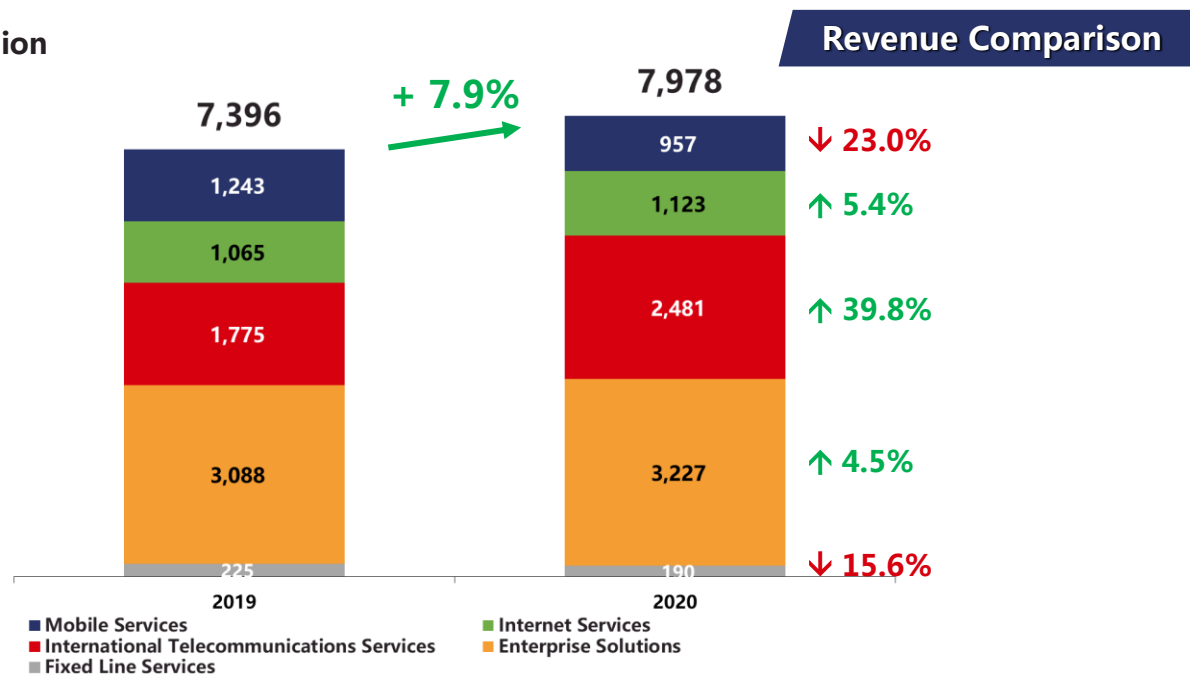


# Telecommunications Services Revenue

Internet services and enterprise solutions maintained steady growth, surge in international telecommunications services revenue

- Group's revenue from telecommunications services increased by **7.9%** to **HK\$7,978 million** from last year

HK\$ Million



# Enterprise Solutions

Expanded coverage with stronger capabilities resulted in revenue growth

- Group's enterprise solutions revenue increased by **4.5%** to **HK\$3,227 million** when compared with last year
- MPLS Network Coverage – 10 additional PoPs in Mainland China and South Africa, and the 2<sup>nd</sup> PoP in Ho Chi Minh City, Vietnam. The Group's TrueCONNECT™ MPLS VPN service coverage now extended to around 150 PoPs globally, covering over 130 countries
- The Group's subsidiary, CPC, strengthened its SD-WAN Central Gateway Coverage - Deployed close to 50 SD-WAN central gateway service nodes, including 30 in Greater China covering major commercial regions and the Greater Bay Area, other 6 of them covering major ASEAN countries
- The Group's enterprise service and delivery capabilities continue to increase. It succeeds in providing professional services to a number of government or enterprise customers in Mainland China, Hong Kong, Macau and Southeast Asia, supporting their digital transformation and forming multiple successful cases



~150

Global PoPs

18

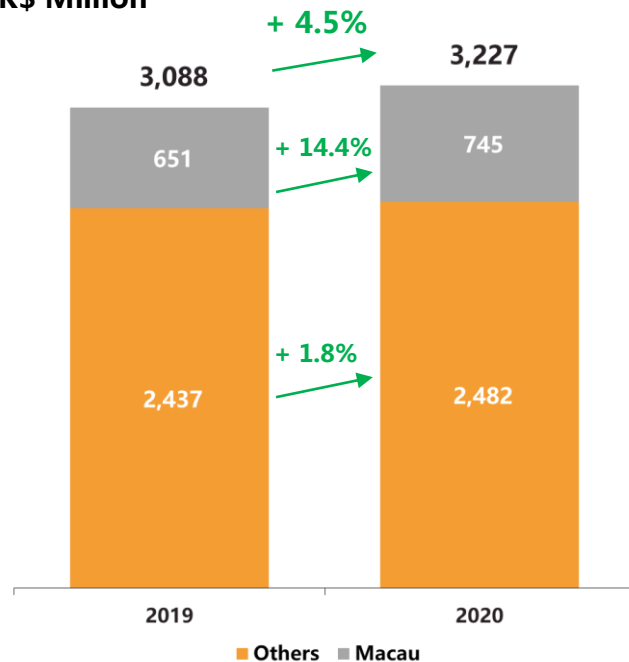
Cloud Services  
Centres

~ 50

SD-WAN  
Gateways

## Revenue — Enterprise Solutions

HK\$ Million



# Internet Services

Revenue up by 5.4% year-on-year, mainly driven by fibre broadband services

- Group's revenue from internet services increased by **5.4%** to **HK\$1,123 million** as compared to 2019 mainly due to increase in revenue from fibre broadband
- The total number of broadband users increased by approximately **1.7%** to over 196,200 users and internet market share in Macau was around **97.1%**
- Continuous expansion of fibre broadband penetrations with the Group's residential fibre broadband penetration rate further increased to **94.7%**



**97.1%**

Internet market share  
in Macau



**100%**

FTTB coverage



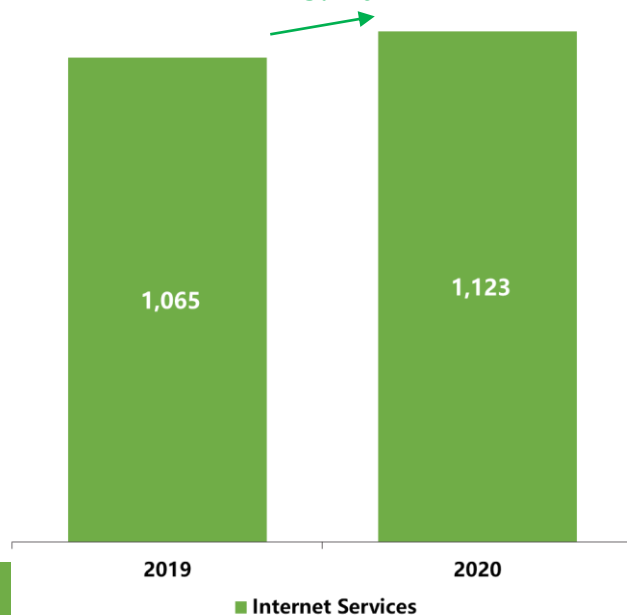
**94.7%**

Residential fibre broadband  
penetration rate

## Revenue – Internet Services

HK\$ Million

+ 5.4%



# International Telecommunications Services

## Messaging services deliver encouraging results

- The Group enhanced its platform capabilities, and developed new services and functions, which enabled the messaging services to achieve effective results in the internet transformation
- Messaging services revenue grew significantly to HK\$1,258 million, an increase of 86.6%, boosting revenue from international telecommunications services by **39.8%** to **HK\$2,481 million**
- Ongoing upgrade of “DataMall 自由行” global mobile data traffic trading platform, to support 5G, eSIM, IoT applications etc. In the Internet of Vehicles services market, the Group achieved breakthrough in providing data traffic platform and related services for a renowned automobile company

**+ 86.6%**

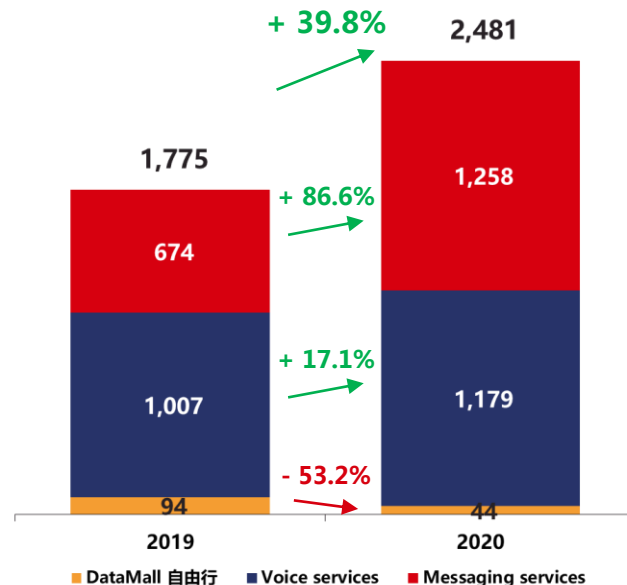
Revenue from  
Messaging services

DataMall  
自由行 eSIM/IoT

DataMall 自由行

### Revenue — International Telecommunications Services

HK\$ Million



# Mobile Services

## Commencement of full 5G network construction in Macau, strengthening market leader position

- As at 31 December 2020, the Group's subsidiary, CTM, maintained leading position with **44.4%** mobile market share (vs. 2019: **+3.4%**) and **45.8%** 4G market share (vs. 2019: **+3.9%**) in Macau, and with over 720,000 subscribers
- Actively complement the Macau SAR government policies, completed 5G network build with full outdoor coverage and has commenced 5G indoor network coverage and system constructions in Macau
- Completed 5G roaming testing with 30 overseas operators covering 18 countries/regions, and reached LTE bilateral roaming agreements with over 355 overseas operators covering 210 countries/regions enabling more roaming promotional plans
- Revenue from mobile services decreased by **23.0%** to **HK\$957 million** as compared to 2019, mainly due to the decline in roaming related services as a result of COVID-19

**44.4%**

Mobile market share  
in Macau

vs. 2019: + 3.4%

**45.8%**

Market share in  
Macau 4G market

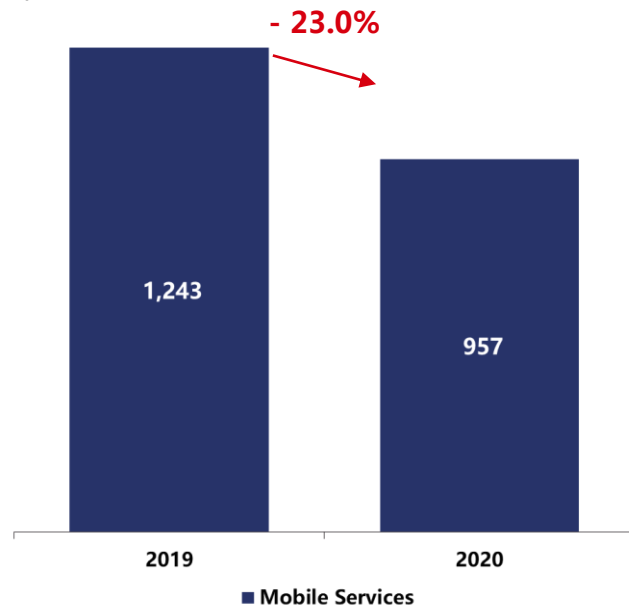
vs. 2019: + 3.9%

**100%**

4G customer  
penetration rate

### Revenue – Mobile Services

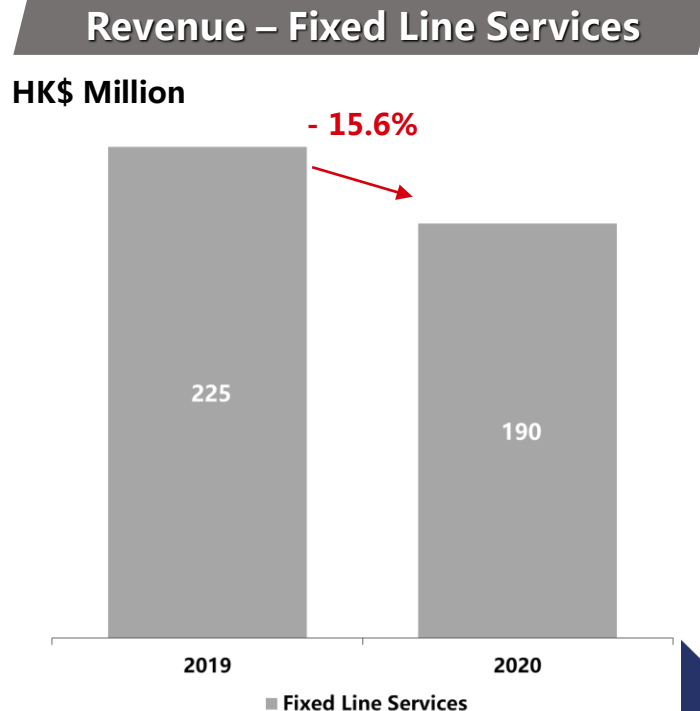
HK\$ Million



# Fixed Line Services

## Subscribers & revenue dropped

- Fixed line services revenue dropped **15.6%** to **HK\$190 million**, mainly due to decrease in local fixed lines and decrease in traffic volumes of commercial users in Macau



# Leverage 5G network first-mover advantage to build a “Digital Macau”

Digital Macau · Smart Applications



Connectivity

Data

Operation

4G network -> 5G network

Full-fibre broadband

Advanced external connection

Top tier data centre

Digital Macau · Highly-reliable infrastructure





# Innovative ICT service supporting the digital transformation of enterprise customers



- Group's Southeast Asian Company received the 2020 IBM Singapore Innovation Award in recognition of its achievements in providing Cloud Computing and data analysis solutions to the **Land Transport Authority of Singapore** in connection with the construction and management of smart city electronic payment infrastructure facilities
- Provides comprehensive ICT solution comprised of information security and network services to **OpenRice**, a one-stop food dining guide, facilitating its digital transformation through reliable data transmission and better data protection which prevents it from network and phishing email attacks. With its successful digital transformation, OpenRice has garnered three accolades in three separate categories, namely "Omni-Experience Innovator" in Hong Kong, "DX CEO" in Hong Kong and in the Asia Pacific Region at the 2020 IDC Digital Transformation Awards.
- Optimizes **Shanghai Shyndec Pharmaceutical's** information infrastructure, as well as enhances its network stability and security through an SD-WAN solution. This helps the company to achieve unified management of corporate interconnection, more effective real-time interactive communication across branches nationwide and significantly reduced risk of its core systems being attacked in public networks.





# Facilitates corporate digital transformation with technological innovations

## Industrial recognised innovations



Launched self-developed mobile AR application in Macau



Remote operation and maintenance solution based on AR technology jointly developed with ASTRI



Won the champion of Tianchi Logistics Algorithm Competition



Won IBM's 2020 Innovation Award

Self R&D

&

External cooperation

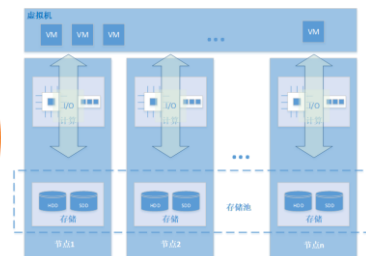
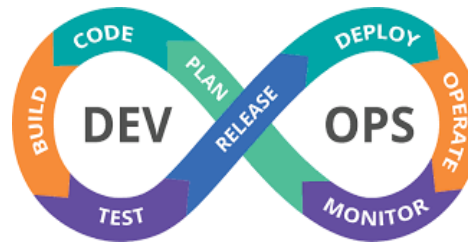
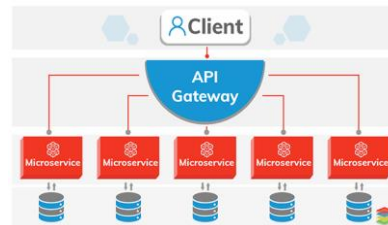
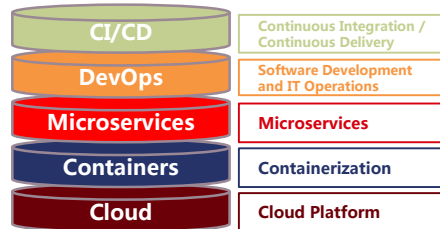
Internet

&

Cloud

&

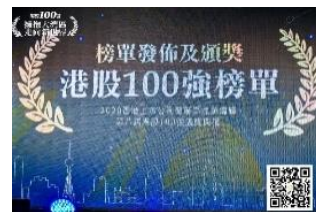
Intelligence



Experienced R&D teams

# Industry Recognitions

- [Top 100 Hong Kong – Listed Companies] — *Tencent Website, Finet*
- [Asia Communication Awards 2020 – Digital Transformation Project of the Year] — *Total Telecom*
- [2020 IBM Singapore Innovation Award] — *IBM Singapore*
- [EDIGEST Best SME Award 2020 – Best SME Partners (Cloud Network Convergence Solution Provider)] — *Economic Digest*
- [SD-WAN Ready Certificate] — *SNAI Industry Alliance*
- [2020 Network & Resources Cooperation Award] — *China Unicom*
- [China New Infrastructure Enterprise 2020 – Data Center] — *Frost & Sullivan*
- [Integrated Innovative Solutions of New Infrastructure Award in China ICT Industry of Year 2020] — *China Communications Industry Association Data Center Committee, IDCC Event Committee*
- [SME Partner Awards of Excellence 2020 – The Distinguished Cloud – Network Convergence Solution Service Provider] — *Hong Kong Economic Journal*
- [HKAEE Award – Media & Communication sector, Bronze award] — *Environmental Protection Department, Hong Kong Productivity Council etc.*
- [2019 Best Infrastructure and Public Utilities Stock Company] — *zhitongcaijing.com, 10jqka.com*



# Thanks !

**CITIC Telecom International Holdings Limited**  
25/F, CITIC Telecom Tower, 93 Kwai Fuk Rd, Hong Kong  
E-mail : [contact@citictel.com](mailto:contact@citictel.com)



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# Q&A