



中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Stock Code: 01883)

# 2021 Interim Results Announcement

19 August 2021



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中信國際電訊  
CITIC TELECOM INTERNATIONAL



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



# 2021 Interim Results Summary

- Total revenue for the period grew by **9.4%** to **HK\$4,795 million**. Revenue from telecommunications services was comparable to the same period of last year at **HK\$3,993 million**
- Profit attributable to equity shareholders of the Company amounted to **HK\$534 million**, an increase of **4.3%** when compared to the first half of 2020
- Basic earnings per share was up **3.6%** from first half of 2020 to **HK14.5 cents**
- Interim dividend of **HK5.5 cents per share** (2020 interim dividend: HK5.0 cents per share), up **10.0%** from first half of 2020
- Strong cash flow sustained with net debt further down by **HK\$206 million**, when compared to year end of 2020. Net gearing ratio dropped to **30%** (31 Dec 2020: 31%)

Total revenue

**+9.4%**

Profit attributable to equity shareholders

**+ 4.3%**

Basic earnings per share

**+ 3.6%**

Interim dividend per share

**+ 10.0%**

Net gearing ratio

**Reduced to 30%**



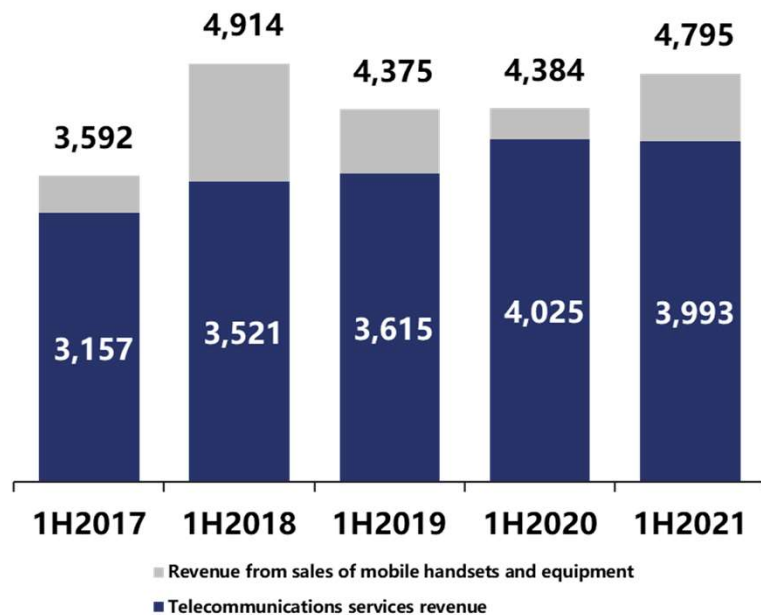
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# Financial results overview

## Total revenue and telecommunications services revenue

HK\$ Million



## Profit attributable to equity shareholders

HK\$ Million



# EBITDA, Capital Expenditure & Liquidity

	2020	2021
HK\$ Million	For the six months ended 30 June	
<b>EBITDA*</b>	<b>1,232</b>	<b>1,254</b>
<b>Capital expenditure</b>	<b>479</b>	<b>236</b>

HK\$ Million	As at 31 December	As at 30 June
<b>Cash and bank deposits</b>	<b>1,519</b>	<b>1,524</b>
<b>Total debt @</b>	<b>5,868</b>	<b>5,667</b>
<b>Net debt</b>	<b>4,349</b>	<b>4,143</b>
<b>Net gearing ratio#</b>	<b>31%</b>	<b>30%</b>

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

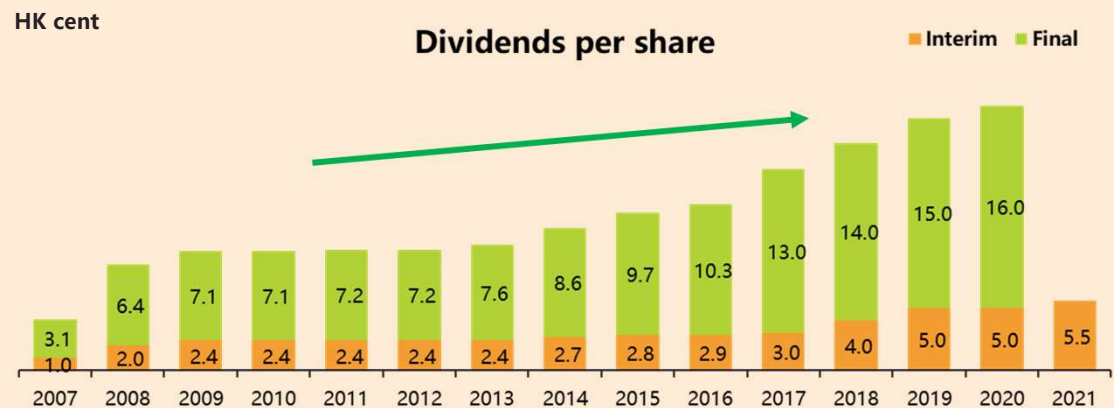
@ Includes current and non-current bank and other borrowings

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



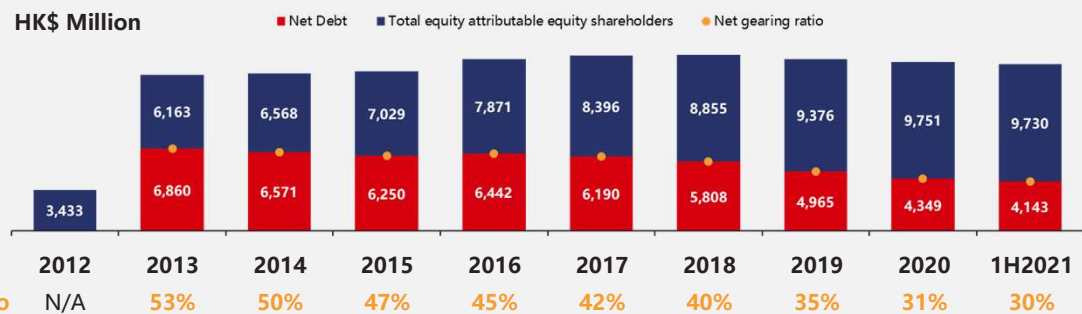
# Maintained Stable Dividend Growth for 13 Consecutive Years with Continuous Optimisation of Debt Levels

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



- 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

Net gearing ratio



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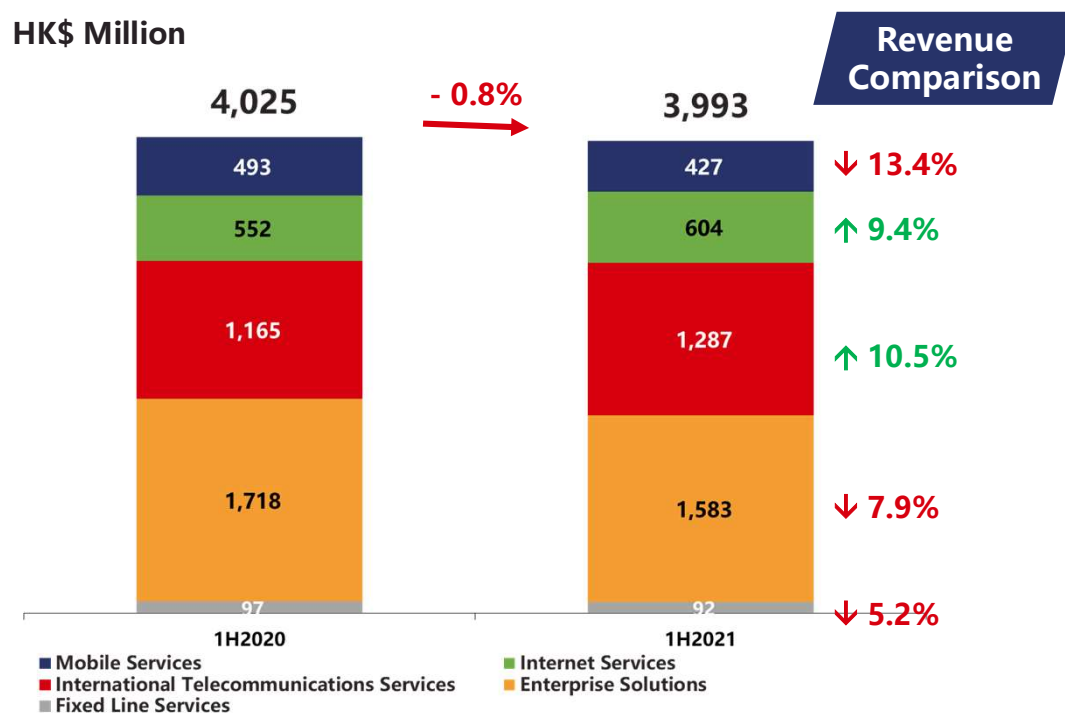




# Telecommunications Services Revenue

Surge in international telecommunications services and internet services revenue

- Revenue from telecommunications services was comparable to the same period of last year at **HK\$3,993 million**



# Internet Services

Revenue increased by 9.4% period-on-period, driven by new requirements for internet services in the society and actively promoting fibre broadband

- Revenue from internet services increased by **9.4%** to **HK\$604 million** as compared to the first half of 2020 mainly due to increase in revenue from fibre broadband as well as increased business internet requirements
- The total number of broadband subscribers increased by around **0.2%** from December 2020 to over 196,500 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 **95.9%**
- Phase III (B) of the Group's CITIC Telecom Tower Data Centre has completed successfully in late June, has been put into the market with good response



**97.1%**

Group's internet  
market share in Macau

Same as Dec 2020



**95.9%**

Residential fibre broadband  
penetration rate

+1.2pp from Dec 2020

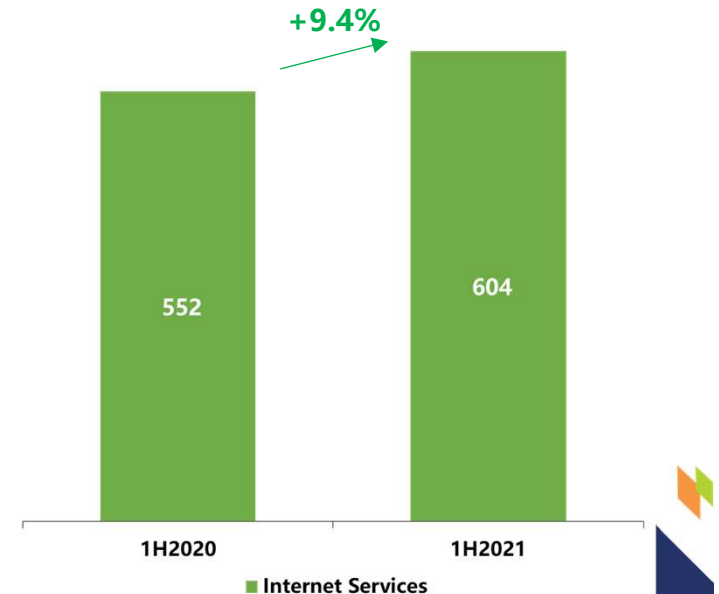


**~100%**

FTTB coverage

## Revenue – Internet Services

HK\$ Million



# Enterprise Solutions

## Expanded coverage, enhanced capabilities

- Established 2 new PoPs in Xuzhou, Jiangsu Province and Lanzhou, Gansu Province to bring the total number of PoPs in its global network to over 160, covering more than 150 countries and regions. Meanwhile, new SD-WAN gateways were established in Ji'nan, Tianjin, Nanning, Fuzhou, Haikou, Hohhot, Shijiazhuang, Shenzhen and Manila, Philippines, bringing the total number of global SD-WAN gateways to 57
- Actively explores new customers, formulates flexible solutions to meet diversified market needs in order to achieve collaboration in multiple businesses, and continuously expands the scale of customers' base, covering manufacturing, professional services, transportation logistics, finance and insurance, retail and e-commerce, high-end technology etc.
- In Macau, launched "ePOS System", a new-generation smart retail dining system, in an effort to expand novel businesses and create new niches for growth in operating results
- Riding on the technical capabilities, won the IT system service project of Singapore's Ministry of Social and Family Development ( "MSF" ), providing IT End User Support Services for MSF's 80 centres and more than 1,600 end-users across the whole of Singapore; successfully completed the proof of concept for a smart visitor management solution for one of the largest medical institutions in Singapore, which involves the use of artificial intelligence ( "AI" ) in performing visual analysis and enhancing management capacity and optimising visitors' experience
- Revenue decreased by **7.9%** to **HK\$1,583 million** when compared with first half of 2020 mainly due to the COVID-19 outbreak, as the pandemic remains volatile in some regions which restricted the development of economic activities and delayed the progress of a number of projects in Macau and Southeast Asia, and caused a decline in revenue



**160+**

Global PoPs

**18**

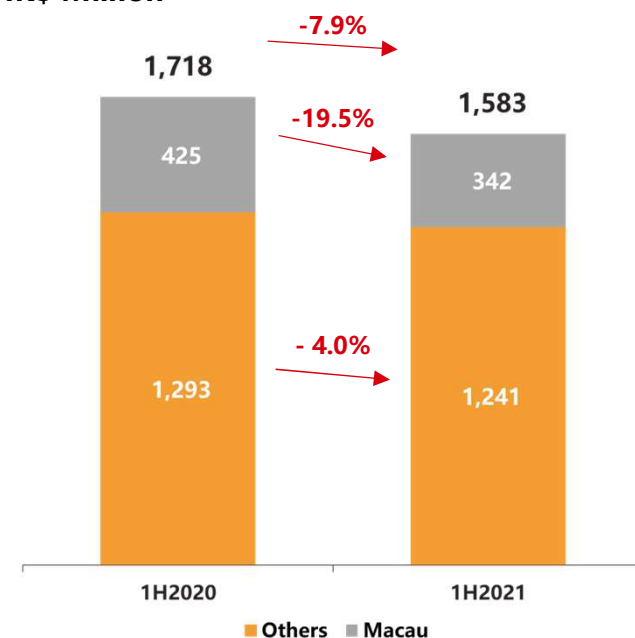
Cloud Services  
Centres

**57**

SD-WAN  
Gateways

## Revenue — Enterprise Solutions

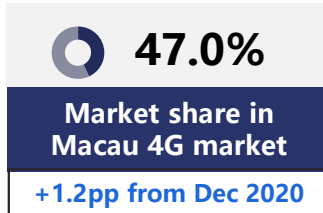
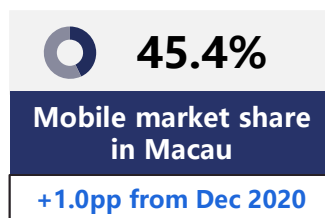
HK\$ Million



# Mobile Services

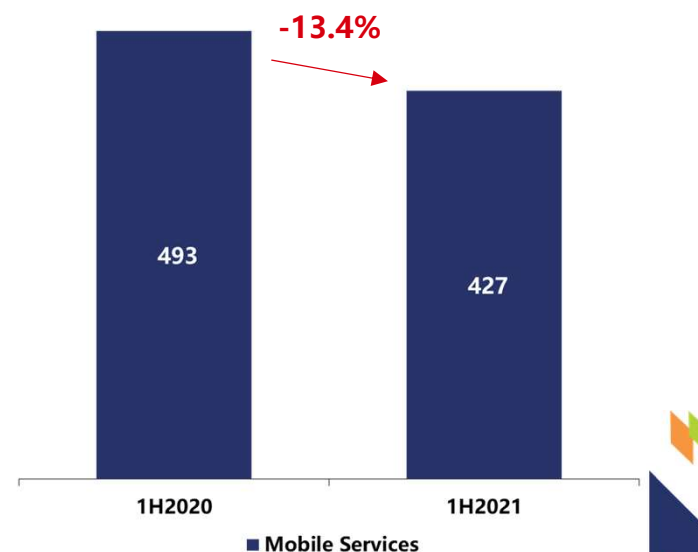
The Group continued to uphold its leading position in the industry, with 5G network ready to seize development opportunities in the imminent 5G market

- Maintained leading position with **45.4%** mobile market share (vs. 31 Dec 2020: **+1.0pp**) and **47.0%** 4G market share (vs. 31 Dec 2020: **+1.2pp**) in Macau, and with over 564,000 mobile subscribers
- In Macau, completed Phase II 5G network construction and successfully deployed non-standalone networks (NSA), standalone networks (SA) and network slicing. The network has achieved full outdoor coverage and has reached 93% indoor coverage. Also completed 5G roaming agreements with over 40 operators covering 27 countries and regions
- Reached LTE bilateral roaming agreements with over 366 overseas operators covering 215 countries and regions. Confirmed roaming data discounted inter-operator tariffs with 364 overseas operators covering 167 countries and regions, enabling the implementation of more roaming promotional plans
- Revenue from mobile services decreased by **13.4%** to **HK\$427 million** as compared to first half of 2020, mainly due to the decline in roaming related services as a result of COVID-19



## Revenue – Mobile Services

HK\$ Million



# International Telecommunications Services

Growth momentum sustained in messaging services revenue

- Revenue from international telecommunications services increased by **10.5%** when compared with the same period of 2020 to **HK\$1,287 million**
- Messaging services revenue grew significantly with an increase in revenue of **49.3%** to **HK\$836 million**
- The Group seized the opportunity of the limited relaxation of travel restrictions in Macau to promote the sales of “DataMall 自由行” products, and revenue increased **11.8%** period-on-period to **HK\$19 million**

**+ 49.3%**

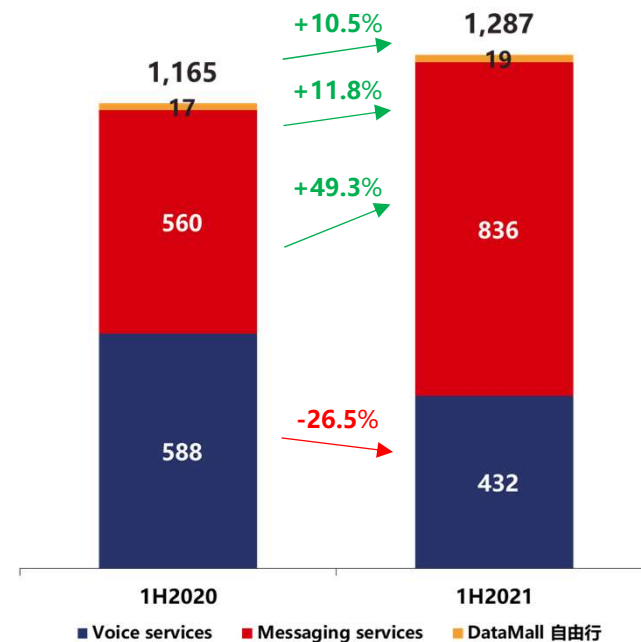
Revenue from  
Messaging services

**+ 11.8%**

Revenue from  
DataMall 自由行

## Revenue — International Telecommunications Services

HK\$ Million



■ Voice services ■ Messaging services ■ DataMall 自由行

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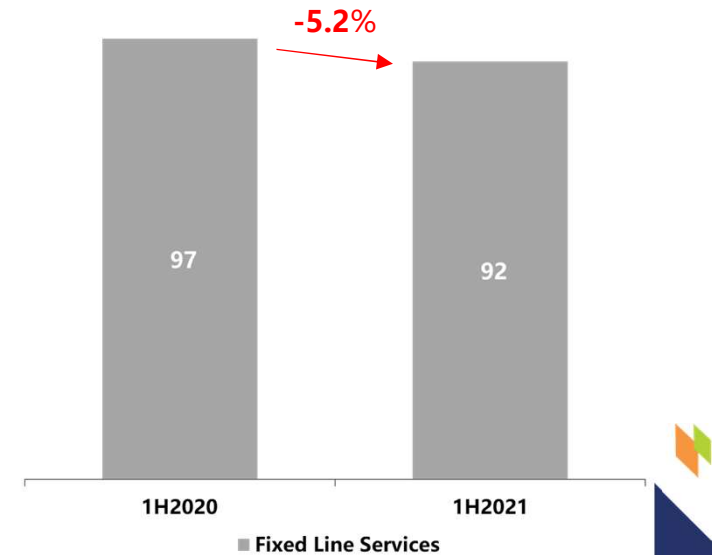
# Fixed Line Services

Subscribers & revenue drop, echoing global trend

- Fixed line services revenue dropped **5.2%** to **HK\$92 million**, mainly due to drop in number of domestic fixed line users, which is in line with global industry trend

## Revenue - Fixed Line Services

HK\$ Million



## Continues to step up technological innovation to support long-term quality development and digital transformation



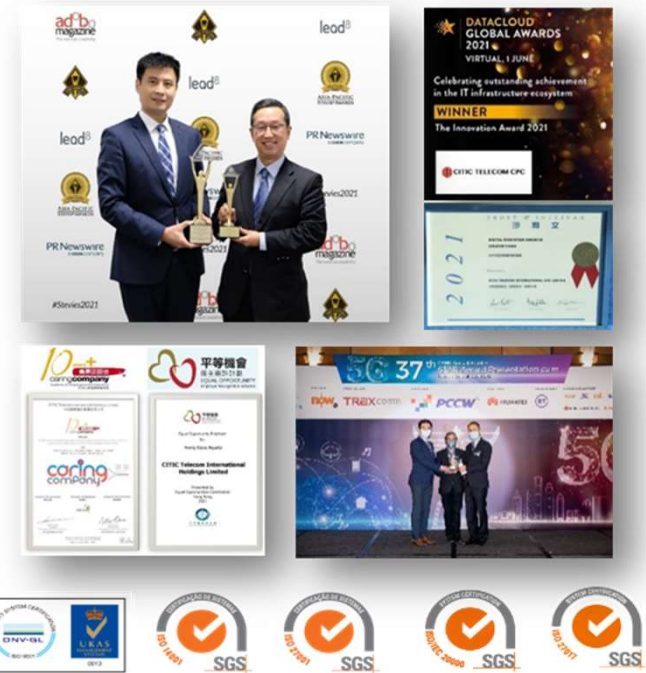
- Formulated **ICT-MiND** strategy which integrates network, information security, cloud computing products and extensive service experience and applies leading technologies such as Big Data, artificial intelligence (AI), augmented reality (AR), Internet of Things (IoT) and Blockchain technologies **to build the smarter platform with enhanced Cloud/Network/Intelligence/Security capabilities** and to drive products and services innovation
  - Cooperated with a cloud security service provider and launched the **brand new enterprise solution "TrueCONNECT™ SASE" service** (Secure Access Service Edge), which has helped enhance diversity of cloud network integrated security products
  - Upgraded "**Enterprise Information Service Platform**" and "**DataMall platform**" to support new application scenarios including 5G, IOT (Internet of Vehicles), eSIM and OTT
  - **Completed a number of innovative applications:** the pedestrian flow analysis and warning system based on Big Data and AI, the travel promotion mobile app of the Macao Government Tourism Office, and the summer activity registration system for the Sports Bureau and the Education and Youth Development Bureau of Macau
- Received awards from **Frost & Sullivan**, which reflect recognition from the market and industry for the Group's unremitting efforts in product innovation:
    - "2021 Best Practices Award- **Digital Innovation Award in Greater China**"
    - "2021 Best Practices Award- **Sustainable Value Innovation Award in ICT Market (China)**"





# Industry Recognitions

- [2021 Digital Innovation Award in Greater China] - *Frost & Sullivan*
- [2021 Sustainable Value Innovation Award in ICT Market (China)] - *Frost & Sullivan*
- [2021 Grand Stevie Award of the China Nation] & [Gold Stevie Award for Innovation in Technology Development] — *Asia-Pacific Stevie® Awards 2021*
- [Datacloud Global Awards 2021] — *BroadGroup*
- [Asia Communication Awards 2020 – Digital Transformation Project of the Year] — *Total Telecom*
- [EDIGEST Best SME Award 2020 – Best SME Partners (Cloud Network Convergence Solution Provider)] — *Economic Digest*
- [SD-WAN Ready Certificate] — *SNAI Industry Alliance*
- [2021 Network & Resources Cooperation Award] — *China Unicom*
- [The 2020 CAHK Star Awards] — *Communications Association of Hong Kong*
- [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 2021 – The Distinguished Cloud – Network Convergence Solution Service Provider] — *Hong Kong Economic Journal*
- [Caring Company] — *Hong Kong Council of Social Service*
- [Equal Opportunity Employer for Family Status Equality] — *Equal Opportunities Commission Hong Kong 2021*



# 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)







# Q&A



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