



中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Stock Code: 01883)



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 **中信國際電訊**
CITIC TELECOM INTERNATIONAL



1 ➤ Results Summary

2 ➤ Financial Performance

3 ➤ Operational Performance



2021 Results Summary

- Total revenue for the year grew by **6.3%** to **HK\$9,486 million**. Revenue from telecommunications services was comparable to last year at **HK\$7,905 million**
- Profit attributable to equity shareholders of the Company amounted to **HK\$1,076 million**, an increase of **5.2%** when compared with last year
- Basic earnings per share was up **5.0%** from last year to **HK29.3 cents**
- Final dividend of **HK17.0 cents** per share. Including interim dividend of **HK5.5 cents** per share, full year dividends totaled **HK22.5 cents** per share (2020: HK21.0 cents per share), a year-on-year increase of **7.1%**
- Strong cash flow sustained with net debt further down by **HK\$696 million** when compared to the end of 2020. Net gearing ratio dropped to **27%** (31 December 2020: 31%)

Total revenue

+6.3%

Profit attributable to equity shareholders

+ 5.2%

Basic earnings per share

+ 5.0%

Full year dividends

+ 7.1%

Net gearing ratio

Reduced to 27%



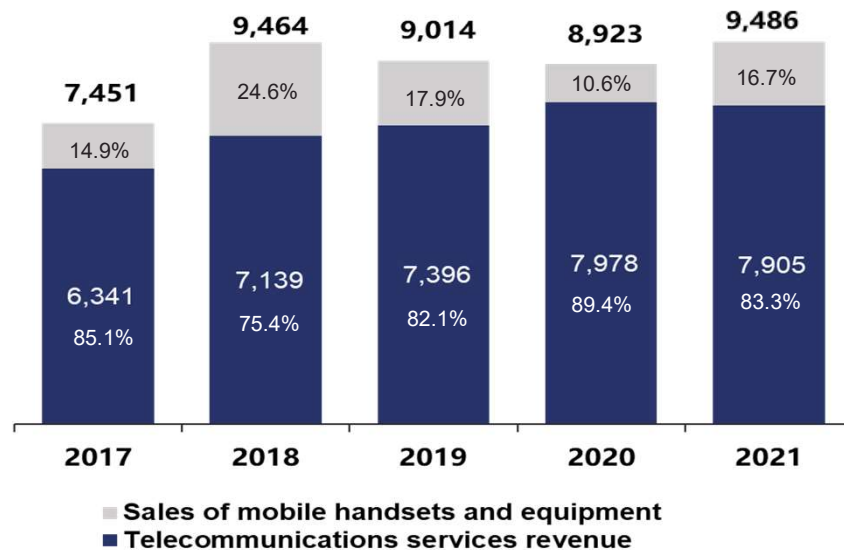
- 1 ➤ Results Summary
- 2 ➤ Financial Performance**
- 3 ➤ Operational Performance



Financial results overview

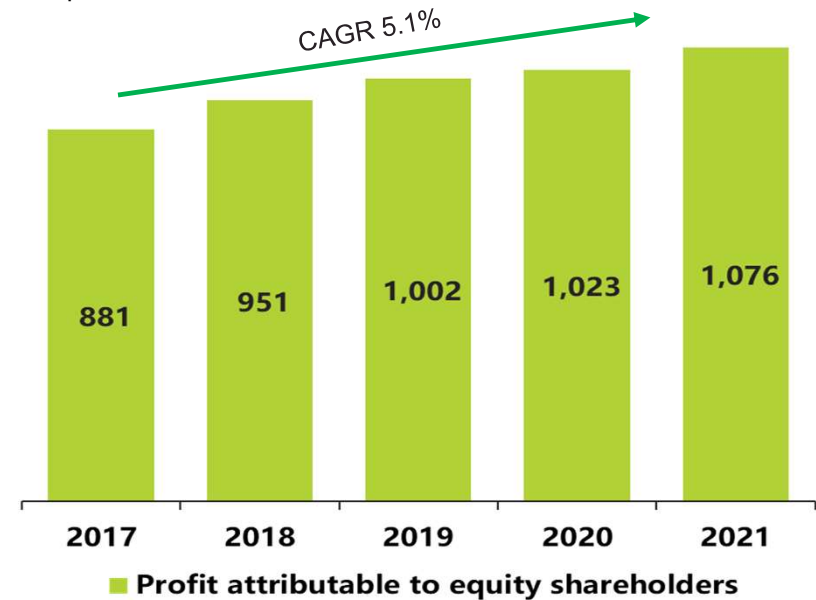
Total revenue

HK\$ Million



Profit attributable to equity shareholders

HK\$ Million



EBITDA, Capital Expenditure & Liquidity

	2020	2021
HK\$ Million	Year ended 31 December	
EBITDA*	2,460	2,509
Capital expenditure	844	491

HK\$ Million	As at 31 December	
Cash and deposits	1,519	1,793
Total debt@	5,868	5,446
Net Debt	4,349	3,653
Net gearing ratio#	31%	27%

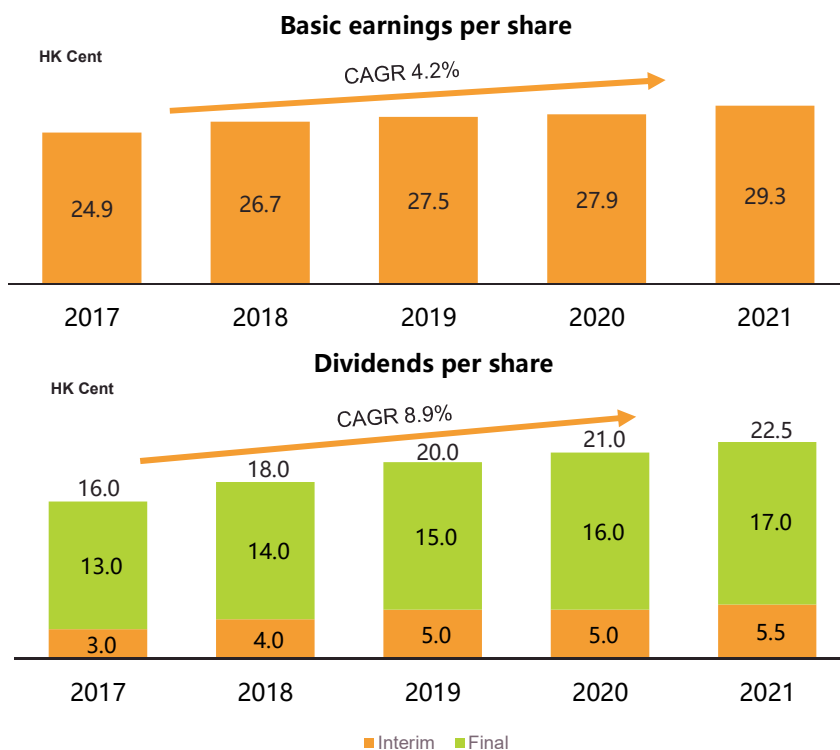
* EBITDA represents earnings before interest, taxes, depreciation and amortisation

@ Includes current and non-current bank and other borrowings

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



Earnings and Dividends per share



- Sustained growth in basic EPS, overcame challenges posed by the pandemic



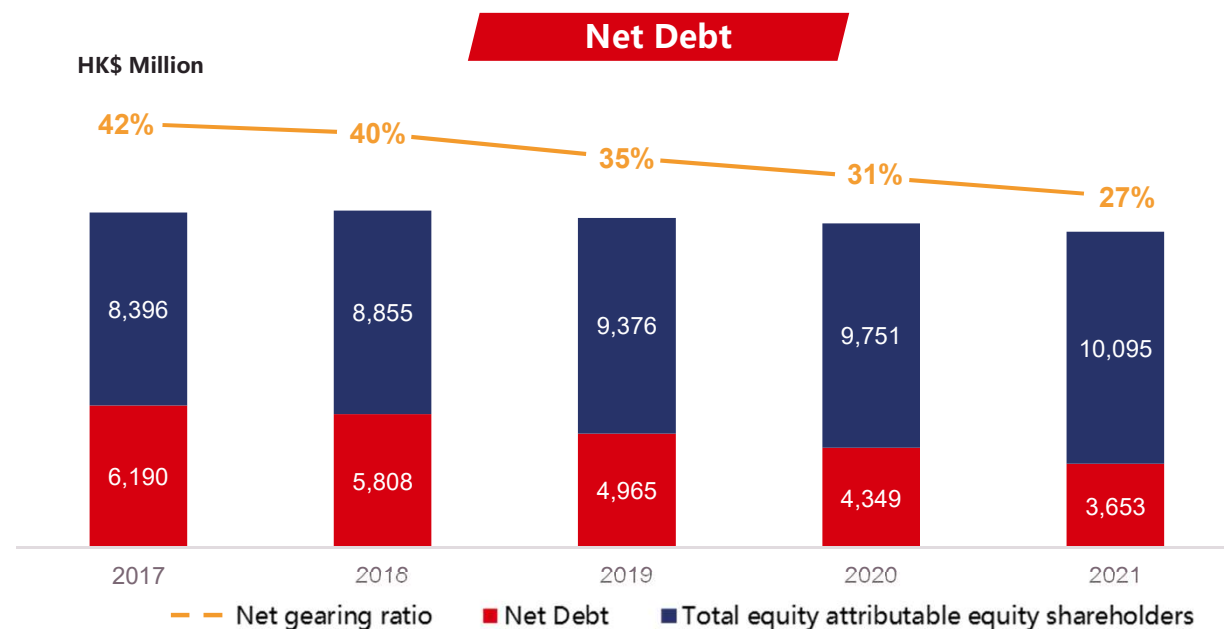
- Committed to sharing the Group's success with our shareholders, maintained stable year-on-year dividend growth since listing (i.e. 14 years)



Gearing and Debt Levels

Sustained strong operating cash flow position has led to reduction in debts and optimisation in net gearing ratio

- The Group has continuously generated strong operating cash flows to repay loans early and reduce interest costs, and to maintain a healthy leveraging position
- Net gearing ratio has continued to drop year-on-year to 27% as at 31 December 2021



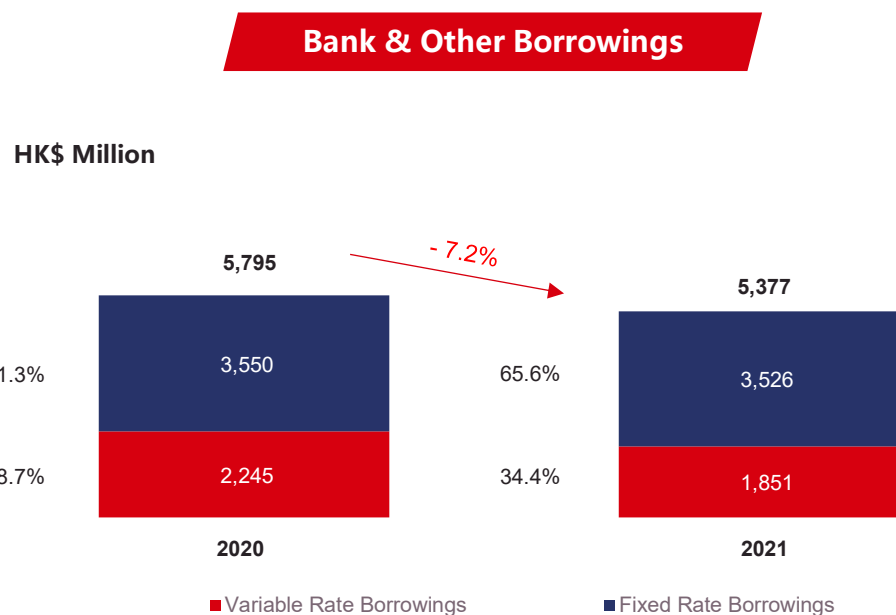
Interest rate risk and Currency risk exposure

Continuous reduction in interest rate risk exposures through debt refinancing and loan structures

- As at 31 December 2021, less than 35% of total borrowings are at variable rate. Reflecting the Group continuous reduction in interest rate risk exposures
- During the year, the Group had undergone a refinancing project with its fellow subsidiaries and refinanced several bank borrowings amounted to HK\$1,493 million in order to reduce the cost of funding

Currency risk exposure limited by effective management

- The Group's entities primarily conducts its businesses in their functional currencies, but US dollar and Renminbi are also used in the Group's Hong Kong and Macau businesses
- Hong Kong dollar is pegged to the US dollar, and Macau Pataca (MOP) is pegged to the Hong Kong dollar, hence there is no significant foreign currency risk between Hong Kong dollar, US dollar and MOP
- As at 31 December 2021, RMB-denominated assets and liabilities amounted to HK\$167 million and HK\$15 million respectively. Exchange rate fluctuations between Hong Kong dollar and Renminbi had no significant impact on the Group



Note: The above balance exclude interest payable

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



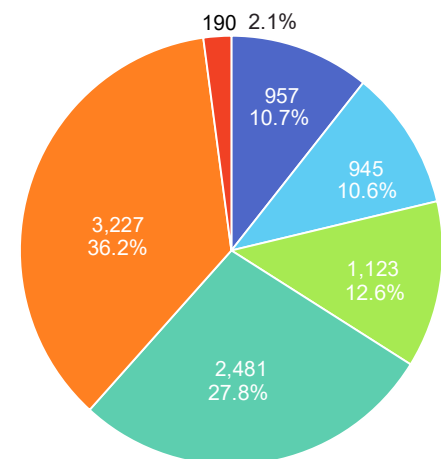
Total revenue was up 6.3% year-on-year to HK\$9,486 million

Revenue from telecommunications services was comparable to last year at HK\$7,905 million

Revenue By Sales & Services

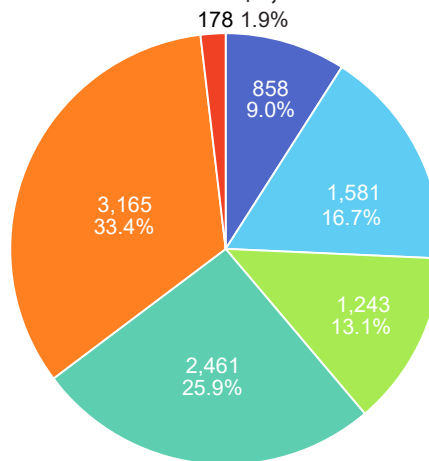
HK\$ Million

2020
Total Revenue: HK\$8,923 Million



■ Mobile services
■ Internet services
■ Enterprise solutions

2021
Total Revenue: HK\$9,486 Million



■ Sales of mobile handsets & equipment
■ International telecommunications services
■ Fixed line services

- Robust measures adopted, overcame challenges posed by the pandemic
- Sustained performance in traditional telecommunications services
- Capitalising on new business opportunities
- Total revenue increased **6.3%** year-on-year to **HK\$9,486 million**.
- Revenue from **telecommunications services** (i.e. excluding sales of mobile handsets & equipment) was comparable to last year at **HK\$7,905 million**



Internet Services

Revenue increased by 10.7% year-on-year, driven by new requirements for internet services and actively promoting fibre broadband

- Revenue from internet services increased by **10.7%** to **HK\$1,243 million** as compared to last year mainly due to increase in revenue from corporate customers internet services, data centre as well as fibre broadband in Macau
- The Group grasped the internet transformation needs of corporate customers, and cooperated with SD-WAN and other products to strengthen internet business development and data centre sales. In 2021, the internet services revenue from the Group's corporate customers in Mainland China doubled when compared to 2020 and the number of data centre racks leased out in Mainland China increased by around **20%**, which had effectively promoted the development of the Group's internet business
- The total number of broadband subscribers increased by around **1.8%** from December 2020 to approximately 200,000 users and internet market share in Macau was around **97.1%**; continuous expansion of fibre broadband penetrations with residential fibre broadband penetration rate further increased to **97.6%**; during the year, **17%** of CTM's broadband customers signed up for service upgrades driving the ongoing growth of the overall internet business
- CTM relies on the broadband business to actively promote content services. As at the end of 2021, CTM had successively launched a variety of high-standard content services, such as TVB Anywhere, HMVOD entertainment video and Mango TV international, among others, in collaboration with various partners; the TVB Anywhere Android TV™ box and service was also launched during the year in a comprehensive effort to advance the development of the content service business
- The Group's data centre business reported stable growth. The construction of CITIC Telecom Tower Data Centre Phase III (B) was smoothly completed. We are currently discussing business options with potential partners. This project phase has obtained Tier III accreditation for data centre infrastructure issued by Uptime Institute, which has further enhanced market confidence and recognition for the Group's data centres



97.1%

Group's internet
market share in Macau

Same as Dec 2020



97.6%

Residential fibre broadband
penetration rate

+2.9pp from Dec 2020



~100%

FTTB coverage



Enterprise Solutions

Actively empower cloud network security products, expand network coverage and improve service capabilities

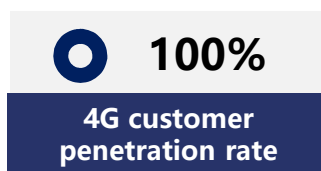
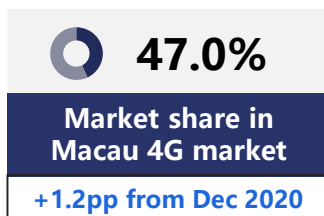
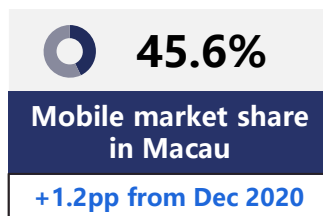
- The Group vigorously expanded enterprise innovative service to meet the needs of enterprise customers to “Migrate to Cloud, Use Digital Tools and Enable Intelligence”. The Group launched the 19th SmartCLOUD™ cloud computing service centre this year. With 9 cloud computing solutions, 19 cloud computing service centres and 2 security operation centres, the Group has formed a cross-regional cloud computing service operation network and professional service system, and launched new managed services such as SASE (Secure Access Service Edge Solution), Endpoint Detection and Response that can help customers manage their information systems round-the-clock, ensure information security and meet new challenges of digital transformation. During the year, the Group’s revenue from security services and cloud computing services both recorded double-digit growth
- The Group continued to expand network coverage by adding five PoPs in Xuzhou, Lanzhou, Zhanjiang, Ningde and Zhangzhou. Currently, it has more than 160 PoPs in more than 150 countries and regions. Close to 60 SD-WAN central gateway PoPs have been deployed, covering the Asia-Pacific, Europe, and the United States, of which 42 are in Mainland China covering the major commercial areas. During the year, the Group’s subsidiary in the Philippines commenced operation and contributed to additional revenue to the Group. The subsidiary in Indonesia started applying for a local ISP licence to further expand its business scope
- With “5G+Cloud-Network Convergence” as the core theme, CTM is actively building “three networks, three centres and one platform” – 5G network, photonic network, Wi-Fi network, network management centre, data centre, information security protection centre, and the CTM cloud platform – to see it become a smart city service operator. CTM has adopted industry-leading technologies and platforms to build the “CTM Cloud”, which has a multi-cloud architecture. It will take full advantage of combining 5G cloud and network to launch smart applications that can meet the needs of Macau. It has also independently developed and deployed the Macau Smart City Database (Big Data Platform), making it the first local operator to provide big data services. Strengthen cooperation with various industries to further facilitate the digital transformation of the industry
- Revenue decreased by **1.9%** to **HK\$3,165 million** when compared to 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



Mobile Services

The Group continued to uphold its leading position in the industry, with 5G network ready to seize development opportunities with new breakthroughs in IPX business

- The Group continues to maintain its leading position with **45.6%** mobile market share (vs. 31 Dec 2020: **+1.2pp**) and **47.0%** 4G market share (vs. 31 Dec 2020: **+1.2pp**) in Macau, and with over 581,000 mobile subscribers
- The Group completed the construction of the second phase of the 5G network in Macau as planned, the Group made strong efforts to expand its products, market and network for mobile services, being the first carrier in Macau to deliver full 5G network coverage. As at 31 December 2021, completed 5G roaming testing with 51 overseas network operators covering 34 countries/destinations
- Reached LTE bilateral roaming agreements with over 372 overseas operators covering 217 countries and regions. Confirmed roaming data discounted inter-operator tariffs with 369 overseas operators, enabling the implementation of more roaming promotional plans. Collaborated with 2 Hong Kong network carriers to provide international roaming voice services with high sound quality, continued to maintain its edge as an industry leader
- The Group consistently upgraded its cross-border mobile communication service platform for mobile carriers, maintaining its leading position in the market while diversifying into new business segments. The Group achieved new breakthrough in the IPX business as it entered into an IPX cooperation agreement with a world-class mobile carrier while successfully commencing the IPX service with a leading mobile carrier in Vietnam, in further enhancement of the Group's business competence in this area
- As the decline in roaming related services as a result of COVID-19, the revenue from mobile services decreased by **10.3%** to **HK\$858 million** as compared to 2020



International Telecommunications Services

Growth momentum sustained in messaging services revenue, DataMall platform expands to IoT field

- The Group maintained its position as a leading provider of enterprise messaging services in the region, as it consistently enhanced its servicing ability and expanded scope of its business coverage in close tandem with market demands for enterprise messaging services to secure ongoing growth in business, resulting an increase in revenue of **33.4%** year-on-year to **HK\$1,678 million**
- The COVID-19 pandemic has hindered the development of our DataMall and other data volume business. The Group seized the opportunities arising when the pandemic came under control in Mainland China and Macau and enhanced marketing targeted at the traveling population in a timely manner in association with its partners to alleviate the impact of the pandemic
- The Group relies on the DataMall global mobile volume trading platform to expand its application in the Internet of Things such as Internet of Vehicles, Bootstrap IMSI, mobile payment and mobile office, to enrich its IoT products and bring about new customers and new contributions for the data volume business as a whole
- As the decline in international voice business continued under the impact of the COVID-19 pandemic, international voice business decrease **36.4%** year-on-year in revenue
- Revenue from international telecommunications services amounted to **HK\$2,461 million** which was comparable with 2020

+ 33.4%

Revenue from
messaging services

- 36.4%

Revenue from voice
services

 DataMall
自由行 eSIM/IoT

DataMall 自由行



Fixed Line Services

Subscribers and revenue drop, echoing global trend

- The Group endeavoured to maintain the customer volume and business scale of the fixed line voice service in Macau. The number of residential and commercial fixed-line customers declined moderately in line with the global trend for this business. Fixed line services revenue dropped **6.3%** to **HK\$178 million**



Continue to strengthen technological innovation and maintain commitment to actively construct “Cloud, Network, Smart and Security” platform for contributing technological strengths to the digital economy



Way Forward

1. Establish a technological R&D capability system with the “ICT-MiND” development strategy, focusing on development and innovation in realms including cloud-network convergence, digital transformation and industrial applications, and investing at full strength in construction of the “cloud, network, smart and security” platform
2. Attract talent and build platforms, integrate resources, building on the “talent and innovation centres” positioning of the Guangdong-Hong Kong-Macao Bay Area, focus on promoting construction of R&D centres in Hong Kong, Zhuhai (Macau) and Guangzhou, form a first-class R&D team, increase the R&D investment, and strive to improve technological R&D independence

Achievements Up to Now

1. **Persistently introduce new technologies such as artificial intelligence (AI) and machine learning:** For example, our Macau Smart City Database and the visitor management system developed by our subsidiary in Southeast Asia for Singapore’s largest healthcare institute both have applied AI technology to enrich system functions and improve operational efficiency
2. **Further promote “Cloud Native” deployment:** The Group fully embraces “Cloud Native” and promotes the evolution of system architecture and deployment models, so as to improve system flexibility
3. **Enhance cooperation with leading enterprises in the industry:** For example, the joint development of “AI-AR Remote Hand” Phase 2 project with ASTRI, and the launch of an autonomous driving research project with the University of Macau
4. **R&D projects have won international awards and industry recognition:** We won the Frost & Sullivan Award 2021 for the Greater China Sustainable Digital Innovation Value Award, the Datacloud Global Awards 2021, the Digital Transformation Project of the Year at the Asia Communication Awards, and the Championship in the CCF Big Data & Computing Intelligence Contest, under the category of “Classification of Malware Families based on Artificial Intelligence (基於人工智慧的惡意軟體家族分類)” by the China Computer Federation (CCF). A series of “Digital Macau” solutions by the Group have also been highly recognised by different industry sectors



Take responsibility of building a "Digital Macau", promote industrial cooperation with technological innovation and network advantages, assist Macau become a smart and liveable city

Internet of Vehicles

Actively develop IoV business, invest in development of automotive eSIM and management platform, and explore potential cooperation with major electric vehicle brands

Smart Education

Comply with the SAR Government's pandemic preventive measures and help schools to follow up on health management conveniently, CTM's mSchool platform has been upgraded and new functions such as AI detection of health code have been added



Smart Exhibition

Launched smart exhibition service and assisted the Macau SAR Government with organising three online exhibition projects



Smart Elderly Care

Launched "smart" healthcare services to facilitate digital transformation of nursing homes and extend the services to other nursing homes and rehabilitation centers



Smart Airport

In response to future airport planning, the "Smart Airport Long-term Strategic Partnership Proposal" was submitted to Macau International Airport Co., Ltd. in mid-2021



CTM
澳門電訊

To build "Three networks, three centres and one platform" with cloud-network convergence as the core theme, and become a smart city service provider

5G network, photonic network, Wi-Fi network

Network Management Centre, Data Centre, Security Operation Centre

Cloud platform

Become an intelligent technology driven digital transformation enabler, and strive to provide customers with high-quality ICT services



Healthcare

- **CeOne-CONNECT Hybrid SD-Wan Solution** supports a high-tech pharmaceutical manufacturer in drug R&D, production and sales. Combining "MPLS private network + SD-WAN" total connectivity solution helps the client fully solve network instability problems, improve network sensitivity, ensure the efficiency of high-quality applications, and save costs



Banking, Financial Services and Insurance

- As a technical partner to support one of China's Trading Exchanges with vital infrastructure, it covers carrier-grade data center and networking solutions. Empower the transaction of a national carbon emissions trading market and help promote the development of green and low-carbon businesses. With our technical expertise and professionalism, we will provide reliable support for the national carbon emission trading market and stable operation and system security



Retail

- To deploy comprehensive ICT solutions for the world's well-known third-largest athletic footwear brand. The total solution, including DataCenter hosting service, MPLS and SD-WAN networking solutions, supports the client's national-wide area network with additional dual-line redundancy protection. In addition, **ManagedCONNECT**, a multi-service management platform, customers can not only monitor network status in real-time, but also strengthen management, reduce costs and increase efficiency, improve user experience, and help customers build smart retail



Manufacturing

- Serving WAN connectivity, TrustCSI™ UTM (Unified Threat Management), and managed security services to support a large State-owned enterprise overseas operation. Comprehensive managed services improve customer information security and defense capabilities, further propelling their digital transformation with unified digital operation and management



Corporate Social Responsibility, actively support Hong Kong and Macau SAR to prevent and control of the epidemic

- Work closely with Hong Kong mobile operators to ensure timely and accurate delivery of COVID-19 testing information
- Assured the network for the Mass Nucleic Acid Testing in Macau

CTM 澳門電訊

澳門電訊為留澳跨境學生
提供免費流動數據服務

免費4G流動數據預付卡

或

免費30GB流動數據

#全力配合政府防疫抗疫
#齊心抗疫 #為大家加油

- Free data services to overseas students studying in Macau who are unable to return to home country due to the pandemic

澳門電訊與您一同
齊心抗疫!

為紅碼區內商戶及住宅用戶 豁免
9月份固網及互聯網服務收費!

期待在全澳門市民共同努力下，疫
情早日結束。

支持及配合特區政府的防疫抗疫工作
澳門電訊續推出
同心抗疫關愛措施

豁免 紅碼區中小企商戶及住宅用戶
10月份固網話音及互聯網服務月費

#澳門電訊與您齊心抗疫

繳費延期資訊

固網、流動電話、互聯網服務十月份賬單
繳費期限 原延一個月

門市營業資訊

10月5日(星期二) - 10月10日(星期日)

高地島街總店 暫停營業

海寧天旗龍店 暫停繳費服務

澳門電訊綜合大樓
概念店 (沙仔)

客戶請使用CTM Buddy應用程式或網上平台
辦理電話服務或繳費

- In support of government social distancing measures, extension of October 2021 payment due dates for fixed line, mobile and internet services without penalty
- As a result of the pandemic, demand for smart phones had rocketed. Released promotion plans to benefit the elderly and disadvantaged groups

2019 冠狀病毒 社區檢測中心 Community Testing Centres COVID-19

- Waiver of 1 month fixed telephony and internet service charge for SME merchants and residential customers in Macau's Red Code Zone
- Paid COVID-19 vaccination leave to employees taking the injection(s)
- Assured network services for the election of the 7th Legislation Assembly in Macau

CTM 智醒老友記享

全中國內地、澳門優惠
每月 \$38 / 3GB

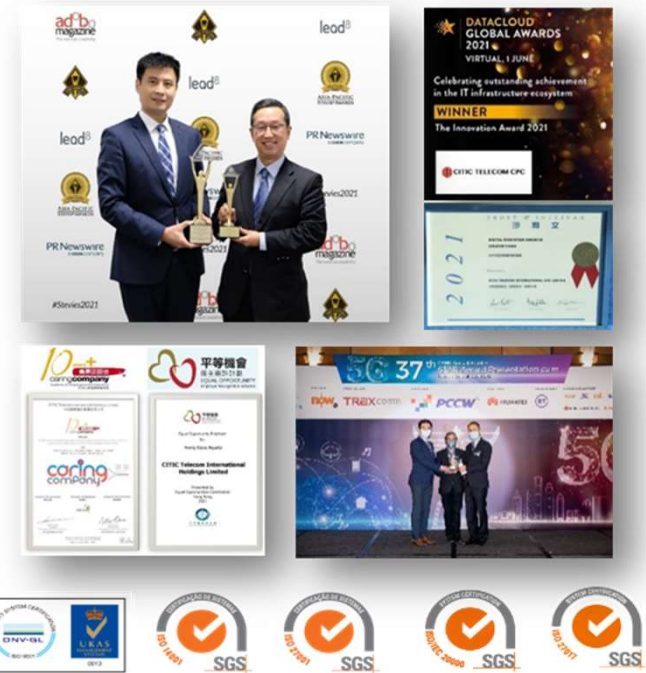
全中國內地、澳門買機
上台優惠
每月 \$68 / 8GB

老友記查詢快線
8891 5377

撥打 #128# 登記

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*
- [AI Challenge Computer Vision – Identifying Surgical Instrument] — *Hospital Authority and Hong Kong Science and Technology Parks Corporation*
- [2021 Network & Resources Cooperation Award] — *China Unicom*
- [Integrated Innovative Solutions of New Infrastructure Award in China ICT Industry of Year 2020] — *China Communications Industry Association Data Center Committee*
- [The Championship in the CCF Big Data & Computing Intelligence Contest, under the category of “Classification of Malware Families based on Artificial Intelligence (基於人工智慧的惡意軟體家族分類)”] — *The China Computer Federation (CCF)*
- [The Championship of “Material Demand Forecast” Award in the 5th China Industrial Internet Data Innovation and Application Contest] — *The China Academy of Information and Communications Technology (CAICT)*
- [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!

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Q&A



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