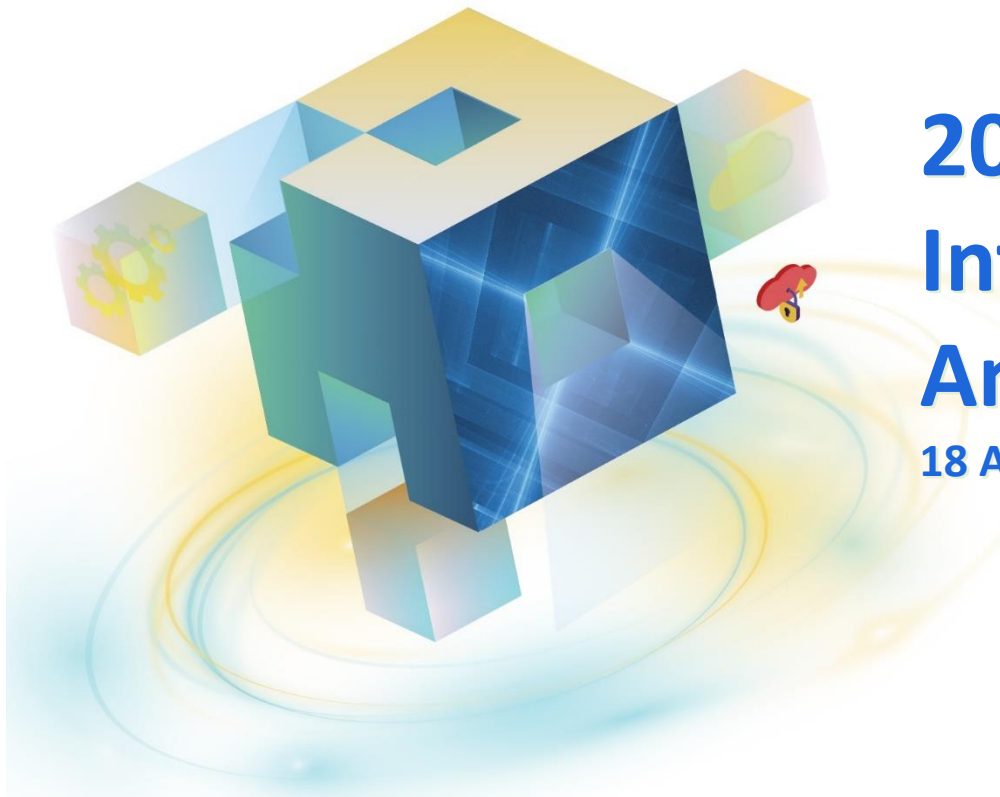




中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Stock Code: 01883)



2023 Interim Results Announcement

18 August 2023

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



2023 Interim Results Summary

- Revenue from telecommunications services grew **6.8%** to **HK\$4,690 million** and with total revenue up **7.0%** to **HK\$5,326 million** when compared to the first half of 2022
- Profit attributable to equity shareholders of the Company amounted to **HK\$721 million**, an increase of **26.0%** when compared to the first half of 2022
- Basic earnings per share was up **25.8%** from first half of 2022 to **HK19.5 cents**
- Interim dividend of **HK6.0 cents per share** (2022 interim dividend: HK6.0 cents per share), aligned with the first half of 2022
- Stable operating cash flow achieved with net debt further down by **HK\$209 million** when compared to the year end of 2022. Net gearing ratio dropped to **18%** (31 Dec 2022: 20%)

Revenue from telecommunications services

+ 6.8%

Profit attributable to equity shareholders

+ 26.0%

Basic earnings per share

+ 25.8%

Net gearing ratio

Reduced to 18%

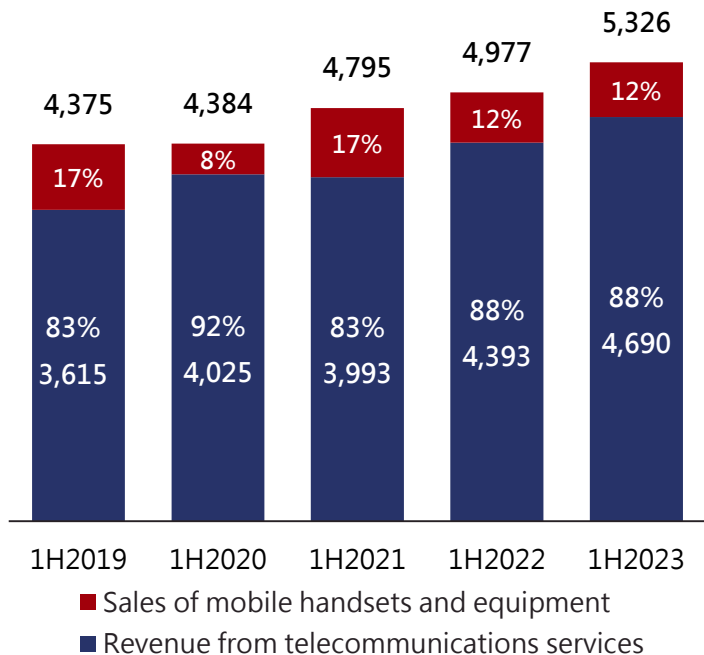
- 1 ➤ Results Summary
- 2 ➤ **Financial Performance**
- 3 ➤ Operational Performance



Financial Results Overview

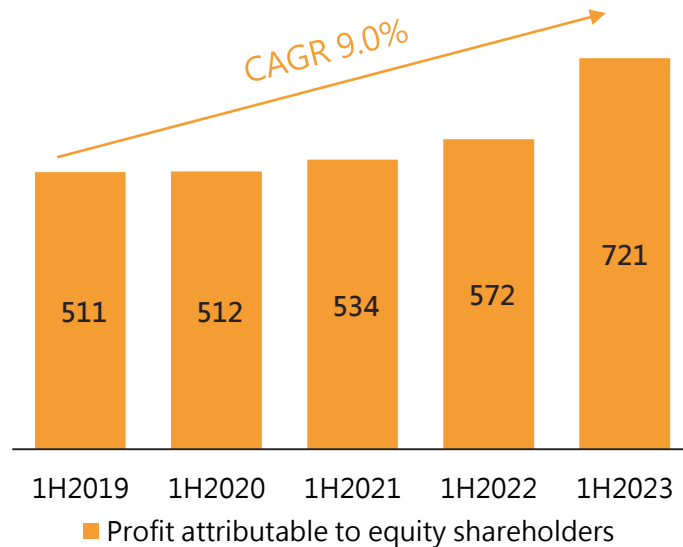
Total revenue

HK\$ Million



Profit attributable to equity shareholders

HK\$ Million



EBITDA, Capital Expenditure & Liquidity

	2022	2023
HK\$ Million	For the six months ended 30 June	
EBITDA*	1,324	1,448
Capital expenditure	141	120

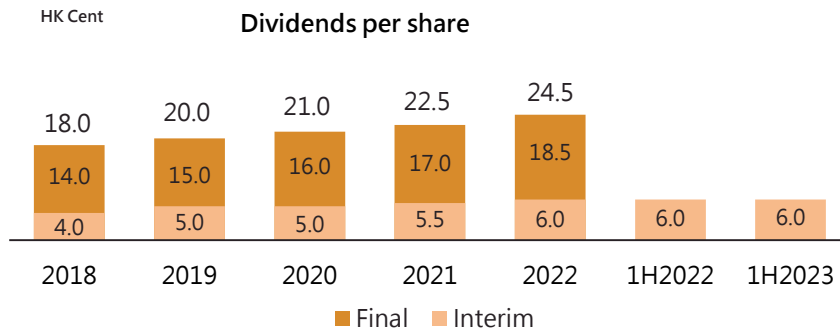
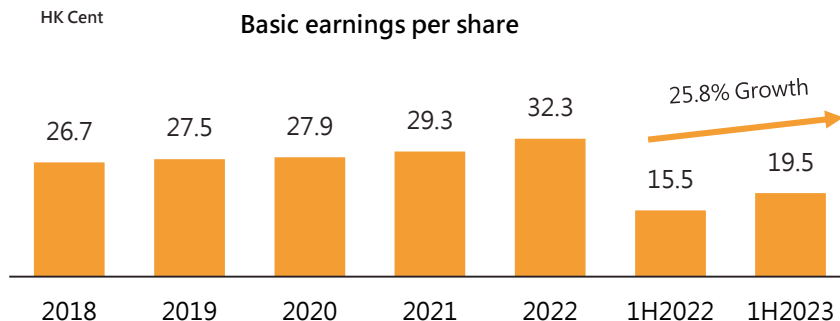
HK\$ Million	As at 31 December	As at 30 June
Cash and deposits	1,986	1,759
Total debt @	4,520	4,084
Net debt	2,534	2,325
Net gearing ratio#	20%	18%

* 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

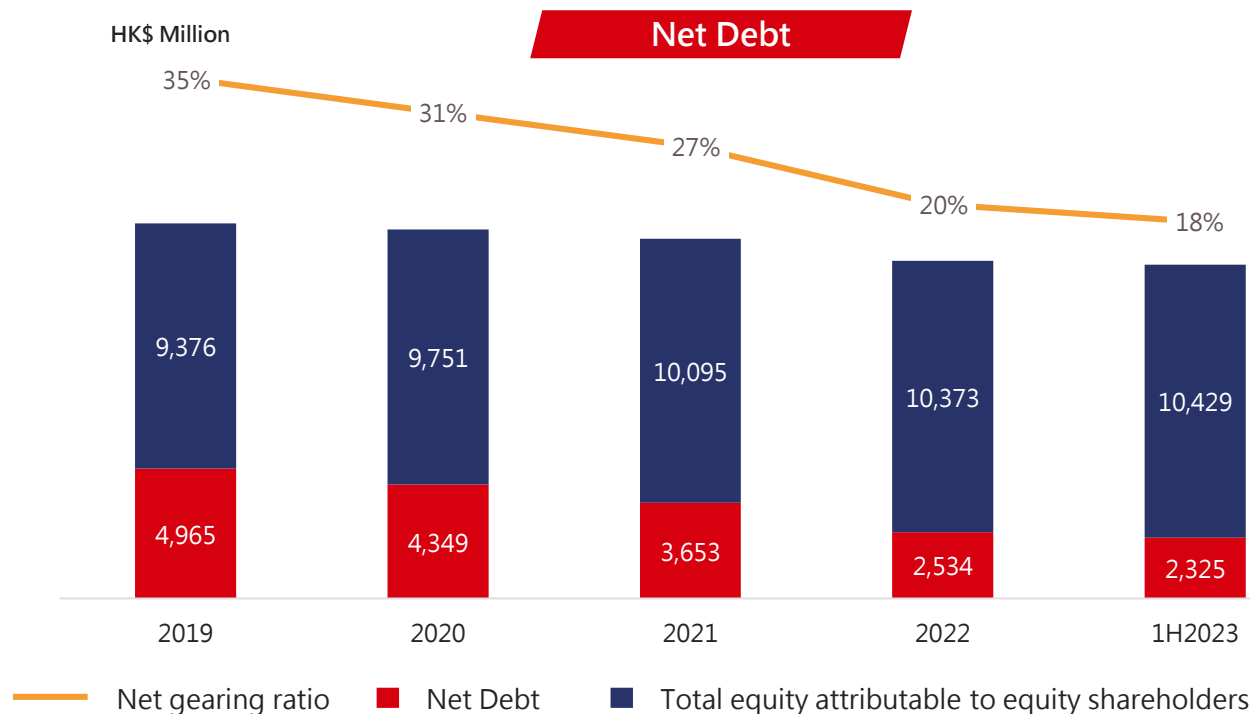


- Successful measures to overcoming the various challenges. Basic EPS up 25.8% year-on-year
- Committed to sharing the Group's operating results with our shareholders, maintained stable dividend growth since listing

Gearing and Debt Levels

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

- Net gearing ratio has dropped to 18% as at 30 June 2023



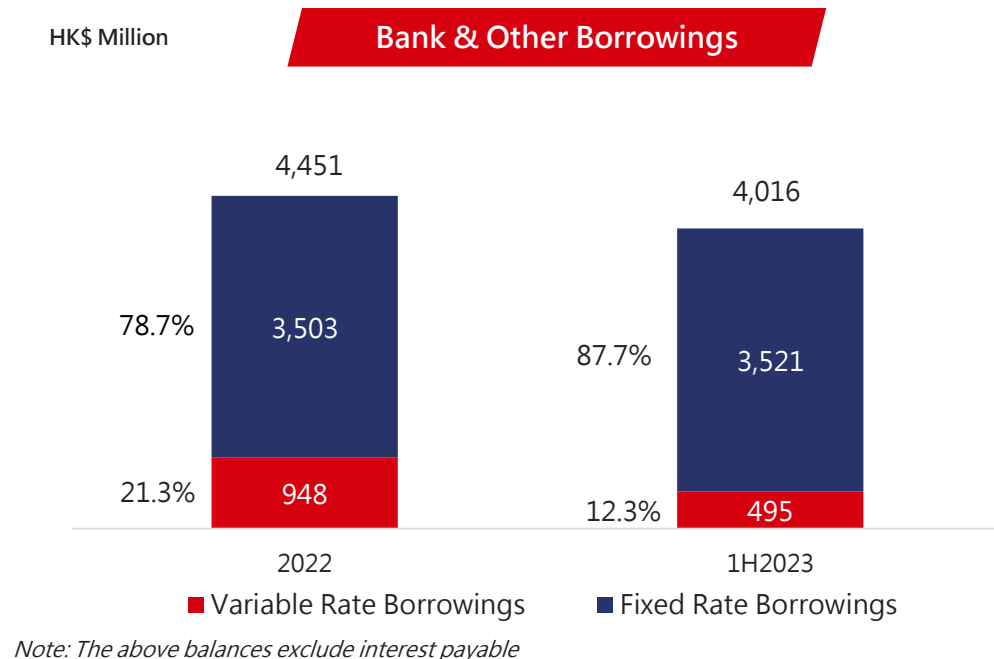
Interest Rate Risk and Currency Risk Exposures

Effective management of interest rate risk exposure through debt reduction and loan structures optimisation

- As at 30 June 2023, around 87.7% (31 December 2022: 78.7%) of total borrowings are at fixed rate. Reflecting the Group's continuous efforts in reducing the Group's interest rate risk exposure
- During the period, the Group had reduced HK\$453 million of its variable rate borrowings

Currency risk exposure limited by effective management

- The Group's entities mainly transact in Hong Kong dollars, US dollars and Macau Patacas (MOP)
- Hong Kong dollar is pegged to the US dollar, and MOP is pegged to the Hong Kong dollar, hence there is no significant foreign currency risk between Hong Kong dollar, US dollar and MOP
- Closely monitor circumstances that may affect the exposure to exchange rate risks, will enter into hedging arrangements where necessary



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

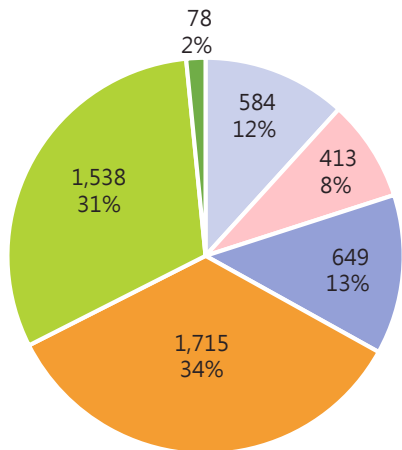


Telecommunications Services Revenue up by 6.8% driven by Internet Services and International Telecommunications Services

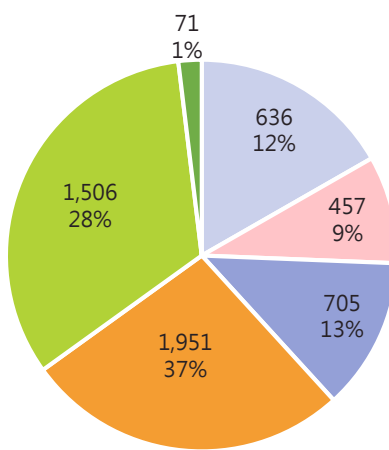
Revenue By Sales & Services

HK\$ Million

1H2022
Total Revenue: HK\$4,977 Million



1H2023
Total Revenue: HK\$5,326 Million



- Sales of mobile handsets & equipment
- Mobile services
- Internet services
- International telecommunications services
- Enterprise solutions
- Fixed line services

- Revenue from internet services increased **8.6%** from first half of 2022 to **HK\$705 million**
- Revenue from international telecommunications services increased **13.8%** from first half of 2022 to **HK\$1,951 million**

Internet Services

Revenue increased by 8.6% year-on-year driven by new demand for internet services

- The Group's revenue from internet services increased by **8.6%** to **HK\$705 million** when compared to the first half of 2022, mainly due to the increase in revenue from internet services to corporate customers, data centre business and Macau's fibre broadband.
- Sustained a leading share of the Macau broadband market. As at the end of June 2023, Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM") maintained its top-ranking in broadband services in Macau with a **97.1%** market share.
- CTM has completed the replacement of copper wires for internet broadband access, resulting in an increase in the fibrelisation rate from 99.2% as at the end of 2022 to **100%** as at the end of June 2023, starting a new era of all-fibre network access for CTM's internet broadband subscribers.
- The Group's data centre business achieved ground-breaking development, and secured key clients and key projects of internet platform to be established in its high-grade data centre in Hong Kong.



97.1%

Internet market share
in Macau

Same as the end of 2022



~100%

FTTB coverage



100%

Fibre broadband
penetration rate

+0.8pp from
the end of 2022

Enterprise Solutions

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

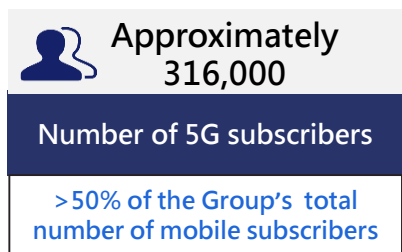
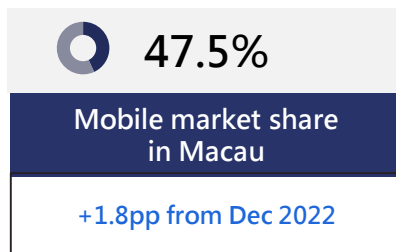
- Revenue decreased by **2.1%** to **HK\$1,506 million** when compared with first half of 2022 as high interest and inflation rates have adversely impacted on the recovery of economic activities.
- Strengthened multi-cloud service capabilities and the data applications and security and compliance assurance capabilities, and was recognised as the first accredited partner of VMware Sovereign Cloud in Hong Kong.
- Strengthening the market expansion ability of information security management services by launching its third Security Operations Centre in Shanghai following Hong Kong and Guangzhou, which facilitated the upgrade from “information security development” to systematic and platform-based “information security operations” for more enterprises.
- Continued to broaden network coverage. As at the end of June 2023, virtual private network service covered nearly 160 countries and regions worldwide with over 165 PoPs and more than 60 SD-WAN gateways.
- Actively expanded overseas market by providing new data centre managed services to the Singapore government authority, engaging in public cloud projects in Indonesia for multiple corporations including a Southeast Asian financial unicorn, and incorporating AI technology to deliver drone AI painting solutions to customers.



Mobile Services

Maintained leading position in Macau's mobile market, dedicated to the construction of "Digital Macau 3.0"

- Due to the recovery from the pandemic, revenue from mobile services increased by **10.7%** year-on-year to **HK\$457 million**.
- Continued to maintain leading position in Macau, with a **47.5%** share of the Macau mobile market (**+1.8 pp** from the end of 2022) and with approximately 624,000 mobile subscribers as at 30 June 2023.
- Officially launched 5G services at the end of 2022 with more than half of the Group's mobile subscribers upgrading to 5G. As at 30 June 2023, 5G mobile subscribers reached approximately 316,000.
- Actively empowering 5G applications, promoting the integration of 5G applications into industries such as tourism, exhibitions, policing, healthcare, and building a collaborative 5G ecosystem.
- As of the end of June 2023, CTM launched:
 - bilateral 5G roaming services with **103** overseas network operators (covering **95** countries/regions);
 - bilateral 4G roaming services with **389** overseas network operators (covering **221** countries/regions);
 - bilateral VoLTE roaming services with **17** overseas network operators (covering **21** countries/regions).



International Telecommunications Services

Enhanced platform capability, broadened scope of service

- Revenue from international telecommunications services amounted to **HK\$1,951 million**, up **13.8%** from the first half of 2022.
- The Group has continued to maintain its position as a leading provider of enterprise messaging services in the region, the growth momentum has slowed down in the first half of 2023. Messaging services revenue up **14.4%** year-on-year.
- Continued to strengthen the scale and quality of the Group's voice business to provide stable and reliable voice services to customers around the world. Revenue from the voice business rose by **3.8%**.
- Benefitting from the recovery of cross-border roaming activities, revenue from our DataMall自由行 services surged **330.8%**.
- Strengthened strategic cooperation with operators and major partners, worked with partners to expand the global IPX market and promoted the progress in eSIM platform projects.

 + **14.4%**

Revenue from
messaging services

 + **3.8%**

Revenue from voice
services

 + **330.8%**

Revenue from
DataMall自由行 services

Fixed Line Services

Subscribers & revenue dropped, echoing global trend

- Fixed line services revenue dropped **9.0%** to **HK\$71 million**, mainly due to drop in number of residential and business fixed line users, which is in line with global industry trend

Dedicated to Innovative Development

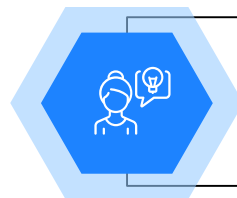


AR Enterprise Digital Twin Platform



- Completed AR enterprise digital twin platform with the Hong Kong ASTRI to improve operation and efficiency through AR data visualisation
- Obtained invention patent from the Intellectual Property Department

Smart Access Management



- Enable fast, accurate and efficient identity and access management
- Vehicle & Visitor Access Management System
 - AI Thermal Imaging Solution
 - Facial Recognition System

Smart Supply Chain Management



- Redefine the reliability and operational efficiency of supply chain with technology-driven digitalisation
- Smart Inventory Solution
 - Smart Warehouse Solution
 - Customer End Equipment Management (CEEM)

Big Data R&D



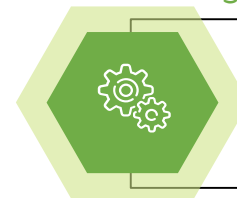
- Partnered with the University of Macau for R&D of the "Scenic Spots Evaluation Model", which establishes an algorithmic model based on big data to evaluate the attractiveness of scenic spots

Smart Maintenance



- AI-AR Remote Hand
- Using AI-AR remote distance technology to enhance maintenance efficiency regardless of geographic boundaries, time zones & technical constraints

Smart manufacturing



- Streamline manufacturing process workflow through intelligent automation
- Automated Quality Control Solutions
 - Automated Workflow Management System

Technology-Driven Digitalization Enabler

Fulfils Social Responsibility to Enhance Brand Influence

Talent Incubation Scheme Presentation and Graduation Ceremony

Organised a 9-month training and exercise program. 20 trainees completed the internship and reported their learning outcomes

Hong Kong Federation of Youth Groups - Company Visit

Cooperated with the Hong Kong Federation of Youth Groups and arranged a company visit for secondary school students, who learned more about the communications technology industry and the Company's businesses

Smoke-Free Hong Kong Butt Litter Clean-up Day

Participated in the "Smoke-Free Hong Kong Butt Litter Clean-up Day" jointly organised by the Lok Sin Tong Benevolent Society, Kowloon and the Tobacco and Alcohol Control Office of the Department of Health, to clean up cigarette butts along the waterfront promenade of Hung Hom - Tsim Sha Tsui and support a smoke-free environment



CTM Youth Development Program

The "CTM Youth Development Program" was held for the tenth consecutive year. 21 shortlisted youths participated in a five-week internship experience and corporate visits, fulfilling its commitment to nurturing local talent

Participation in large-scale industry exhibition

Exhibited at "2023 MWC Shanghai" at the end of June, with the theme of "Embracing Innovation - Connecting the Future", demonstrated the new practices and achievements of enterprise innovation and development, with the aim of enhancing brand influence

Charity haircut outreach service

Co-organised four "Haircut Outreach Program" charity haircut services with social enterprise the Chinese YMCA of Hong Kong, to provide free haircuts to children and elderly people from grassroots families

International Awards

- “Pacific Telecommunications Council’s PTC Awards 2023 – Outstanding Innovation or Transformation Award” — *Pacific Telecommunications Council*
- “Golden Zizhu Award of Communication Industry – 2022 Outstanding Product Technology Solution” — *Communications Weekly*
- “Golden Zizhu Award of Communication Industry – 2022 Contributing Enterprise to Promote Industry Progress” — *Communications Weekly*
- “2023 Cybersecurity Excellence Awards” — *Cybersecurity Insiders*
- “Corporate Brand Awards of Excellence 2023 – Distinguished Innovative Corporate Solutions Provider” — *Hong Kong Economic Journal*
- “Qumnet Outstanding Enterprise Awards 2022 – Outstanding ICT Solution Provider 2022” — *Qumnet*
- “2022-2023 European Business in China Awards – Chinese Champion in Europe Award” — *European Chamber South China Chapter*
- “2022 Premier Digital Transformation Solution Provider” — *CIO Times & New Infrastructure Innovation Research Institute*
- “2022 China IDC Industry Innovation Development Award” — *China IDC Industry Annual Ceremony*
- “2022 Outstanding Service Provider of SASE Solution for Intelligent Manufacturing in China” — *e-works Digital Enterprise Portal*
- “2022 Excellent Recommended Products of China Intelligent Manufacturing” — *e-works Digital Enterprise Portal*
- “The 23rd Capital Outstanding Enterprise Awards – Outstanding DICT Service Provider” — *CAPITAL*
- “Web Accessibility Recognition Scheme 2022-2023 - Silver Award” — *Hong Kong Internet Registration Corporation Limited*
- “Caring Company” — *The Hong Kong Council of Social Service*
- “Sport-Friendly Action Awarded Corporate” — *Chinese YMCA of Hong Kong*
- “Happy Company 2023” — *Hong Kong Promoting Happiness Index Foundation*
- “SE Supporter 2022” — *Fullness Social Enterprises Society*



Thanks !

CITIC Telecom International Holdings Limited
 25/F, CITIC Telecom Tower, 93 Kwai Fuk Rd, Hong Kong
 E-mail : contact@cititel.com





Disclaimer

- All information and data in this report are for reference and general information purposes only
- All opinions included constitute CITIC Telecom International Holdings Limited (the "Company") or its subsidiaries, associated or affiliated companies' judgement as of the date of hereof and are subject to change without notice
- The Company does its utmost prudence to provide information, but does not guarantee the accuracy, completeness, reliability, availability and timeliness of the content
- The Company and its subsidiaries, associated companies or affiliated companies hereby disclaim (i) all express, implied and statutory warranties, commitments or obligations of any kind to user and/or any third party including warranties as to accuracy, timeliness, completeness, or fitness for any particular purpose; and (ii) any liability or responsibility whatsoever for any direct, indirect, collateral or consequential loss howsoever arising from or in reliance upon the whole or any part of the information and data contained herein