



# 中信國際電訊

CITIC TELECOM INTERNATIONAL

【For Immediate Release】

## CITIC Telecom Announces 2019 Annual Results

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### **Profit Attributable to Equity Shareholders Exceeds HK\$1 Billion Up 5.4% Year-on-Year Total Dividends Increase by 11.1% Year-on-Year to HK20.0 Cents per Share**

(3 March 2020, Hong Kong) — **CITIC Telecom International Holdings Limited** (“CITIC Telecom” or the “Group”; stock code: 1883), a leading international integrated telecommunications, and information and communications technologies services provider in Asia, has reported a profit attributable to equity shareholders of HK\$1,002.2 million, an increase of 5.4% year-on-year, for the year ended 31 December 2019. Excluding the valuation gain on investment property, the increase would have been 6.1%.

The Group reported HK\$7,396.4 million in service revenue from its principal operations, representing a 3.6% growth over the corresponding period of the previous year. Basic earnings per share amounted to HK27.5 cents, representing a 3.0% growth as compared with last year.

The Board recommended a final dividend of HK15.0 cents per share for 2019. Together with the 2019 interim dividend of HK5.0 cents per share, total dividends per share for 2019 amounted to HK20.0 cents, representing a 11.1% growth over the previous year.

**Mr. Xin Yue Jiang, Chairman of CITIC Telecom**, said, “The global economic landscape in 2019 did not lend itself to optimism. The Group nonetheless stood its ground against the pressure and bucked the trend, achieving growth, despite a myriad of challenges facing our businesses. The Group has always kept a clear mind and persists in innovative development. By leveraging the combined advantages of the Group’s cross-region, cross-business and cross-customer diversified development and synergies and through our active efforts in creating new growth momentum, all of our business endeavours advanced in line, in accordance with our targets. As a result, operating results reached a historic high with profit attributable to equity holders exceeded HK\$1 billion. As the Group attached great importance to shareholders’ returns, we have maintained a stable dividend payout growth since listing for 12 consecutive years.”

The Group has maintained a healthy financial position and a strong cash flow. As at 31 December 2019, the Group recorded cash and bank deposits of approximately HK\$1,312.8 million, which is sufficient to meet its financial obligations and contractual capital commitments in the coming 12 months.

## **Business Highlights**

**Firmly established a leading position in the Macau mobile market while preparing well for the rollout of 5G network in Macau.** As at the end of 2019, the Group held 41.0% market share in the Macau mobile market, and 41.9% in the Macau 4G market, and continued to maintain its market leading position. **Companhia de Telecomunicações de Macau, S.A.R.L.** (“CTM”) became the first operator in Macau to engage in 5G network trials with 5G network expected to be deployed in 2020. The Group has been actively exploring joint efforts with a number of research institutions in the development of a range of innovative projects, including cooperation with universities in Macau in the scientific research of 5G applications.

**Continued growth in Internet services was mainly driven by the increase in the number of broadband users.** Revenue from Internet services increased by 5.5% to HK\$1,065.6 million as compared to 2018, mainly due to the increase in broadband users. In the meantime, the Group commenced the construction of the Phase IIIB project of the CITIC Telecom Tower Data Centre in March 2019, with plans for completion and commissioning in the first half of 2021. The ongoing expansion of the Group’s data centre business is set to drive the growth of its other telecommunications services (such as MPLS private networks services, Cloud Computing and disaster recovery, among others).

**Sustaining rapid growth in A2P SMS business by proactively seizing opportunities presented by the demand of international telecommunications services.** Revenue from international telecommunications services increased by 7.2% when compared with 2018 to HK\$1,774.6 million. As demand for SMS-based services increases (e.g., authentication services, transaction confirmation etc.) with more enterprises using A2P SMS as a key customer relationship management (CRM) tool, the Group proactively seized new business opportunities brought about by the increasing demand in these services, resulting in a surge in its SMS revenue of 74.3% to HK\$674.1 million when compared to the previous year. The Group’s self-developed “DataMall 自由行” was also upgraded to offer 4G services and the eSIM services was fully deployed during the year.

**Expanded its geographical presence in Enterprise solutions business and enhanced coverage and service capability of Cloud+Internet services.** Enterprise solutions revenue increased by 4.6% to HK\$3,088.1 million when compared with the previous year. As the Group continued to achieve new progress in the development of the smart city in Macau, it maintained growth in revenue. To further expand the coverage of its global networks, the Group’s MPLS private network solutions, TrueCONNECT™, established 9 new Points-of-Presence ( “PoPs” ) in 2019 and with over 140 PoPs worldwide. The Group currently operates 18 Cloud Services Centers located across Greater China, Singapore, Japan, North America, Europe and South Africa. Multi-Cloud Connect services connected to Multi-Cloud platforms with up to 10Gbps allowing customers to continuous collaboration with more partners for extending Cloud connectivity services as well as multi-cloud management services.

### **Development Strategies**

Enterprises will face new pressure in 2020, in particular with the recent novel coronavirus outbreak, creating a challenging operating environment. The Group will continue to uphold the core corporate value of “Wisdom and integrity for fostering prosperity” in conducting its business, to fight against the epidemic together with other sectors in society, with the goal to minimise impact caused by the epidemic and strive to maintain stable business operation.

Although the external environment presents new challenges, it also brings forth development opportunities to the Group. Developments in Cloud Computing, Big Data, AI, AR/VR and other technologies will continue, while the evolving trends of Internet-based corporate operation and the smart city are also irreversible. Such trends also present historic opportunities for development to the business sectors such as data centre, Internet-based communications products, enterprise services and the smart city, among others. In tandem with the national strategic initiatives of the “Belt and Road” and “Guangdong-Hong Kong-Macao Greater Bay Area”, the Group will step up its expansion to the international market, through Hong Kong and Macau as bases and bridges with its solid foundation in the Mainland China market. The Group has already begun execution of its plan to explore the Southeast Asia market and will strive to form a new business segment in three-to-five years.

The Group intends to complete its **5G network** in Macau and commence commercial applications in 2020, in order to drive the development of 5G as a mainstay network for information flow in society and a new cornerstone for Digital Macau, and thus foster core competitiveness for the Group’s 5G business. The Group’s Zhuhai Software Development Centre will continue to play its role in the development of more software and applications for the smart city business in order to cultivate new niches for business growth. CTM will leverage 5G construction to further expand its advantage as a major operator of smart city applications that will create greater contributions to Macau.

**Data centre** is also one of the main directions of the Group’s strategic development in the future. The Group will continue to execute the construction plan of the Phase IIIB project at the CITIC Telecom Tower Data Centre with a goal to strengthen its data centre business. At the same time, more emphasis will be placed on the development strategies and operational strategies of the data centre by including disaster recovery backup, security management, bandwidth sales, Cloud, systems management and business support in its development efforts. By further developing data centre’s product and services and adding new sales channels, market competitiveness of data centre’s products and services will be enhanced.

In addition, the Group will focus on technological innovation and product R&D and integrate advanced technologies such as 5G, Big Data, AI, Cloud Computing, AR and smart networking into its products and operation. The Group aims to enhance its overall competitiveness through bolstering its technological strength.

**Mr. Cai Dawei, Chief Executive Officer of CITIC Telecom**, said, “The year 2020 will be a year full of challenges as well as new opportunities and room for growth. By closely adhering to the strategic goal of ‘building an Internet-based integrated telecommunications enterprise’, the Group will further penetrate Hong Kong, Macau and international markets as it persists in strengthening its foundation in the Mainland China market. We will also broaden our efforts through introducing new thinking, developing new products and businesses, expanding into new markets and securing new customers. With an outstanding team at the helm, we are also poised to facilitate the Group’s healthy growth and create new business prospects fortified with great determination to overcome challenges”.

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**About CITIC Telecom International Holdings Limited (stock code: 1883)**

CITIC Telecom International Holdings Limited was established in 1997 in Hong Kong, and it was listed on The Stock Exchange of Hong Kong Limited on 3 April 2007. As one of the largest international telecommunications hubs in Asia Pacific, the Group provides full-scale international telecommunications services to carrier clients around the globe, and integrated enterprise services in Southeast Asia through its wholly-owned subsidiary Acclivis Technologies and Solutions Pte. Ltd. CITIC Telecom International CPC Limited (“CPC”), the Group’s other wholly-owned subsidiary, provides end-to-end information and communications technology solutions to international corporate clients and business clients. CPC is one of the most trusted partners of these clients in the Asia-Pacific region and provides a full range of ICT services to major enterprises and multinational corporate clients in Mainland China through its subsidiary China Enterprise ICT Solutions Limited (“China Entercom”). The Group holds 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. (“CTM”). CTM is one of the leading integrated telecommunications services providers in Macau, and is the only full telecommunications services and ICT services provider in Macau. With a leading position in the market, CTM plays an important role in the ongoing development of Macau. As at the end of December 2019, the Group has branches in 21 countries and regions around the world, employs over 2,500 professionals, and covers network nodes in more than 130 countries and regions connecting over 600 carriers and serving more than 3,000 multinational corporations and 40,000 local companies around the globe. CITIC Group Corporation, a large multinational conglomerate headquartered in China, is the ultimate holding company of CITIC Telecom.

For more information, please visit: [www.citictel.com](http://www.citictel.com)

Media enquiries:

**Strategic Financial Relations Limited**

Veron Ng                      Tel: +852 2864 4831

Keris Leung                 Tel: +852 2864 4863

Phoebe Leung              Tel: +852 2114 4172

Email: [veron.ng@sprg.com.hk](mailto:veron.ng@sprg.com.hk)

Email: [keris.leung@sprg.com.hk](mailto:keris.leung@sprg.com.hk)

Email: [phoebe.leung@sprg.com.hk](mailto:phoebe.leung@sprg.com.hk)