

CITIC Telecom Announces 2020 Annual Results

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**Reports stability and progress in overall performance with
continuous growth in profit**

Profit attributable to equity shareholders reaches HK\$1,023 million

Total dividends per share rises by 5.0% yoy to HK21.0 cents

(4 March 2021, 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, reported profit attributable to equity shareholders of HK\$1,023 million for the year ended 31 December 2020, representing a year-on-year increase of 2.1%, or a 4.4% increase if the effect of investment property valuation is excluded.

The Group generated revenue from telecommunications services of HK\$7,978 million, representing an approximate 7.9% growth over the corresponding period in the previous year. The Group’s total revenue amounted to HK\$8,923 million. Basic earnings per share was up 1.5% year-on-year to HK27.9 cents.

The Board has recommended a final dividend of HK16.0 cents per share for 2020. Together with the 2020 interim dividend of HK5.0 cents per share, total dividends per share for 2020 amounted to HK21.0 cents, representing 5.0% growth over the corresponding period in the previous year.

Mr. XIN Yue Jiang, Chairman of CITIC Telecom, said, “The year 2020 has been undoubtedly marked by great challenges, during which the sudden outbreak of COVID-19 devastated economies across the globe, and its unprecedented impact has brought grave difficulties to business operations. Amidst the difficult situation and under the management’s leadership, our staff advanced qualitative corporate development in the persistent implementation of the new philosophy for development, while addressing the risks and challenges in a composed and robust manner. The Group was engaged in efforts to continuously improve its service quality and drive up scientific research and new product development, while protecting the health of all of its employees and maintaining the stable operation of our telecommunications network platform, as well as ensuring the uninterrupted provision of our services. The Group reported stability and progress in its overall operations with continuous growth in profit.”

The Group has maintained a healthy financial position and a strong cash flow. As at 31 December 2020, the Group recorded cash and bank deposits of approximately HK\$1,519 million, which was sufficient to meet its financial obligations and contractual capital commitments in the coming 12 months.

Business Highlights

Enterprise solutions enhanced its market development with better SD-WAN coverage. The Group's enterprise solutions in Mainland China, Hong Kong, Macau and Southeast Asia has achieved sound development. Revenue from enterprise solutions rose by 4.5% year-on-year to HK\$3,227 million. The Group continued to deploy PoPs around the world to expand the coverage of the network. The private networks services have expanded to around 150 PoPs in over 130 countries. The Group also continued to keep up with the market and technology development trends, enhanced the level of network intelligence, and expanded the service area with better SD-WAN (software-defined wide-area network) coverage. During the year, the Group's global SD-WAN gateways have increased to 45.

Rising broadband users boosted revenue from internet business. The Group greatly developed the fibre broadband service in Macau, the number of broadband users grew by approximately 1.7% from the corresponding period in the previous year to over 196,200 users, resulting in an increase in revenue from fibre broadband services. Revenue from internet services amounted to HK\$1,123 million for the year, representing a year-on-year increase of 5.4%. In addition, the construction of CITIC Telecom Tower Data Centre Phase III (B) progressed smoothly in 2020 and completion and commissioning are scheduled in June 2021.

Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM") completed construction of 5G networks in Macau that will contribute to Macau's smart city development. The Group maintained its leading position in Macau with approximately 44.4% market share of Macau's mobile market and around 45.8% market share in the 4G subscribers of Macau's mobile market as at 31 December 2020. However, revenue from mobile services has fallen by 23.0% to HK\$957 million compared to the previous year mainly as a result of various lockdown measures ordered by many governments in different countries around the world during the year and this has adversely impacted the Group's revenue from roaming-related services. During the year, the Group overcame difficulties brought about by the pandemic with the use of united efforts and it advanced the construction of the 5G network which was in full swing. Preparation work for the deployment of the 5G SA network was completed at the end of 2020. The Group is working towards providing full coverage of Macau with the 5G SA network by June 2021 and will strive for the commercial launch as soon as possible.

Embark on business innovation, seize market opportunities, International telecommunications services grew rapidly. Revenue from international telecommunications services increased by 39.8% year-on-year to HK\$2,481 million. The Group continued to seize new business market opportunities that came about from the increasing demand in corporate messaging based engagement with customers, revenue from messaging services increased by 86.6% to HK\$1,258 million from last year. The Group closely followed market changes, consolidated the scale of its international voice services, and recorded revenue growth in voice services.

Development Strategies

Looking ahead in 2021, the world's economy will continue to be subjected to the adverse impacts of the epidemic and other developments. Prospects for economic recovery are less than certain, and this will exert certain pressure on the Group's business development. However, the development and application from a global perspective of information technologies relating to the internet, Internet of Things, 5G, Artificial Intelligence, Cloud Computing, Big Data and others, will continue dominating the scene and offering abundant business opportunities. Pivoting to the latest trends, the Group will enhance technological innovations and new product R&D to advance business development.

The Group will continue to pivot towards the mobile services business and the internet business as the main direction of its development as it seeks further growth in the scale and revenue contribution of the mobile services business, further increase its market share of enterprise services, as well as further consolidate the leading position of its products. Robust measures will be adopted in a bid to sustain the stable development of its current businesses, while its international services will undergo strategic transformation into mobile and internet-based operations to cement its position in the mobile market and further enhance our development standards as an integrated internet-based telecommunications enterprise.

CTM will facilitate its 5G network construction and business development as it anticipates for 5G commercial launch in 2021. The Group will continue to actively participate in Macau's development as a smart city, as it strives to become a prime operator in a smart city and to ensure the provision of superior experience in integrated information services to customers.

The Group will continue to organise construction work with meticulous care as it proceeds to complete CITIC Telecom Tower Data Centre Phase III (B) in a move to bolster the Group's data centre business. It will also plan for the development of other floors in the building as it closely tracks market demands.

In the meantime, the Group will seize the major opportunity for development presented by China's new macro-economic landscape of enhanced internal circulation and dual domestic and international circulation, with a special focus on driving cooperation with advanced technology partners and carrier partners to provide information and communication technology (ICT) services to foreign companies looking to establish their presence in China, especially members of the Global 500, offering assistance in their digital transformation.

The Group will execute plans for the development of the Southeast Asian Company, which include stronger efforts in brand building and the expansion of service categories and business scope, as it strives to develop itself into a one-stop ICT service provider in Southeast Asia to generate a new driving force for the Group's business growth. With the official signing of the Regional Comprehensive Economic Partnership (RCEP) of Southeast Asia, the region is expected to attract further investments from multinational corporations and global pioneers in technology, presenting new opportunities and driving force for our business growth.

Mr. CAI Dawei, Chief Executive Officer of CITIC Telecom, said, "In 2021, the Group will continue driving scientific and technological innovation, and promote the internet-oriented, intelligent and digital transformation of enterprises, persist in its development strategy of expansion and coverage of the international market from its foundation in the Mainland China market, taking Hong Kong and Macau as the base and connection, grasp 5G business development opportunities, greatly expand the integrated information services, resolutely implement new development philosophy and strive for further achievements on the way forward."

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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 2020, the Group has branches in 21 countries and regions around the world, employs over 2,500 professionals, and covers network nodes in 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 the People's Republic of China, is the ultimate holding company of CITIC Telecom. For more information, please visit: www.citictel.com

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