

[For Immediate Release]

CITIC Telecom Announces 2021 Interim Results

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Reports positive growth in overall operations and ongoing enhancement in business results

Profit attributable to equity shareholders up 4.3% period-on-period to HK\$534 million

Interim dividend HK5.5 cents per share up 10.0% period-on-period

(19 August 2021, Hong Kong) - **CITIC Telecom International Holdings Limited** (“CITIC Telecom” or the “Group”; stock code: 1883), Asia-leading multinational internet-oriented telecommunications enterprise providing comprehensive services, reported profit attributable to equity shareholders of HK\$534 million for the six months ended 30 June 2021, representing a period-on-period increase of 4.3%, or 2.1%, excluding the effect of investment property revaluation.

The Group reported HK\$3,993 million in revenue from its principal telecommunications services business, similar to the corresponding period of last year. The Group’s total revenue amounted to HK\$4,795 million, an increase of 9.4% period-on-period. Basic earnings per share was up by 3.6% period-on-period to HK14.5 cents.

The Board declared an interim dividend of HK5.5 cents per share for 2021, up by 10.0% period-on-period.

Mr. XIN Yue Jiang, Chairman of CITIC Telecom, said, “During the first half of 2021, the prospects for economic recovery were less than certain as the COVID-19 pandemic persisted. Thanks to the vigorous and diligent effort of all our staff against pressure and difficulties with a strengthened emphasis on team building, market development and technological innovation, our capability in corporate operation and management has been further enhanced and we have provided a high-quality stable network operation. The Group continued to implement rigorous epidemic prevention and control measures without easing to safeguard staff health, while reporting positive growth in overall operations and ongoing enhancement in business results.”

The Group maintained a healthy financial position and adequate cash flow. As at 30 June 2021, the Group had cash and bank deposits of approximately HK\$1,524 million, sufficient to cover its financial obligations and contractual capital commitments in the next 12 months.

Business Highlights

CTM became the first carrier to provide complete 5G network connection in Macau, ready to seize development opportunity in the imminent 5G market. As at the end of June 2021, the Group had 45.4% share of the mobile market and 47.0% share of the 4G market in Macau, maintaining leadership in the market. During the period, the Group's subsidiary Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM") overcame various difficulties and completed its Phase II 5G network construction in June in accordance with the original plan, seizing development opportunity in the imminent 5G market. CTM successfully completed the deployment of non-standalone networks (NSA), standalone networks (SA) and network slicing to provide full outdoor coverage and 93% indoor coverage, as it became the first carrier to provide complete 5G network connection in Macau. Meanwhile, CTM entered into 5G roaming agreements with more than 40 telecommunications carriers in different countries and regions. Revenue from mobile services amounted to HK\$427 million, down by 13.4% period-on-period, mainly due to the reduction in roaming-related services caused by the pandemic.

Revenue increased driven by new requirements for internet services in the society and actively promoting fibre broadband. Revenue of internet services amounted to HK\$604 million, up by 9.4% period-on-period. The Group procured ongoing growth for the segment by winning over customers on the back of premium services designed in close tandem with the new requirements for internet services in the society. As at the end of June, CTM has an approximate 97.1% share of Macau's internet service market, sustaining a dominant position in the industry. The fibreisation rate of residential broadband users reached 95.9%. Phase III (B) of the Group's CITIC Telecom Tower Data Centre was completed successfully in late June and has been put into the market with good response.

Growth momentum sustained in messaging services revenue and growth continued on international telecommunications services. During the period, revenue from international telecommunications services business was HK\$1,287 million, an increase of 10.5% period-on-period. The Group continued to enhance its platform capability and diversify into new business sectors offering swift, efficient and reliable services to support telecommunications carriers' global business expansion. In March 2021, the Group successfully assisted the launch of new roaming service products by a Chinese carrier. In May, the Group provided customised Internet of Things ("IoT") platform to a renowned automobile manufacturer and the service went into operation successfully and commenced commercial operation smoothly.

Expanded network coverage and enhanced enterprise customers' service capabilities. CITIC Telecom International CPC Limited ("CPC"), the Group's subsidiary, continued to expand its global network coverage, bringing the total number of PoPs in its global network to over 160 and the total number of global SD-WAN gateways to 57. Enterprise solutions revenue was HK\$1,583 million, down by 7.9% against the last corresponding period. The decrease was mainly due to the volatile pandemic situation in Southeast Asia and other regions, which delayed the progress of a number of governments, resorts and other enterprises' projects in those countries/regions. However, the Group continued to report growth in enterprise solutions services in Mainland China.

The Group continued to enhance greatly its business development in Southeast Asia. During the first half of 2021, Acclivis Technologies and Solutions Pte. Ltd. ("Acclivis"), the Group's subsidiary, set up a subsidiary in the Philippines to explore new markets, while diversifying into the new business of corporate mobile services in Malaysia. Riding on its technical capabilities, Acclivis won the IT system service project of Singapore's Ministry of Social and Family Development to further strengthen cooperation with the government agencies of Singapore. It has also 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, enhancing management capability and optimising visitors' experience.

Development Strategies

Looking ahead, CTM is in hope of obtaining a 5G licence this year, the Group will actively cooperate with the Macau SAR Government on matters in relation to the issuance of 5G licence and arrangements for concession assets. It will also render strong support for CTM's effort in building the "Digital Macau", collaborating with various sectors in Macau to develop smart applications and build a smart ecosystem in a joint effort to construct the city's "digital pedestal", with a view to supporting Macau's ongoing development of digital economy with highly reliable quality in network services.

As for internet business, the Group will continue to enrich the functions of its product platform and procure the development of the platform and building of an ecosystem. Phase III (B) of the Group's CITIC Telecom Tower Data Centre will be actively marketed, the Group will strengthen cooperation with carriers in a bid to seek expansion in the global market.

Furthermore, on the back of sound customer relationships and a foundation in the market, CPC will continue to enhance the development of its global corporate service business, improve servicing capabilities and keep innovating cooperation models to increase the scale and value of its corporate service business. It will also step up its development from ICT (Information and Communications Technology) to DICT (Data, Information and Communications Technology).

Adhering to its "R-R-L" (recurring, regional, large-scale) strategy, the Group will continue to drive the development of its ICT business in Southeast Asia and expand the "Acclivis" and "Pacific Internet" brands to more Southeast Asian countries. It will capitalise on regional economic development opportunities arising from the RCEP (Regional Comprehensive Economic Partnership) in order to increase the business scale in the region.

At the same time, the Group will continue to enhance technological innovation to foster new core competitiveness with innovative networks, products, services and ecosystem and expedite progress of "Internet-based", "Cloud-based" and "Intelligence-based" development to support high-level development and digital transformation of enterprises, with a view to assuming an advantageous position in market competition during the new development stage.

Mr. CAI Dawei, Chief Executive Officer of CITIC Telecom, said, "The Group will continue to devote our best effort to drive sci-tech innovation, with innovative networks, services, products and ecosystem to support enterprises in pursuing digital, intelligent and global transformation. The Group will insist on rooting in Mainland China, taking Hong Kong and Macau as the base and connection, expanding in depth into the Southeast Asian markets, practicing the 'tripartite' synergy system and grasp 5G development opportunities, thereby realise our full year goals."

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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 June 2021, the Group, in 22 countries and regions around the world, employs close to 2,500 professionals, and with network covering over 150 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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