中信國際電訊集團有限公司
CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 01883)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

CHAIRMAN'S STATEMENT

I am pleased to present the operating and financial results of CITIC Telecom International Holdings Limited (the "Group") for the first half of 2021.

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 and stable network platform operation has been further enhanced. 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.

I. FINANCIAL RESULTS

Profit attributable to equity shareholders of the Company for the first half of 2021 was HK$534 million, increasing by 4.3% as compared to the corresponding period of the previous year. Excluding the effect of investment property revaluation, there would have been an increase of 2.1% when compared to the corresponding period of the previous year.

The Group's revenue from its principal business of telecommunications services amounted to HK$3,993 million, little changed as compared to the corresponding period of the previous year. Total revenue amounted to HK$4,795 million, increasing by 9.4% when compared to the corresponding period of the previous year.

Basic earnings per share for the first half of the year amounted to HK14.5 cents, an increase of 3.6% as compared to the corresponding period of the previous year.

The Board declared an interim dividend of HK5.5 cents per share for 2021, an increase of 10.0% as compared to dividend for the corresponding period of the previous year.

II. BUSINESS DEVELOPMENT

The Group has formulated its development goals for the next five years in tandem with the nation's "14th Five-Year-Plan" blueprint and proposed new development initiatives. The Group actively positioned itself in major national development plans such as "Belt and Road" and Guangdong-Hong Kong-Macao Greater Bay Area with the implementation of a new development philosophy, as it strived to expand its business scope and geographical presence with innovation, synergy and accelerated development to deliver new value to shareholders and make new contributions to the society.

During the first half of the year, in connection with the mobile sales & services business, Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM"), the Group's subsidiary, 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, 5G roaming agreements were entered into with more than 40 telecommunications carriers in different countries and regions. As at the end of June, CTM had 45.4% share of the mobile market and 47.0% share of the 4G market in Macau, representing increases of 1.0 and 1.2 percentage points, respectively, as compared to the end of 2020, as it continued to uphold its leading position in the industry.

CTM continued to enhance cooperation with various sectors in Macau to introduce a diverse range of smart applications to the city, in a bid to accelerate smart city development and advance the building of "Smart Macau" as it endeavoured to develop into a smart city operator. During the year, CTM launched electronic payment services enabling customers to conduct online and offline electronic consumption transactions via CTM Buddy mobile applications, as well as "ePOS System", a new-generation smart retail dining system, in an effort to expand novel businesses and create new niches for growth in results.

In connection with its internet services business, 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 recorded an approximate 0.2% increase when compared with the end of 2020 in the number of broadband users and accounted for an approximate 97.1% share of Macau's internet service market, sustaining a dominant position in the industry. The fibrelisation rate of residential broadband users rose further to 95.9%, an increase of 1.2 percentage points compared to the end of 2020. Phase III (B) of the Group's CITIC Telecom Tower Data Centre is currently under trial operation following completion in late June. Marketing of the new data centre commenced ahead of schedule and was positively received by the market.

For its enterprise solutions services business, the Group's subsidiary, CITIC Telecom International CPC Limited ("CPC") strives to become a leading global intelligent DICT solution provider, it enhanced the development and promotion of new products in Cloud Computing, network and information security and endeavoured to assist in the digital transformation of corporate clients. During the period, CPC launched the TrueCONNECT™ SASE safe access service edge solution in a further enhancement of the advantage and value of the TrueCONNECT™ Hybrid SD-WAN solution. With the aid of this solution, corporate clients will be able to flexibly and efficiently direct and control their network traffic flow, thereby achieving a higher level of security protection. In the meantime, the ongoing development of the SD-WAN business has also driven the growth of our internet service business. Moreover, CPC continued to expand its global network coverage, as it established new PoPs in Xuzhou, Jiangsu Province and Lanzhou, Gansu Province during the first half of 2021 to bring the total number of PoPs in its global network to over 160. Meanwhile, new SD-WAN gateways were established in Ji'nan, Tianjin, Nanning, Fuzhou, Haikou, Hohhot, Shijiazhuang, Shenzhen and Manila, Philippines, bringing the total number of global SD-WAN gateways to 57.

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. In Singapore, 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 and enhancing management capacity and optimising visitors' experience.

Our international telecommunications services business sustained rapid year-on-year growth in revenue. The Group continued to enhance its platform capability and diversify into new business sectors on the back of its swift, efficient and reliable services to support telecommunications carriers' global business expansion. In March, 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") (Internet of Vehicles) platform to a renowned automobile manufacturer and the service went into operation successfully and commercial application has been commenced.

During the period, the Group made a major effort in driving technology innovation to facilitate corporate development. Through the construction of the ICT-MiiND strategy, CPC introduced service process optimisation and enhanced safety and productivity on the back of its network, information security and Cloud Computing products and extensive experience in service in combination with cutting-edge technologies such as Big Data, AI, Augmented Reality ("AR"), IoT and Blockchain, helping customers to build IT service management platforms with more intelligent features in the course of digital transformation and add value to their products and services.

III. OUTLOOK

In mid-June, a delegation from CITIC Group Corporation ("CITIC Group"), the controlling shareholder of the Group, led by its President Mr. Xi Guohua visited Macau and had a meeting with Chief Executive Ho Iat Seng. The two parties were engaged in positive communication and discussions regarding support for CTM's continuous sound development and involvement in the construction of “Digital Macau”. The Group supports CTM’s bid to consolidate its dominant industry position in Macau with this opportunity and actively and conscientiously continue to complement the Macau SAR Government in connection with the working arrangements relating to the issuance of 5G license and the concession assets.

The Group will continue to 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.

The Group will continue to enrich the functions of its product platform and procure the development of its platform and the building of an ecosystem. Phase III (B) of the Group’s CITIC Telecom Tower Data Centre will be actively marketed. Cooperation with carriers will also be strengthened in a bid to seek expansion in the global market.

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, and will improve its servicing capacity and consistently attempt at innovative models of cooperation in a bid to increase the scale and value of corporate service business, and will step up its development from ICT (Information and Communications Technology) to DICT (Data, Information and Communications Technology).

The Group will continue to drive the development of its ICT business in Southeast Asia with tremendous effort in accordance with the “R-R-L” strategy (namely, recurring, regional, large-scale) and expand the “Acclivis” and “Pacific Internet” brands to more Southeast Asian countries, in an effort to enhance the Group’s revenue and profit in the region capitalising on regional economic development opportunities arising from the RCEP (Regional Comprehensive Economic Partnership).

The Group will continue to enhance its technology innovation to foster new core competitiveness with innovative networks, products, services and ecosystem and expedite the progress of “Internet-based”, “Cloud-based” and “Intelligence-based” operations in support of our high-level development and digital transformation, with a view to assuming an advantageous position in market competition during the new development stage.

The Group will endeavour to build a solid “tripartite” synergy system to enhance internal synergy within the Group, broader synergy with fellow subsidiaries under CITIC Group, as well as synergy with external parties such as other corporations, research institutions and universities, with a view to enhancing co-development, promoting innovation and improving efficiency.

Whilst the COVID-19 pandemic is somewhat alleviated in certain parts of the world, we should not lend ourselves to undue optimism. The Group will continue to place a strong emphasis on epidemic prevention and control and uphold the priority of staff health and stability in telecommunications network operation; meanwhile, guided by our development planning, driven by technological innovation and on the back of our corporate culture of “Wisdom and Integrity for Fostering Prosperity” and team building, we will adhere to our new development ideas, identify specific new measures in operation, pursue vigorous development of new markets and consistently explore new businesses, while making solid efforts in operations and management with rigorous risk prevention measures to enhance quality and efficiency and procure sound and sustainable corporate development.

We reported continuous growth in corporate operating results during the first half of 2021. It has been achieved with the diligent and united effort of all our staff, and would not have been possible without the support of our shareholders, investors, business partners and all stakeholders concerned with the Group's development. To them, I extend my sincere gratitude and appreciation.

Xin Yue Jiang
Chairman
Hong Kong, 19 August 2021

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021

(Expressed in Hong Kong dollars)

	Note	*Six months ended 30 June* *2021* (Unaudited) $ million	*2020* (Unaudited) $ million
Revenue	2(a)	4,795	4,384
Valuation gain/(loss) on investment property		8	(3)
Other income	3	18	21
Cost of sales and services	4(a)	(2,803)	(2,440)
Depreciation and amortisation	4(b)	(454)	(453)
Staff costs	4(c)	(524)	(483)
Other operating expenses		(234)	(239)
		806	787
Finance costs	4(d)	(132)	(156)
Profit before taxation	4	674	631
Income tax	5	(128)	(112)
Profit for the period		546	519
Attributable to:			
Equity shareholders of the Company		534	512
Non-controlling interests		12	7
Profit for the period		546	519
Earnings per share (HK cents)	7		
Basic		14.5	14.0
Diluted		14.5	14.0

Details of dividends payable to equity shareholders of the Company are set out in note 6.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Profit for the period	546	519
Other comprehensive income for the period (after tax and reclassification adjustments)		
Item that is or may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments:		
– exchange differences on translation of financial statements of operations outside Hong Kong	(2)	(12)
Other comprehensive income for the period	(2)	(12)
Total comprehensive income for the period	544	507
Attributable to:		
Equity shareholders of the Company	532	500
Non-controlling interests	12	7
Total comprehensive income for the period	544	507

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

(Expressed in Hong Kong dollars)

	Note	*30 June 2021* (Unaudited) $ million	*31 December 2020* (Audited) $ million
Non-current assets			
Investment property		647	639
Property, plant and equipment		2,652	2,705
Right-of-use assets		661	706
Intangible assets		1,143	1,219
Goodwill		9,726	9,733
Interest in a joint venture		10	9
Non-current contract costs		20	-
Non-current finance lease receivables		7	-
Non-current contract assets		23	31
Non-current other receivables and deposits	8	186	181
Deferred tax assets		74	77
		15,149	15,300
Current assets			
Inventories		82	61
Contract costs		6	7
Finance lease receivables		4	-
Contract assets		279	343
Trade and other receivables and deposits	8	1,171	1,104
Current tax recoverable		5	3
Cash and bank deposits		1,524	1,519
		3,071	3,037
Current liabilities			
Trade and other payables	9	1,470	1,457
Contract liabilities		196	176
Bank and other borrowings		268	240
Lease liabilities		135	139
Current tax payable		328	209
		2,397	2,221
Net current assets		674	816
Total assets less current liabilities		15,823	16,116

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 (CONTINUED)

(Expressed in Hong Kong dollars)

	Note	*30 June 2021* (Unaudited) $ million	*31 December 2020* (Audited) $ million
Non-current liabilities			
Non-current contract liabilities		1	2
Non-current bank and other borrowings		5,399	5,628
Non-current lease liabilities		360	391
Non-current other payables	9	27	31
Net defined benefit retirement obligation		30	29
Deferred tax liabilities		215	226
		6,032	6,307
NET ASSETS		9,791	9,809
CAPITAL AND RESERVES			
Share capital		4,691	4,646
Reserves		5,039	5,105
Total equity attributable to equity shareholders of the Company		9,730	9,751
Non-controlling interests		61	58
TOTAL EQUITY		9,791	9,809

Notes

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Basis of preparation

The interim results set out in this announcement do not constitute the condensed interim financial report for the six months ended 30 June 2021 of CITIC Telecom International Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") but are extracted from those financial information.

The condensed interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 19 August 2021.

The condensed interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed interim financial report. The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

The condensed interim financial report is unaudited, but has been reviewed by the Audit Committee of the Company and the independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA, whose unmodified review report is included in the interim report to be sent to shareholders.

The financial information relating to the financial year ended 31 December 2020 that is included in this announcement of the interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2 Revenue and segment reporting

The Group is principally engaged in the provision of telecommunications services, including mobile services, internet services, international telecommunications services, enterprise solutions and fixed line services, and sales of mobile handsets and equipment.

Revenue represents fees from the provision of telecommunications services and sales of mobile handsets and equipment.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of the Group's revenue from external customers is as follows:

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Revenue from contracts with customers within the scope of HKFRS15		
Disaggregated by major products or service lines:		
Mobile services	427	493
Internet services	604	552
International telecommunications services	1,287	1,165
Enterprise solutions	1,583	1,718
Fixed line services	92	97
Fees from the provision of telecommunications services	3,993	4,025
Sales of mobile handsets and equipment	802	359
	4,795	4,384

2 Revenue and segment reporting (continued)

	Six months ended 30 June *2021* (Unaudited) $ million	*2020* (Unaudited) $ million
Disaggregated by geographical location of the Group's revenue from external customers:		
Hong Kong (place of domicile)	1,930	1,854
Mainland China	527	466
Macau	1,962	1,617
Singapore	223	288
Others	153	159
	2,865	2,530
	4,795	4,384

During the six months ended 30 June 2021 and 2020, revenue from the provision of telecommunications services is substantially recognised over time and sales of mobile handsets and equipment is recognised at a point-in-time.

2 Revenue and segment reporting (continued)

(b) Segment reporting

In a manner consistent with the way in which information is reported internally to the Group's senior executive management, which has been identified as being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has identified only one operating segment, i.e. telecommunications operations.

Reconciliation of reportable segment profit

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Reportable segment profit	1,286	1,261
Net foreign exchange gain	2	1
Depreciation and amortisation	(454)	(453)
Finance costs	(132)	(156)
Interest income	6	8
Rental income from investment property less direct outgoings	11	12
Valuation gain/(loss) on investment property	8	(3)
Unallocated head office and corporate expenses	(53)	(39)
Consolidated profit before taxation	674	631

(c) Seasonality of operation

The Group's telecommunications services are not significantly impacted by seasonal factors and there were historically no significant seasonal or cyclical trends in the operating results.

3 Other Income

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Interest income from bank deposits	2	5
Other interest income	4	3
	6	8
Gross rental income from investment property (note)	12	13
	18	21

Note: The rental income from investment property less direct outgoings of $1,000,000 (six months ended 30 June 2020: $1,000,000) for the six months ended 30 June 2021 is $11,000,000 (six months ended 30 June 2020: $12,000,000).

4 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million

(a) Cost of sales and services

Cost of provision of telecommunications services	2,012	2,088
Cost of sales of mobile handsets and equipment	791	352
	2,803	2,440

(b) Depreciation and amortisation

Depreciation charge		
- property, plant and equipment	284	286
- right-of-use assets	90	83
Amortisation	80	84
	454	453

4 Profit before taxation (continued)

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
(c) Staff costs (including directors' emoluments)		
Contributions to defined contribution retirement plans	37	27
Expenses recognised in respect of defined benefit retirement plan	4	5
Total retirement costs	41	32
Salaries, wages and other benefits	483	451
	524	483

Note: For the six months ended 30 June 2020, the government grants of $11,000,000 from the employment support schemes by respective local governments have been offset in "staff costs".

	2021	*2020*
(d) Finance costs		
Interest on bank and other borrowings	121	143
Interest on lease liabilities	8	9
Other finance charges	4	4
Other interest expense	-	1
	133	157
Less: interest expense capitalised into construction in progress	(1)	(1)
	132	156
(e) Other items		
Impairment losses for trade debtors and contract assets	2	11
Net foreign exchange gain	(2)	(1)

5 Income tax

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Current tax		
- Hong Kong Profits Tax	54	47
- Macau Complementary Tax	62	62
- Jurisdictions outside Hong Kong and Macau	19	15
	135	124
Deferred tax	(7)	(12)
	128	112

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 June 2020: 16.5%) to the six months ended 30 June 2021.

The provision for Macau Complementary Tax for the six months ended 30 June 2021 is calculated at 12% (six months ended 30 June 2020: 12%) of the estimated assessable profits for the period. Assessable profits of the first Macau Patacas ("MOP") 600,000 (equivalent to approximately $582,000) (six months ended 30 June 2020: MOP600,000 (equivalent to approximately $582,000)) are exempted from Macau Complementary Tax.

Taxation for jurisdictions outside Hong Kong and Macau is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant cities or countries.

6 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 June	
	2021	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Interim dividend declared/declared and paid after the interim period of HK5.5 cents (six months ended 30 June 2020: HK5.0 cents) per share	202	183

The interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK16.0 cents (six months ended 30 June 2020: HK15.0 cents) per share	589	550

For the final dividend in respect of the year ended 31 December 2020, there was a difference of $3,000,000 between the final dividend disclosed in 2020 annual report and the amount paid during the six months ended 30 June 2021, which represented dividends attributable to shares issued upon exercise of share options before the closing date of the register of members.

7 Earnings per share

	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	$ million	$ million
Profit attributable to equity shareholders of the Company	534	512

The weighted average number of ordinary shares in issue during the period, is calculated as follows:

	Number of shares	
	Six months ended 30 June	
	2021	*2020*
	(Unaudited)	(Unaudited)
	million	million
Issued ordinary shares as at 1 January	3,665	3,659
Effect of share options exercised	6	2
Weighted average number of ordinary shares (basic) as at 30 June	3,671	3,661
Effect of deemed issue of shares under the Company's share option plan	2	5
Weighted average number of ordinary shares (diluted) as at 30 June	3,673	3,666
Basic earnings per share (HK cents)	14.5	14.0
Diluted earnings per share (HK cents)	14.5	14.0

8 Trade and other receivables and deposits

	30 June 2021 (Unaudited) $ million	*31 December 2020* (Audited) $ million
Trade debtors	893	849
Less: loss allowance	(33)	(37)
	860	812
Other receivables and deposits	497	473
	1,357	1,285
Represented by:		
Non-current portion	186	181
Current portion	1,171	1,104
	1,357	1,285

At the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables and deposits) based on the invoice date and net of loss allowance is as follows:

	30 June 2021 (Unaudited) $ million	*31 December 2020* (Audited) $ million
Within 1 year	852	791
Over 1 year	8	21
	860	812

Credit evaluations are performed on all customers requiring credit over a certain amount. Trade debtors are due within 7 to 180 days from the date of billing. Impairment losses on trade debtors are measured based on the expected credit loss model.

9 Trade and other payables

	30 June 2021 (Unaudited) $ million	*31 December 2020* (Audited) $ million
Trade creditors	859	817
Other payables and accruals	638	671
	1,497	1,488
Represented by:		
Non-current portion	27	31
Current portion	1,470	1,457
	1,497	1,488

At the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables) based on the invoice date is as follows:

	30 June 2021 (Unaudited) $ million	*31 December 2020* (Audited) $ million
Within 1 year	648	609
Over 1 year	211	208
	859	817

FINANCIAL REVIEW

OVERVIEW

The global economy continued to be challenging as the COVID-19 pandemic persisted throughout the first half of 2021. However, with the Group's perseverance and robust measures in overcoming these challenges, the Group achieved solid financial results for the six months ended 30 June 2021.

Profit for the period increased by 5.2% to HK$546 million when compared to the first half of 2020, profit attributable to equity shareholders of the Company increased by 4.3% period-on-period to HK$534 million, and basic earnings per share was up 3.6% period-on-period to HK14.5 cents.

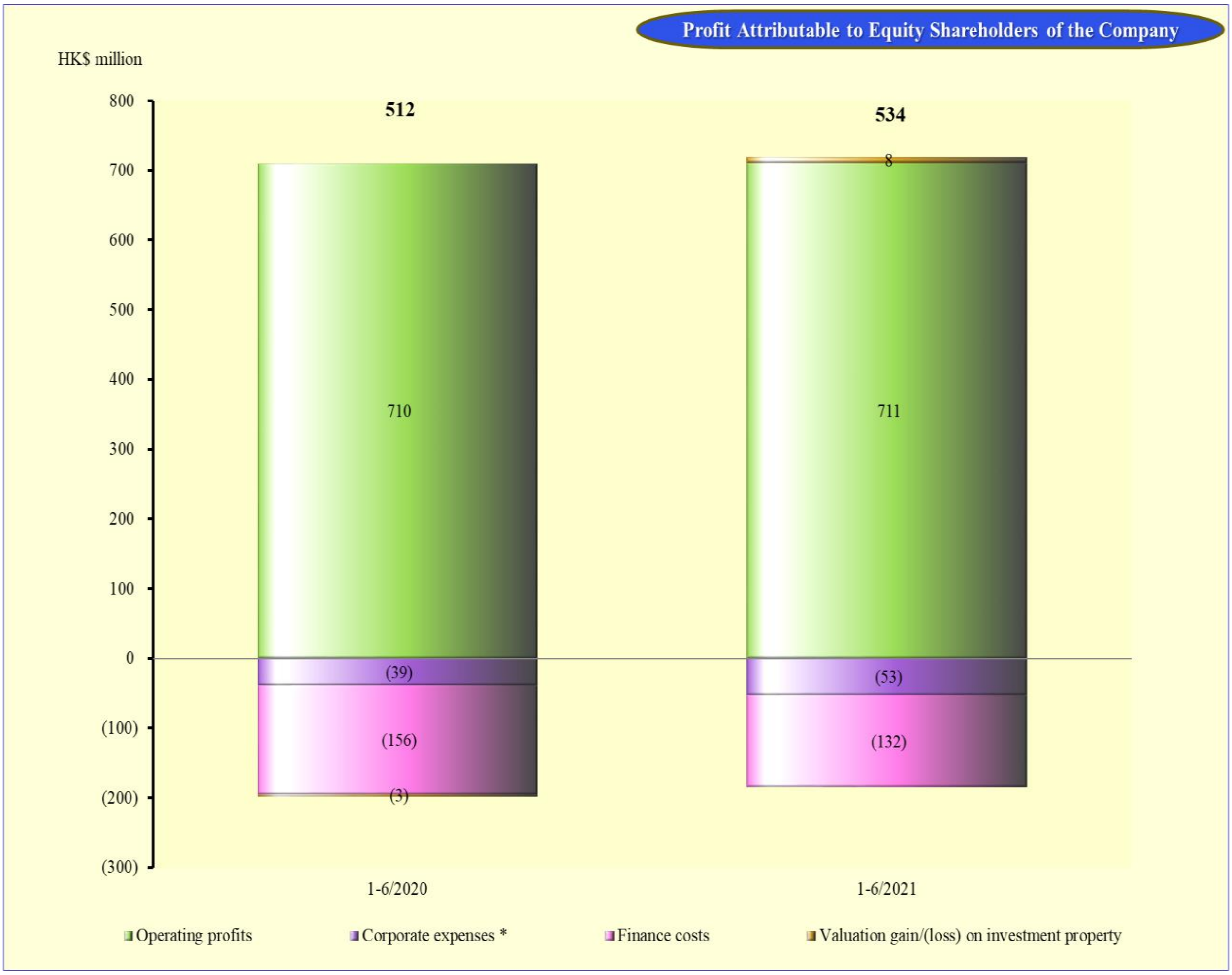
The Group’s total revenue was up by 9.4% to HK$4,795 million for the six months ended 30 June 2021. Revenue from telecommunications services for the six months ended 30 June 2021 amounted to HK$3,993 million which was comparable with the first half of 2020.

Summary of Financial Results

	Half year ended 30 June		**Increase/(Decrease)**	
In HK$ million	**2021**	2020		
Revenue from telecommunications services	**3,993**	4,025	(32)	(0.8%)
Sales of mobile handsets and equipment	**802**	359	443	>100%
Revenue	**4,795**	4,384	411	9.4%
Valuation gain/(loss) on investment property	**8**	(3)	N/A	N/A
Other income	**18**	21	(3)	(14.3%)
Cost of sales and services	**(2,803)**	(2,440)	363	14.9%
Depreciation and amortisation	**(454)**	(453)	1	0.2%
Staff costs	**(524)**	(483)	41	8.5%
Other operating expenses	**(234)**	(239)	(5)	(2.1%)
Profit from consolidated activities	**806**	787	19	2.4%
Finance costs	**(132)**	(156)	(24)	(15.4%)
Income tax	**(128)**	(112)	16	14.3%
Profit for the period	**546**	519	27	5.2%
Less: Non-controlling interests	**(12)**	(7)	5	71.4%
Profit attributable to equity shareholders of the Company	**534**	512	22	4.3%
EBITDA *	**1,254**	1,232	22	1.8%
Basic earnings per share (HK cents)	**14.5**	14.0	0.5	3.6%
Dividend per share (HK cents)	**5.5**	5.0	0.5	10.0%

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

Profit attributable to equity shareholders of the Company



* *Corporate expenses included staff costs for corporate functions, listing fee, unallocated staff bonus and others.*

Profit attributable to equity shareholders of the Company for the six months ended 30 June 2021 increased by 4.3% or HK$22 million to HK$534 million when compared with the corresponding period of 2020. Excluding the valuation gain on investment property of HK$8 million (six months ended 30 June 2020: valuation loss of HK$3 million), profit attributable to equity shareholders of the Company for the first six months of 2021 would amount to HK$526 million (six months ended 30 June 2020: HK$515 million), representing a period-on-period increase of 2.1% as the Group proactively sorts measures to control its operating costs and seizes new business opportunities under the current volatile business environment.

Revenue by Services

The Group provides services for carriers, corporate clients and individual customers under five major business categories: mobile sales & services, internet services, international telecommunications services, enterprise solutions and fixed line services.

The Group's revenue from telecommunications services for the six months ended 30 June 2021 amounted to HK$3,993 million, which represented a slight decrease of 0.8% or HK$32 million when compared to the corresponding period of 2020. The decrease was mainly attributed to the fall of enterprise solutions revenue of HK$135 million, decrease in mobile services revenue of HK$66 million and drop in fixed line services revenue of HK$5 million, partly offset by the growth in international telecommunications services revenue of HK$122 million and growth in internet services revenue of HK$52 million.

The Group's total revenue, including revenue from telecommunications services and sales of mobile handsets and equipment, amounted to HK$4,795 million, up by 9.4%.

Mobile sales & services

Mobile sales & services revenue includes the revenue from sales of mobile handsets and equipment and mobile services. Sales of mobile handsets and equipment mainly consists of the sales of mobile handsets in Macau. Mobile services revenue mainly included the revenue from mobile local and roaming services and other mobile value-added services.

Revenue from mobile services dropped by 13.4% to HK$427 million when compared with the corresponding period of 2020 as a result of the continuation of various lockdown measures and travel restrictions ordered by many governments around the world in their respective countries for much of the first half of 2021.

The overall number of subscribers as at 30 June 2021 was over 564,000, showing a decrease of around 29.6% resulting from the decrease in prepaid customers of around 58.1% to approximately 182,000 (30 June 2020: approximately 434,000) subscribers, mainly driven by the cancellation of inactive prepaid cards in 2020 after the enactment of Macau's Cybersecurity Law which requires the real-name registration for all telecommunications and internet users. The decrease was partially offset by the increase in postpaid subscribers of around 4.1% to over 382,000 (30 June 2020: approximately 367,000) subscribers. Around 100% (30 June 2020: around 100%) of total mobile subscribers were 4G subscribers.

The Group sustained its leading position in Macau with approximately 45.4% (30 June 2020: 44.6%) market share of the mobile market and around 47.0% (30 June 2020: 46.1%) market share in the 4G subscribers of Macau mobile market as at 30 June 2021.

Internet services

Internet services revenue amounted to HK$604 million for the current period which represented an increase of HK$52 million or 9.4% when compared to the corresponding period of 2020. The increase was mainly driven by business internet requirements and the increase in revenue from fibre broadband service as a result of the service upgrade by existing customers and around 1.3% increase in the average number of broadband users to over 196,500 subscribers when compared to 30 June 2020.

The Group's internet market share and broadband market penetration rate in Macau were estimated at around 97.1% (30 June 2020: 97.0%) and 89.6% (30 June 2020: 87.0%) respectively as at 30 June 2021.

International telecommunications services

International telecommunications services revenue includes revenue from voice services, messaging services (including SMS) and "DataMall 自由行" services, and increased by 10.5% or HK$122 million period-on-period.

Voice services revenue decreased by HK$156 million or 26.5% to HK$432 million for the six months ended 30 June 2021 over the same period of 2020. Due to increasing demand from corporate messaging delivery, messaging services revenue surged 49.3% or HK$276 million to HK$836 million when compared to the corresponding period of 2020.

Since last year, lockdown measures ordered by many governments around the world in their corresponding countries in an attempt to contain the spread of COVID-19 has continued throughout the first half of 2021. This virtually restricted the number of people travelling abroad for business or leisure purposes. Nevertheless, revenue from "DataMall 自由行" services maintained a marginal increase when compared with the corresponding period of 2020 at HK$19 million (six months ended 30 June 2020: HK$17 million).

Enterprise solutions

Enterprise solutions revenue decreased 7.9% from HK$1,718 million in the first half of 2020 to HK$1,583 million for the first six months of 2021. The decrease was mainly due to lower project revenue from government, resorts and other enterprises in Macau and Southeast Asia due to various lock-downs measures implemented by the government in the respective country/region which caused delays in the progress of a number of projects. However, the Group continued to experience encouraging growth in enterprise solutions services in Mainland China.

Fixed line services

In line with global trends of declining fixed IDD traffic volumes and the decrease in fixed residential lines, revenue from fixed line services decreased by 5.2% period-on-period to HK$92 million for the six months ended 30 June 2021.

Results for the period

Profit attributable to equity shareholders of the Company for the current period amounted to HK$534 million which represented an increase of HK$22 million or 4.3% when compared to the first half results of 2020 mainly due to the combined effect of the following factors:

Revenue

The Group's revenue from telecommunications services amounted to HK$3,993 million, a slight decrease of 0.8% when compared to the first half of 2020. Total revenue including sales of mobile handsets and equipment increased by 9.4% period-on-period to HK$4,795 million which resulted from the surge in mobile handsets and equipment sales.

Valuation gain/(loss) on investment property

Certain floors of the property held by the Group were leased out to third parties and an affiliate of the Group. These floors were revalued as at 30 June 2021 by the Group's independent surveyors with a valuation gain of HK$8 million (six months ended 30 June 2020: valuation loss of HK$3 million) for the current period.

Cost of sales and services

Cost of sales and services includes cost of provision of telecommunications services and cost of sales of mobile handsets and equipment. Consistent with the increase in revenue, cost of sales and services increased by HK$363 million or 14.9% to HK$2,803 million when compared with the first half of 2020 due to the increase in cost of sales of mobile handsets and equipment.

Depreciation and amortisation

Depreciation and amortisation expenses for the current period totalled HK$454 million which is comparable to the first six months of 2020.

Staff costs

Staff costs increased period-on-period by 8.5% or HK$41 million to HK$524 million mainly due to the average salary increment in 2021 and the various government wages subsidies which amounted to HK$11 million received for the first half of 2020 where no such subsidies were received for the current period.

Other operating expenses

As the Group continues to implement robust measures in cost containment, other operating expenses for the six months ended 30 June 2021 decreased 2.1% or HK$5 million to HK$234 million when compared with the corresponding period of 2020.

Finance costs

Finance costs decreased by 15.4% or HK$24 million when compared with the corresponding period of 2020 mainly resulting from the repayment of bank loans at the end of 2020 and early 2021 and the decrease in general bank's borrowing rates during the period. The effective variable interest rate for the Group decreased from 2.2% p.a. as at 30 June 2020 to 1.3% p.a. as at 30 June 2021.

Income tax

Income tax for the period amounted to HK$128 million, an increase of HK$16 million when compared with the first six months of 2020. Excluding finance costs, over or under-provision of taxes and any origination and reversal of temporary differences in relation to prior years, the effective tax rates for the six months ended 30 June 2021 and 30 June 2020 were 16.3% and 14.6% respectively.

Earnings and Dividends per share

Both basic and diluted earnings per share were up 3.6% period-on-period to approximately HK14.5 cents respectively for the six months ended 30 June 2021.

The board of directors of the Company has declared an interim dividend of HK5.5 cents per share for the year ending 31 December 2021.

Cash flows

	Half year ended 30 June		Increase/(Decrease)	
In HK$ million	**2021**	2020		
Source of cash:				
Cash inflows from business operations	**1,270**	1,376	(106)	(7.7%)
Other cash inflows	**44**	21	23	>100%
Sub-total	**1,314**	1,397	(83)	(5.9%)
Use of cash:				
Net capital expenditure*	**(296)**	(477)	(181)	(37.9%)
Dividends paid to equity shareholders and non-controlling interests	**(598)**	(560)	38	6.8%
Capital and interest elements of lease rentals paid	**(90)**	(84)	6	7.1%
Payment of borrowing costs	**(122)**	(148)	(26)	(17.6%)
Net cash outflows from borrowings	**(197)**	(88)	109	>100%
Sub-total	**(1,303)**	(1,357)	(54)	(4.0%)
Net increase in cash and cash equivalents	**11**	40	(29)	(72.5%)

** Included in the amounts are payments for the purchase of property, plant and equipment in respect of current period additions and prior years unsettled purchases, and proceeds from the sale of property, plant and equipment.*

The Group generated HK$1,270 million cash inflows from operations, with the use of cash mainly comprised of capital expenditure, net borrowings and repayments, and dividends distributions. In total, the Group recorded a net cash inflow of HK$11 million for the six months ended 30 June 2021.

Capital expenditure

The Group's total capital expenditure for the six months ended 30 June 2021 amounted to HK$236 million. During the period, HK$60 million was invested in 5G, HK$42 million of fitting-out costs were incurred for the Group's data centres' expansion and the remainder of the capital expenditure were mainly for network systems upgrade and expansion.

Capital commitments

As at 30 June 2021, the Group had outstanding capital commitments of HK$279 million, mainly for the 5G development, data centre development, system upgrades and construction costs of networks, and purchase of telecommunications equipment which had yet to be delivered to the Group. Of these commitments, HK$110 million were outstanding contractual capital commitments and HK$169 million were capital commitments authorised but for which contracts had yet to be entered into.

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

General

Managing financial risks to which the Group exposed is one of the primary responsibilities of the Group's treasury function. To balance the high degree of financial control and cash management efficiency, each business unit within the Group is responsible for its own cash management which is closely monitored by the headquarters. In addition, the decision of financing activities is centralised at head office level.

1. Debt and leverage

As the Group's net debt decreased to HK$4,143 million, the net gearing ratio decreased from 31% as at 31 December 2020 to 30% as at 30 June 2021.

As at 30 June 2021, total debt and net debt of the Group were as follows:

	Denomination							
In HK$ million equivalents	**HKD**	**USD**	**SGD**	**MOP**	**RMB**	**EUR**	**Others**	**Total**
Total debt	1,508	3,634	428	97	-	-	-	**5,667**
Less: Cash and bank deposits	(421)	(458)	(57)	(207)	(282)	(26)	(73)	**(1,524)**
Net debt/ (cash)	**1,087**	**3,176**	**371**	**(110)**	**(282)**	**(26)**	**(73)**	**4,143**

As at 30 June 2021 and 31 December 2020, the Group's net gearing ratio was as follows:

In HK$ million	**30 June 2021**	31 December 2020
Total debt	**5,667**	5,868
Less: Cash and bank deposits	**(1,524)**	(1,519)
Net debt	**4,143**	4,349
Total equity attributable to equity shareholders of the Company	**9,730**	9,751
Total capital	**13,873**	14,100
Net gearing ratio	**30%**	31%

As at 30 June 2021, the total debt amounted to HK$5,667 million, of which HK$268 million will be matured in the coming twelve months, against cash and bank deposits of HK$1,524 million.

The maturity profile of the Group's total debt as at 30 June 2021 was as follows:

In HK$ million	**Within 1 year**	**After 1 year but within 2 years**	**After 2 years but within 3 years**	**After 3 years but within 4 years**	**Total**
Bank and other borrowings	268	576	1,325	-	2,169
US$450 million 6.1% guaranteed bonds	-	-	-	3,498	3,498
	268	**576**	**1,325**	**3,498**	**5,667**

The Group's total debt decreased to HK$5,667 million which was mainly due to the early repayment of bank loans amounted to HK$200 million from its surplus cash during the period.

Available sources of financing

The Group aims to maintain the cash balance and undrawn banking facilities at a reasonable level to meet the debt repayments and capital expenditure requirement in the coming twelve months.

The Group's cash balance as at 30 June 2021 was more than sufficient to cover the repayments of outstanding amount of total debt of HK$268 million in the coming twelve months and contractual capital commitments of HK$110 million as at 30 June 2021.

As at 30 June 2021, the Group had available trading facilities of HK$454 million. The amount of HK$87 million was utilised as guarantees for performance to customers / the Macau Government and costs payable to telecoms operators and others.

The utilised facilities of approximately HK$7 million were required to be secured by pledged deposits as at 30 June 2021.

As at 30 June 2021, the type of facilities of the Group was summarised as follows:

In HK$ million	Total available facilities	Amount utilised	Amount unutilised
Bank and other borrowings			
- Committed facilities:			
Term loans	2,349	2,058	291
- Uncommitted facilities:			
Short-term facilities	472	44	428
	2,821	2,102	719
Guaranteed bonds - Committed facility			
US$450 million 6.1% guaranteed bonds	3,510	3,510	-
Trading facilities - Uncommitted facilities	454	87	367
Total	**6,785**	**5,699**	**1,086**

2. Liquidity risk management

Each business unit within the Group is responsible for its own cash management, including predetermined short term investment of its cash surpluses. The raising of loans to cover its expected cash demand must be approved by the finance committee or the board of the Company. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

To minimise refinancing risk, the Group arranged long-term borrowings from the capital market, and term loans with repayment by instalment to meet the funding needs. This ensures that the Group can apply a prudent liquidity risk management approach.

Cash flow is well-planned and reviewed regularly by the management of the Group, so that the Group can meet its funding needs. The strong cash flows from the Group's operating activities enable the Group to meet its liquidity requirements in the short and longer term.

3. Loan covenants

Committed banking facilities contain certain covenants, undertaking, financial covenants, change in control clause and/or events of default provisions, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants or in any case of an event of default, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2021 and 31 December 2020, the Group was in compliance with the relevant requirements.

4. Contingent liabilities

As at 30 June 2021 and 31 December 2020, the Group had no significant contingent liabilities.

5. Performance bonds, guarantees and pledged assets

As at 30 June 2021 and 31 December 2020, performance bonds and other guarantees of the Group were as follows:

In HK$ million	**30 June 2021**	31 December 2020
Performance bonds provided to the Macau Government and other customers	**84**	83
Other guarantees	**3**	4
Total	**87**	87

As at 30 June 2021, bank deposits of HK$6 million (31 December 2020: HK$9 million) were pledged to secure parts of the facilities of the Group.

On 5 March 2013, CITIC Telecom International Finance Limited, a wholly-owned subsidiary of the Company, issued US$450 million (approximately HK$3,510 million) guaranteed bonds with a maturity of twelve years due on 5 March 2025 (the "Guaranteed Bonds") and the Guaranteed Bonds bore interest at 6.1% per annum. The Guaranteed Bonds were unconditionally and irrevocably guaranteed by the Company.

As at 30 June 2021, the Company issued guarantees of HK$644 million (31 December 2020: HK$672 million) for its subsidiaries in respect of the various forms of facility lines from financial institutions.

Certain property, plant and equipment of Companhia de Telecomunicações de Macau, S.A.R.L. are designated for the provision of basic infrastructure of public telecommunications services. They may need to be shared with other licensed telecommunications operators or the Macau Government with fair compensation, or, upon termination of the concession agreement, assigned in favour of the Macau Government.

6. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group manages its interest rate risk exposures in accordance with defined policies and regular review to achieve a balance between minimising the Group's overall cost of fund and managing significant interest rate movements, as well as having regard to the floating/fixed rate mix appropriate to its current business portfolio.

Interest rate risk is managed by fixed rate borrowing or through use of interest rate swap, if necessary. As at 30 June 2021, approximately 63.6% (31 December 2020: approximately 61.7%) of the Group's borrowings were linked to fixed interest rates. During the period, the Group did not enter into any interest rate swap arrangement.

Average borrowing rates

As at 30 June 2021 and 31 December 2020, the average borrowing rates, after the inclusion of amortisation of transaction costs, were as follows:

	30 June 2021	31 December 2020
Borrowing rates for fixed rate borrowings	**6.0%**	5.9%
Borrowing rates for variable rate borrowings	**1.3%**	1.5%
Average borrowing rates	**4.3%**	4.2%

7. Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The major places of operating companies within the Group are located in Hong Kong and Macau, whose functional currency is either Hong Kong dollars or Macau Patacas.

A substantial portion of the Group's revenue and cost of sales and services are denominated in United States dollars, Macau Patacas, Hong Kong dollars, Renminbi and Singapore dollars. The majority of the Group's current assets, current liabilities and transactions are denominated in United States dollars, Macau Patacas, Hong Kong dollars, Renminbi and Singapore dollars. As the Hong Kong dollars is linked to the United States dollars and the Macau Patacas is pegged to the Hong Kong dollars, it will not pose significant foreign currency risk between Hong Kong dollars, United States dollars and Macau Patacas to the Group. Although management considers that the Group's exposure to foreign currency risk is not material, it will continue to monitor closely all possible exchange rate risks and implement hedging arrangement to mitigate risk from any significant fluctuation in foreign exchange rates if necessary.

8. Credit risk

The Group's credit risk is primarily attributable to trade debtors and contract assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade debtors are due within 7 to 180 days from the date of billing. Loss allowances for trade debtors and contract assets are measured based on the expected credit loss model.

The Group has certain concentration risk in respect of trade debtors and contract assets due from the Group's five largest customers who accounted for approximately 20.6% and 23.2% of the Group's total trade debtors and contract assets as at 30 June 2021 and 31 December 2020 respectively. The credit risk exposure to the balances of trade debtors and contract assets has been and will continue to be monitored by the Group on an ongoing basis.

9. Counterparty risk

The Group's exposure to credit risk arising from cash and bank deposits is limited because the Group mainly deals with the companies engaged in financing activities which have good credit ratings with prestigious credit ratings companies (such as Moody's Investors Service, Standard & Poor's and Fitch Group), or the note-issuing banks in Hong Kong, Macau and Mainland China, or its group companies. As at 30 June 2021, the Group has maintained a cash balance of HK$1,512 million (31 December 2020: HK$1,482 million) in the above-mentioned entities, representing approximately 99.2% (31 December 2020: approximately 97.6%) of the total cash and bank deposits of the Group. To achieve a balance between maintaining the flexibility of the Group's operations and minimising the exposure to credit risk arising from cash and bank deposits, the Group has a pre-defined policy and regular review on the rest of the cash portfolio. It is considered that the Group is exposed to a low credit risk in this respect.

HUMAN RESOURCES

Corporate social responsibility has always been a vital component of the Group's corporate business philosophy and strategy. Our sustainability vision of "People and Community" constitutes as the foundation of our principle, and is fully infused into our daily operations to drive sustained and continued business growth.

As at 30 June 2021, the Group employed a total of 2,495 employees for its headquarters in Hong Kong and its subsidiaries. Number of employees in Hong Kong was 522. Employees in Mainland China and Macau totalled 1,659. Employees in overseas countries totalled 314.

The Group continues our initiatives in raising operational efficiency whilst maintaining harmonious staff relations, promoting a culture of open communication and investing in human resources to support business growth.

To ensure that the overall compensation for employees is internally equitable, in line with local norms, and in support of the business strategy, the Group conducts regular review on the cash remuneration and benefits package provided to its employees. No major amendment was made to the human resources management policy or procedures in the last six months.

The need for a proper balance between work and life is well recognised by the Group as an important contributor to the well being of employees and their work efficiency. In response to the new coronavirus outbreak, the Group under the leadership of the Chairman and "Epidemic Prevention and Control Leading Group" has formulated and continuously implemented effective measures to cope with the outbreak and work deployment. We will do our utmost to continue our preventive and control work so as to protect our employees in different countries and regions around the world.

The Group actively promotes a culture of open communication. Management collects the opinion of employees through different channels including team meetings and employee suggestion box.

Developing employees to enable them to grow personally and professionally has always been an ongoing priority of the Group. The Group has provided internal training opportunities and training subsidies for outside training courses to our employees to enhance their skills and abilities. This will help employees to be well equipped for the future development of the Group.

To adopt our philosophy of committing and making contribution to the community, the Group has participated in community and charitable activities. Moreover, the Group continues to utilise our strength on information technology to support the community.

The Group is committed to conduct business in an environmentally responsible manner. The Group has formulated and ongoing reviewed our policies of environmental protection and energy saving in order to achieve sustainable targets.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. The board of directors of the Company believes that good corporate governance practices are important to promote investor confidence and protect the interest of our shareholders. Looking ahead, we will keep our corporate governance practices under continual review to ensure their consistent application and will continue to improve our practices having regard to the latest developments. Details of our corporate governance practices can be found on page 45 of the 2020 annual report and the Company's website www.citictel.com.

Save as disclosed below, the Company has fully complied with the applicable code provisions in the Corporate Governance Code (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2021. In respect of the code provision A.6.7 of the Code, Mr. Liu Jifu was unable to attend the annual general meeting of the Company held on 14 May 2021 as he had other engagements.

The Audit Committee has reviewed the interim report with management and the external auditors and recommended its adoption by the board. The Committee consists of three independent non-executive directors and a non-executive director.

The condensed interim financial report, which is prepared in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*, has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiry, all directors of the Company have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2021.

DIVIDEND AND CLOSURE OF REGISTER

The board of directors of the Company has declared an interim dividend of HK5.5 cents (2020: HK5.0 cents) per share for the year ending 31 December 2021 payable on Wednesday, 29 September 2021 to shareholders whose names appear on the Register of Members of the Company on Thursday, 16 September 2021. The Register of Members of the Company will be closed from Friday, 10 September 2021 to Thursday, 16 September 2021, both days inclusive, during which period no share transfer will be effected. In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 9 September 2021.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30 June 2021 and the Company has not redeemed any of its shares during the period ended 30 June 2021.

FORWARD LOOKING STATEMENTS

This announcement contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's current expectations, beliefs, assumptions or projections concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ, in some instances materially, from those expressed, implied or anticipated in any forward looking statement or assessment of risk.

INTERIM REPORT AND FURTHER INFORMATION

A copy of the announcement will be posted on the Company's website (www.citictel.com) and the website of the Stock Exchange (www.hkexnews.hk). The full interim report will be made available on the websites of the Company and the Stock Exchange around 10 September 2021.

By Order of the Board
CITIC Telecom International Holdings Limited
Xin Yue Jiang
Chairman

Hong Kong, 19 August 2021

As at the date of this announcement, the following persons are directors of the Company:

Executive Directors:	*Non-executive Directors:*	*Independent Non-executive Directors:*
Xin Yue Jiang (Chairman)	Wang Guoquan	Liu Li Qing
Cai Dawei	Liu Jifu	Zuo Xunsheng
Li Bing Chi, Esmond	Fei Yiping	Lam Yiu Kin