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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 2022

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 2022.

During the first half of the year, against the manifold challenges posed by complicated and austere international situations and the impact of the pandemic, staff members of Company strived forward against adverse conditions in a united effort with confidence and diligence in fulfilment of its mission. We identified customers' requirements according to market trends and seized opportunities for development with an unwavering focus to explore new markets, businesses and customers with our full force, as we took our overall corporate development to a new height and reported yet again record-high operating results.

I. FINANCIAL RESULTS

Profit attributable to equity shareholders of the Company for the first half of 2022 was HK$572 million, increasing by 7.1% as compared to the corresponding period of the previous year. Excluding the effect of property revaluation, there would have been a year-on-year increase of 7.6%.

The Group's revenue from its principal business of telecommunications services amounted to HK$4,393 million, increasing by 10.0% when compared to the corresponding period of the previous year. Total revenue amounted to HK$4,977 million, increasing by 3.8% when compared to the corresponding period of the previous year.

Basic earnings per share for the first half of the year amounted to HK15.5 cents, a 6.9% increase as compared to the corresponding period of the previous year.

The Board declared an interim dividend of HK6.0 cents per share for 2022, an increase of 9.1% as compared to the corresponding period of the previous year.

II. BUSINESS DEVELOPMENT

During the first half of the year, the Group took a new stride in the transformation towards digitalisation and intelligentisation as it advanced qualitative development of the corporation and delivered new outcomes in innovation in adherence to its "14th Five-Year-Plan" blueprint for development in tandem with national strategies such as the "National 14th Five-Year-Plan", development of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") and the "Belt and Road" initiative.

In connection with the mobile sales & services business, Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM"), the Group's subsidiary, has **constructed premium networks and enhanced customer experience** on the back of advanced technology, and has attracted users and enlarged its market share with great effect. As at the end of June 2022, CTM had an approximate 46.4% share of Macau's mobile market, an improvement by 0.8 percentage points compared to that at the end of 2021, and 47.5% share of the 4G market in Macau, as it continued to uphold its leading position in the Macau market. **Stable progress has been made in 5G development**, as it completed 5G roaming tests with 68 overseas network carriers in full preparation for the launch of 5G service. **Interconnection of platform services has been enhanced.** We have upgraded our capabilities in cross-border mobile communication servicing platform to support our business partners to launch the new two-way VoLTE roaming service between the Mainland and Hong Kong.

In connection with the internet services business, the Group has chartered new horizons for the internet business on the back of strong efforts to enhance customer satisfaction in response to their demands. **Ongoing efforts have been made to upgrade its broadband servicing capabilities**, as CTM reported a high fibrelisation rate of 98.2% among its residential broadband customers, whilst accounting for a 97.2% share of the broadband market and ranking among the top globally in average broadband download speed[1]. **We have seized the development opportunity for data centres,** as Phase III (B) of CITIC Telecom Tower Data Centre has launched its service in the market and smoothly commenced business, while the data centre businesses in Beijing, Shanghai and Guangdong have also reported sound progress.

For its enterprise solutions services business, CITIC Telecom International CPC Limited ("CPC") has continued to drive digital and intelligent development of corporations and is one of the most trusted partners of leading multinational and business enterprises in the Asia-Pacific region. **We have optimised the deployment of our global network and infrastructure facilities to build a safe and stable global network,** as we now operate more than 160 PoPs in our global network, with our services covering more than 150 countries and regions, having added new PoPs in Wuhu, Anhui and Zhaoqing, Guangdong. **We have enhanced our competitiveness in the cloud computing market** with the commencement of the public cloud MSP business and the launch of the SmartCLOUD™ Container Services. **Our capability in security products has been strengthened,** as improvements have been made to the performance and servicing coverage of our TrueCONNECT™ SASE secure access service edge solution to enhance our ability in cloud and network security protection.

[1] According to a global internet speed survey conducted by U.K. website Cable.co.uk in 2021, the average broadband download speed in Macau was 128.56Mbps, ranking 7th among 224 countries and regions in the world.

CPC received the “Best Innovative Value Added Service Provider” award at the CC-GLOBAL AWARDS 2022 (CCGA) organised by an authoritative telecoms industry association in recognition of CPC’s innovative capability and service standards.

Acclivis Technologies and Solutions Pte. Ltd., a subsidiary of the Group, was engaged in a full effort to explore new markets in Southeast Asia, as it continued to develop new businesses and reported steady increase in the number of customers served. Thanks to an **effective focus on key projects**, we successfully secured a new contract for the construction of ICT facilities in Malaysia, rendering robust support for the expansion of the Group’s business scale in Southeast Asian new markets. **Major efforts have also been made to expand in the cloud service market**, as we successfully delivered innovative private cloud infrastructure facilities that complied with regulatory requirements to a renowned financial institution in Singapore to meet the ever-growing and changing versatile demands of customers. **In our continuous effort to expand into the regional market,** we successfully secured an ISP license in Indonesia. **Our ICT business reported outstanding performance underpinned by a number of major awards,** including the 2021 IBM Innovation Award (Build) in recognition of our supply of the IBM Cloud Satellite service innovative solutions to assist in the effective and compliant operation of customers. Through incessant effort, the Southeast Asian subsidiary has brought forth new business growth for the Group.

In connection with the international telecommunications services business, the Group has enhanced its platform capability, broadened its scope of service and vigorously expanded its customer base on an ongoing basis, with a view to facilitating business development. **Coverage of our products and services has been expanded.** We have developed new functions out of our platform services and upgraded the SIMN and eSIM platform to support the innovative development of CTM’s mobile business and enhanced the competitiveness of cross-regional businesses and products in GBA. **Platform applications have been diversified.** The volume of Internet of Things services activated has seen substantial growth on the DataMall platform during the period.

The Group has continued to enhance its technological innovation to guide corporate development. **Our technology and innovation regime has been fortified,** as we nurtured talents in technology and innovation in accordance with the positioning of GBA as a “talent centre and command post for innovation” and built technology and innovation regimes in Guangzhou, Hong Kong, Zhuhai (Macau) to explore innovative applications of technologies and inspire vigour in technological innovation. **We have bolstered our core competence in technology and innovation** and increased our effort in ascertaining intellectual property rights, as we received an invention patent for “SD-WAN analysis system and method of its operation” from the Hong Kong Intellectual Property Department. **We have been driving digital transformation** with the completion of the development of an intelligent application for monitoring network service quality and its trial online operation, precision and efficiency enhancement in 4G/5G core network monitoring through big data and AI technologies. We have provided integrated big data analyses relating to tourist preference for the “Macau Tourism Data plus” platform of the Macao Government Tourism Office, highlighted by our use of a first-of-its-kind scan and AR technology to enrich the amusement and appeal of a drone show organised in Macau.

The Group undertakes social responsibility in fulfilment of its mission and commitment. **In an active bid to empower the digital society,** CTM endeavoured to enhance the scale and value of the smart ecology and assist in the digital and intelligent transformation of corporations in support of the Macau SAR Government's call for the development of a digital economy aimed at "benefiting the society and increasing speed at reduced tariffs". **In a united effort with the community to fight the pandemic,** the Group has provided uninterrupted network assurance in Hong Kong and transmitted more than 93 million messages containing information on vaccination and PCR tests for Hong Kong citizens, as well as more than 100 million free messages containing information on anti-epidemic and public protection measures for Macau citizens. We managed to install communication services for PCR testing facilities and mobile cabin hospitals in Macau, within 12 hours on an urgent basis, while offering support for the Macau Government's implementation of venue code and health code. In Shanghai, we swiftly organised a network assurance team to provide 7x24 on-site duty service at the server room to safeguard its network operations and to contribute to the safety in Shanghai.

During the first half of the year, the Group endeavoured to forge first-rate management teams, first-rate business teams and first-rate engineering, technical and R&D teams by strengthening team building, enhancing staff quality in general and emphasising the development of talents in technology and innovation in line with the corporate culture of "Wisdom and Integrity for Fostering Prosperity", seeking to implement the national strategic plan of building a national cyber power, digital China and smart society, drive qualitative development of the corporation and consistently deliver value to shareholders and the society.

III. OUTLOOK

In a crucial year for the development of the "14th Five-Year-Plan", the Group will continue to persist in the strategic positioning of "rooted in Mainland China, taking Hong Kong and Macau as the base and connection and expediting expansion to and coverage of the international market", as it seizes opportunities for development and enhances its general management competence for vigorous engagement in the development of the digital economy in active response to market changes, in a bid to become a first-rate internet-based, integrated telecoms corporation in Asia. We will drive commercialisation of the digital sector and digitalisation of the industrial sector as we engage in the development of the digital economy, playing a more significant role in the process of allowing enterprises to "reach out" and "bring in" by consistently enhancing our competitiveness, innovative ability and influence.

Enhancing our platform competence. The functions of the "cross-border mobile communication service platform", "enterprise messaging service platform" and "global data volume trading platform" have been enriched to strengthen cooperation with strategic partners, seeking global expansion with full force to fortify our position as an international hub for telecoms services.

Advancing 5G construction. The Macau SAR Government published the 5G tender announcement on 30 June 2022. CTM will support the SAR Government with full force and vigorously participate in the 5G tender to ensure the instantaneous launch of 5G commercial services, expedite customer upgrades and improve customer experience to maintain its leading position in Macau's communication industry.

Serving global enterprises. CPC will actively empower "cloud, network and security" products with intelligent features with a view to enhancing its global servicing capabilities, aspiring to become a first-rate supplier of global digital and intelligent communication solutions on the back of its premium global integrated solutions as well as operational and quality management.

Enhancing regional expansion. Bearing the responsibility of building the "Digital Macau", we will enhance the promotion of smart-city applications by actively extending our reach to Guangdong-Macao In-depth Cooperation Zone in Hengqin. We will also seize the opportunity presented by the gradual resumption of business and travel in the Southeast Asian countries, striving to expand our customer base, increasing the recurring revenue from telecoms services and management services, and exploring large-scale ICT projects to further expand our business scale.

Stepping up with development in technology and innovation. The Group will construct a technology research and development regime based on "ICT-MiiND" development strategy with a special focus on innovation in new frontiers such as cloud-net integration, digital transformation and industry applications to enhance the cloudification, internet-based operation and intelligentisation of the corporation through digital transformation, in a full effort to develop a "cloud, network, smart and security" platform and accelerate the deployment and development in corporate digital transformation and economic digitalisation.

Inspiring team vigour. Strong efforts will be devoted to the fostering of an excellent corporate culture underpinned by "Wisdom and Integrity for Fostering Prosperity", as well as the forging of three internationalised first-rate teams, with a view to providing strong assurance for corporate development through high-standard work in human resources and robust team building.

During the first half of 2022, the Group has made new progress in corporate development and operating results. Such results are attributable to the relentless effort of all staff members, as well as the concern and support of our shareholders, investors, business partners and all stakeholders of the community. To them I extend my sincere gratitude.

Xin Yue Jiang
Chairman
Hong Kong, 17 August 2022

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022

(Expressed in Hong Kong dollars)

	Note	*Six months ended 30 June* *2022* (Unaudited) $ million	*2021* (Unaudited) $ million
Revenue	2(a)	4,977	4,795
Valuation gain on investment property		6	8
Other income	3	17	18
Cost of sales and services	4(a)	(2,843)	(2,803)
Depreciation and amortisation	4(b)	(476)	(454)
Staff costs	4(c)	(569)	(524)
Other operating expenses		(257)	(234)
		855	806
Finance costs	4(d)	(129)	(132)
Profit before taxation	4	726	674
Income tax	5	(135)	(128)
Profit for the period		591	546
Attributable to:			
Equity shareholders of the Company		572	534
Non-controlling interests		19	12
Profit for the period		591	546
Earnings per share (HK cents)	7		
Basic		15.5	14.5
Diluted		15.5	14.5

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 2022

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Profit for the period	591	546
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that are 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	(47)	(2)
Other comprehensive income for the period	(47)	(2)
Total comprehensive income for the period	544	544
Attributable to:		
Equity shareholders of the Company	528	532
Non-controlling interests	16	12
Total comprehensive income for the period	544	544

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

(Expressed in Hong Kong dollars)

	Note	*30 June 2022* (Unaudited) $ million	*31 December 2021* (Audited) $ million
Non-current assets			
Investment property		673	667
Property, plant and equipment		2,438	2,625
Right-of-use assets		578	654
Intangible assets		987	1,064
Goodwill		9,700	9,721
Interest in a joint venture		10	11
Non-current contract assets		21	23
Non-current contract costs		24	25
Non-current finance lease receivables		11	5
Non-current other receivables and deposits	8	186	103
Deferred tax assets		70	72
		14,698	14,970
Current assets			
Inventories		60	103
Contract costs		1	2
Finance lease receivables		7	4
Contract assets		181	255
Trade and other receivables and deposits	8	1,494	1,248
Current tax recoverable		5	7
Cash and deposits		1,721	1,793
		3,469	3,412
Current liabilities			
Trade and other payables	9	1,803	1,645
Contract liabilities		189	184
Bank and other borrowings		335	500
Lease liabilities		122	140
Current tax payable		304	188
		2,753	2,657
Net current assets		716	755
Total assets less current liabilities		15,414	15,725

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONTINUED)

(Expressed in Hong Kong dollars)

	Note	*30 June 2022* (Unaudited) $ million	*31 December 2021* (Audited) $ million
Non-current liabilities			
Non-current contract liabilities		1	1
Non-current bank and other borrowings		4,790	4,946
Non-current lease liabilities		305	356
Non-current other payables	9	19	23
Net defined benefit retirement obligation		13	12
Deferred tax liabilities		190	211
		5,318	5,549
NET ASSETS		10,096	10,176
CAPITAL AND RESERVES			
Share capital		4,719	4,704
Reserves		5,289	5,391
Total equity attributable to equity shareholders of the Company		10,008	10,095
Non-controlling interests		88	81
TOTAL EQUITY		10,096	10,176

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 2022 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 17 August 2022.

The condensed interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 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 2021 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 2021 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 service lines or products and geographical location of the Group's revenue from external customers is as follows:

	Six months ended 30 June	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Revenue from contracts with customers		
Disaggregated by major service lines or products:		
Mobile services	413	427
Internet services	649	604
International telecommunications services	1,715	1,287
Enterprise solutions	1,538	1,583
Fixed line services	78	92
Fees from the provision of telecommunications services	4,393	3,993
Sales of mobile handsets and equipment	584	802
	4,977	4,795

2 Revenue and segment reporting (continued)

	Six months ended 30 June *2022* (Unaudited) $ million	*2021* (Unaudited) $ million
Disaggregated by geographical location of the Group's revenue from external customers:		
Hong Kong (place of domicile)	2,343	1,930
Mainland China	573	527
Macau	1,685	1,962
Singapore	224	223
Others	152	153
	2,634	2,865
	4,977	4,795

During the six months ended 30 June 2022 and 2021, fees 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	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Reportable segment profit	1,381	1,286
Net foreign exchange (loss)/gain	(5)	2
Depreciation and amortisation	(476)	(454)
Finance costs	(129)	(132)
Interest income	7	6
Rental income from investment property less direct outgoings	9	11
Valuation gain on investment property	6	8
Unallocated head office and corporate expenses	(67)	(53)
Consolidated profit before taxation	726	674

(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	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Interest income from deposits	3	2
Interest income from finance leases and other interest income	4	4
	7	6
Gross rental income from investment property (note)	10	12
	17	18

Note: The rental income from investment property less direct outgoings of $1,000,000 (six months ended 30 June 2021: $1,000,000) for the six months ended 30 June 2022 is $9,000,000 (six months ended 30 June 2021: $11,000,000).

4 Profit before taxation

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

	Six months ended 30 June	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
(a) Cost of sales and services		
Cost of provision of telecommunications services	2,269	2,012
Cost of sales of mobile handsets and equipment	574	791
	2,843	2,803
(b) Depreciation and amortisation		
Depreciation charge		
- property, plant and equipment	315	284
- right-of-use assets	84	90
Amortisation	77	80
	476	454

4 Profit before taxation (continued)

	Six months ended 30 June	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
(c) Staff costs (including directors' emoluments)		
Contributions to defined contribution retirement plans	41	37
Expenses recognised in respect of defined benefit retirement plan	4	4
Total retirement costs	45	41
Salaries, wages and other benefits	524	483
	569	524
(d) Finance costs		
Interest on bank and other borrowings	118	121
Interest on lease liabilities	9	8
Other finance charges	2	4
	129	133
Less: interest expense capitalised into construction in progress	-	(1)
	129	132
(e) Other items		
Impairment losses for trade debtors and contract assets	11	2
Net foreign exchange loss/(gain)	5	(2)

5 Income tax

	Six months ended 30 June	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Current tax		
- Hong Kong Profits Tax	65	54
- Macau Complementary Tax	61	62
- Jurisdictions outside Hong Kong and Macau	28	19
	154	135
Deferred tax	(19)	(7)
	135	128

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 2021: 16.5%) to the six months ended 30 June 2022.

The provision for Macau Complementary Tax for the six months ended 30 June 2022 is calculated at 12% (six months ended 30 June 2021: 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 2021: 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

	2022 (Unaudited) $ million	*2021* (Unaudited) $ million
Interim dividend declared/declared and paid after the interim period of HK6.0 cents (2021: HK5.5 cents) per share	221	202

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	
	2022 (Unaudited) $ million	*2021* (Unaudited) $ million
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK17.0 cents (six months ended 30 June 2021: HK16.0 cents) per share	627	589

For the final dividend in respect of the year ended 31 December 2021, there was a difference of $1,000,000 between the final dividend disclosed in 2021 annual report and the amount paid during the six months ended 30 June 2022, 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	
	2022	*2021*
	(Unaudited)	(Unaudited)
	$ million	$ million
Profit attributable to equity shareholders of the Company	572	534

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

	Number of shares	
	Six months ended 30 June	
	2022	*2021*
	(Unaudited)	(Unaudited)
	million	million
Issued ordinary shares as at 1 January	3,683	3,665
Effect of share options exercised	3	6
Weighted average number of ordinary shares (basic) as at 30 June	3,686	3,671
Effect of deemed issue of shares under the Company's share option plan	2	2
Weighted average number of ordinary shares (diluted) as at 30 June	3,688	3,673
Basic earnings per share (HK cents)	15.5	14.5
Diluted earnings per share (HK cents)	15.5	14.5

8 Trade and other receivables and deposits

	30 June 2022 (Unaudited) $ million	*31 December 2021* (Audited) $ million
Trade debtors	1,060	787
Less: loss allowance	(37)	(29)
	1,023	758
Other receivables and deposits	657	593
	1,680	1,351
Represented by:		
Non-current portion	186	103
Current portion	1,494	1,248
	1,680	1,351

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 2022 (Unaudited) $ million	*31 December 2021* (Audited) $ million
Within 1 year	1,010	749
Over 1 year	13	9
	1,023	758

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 2022 (Unaudited) $ million	*31 December 2021* (Audited) $ million
Trade creditors	1,039	1,023
Other payables and accruals	783	645
	1,822	1,668
Represented by:		
Non-current portion	19	23
Current portion	1,803	1,645
	1,822	1,668

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 2022 (Unaudited) $ million	*31 December 2021* (Audited) $ million
Within 1 year	833	794
Over 1 year	206	229
	1,039	1,023

FINANCIAL REVIEW

OVERVIEW

As the COVID-19 pandemic continued to take its toll on the global economy, the Group implemented robust measures to minimise the adverse impact on its business and at the same time capitalised on business opportunities brought by pandemic-related disruptions. Such effective measures have enabled the Group to achieve solid financial results for the six months ended 30 June 2022.

The Group's profit for the period increased by 8.2% to HK$591 million when compared to the first half of 2021, profit attributable to equity shareholders of the Company increased by 7.1% year-on-year to HK$572 million, and basic earnings per share was up 6.9% year-on-year to HK15.5 cents per share.

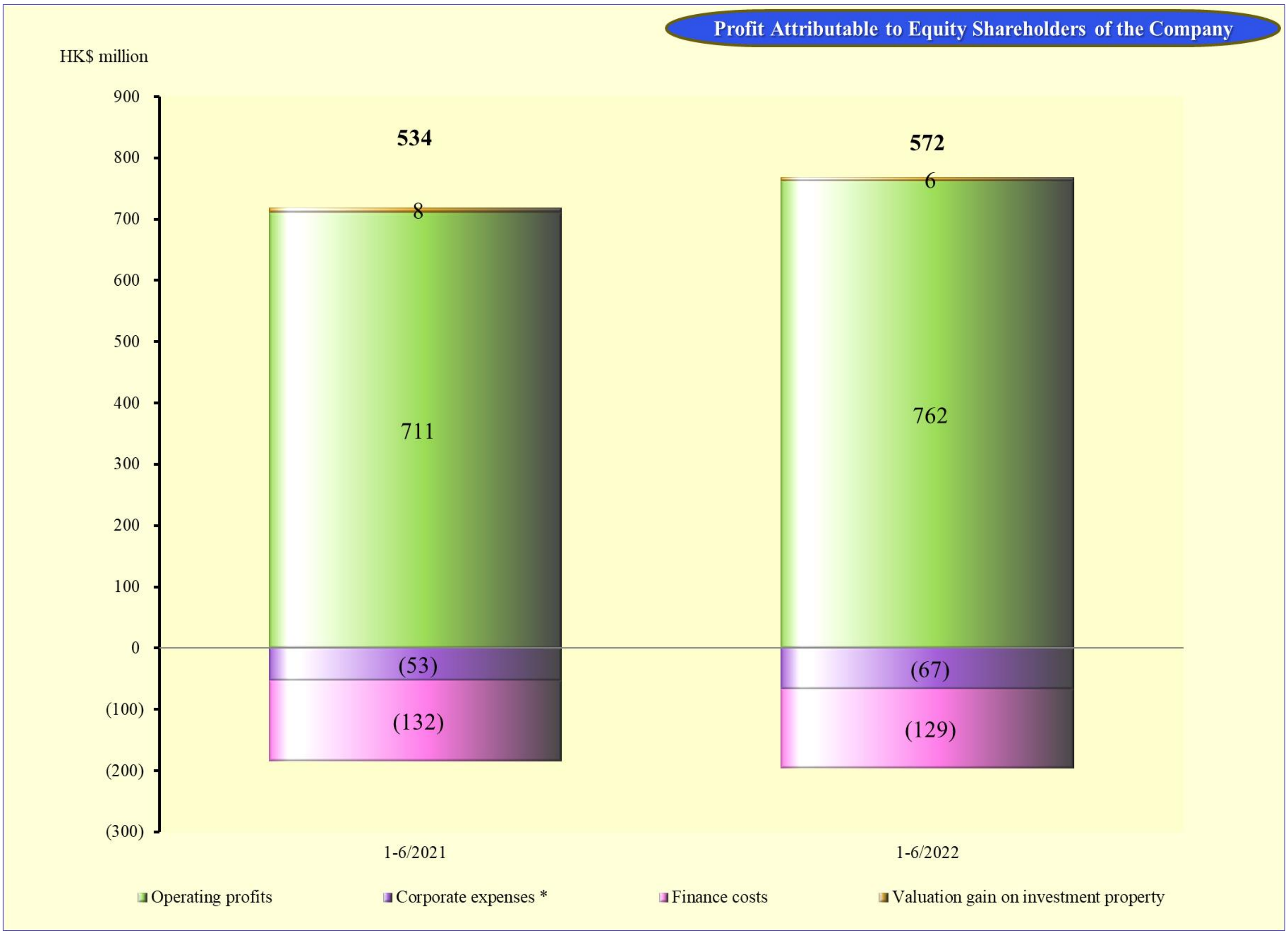
The Group's total revenue was up by 3.8% year-on-year to HK$4,977 million for the six months ended 30 June 2022. Revenue from telecommunications services totaled HK$4,393 million which represented a 10.0% increase compared with the first half of 2021.

Summary of Financial Results

	Half year ended 30 June		**Increase / (Decrease)**	
In HK$ million	**2022**	2021		
Revenue from telecommunications services	**4,393**	3,993	400	10.0%
Sales of mobile handsets and equipment	**584**	802	(218)	(27.2%)
Revenue	**4,977**	4,795	182	3.8%
Valuation gain on investment property	**6**	8	(2)	(25.0%)
Other income	**17**	18	(1)	(5.6%)
Cost of sales and services	**(2,843)**	(2,803)	40	1.4%
Depreciation and amortisation	**(476)**	(454)	22	4.8%
Staff costs	**(569)**	(524)	45	8.6%
Other operating expenses	**(257)**	(234)	23	9.8%
Profit from consolidated activities	**855**	806	49	6.1%
Finance costs	**(129)**	(132)	(3)	(2.3%)
Income tax	**(135)**	(128)	7	5.5%
Profit for the period	**591**	546	45	8.2%
Less: Non-controlling interests	**(19)**	(12)	7	58.3%
Profit attributable to equity shareholders of the Company	**572**	534	38	7.1%
EBITDA*	**1,324**	1,254	70	5.6%
Basic earnings per share (HK cents)	**15.5**	14.5	1.0	6.9%
Dividend per share (HK cents)	**6.0**	5.5	0.5	9.1%

* *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 2022 increased by 7.1% or HK$38 million to HK$572 million when compared to the corresponding period of 2021. Excluding the valuation gain on investment property of HK$6 million (six months ended 30 June 2021: HK$8 million), profit attributable to equity shareholders of the Company for the first six months of 2022 would amount to HK$566 million (six months ended 30 June 2021: HK$526 million), representing a year-on-year increase of 7.6% as the Group seized new business opportunities under the current volatile and unstable business environment and proactively sorts measures to control its operating costs.

Revenue by Services

The Group is engaged in the provision of telecommunications services and the sales of mobile handsets and equipment.

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

The Group's total revenue including revenue from telecommunications services and the sales of mobile handsets and equipment increased by 3.8% which amounted to HK$4,977 million.

Revenue from telecommunications services for the first half of 2022 amounted to HK$4,393 million, which represented an increase of 10.0% or HK$400 million when compared to the corresponding period of 2021. The increase was mainly attributed to the growth in international telecommunications services and internet services revenue.

The Group's sales of mobile handsets and equipment for the six months ended 30 June 2022 amounted to HK$584 million, which represented a decrease of 27.2% or HK$218 million when compared to the corresponding period of 2021.

Mobile sales & services

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

Mobile services revenue dropped 3.3% to HK$413 million when compared to the corresponding period of 2021. Due to the resurgence and mutations of the COVID-19, various lockdown measures and travel restrictions ordered by many governments around the world in their respective countries/regions persisted throughout the first half of the year, which adversely impacted the Group's roaming related services revenue. Sales of mobile handsets and equipment dropped 27.2% year-on-year to HK$584 million.

All mobile subscribers are 4G subscribers. The overall number of subscribers as at 30 June 2022 was approximately 569,000 (30 June 2021: over 564,000) showing an increase of around 0.9% which resulted from the increase in postpaid subscribers of around 13.4% to approximately 433,000 subscribers (30 June 2021: over 382,000 subscribers). The increase was partly offset by the year-on-year decrease in prepaid subscribers of around 25.3% to approximately 136,000 subscribers (30 June 2021: approximately 182,000 subscribers) driven by lower inbound tourists and the requirement of real-name registration for all telecommunications and internet users under the Macau's Cybersecurity Law.

Internet services

Internet services revenue amounted to HK$649 million for the current period which represented a year-on-year increase of 7.5% or HK$45 million. The increase was mainly driven by business internet requirements and the increase in revenue from fibre broadband service. The increase in fibre broadband service revenue was the result of the service upgrade by existing customers and the year-on-year increase of around 2.1% in the number of broadband users to over 200,600 subscribers (30 June 2021: over 196,500 subscribers).

Due to the development of digital economy and the advancement of internet technology, there has been an increase in the demand for internet and data centre requirements as certain business activities had shifted online. Also, the pandemic provided the catalyst needed for companies to prioritise and expedite their digital transformation which gave rise to the increased demand in internet services.

As at 30 June 2022, the Group’s internet market-share and broadband market penetration rate in Macau were estimated at around 97.2% (30 June 2021: 97.1%) and 89.2% (30 June 2021: 89.6%) respectively.

International telecommunications services

International telecommunications services revenue including revenue from messaging services (including SMS), voice services and “DataMall自由行” services, increased by 33.3% or HK$428 million year-on-year to HK$1,715 million.

For the six months ended 30 June 2022, due to the continued increase in demand from corporate messaging delivery, messaging services revenue surged 44.3% or HK$370 million to HK$1,206 million when compared to the corresponding period of 2021, and voice services revenue increased by HK$64 million or 14.8% over the same period of 2021 to HK$496 million.

Due to the resurgence and mutations of the coronavirus, lockdown measures ordered by many governments around the world in their corresponding countries/regions in an attempt to contain the spread of the virus has continued throughout the first half of 2022. This virtually restricted the number of people travelling abroad for business or leisure purposes. As a result, revenue from “DataMall自由行” services decreased by HK$6 million to HK$13 million when compared to the corresponding period of 2021.

Enterprise solutions

Enterprise solutions revenue decreased by 2.8% from HK$1,583 million in the first half of 2021 to HK$1,538 million for the first six months of 2022. The decrease was mainly due to lower project revenue from government, resorts and other enterprises in Macau as the pandemic-related disruptions continued to adversely impact on the progress of a number of projects. However, the Group experienced encouraging growth in enterprise solutions services in Mainland China and Southeast Asia.

Fixed line services

In line with global trends of declining fixed IDD traffic volumes and the decrease in fixed residential and business lines, fixed line services revenue was down by 15.2% year-on-year to HK$78 million for the six months ended 30 June 2022.

Results for the year

Profit attributable to equity shareholders of the Company increased by HK$38 million or 7.1% year-on-year to HK$572 million mainly due to the combined effect of the following factors:

Revenue

The Group's revenue from telecommunications services amounted to HK$4,393 million, an increase of 10.0% when compared to the first half of 2021. Total revenue including mobile handsets and equipment sales amounted to HK$4,977 million for the year, representing a year-on-year increase of 3.8%.

Valuation gain 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 2022 by the Group's independent surveyors with a valuation gain of HK$6 million (six months ended 30 June 2021: HK$8 million).

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. Cost of sales and services increased by HK$40 million or 1.4% to HK$2,843 million when compared to the first half of 2021 mainly due to the increase in revenue from telecommunications services with comparatively higher margin.

Depreciation and amortisation

Depreciation and amortisation expenses totaled HK$476 million for the six months ended 30 June 2022, an increase of HK$22 million when compared to the first six months of 2021.

Staff costs

Staff costs increased year-on-year by 8.6% or HK$45 million to HK$569 million mainly due to the average salary increment in 2022.

Other operating expenses

Other operating expenses for the six months ended 30 June 2022 increased 9.8% or HK$23 million to HK$257 million when compared to the corresponding period of 2021. Although the Group has continued to implement robust measures in cost containment, the increase was mainly due to the increased allowance for doubtful debts as the Group considered the impact of the pandemic on its debtors.

Finance costs

Finance costs decreased by 2.3% or HK$3 million when compared to the corresponding period of 2021 mainly resulted from the repayment of bank loans at the end of 2021 and early 2022.

Income tax

Income tax for the period amounted to HK$135 million, an increase of HK$7 million when compared to the first six months of 2021. 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 2022 and 2021 were 15.6% and 16.3% respectively.

Earnings and Dividends per share

Both basic and diluted earnings per share were up 6.9% year-on-year to approximately HK15.5 cents for the six months ended 30 June 2022.

The Company's Board of Directors has declared an interim dividend of HK6.0 cents per share for the year ending 31 December 2022, an increase of 9.1% when compared to the corresponding period of 2021.

Cash flows

	Half year ended 30 June		**Increase / (Decrease)**	
In HK$ million	**2022**	2021		
Source of cash:				
Cash inflows from business operations	**1,239**	1,270	(31)	(2.4%)
Other cash inflows	**21**	44	(23)	(52.3%)
Sub-total	**1,260**	1,314	(54)	(4.1%)
Use of cash:				
Net capital expenditure*	**(157)**	(296)	(139)	(47.0%)
Dividends paid to equity shareholders and non-controlling interests	**(636)**	(598)	38	6.4%
Capital and interest elements of lease rentals paid	**(86)**	(90)	(4)	(4.4%)
Payment of borrowing costs	**(119)**	(122)	(3)	(2.5%)
Net cash outflows from borrowings	**(312)**	(197)	115	58.4%
Sub-total	**(1,310)**	(1,303)	7	0.5%
Net (decrease) / increase in cash and cash equivalents	**(50)**	11	N/A	N/A

* *Included in the amounts are payments for 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$1,239 million cash inflow from its operations, with the use of cash mainly comprised of capital expenditure, net repayment of bank and other borrowings, lease payments, and dividends distributions. In total, the Group recorded a net cash outflow of HK$50 million for the six months ended 30 June 2022.

Capital expenditure

The Group's total capital expenditure for the six months ended 30 June 2022 amounted to HK$141 million. During the period, HK$28 million was invested in 5G, HK$5 million was 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 2022, the Group had outstanding capital commitments of HK$182 million, mainly for 5G development, data centre development, system upgrades, construction costs of networks, and other telecommunications equipment which had yet to be delivered to the Group. Of these commitments, HK$70 million was outstanding contractual capital commitments and HK$112 million was 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$3,404 million, the net gearing ratio decreased from 27% as at 31 December 2021 to 25% as at 30 June 2022.

As at 30 June 2022, 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	1,000	3,588	440	97	-	-	-	**5,125**
Less: Cash and deposits	(545)	(583)	(27)	(288)	(198)	(26)	(54)	**(1,721)**
Net debt/ (cash)	**455**	**3,005**	**413**	**(191)**	**(198)**	**(26)**	**(54)**	**3,404**

As at 30 June 2022 and 31 December 2021, the Group's net gearing ratio was as follows:

In HK$ million	**30 June 2022**	31 December 2021
Total debt	**5,125**	5,446
Less: Cash and deposits	**(1,721)**	(1,793)
Net debt	**3,404**	3,653
Total equity attributable to equity shareholders of the Company	**10,008**	10,095
Total capital	**13,412**	13,748
Net gearing ratio	**25%**	27%

The Group's total debt decreased to HK$5,125 million which was mainly due to the net repayment of bank and other loans amounted to HK$312 million from its surplus cash during the period.

As at 30 June 2022, the total debt, excluding interest payable, amounted to HK$5,056 million, of which HK$266 million will be matured in the coming twelve months, against cash and deposits of HK$1,721 million.

The maturity profile of the Group's total debt (including interest payable) as at 30 June 2022 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**	**After 4 years but within 5 years**	**Total**
Bank and other loans	266	103	1,168	14	4	1,555
US$450 million 6.1% guaranteed bonds	-	-	3,501	-	-	3,501
	266	103	4,669	14	4	5,056
Interest payable	69	-	-	-	-	69
	335	**103**	**4,669**	**14**	**4**	**5,125**

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 2022 was more than sufficient to cover the repayments of outstanding amount of total debt (excluding interest payable) of HK$266 million in the coming twelve months and contractual capital commitments of HK$70 million as at 30 June 2022.

As at 30 June 2022, the Group had available trading facilities of HK$220 million. The amount of HK$103 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 2022.

As at 30 June 2022, the type of facilities of the Group was summarised as follows:

In HK$ million	**Total available facilities**	**Amount utilised**	**Amount unutilised**
Bank and other loans			
- Committed facilities:			
Term loans	1,323	1,323	-
- Uncommitted facilities:			
Short-term facilities	891	232	659
	2,214	1,555	659
Guaranteed bonds - Committed facility			
US$450 million 6.1% guaranteed bonds	3,510	3,510	-
Trading facilities - Uncommitted facilities	220	103	117
Total	**5,944**	**5,168**	**776**

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 stable 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 2022 and 31 December 2021, the Group was in compliance with the relevant requirements.

4. Contingent liabilities

As at 30 June 2022 and 31 December 2021, the Group had no significant contingent liabilities.

5. Performance bonds, guarantees and pledged assets

As at 30 June 2022 and 31 December 2021, performance bonds and other guarantees of the Group were as follows:

In HK$ million	**30 June 2022**	31 December 2021
Performance bonds provided to the Macau Government and other customers	**101**	85
Other guarantees	**2**	2
Total	**103**	87

As at 30 June 2022, bank deposits of HK$6 million (31 December 2021: HK$6 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 2022, the Company issued guarantees of HK$466 million (31 December 2021: HK$540 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 2022, approximately 69.5% (31 December 2021: approximately 65.6%) of the Group's borrowings, excluding interest payable, were linked to fixed interest rates. During the period, the Group did not enter into any interest rate swap arrangement.

Effective interest rates

As at 30 June 2022 and 31 December 2021, the effective interest rates, after the inclusion of amortisation of transaction costs, were as follows:

	30 June 2022	31 December 2021
Effective interest rates for fixed rate borrowings	**6.1%**	6.1%
Effective interest rates for variable rate borrowings	**2.4%**	1.2%
Effective interest rates for total borrowings	**5.0%**	4.4%

7. Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash and deposits 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 10.6% (31 December 2021: approximately 16.3%) of the Group's total trade debtors and contract assets as at 30 June 2022. 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 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 and Macau, or group companies. As at 30 June 2022, the Group maintained cash and deposits of HK$1,721 million (31 December 2021: HK$1,793 million), among which HK$1,714 million (31 December 2021: HK$1,783 million) was placed in the above-mentioned entities representing approximately 99.6% (31 December 2021: approximately 99.4%) of the total cash and 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 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 2022, the Group employed a total of 2,492 employees for its headquarters in Hong Kong and its subsidiaries. Number of employees in Hong Kong was 497. Employees in Mainland China and Macau totalled 1,688. Employees in overseas countries totalled 307.

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.

In order to ensure that the overall remuneration and benefits of employees are competitive, based on the principle that the remuneration package is similar to the level of the industry externally, and can effectively meet the needs of business development, the Group regularly reviews the remuneration and welfare of employees. Moreover, we set up variable remuneration including sales commissions, year-end bonuses, etc. linked to the Group's performance and individual work performance of employees. We aim at attracting and retaining talents with our strategic remuneration measures. 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 regularly reviewed our policies of environmental protection, energy conservation and emission reduction to achieve the goal of sustainable development.

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 49 of the 2021 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 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 2022. Following the retirement of Mr. Liu Li Qing on 9 December 2021, Mr. Wen Ku was appointed as an independent non-executive director on 1 February 2022. As disclosed in the 2021 Annual Report of the Company, the total number of independent non-executive directors during this period was below three and less than one-third of the board of directors of the Company and also the Nomination Committee did not comprise a majority of independent non-executive directors. In this respect, the Company had actively tried to identify a suitable candidate with appropriate background and qualification to fill the vacancy. Following the appointment of Mr. Wen Ku as an independent non-executive director, there are three independent non-executive directors, representing one-third of the Board. The Nomination Committee then comprises a majority of independent non-executive directors and therefore the relevant requirements have been fulfilled.

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 Issuers (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 2022.

DIVIDEND AND CLOSURE OF REGISTER

The board of directors of the Company has declared an interim dividend of HK6.0 cents (2021: HK5.5 cents) per share for the year ending 31 December 2022 payable on Friday, 30 September 2022 to shareholders whose names appear on the Register of Members of the Company on Friday, 16 September 2022. The Register of Members of the Company will be closed from Friday, 9 September 2022 to Friday, 16 September 2022, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 September 2022.

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 2022 and the Company has not redeemed any of its shares during the period ended 30 June 2022.

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 9 September 2022.

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

Hong Kong, 17 August 2022

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	Zuo Xunsheng
Cai Dawei	Liu Jifu	Lam Yiu Kin
Luan Zhenjun	Fei Yiping	Wen Ku