



中信國際電訊

CITIC TELECOM INTERNATIONAL

STOCK CODE: 1883



CONNECT THE FUTURE
CONNECT THE WORLD
INTERIM REPORT 2023

ABOUT US

CITIC Telecom International Holdings Limited (the “Company”, and together with its subsidiaries the “Group”) was established in 1997 in Hong Kong and was listed on The Stock Exchange of Hong Kong Limited on 3 April 2007. The Group is an internet-oriented telecommunications enterprise providing comprehensive services.

The Company’s services cover international telecommunications services, providing mobile international roaming, international voice, international messaging, international data and international value-added telecommunications services, etc. to global carriers (including mobile operators, fixed line operators, virtual network operators, internet operators and OTT operators). The Company is one of the largest telecommunications hubs in Asia Pacific, with “DataMall 自由行”, the world’s first mobile trading platform and SIMN as our self-developed products. The Company owns the whole CITIC Telecom Tower (with a floor area of approximately 340,000 sq. ft.) and has established two large-scale data centres in Hong Kong.

The Company’s wholly-owned subsidiary, Acclivis Technologies and Solutions Pte. Ltd. (“Acclivis”), is based in Singapore with businesses in Malaysia, Indonesia, Thailand and Philippines, etc. As one of the leading IT services providers in the region, Acclivis is the trusted advisor to government and enterprise to deliver digital transformation projects and smart solutions that harness our end-to-end ICT capabilities, with focus on cloud solutions, managed services and enterprise connectivity. Acclivis also owns the reputable internet service brand “Pacific Internet” in Singapore, Thailand, Indonesia, Philippines and Malaysia, and has established data centres and cloud computing centres across key cities in Southeast Asia.

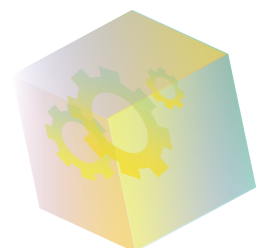
Through its wholly-owned subsidiary, CITIC Telecom International CPC Limited (“CPC”), the Group provides one-stop ICT solutions to multinational and business enterprises, including private network solutions, EPL, SD-WAN, internet access, cloud computing, information security, cloud data centre and a series of value-added

services, etc. CPC is one of the most trusted partners of leading multinational and business enterprises in the Asia-Pacific region. CPC has gained a foothold in the Chinese mainland market through its subsidiary, China Enterprise ICT Solutions Limited (“CEC”), providing comprehensive ICT services for sizable multinational and business enterprises in Chinese mainland. CEC possesses various nationwide licenses in value-added telecommunications services in Chinese mainland, including nationwide Ethernet VPN, and has established cloud data centres in various cities such as Beijing, Shanghai and Guangzhou.

The Group holds 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. (“CTM”). CTM is one of the leading integrated telecommunications services providers in Macau, and is the only full telecommunications services provider in Macau (including mobile, internet, fixed line, data centre, enterprise ICT and international telecommunications services), as well as the major smart city operator of “Digital Macau”. As a market leader, CTM has long provided quality telecommunications and ICT services to the residents, government and enterprises of Macau, and plays an important role in the ongoing development of Macau.

“Wisdom and Integrity for Fostering Prosperity” is the core value of the Group. The Group has established branch organisations in 22 countries and regions with more than 2,500 employees and over 165 PoPs globally. The Group’s business covers nearly 160 countries and regions, and connects to over 600 operators in the world and serves over 3,000 MNCs and 40,000 local enterprises. The Group has R&D teams in various cities including Hong Kong, Macau, Zhuhai, Chengdu, etc. The Group has a number of ISO quality and network security accreditations, and also received awards and commendations from multiple organisations in recognition of caring to employees and environment for years.

CITIC Group Corporation, a large multinational conglomerate headquartered in China, is the ultimate holding company of the Company.





VISION

To become an internet-oriented telecommunications company; enabling connections anytime and anywhere, among people, among things, and among each other; enhancing the driving force for the advancement of society, development of enterprises and a higher quality of life.

MISSION

- Rooted in Chinese mainland market, taking Hong Kong and Macau as the base and connection, providing communications and ICT services with global coverage.
- Customer-oriented, with an acute observation of their needs, continuing to generate new value for our customers.
- Market-oriented and innovative, continuing to increase the Company's competitiveness.
- With value creation as our goal, providing sustainable return for our shareholders.

CONTENTS

Milestones	2
Financial Highlights	4
Chairman's Statement	6
Financial Review	14
Human Resources	27
Condensed Interim Financial Report	28
Consolidated Income Statement	29
Consolidated Statement of Comprehensive Income	30
Consolidated Statement of Financial Position	31
Consolidated Statement of Changes in Equity	33
Consolidated Cash Flow Statement	34
Notes to the Unaudited Condensed Interim Financial Report	35
Report on Review of Condensed Interim Financial Report	56
Statutory Disclosure	57
Corporate Information	62

5G

MILESTONES

Month	Events
January 2023	<ul style="list-style-type: none"> CITIC Telecom International CPC Limited (“CPC”)’s AI-AR Remote Hand solutions won the “Outstanding Innovation or Transformation Award” at the “PTC Awards 2023” organised by Pacific Telecommunications Council China Enterprise ICT Solutions Limited (“CEC”) has been selected as the “2022 New Power of China’s Digital Technology 2.0 – Information Security Segment” by Jnexpert, Digital Industry Innovation Research Center, Chief Digital Officer and China Software Industry Association CIO
February 2023	<ul style="list-style-type: none"> CEC’s next generation SOC – TrustCSI™ Managed Security Services won the “Communications Industry Golden Zizhu Award – 2022 Outstanding Product Technology Solution” issued by Communications Weekly CEC won the “Communications Industry Golden Zizhu Award – 2022 Contributing Enterprise to Promote Industry Progress” issued by Communications Weekly CEC’s 中企雲® SmartCLOUD Multi-Cloud Managed Service has been selected as the “2022 ICT Excellence Solutions” in the “Top ICT Industry List cum Excellence Solutions Selection” organised by China Industry and Information Technology Publishing & Media Group and undertaken by both China InfoCom Media Group and Communications World Weekly
March 2023	<ul style="list-style-type: none"> With our AI Visual Security solution, CPC won the gold award for both in the “Best Artificial Intelligence (AI) Threat Detection – ASIA (between 500 to 999 employees)” and the “Most Innovative Cybersecurity Company – ASIA (between 500 to 999 employees)” in the “2023 Cybersecurity Excellence Awards” organised by Cybersecurity Insiders CPC won the “Outstanding ICT Solution Provider 2022” award at the “Quamnet Outstanding Enterprise Awards 2022” organised by Quamnet CPC won the “Chinese Champion in Europe Award” at “The 2022-2023 European Business in China Awards” organised by the European Union Chamber of Commerce in China – South China Chapter CEC won the “2022 Premier Digital Transformation Solution Provider” award jointly issued by CIO TIMES and New Infrastructure Innovation Research Institute CEC won the “2022 China IDC Industry Innovation Development Award” issued by China IDCC Event Committee CEC won the “2022 Outstanding Service Provider of SASE Solution for Intelligent Manufacturing in China” award issued by e-works CEC’s next generation SOC – TrustCSI™ Managed Security Services and 中企雲® SmartCLOUD Cloud Computing Solutions won the “2022 Excellent Recommended Products of China Intelligent Manufacturing” award issued by e-works
April 2023	<ul style="list-style-type: none"> CPC won the “Outstanding DICT Service Provider” award at “The 23rd Capital Outstanding Enterprise Awards” organised by CAPITAL CPC won the Silver Award in “Web Accessibility Recognition Scheme 2022-2023” held by Hong Kong Internet Registration Corporation Limited CEC’s next generation SOC – TrustCSI™ Managed Security Services has been selected as one of the constituents in the “Network Security Industry Overview (10th Edition) – Security Operations & Maintenance and Managed Services Segment” issued by AQNIU



Month	Events
May 2023	<ul style="list-style-type: none"> • With our AI-AR Remote Hand solutions, CPC won the “Best Remote Management Solution of the Year” in the “IT Europa Channel Awards 2023” organised by IT Europa Media and Intelligence Limited • CPC received the “Distinguished Innovative Corporate Solutions Provider Award” in the “Corporate Brand Awards of Excellence 2023” organised by Hong Kong Economic Journal • CEC’s Secure Access Service Edge (SASE) solution has been selected as one of the constituents in the “2023 China Network Security Market Overview – Secure Access Service Edge (SASE) Segment” issued by Cybersecurity Reviews • CEC’s Data Science and Innovation team won the first prize in the “6th Industrial Internet Data Innovation Application Competition” under the category of “Prediction of Hydrogen Fuel Cell System Mean Performance” held by China Academy of Information and Communications Technology
June 2023	<ul style="list-style-type: none"> • CITIC Telecom International Holdings Limited and its subsidiaries jointly exhibited at GSMA MWC Shanghai 2023 (MWC Shanghai 2023). Under the unified planning and guidance of CITIC Group, the Group showcased its upgraded Single IMSI Multiple Number service platform for Guangdong-Hong Kong-Macau Greater Bay Area, digital and intelligent cross-border mobile network security service platform, core enterprise communications service platform in Asia Pacific, global data volume trading platform, global telecommunications operator business and CITIC Telecom Tower data centre services • CEC has been selected as one of the “2021-2022 China Communications Industry List – Top 100 China Communications Technology Equipment Service Providers” issued by Communications Weekly • CEC has been selected as one of the “2023 Computing Power List – Top 10 SD-WAN Market Companies” issued by Communications World Weekly • CEC’s next generation SOC – TrustCSI™ Managed Security Services won the “Technology Innovation MWC China Solution” award issued by Communications Weekly • Companhia de Telecomunicações de Macau, S.A.R.L. successfully completed the replacement of copper wires for internet broadband access in Macau, starting a new era of all-fibre network access for internet broadband users to enjoy high-speed experience

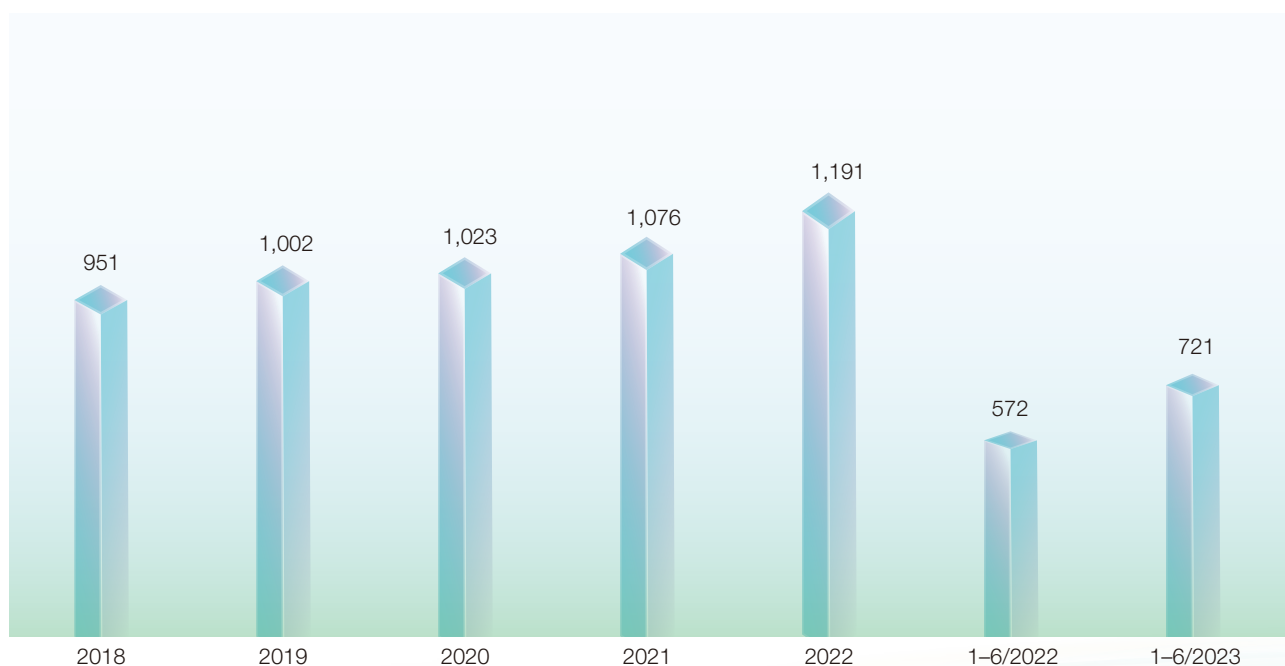
FINANCIAL HIGHLIGHTS

In HK\$ million	Half year ended 30 June		
	2023	2022	
Revenue			
Revenue from telecommunications services	4,690	4,393	Increase 6.8%
Sales of mobile handsets and equipment	636	584	Increase 8.9%
	5,326	4,977	Increase 7.0%
Profit attributable to equity shareholders of the Company	721	572	Increase 26.0%
EBITDA¹	1,448	1,324	Increase 9.4%
Earnings per share (HK cents)			
Basic	19.5	15.5	Increase 25.8%
Diluted	19.5	15.5	Increase 25.8%
Dividend per share (HK cents)			
Interim dividend	6.0	6.0	Same level as last period

¹ EBITDA represents earnings before interest, taxes, depreciation and amortisation.

Profit Attributable to Equity Shareholders of the Company

HK\$ million



FINANCIAL HIGHLIGHTS

In HK\$ million	30 June 2023	31 December 2022	
Total assets	17,577	18,181	Decrease 3.3%
Total equity attributable to equity shareholders of the Company	10,429	10,373	Increase 0.5%
Total debt²	4,084	4,520	Decrease 9.6%
Less: Cash and deposits	(1,759)	(1,986)	Decrease 11.4%
Net debt	2,325	2,534	Decrease 8.2%
Net gearing ratio³	18%	20%	Decrease 2.0%

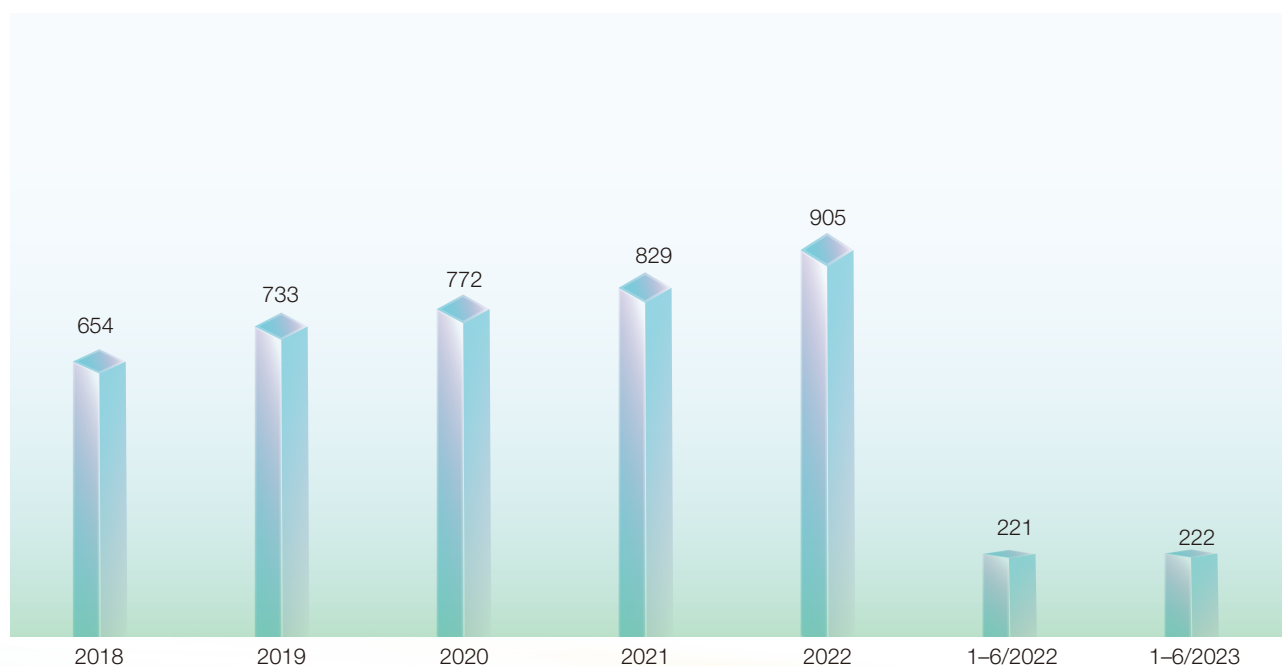
² Total debt includes current and non-current bank and other borrowings.

³ Net gearing ratio = $\frac{\text{Net debt}}{\text{Total capital}} \times 100\%$

Total capital = Total equity attributable to equity shareholders of the Company + Net debt

Dividends Payable to Equity Shareholders of the Company Attributable to the Year/Interim Period

HK\$ million



Note: The interim dividend payable for the year ending 31 December 2023 was based on the number of shares in issue as at 30 June 2023, which may differ from the number of shares at the closing date of the register of members.

CHAIRMAN'S STATEMENT



I am pleased to announce the operating and financial results of CITIC Telecom International Holdings Limited (the "Group") for the first half of 2023.

During the first half of the year, amid the slow recovery of the global economy as well as various challenges and difficulties in development, the Group actively devoted itself to major national development plans such as "One Country, Two Systems", the development of Guangdong-Hong Kong-Macao Greater Bay Area and "Belt and Road Initiative", and adhered to its strategic positioning of "Root in Chinese mainland market, taking Hong Kong and Macau as the base and connection, and expedite international expansion and coverage". The Group is committed to exploring new markets, developing new businesses, and fully dedicating itself to the development and construction of digital economy, which promoted the high-quality corporate development and continuous growth in its operational performance in reaching new heights.

I. FINANCIAL RESULTS

Profit attributable to equity shareholders of the Company for the first half of 2023 was HK\$721 million, increasing by 26.0% as compared to the corresponding period of the previous year. Excluding the effect of investment property revaluation, there would have been a year-on-year increase of 26.3%.

The Group's revenue from its principal business of telecommunications services amounted to HK\$4,690 million, increasing by 6.8% when compared to the corresponding period of the previous year. Total revenue amounted to HK\$5,326 million, increasing by 7.0% when compared to the corresponding period of the previous year.

Basic earnings per share for the first half of the year amounted to HK19.5 cents, representing a 25.8% increase as compared to the corresponding period of the previous year.

The Board declared an interim dividend of HK6.0 cents per share for 2023, which is in line with corresponding period for the previous year.

II. BUSINESS DEVELOPMENT

With regard to the mobile sales & services, Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM"), the Group's subsidiary, worked full steam ahead to construct "Digital Macau 3.0" by capitalising on the first-mover advantage in commercial 5G services. As at the end of June 2023, CTM had approximately 624,000 subscribers, capturing 47.5% of Macau's overall mobile market share, which represents an increase of 1.8 percentage points when compared to that at the end of 2022, among which, 5G customers amounted to approximately 316,000, securing its top position with 78.9% of 5G market share.

CTM actively empowered 5G applications by promoting the integration of 5G applications into the tourism, exhibition, policing, healthcare and other sectors and industries to establish a 5G cooperative ecosystem. As at the end of June 2023, CTM launched bilateral 5G roaming services with 103 overseas network operators (covering 95 countries/regions), launched bilateral 4G roaming services with 389 overseas network operators (covering 221 countries/regions) and launched bilateral VoLTE roaming services with 17 overseas network operators (covering 21 countries/regions).

As for the internet services, CTM actively promoted FTTR (Fibre-to-the-Room) service and completed the replacement of copper wires for internet broadband access. Fibrelisation rate increased from 99.2% (as at the end of December 2022) to 100.0% (as at the end of June 2023), starting a new era of all-fibre network access for CTM's internet broadband subscribers. As at the end of June 2023, CTM accounted for up to 97.1% market share of the broadband services. The Group's data centre business achieved ground-breaking development, and its high-grade data centre in Hong Kong has secured a leading internet platform customer.

In relation to the enterprise solutions services, the Group's subsidiary, CITIC Telecom International CPC Limited ("CPC") spared no effort to build an integrated platform of "Cloud, Network, Intelligence and Security". In strengthening its multi-cloud services and applications with high-quality data security and compliance, CPC was recognised as the first accredited partner of VMware Sovereign Cloud in Hong Kong. CPC promoted its expansion in information security managed services market by launching its third Security Operations Centre in Shanghai following Hong Kong and Guangzhou, to propel enterprise fostering from "information security development" to systematic and platform-based "information security operations". CPC continued to broaden its network coverage, and its virtual private network service covered nearly 160 countries and regions worldwide with over 165 Points-of-Presence and more than 60 SD-WAN gateways as at the end of June 2023.

The Group has been actively expanding into new businesses and markets to optimise its overseas business layout. Acclivis Technologies and Solutions Pte. Ltd., a subsidiary of the Group, provided new data centre managed services to the Singapore government authority, engaged in public cloud projects in Indonesia for multiple corporations including a Southeast Asian financial unicorn, incorporated AI technology to deliver drone AI painting solutions to customers, submitted an ISP licence application in the Philippines, and gradually implemented plans to tap into the Vietnamese market.



As for the international telecommunications services, the Group continued to enhance its platform capability for strengthening its position as a core international telecommunications services hub in the region and expanding its business scale. The Group deepened business collaboration with operators and key partners to establish strategic partnerships, aiming to grow the global IPX market together and expedite the progress of eSIM platform projects for accelerating market penetration. Benefitting from the recovery of cross-border roaming activities, service revenue from “DataMall 自由行” has significantly increased.

The Group remains steadfast in development through innovation. CPC completed the AR enterprise digital twin platform jointly developed with the Hong Kong Applied Science and Technology Research Institute, and successfully demonstrated the achievements in the Solutions Day activities during CPC’s annual ecosystem conference. The Group completed the development of computer vision-based outdoor object recognition function, which further enhanced the digital solutions by combining with the existing indoor object recognition capability. CTM integrated cutting-edge technologies such as 5G and big data into various industries, and partnered with the University of Macau for the research and development of the “Scenic Spots Evaluation Model”, which established an algorithmic model based on big data to evaluate the attractiveness of scenic spots.

The Group participated in major exhibitions to enhance its brand influence. From 28 to 30 June 2023, the Group, together with its subsidiaries including CTM and CPC, attended “MWC Shanghai 2023”. Themed “Embracing Innovation – Connecting the Future”, the Group presented the latest achievements and practices of its “Cloud, Network, Intelligence and Security” technologies connecting with the “National Strategies”, “Community and Livelihood”, as well as “Industries and Future” with emphasis on innovation in digital technology, industrial transformation and empowerment and ecological cooperation within the industry, contributing to the digitalisation era in China and the prosperity of the global digital economy.

On 10 March and 28 March 2023, CPC organised Solutions Day 2023 in Hong Kong and Shanghai respectively, which were broadcasted on 14 online platforms via livestreaming and received an overwhelming response with more than 2.77 million viewers, further enhancing the brand value of the Group’s expertise in digital transformation.

On 10 May 2023, CTM and its partners co-organised the “BEYOND EXPO 2023 – Building cloud foundation for Smart Macao and deepening industrial digitalisation” forum to facilitate the progress of Smart Macao and Digital Macao by joining hands with various sectors in Macau.

CHAIRMAN'S STATEMENT

The Group actively fulfills its social responsibilities. It served the interconnection of Guangdong-Hong Kong-Macao Greater Bay Area and facilitated the normal sending and receiving of customs clearance appointment SMS, nucleic acid testing SMS and other messages for cross-boundary residents in Guangdong, Hong Kong and Macau, ensuring the smooth implementation of the arrangement for quarantine-free customs clearance between Chinese mainland and Hong Kong. The Group cooperated with Communications Authority in Hong Kong and Hong Kong's mobile operators to develop and launch its self-developed "Information Alert Service Platform for Fraud Prevention of Overseas Spam Call", which assisted Hong Kong residents in identifying suspicious incoming calls from overseas, safeguarded the property of residents and protected the security of cross-border communications network.

III. OUTLOOK

The international economic environment remained complex and challenging. The uncertain trend on global economic recovery adversely affected traditional businesses to a certain extent. The Group takes innovation and transformation as priority, firmly adheres to its corporate belief of "navigating through headwinds with unwavering persistence in innovative development", stays vigilant and pursues innovative development. The Group embraces the excellent corporate culture of "Wisdom and Integrity for Fostering Prosperity", leverages on its distinctive advantages in the internationalisation of markets, customers, teams, networks, services and management, consistently focuses on transformation and innovation to create new highlights and drive its high-quality development.

The Group will actively engage in product, business and model innovation, and has continued to strengthen the business development of "DataMall 自由行" and data centres. It is committed to managing and expanding its international telecommunications services, optimising its platform services and consolidating its business scale.

Seizing the opportunity arising from the economic recovery in Macau, the Group will build high-quality 5G network, optical fibre network, WiFi network, cloud platform and other "Cloud-Network Convergence" digital foundations to drive and create demand, enrich the smart city application ecosystem, advance the digital and intelligent development of Macau, and move towards "Digital Macau 3.0".

The Group will further leverage the domestic and international "dual circulation" bonding, optimise its capabilities in terms of cloud, network, intelligence and security services. By upgrading and building an integrated platform of "Cloud, Network, Intelligence and Security", it will empower enterprises to "reach out" and "bring in". It will also take effective measures and make great efforts to accelerate the development of digital economy.

The Group will actively expand its overseas business, keep a keen eye on developing new markets in the Southeast Asia region, enhance its capability to offer digital solutions, deepen its partnerships with government authorities, educational institutions and large corporations, and strive to acquire more quality projects to achieve innovative development.

CHAIRMAN'S STATEMENT



The Group will attach great importance to quality and adheres to the philosophy of “Quality is the vitality of an enterprise” to provide customers with premium services. The Group also values talents, and is aspired to forging three international first-rate teams to build up reserves of high-calibre talents for corporate development. The Group prioritises scientific research and continues to step up its investment in order to sustain impetus of innovation for its development. Besides, the Group strives to emphasise on safeguarding work safety and health of our staff to cultivate a harmonious and stable environment for internal and external development.

In the first half of 2023, the Group sustained growth in its operating results and delivered stable returns to its shareholders. I would like to express my gratitude to all our employees for their dedication, as well as to shareholders, investors and partners for their care and continued support.

Xin Yue Jiang

Chairman

Hong Kong, 18 August 2023





BUILDING
THE FUTURE

5G

FINANCIAL REVIEW

OVERVIEW

The Group's profit for the six months ended 30 June 2023 increased by 24.2% year-on-year to HK\$734 million, profit attributable to equity shareholders of the Company increased by 26.0% year-on-year to HK\$721 million, and basic earnings per share was up 25.8% to HK19.5 cents when compared to the first half of 2022.

The Group's total revenue increased by 7.0% year-on-year to HK\$5,326 million while revenue from telecommunications services increased by 6.8% to HK\$4,690 million when compared to the first half of 2022.

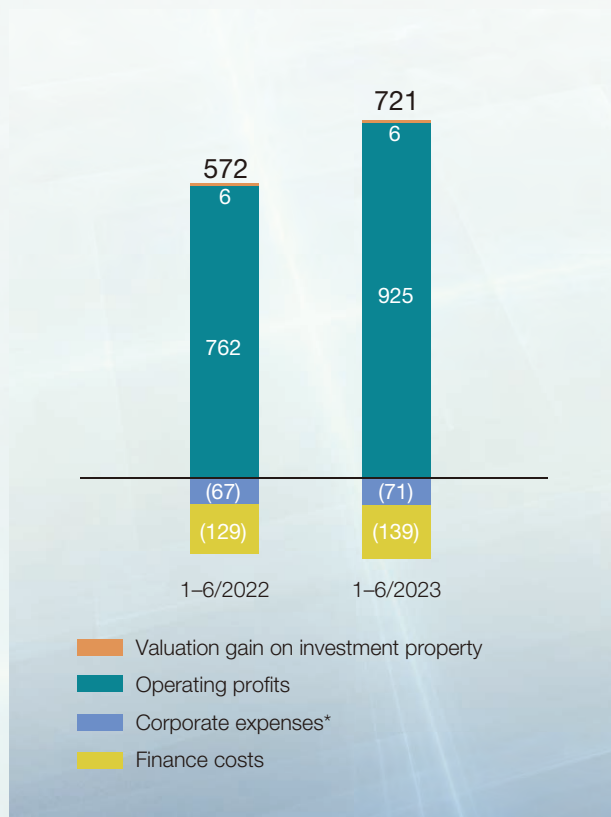
Summary of Financial Results

In HK\$ million	Half year ended 30 June		Increase/(Decrease)	
	2023	2022		
Revenue from telecommunications services	4,690	4,393	297	6.8%
Sales of mobile handsets and equipment	636	584	52	8.9%
Revenue	5,326	4,977	349	7.0%
Valuation gain on investment property	6	6	–	–
Other income	47	17	30	>100%
Cost of sales and services	(3,037)	(2,843)	194	6.8%
Depreciation and amortisation	(452)	(476)	(24)	(5.0%)
Staff costs	(577)	(569)	8	1.4%
Other operating expenses	(283)	(257)	26	10.1%
Profit from consolidated activities	1,030	855	175	20.5%
Finance costs	(139)	(129)	10	7.8%
Share of profit of a joint venture	1	–	1	N/A
Income tax	(158)	(135)	23	17.0%
Profit for the period	734	591	143	24.2%
Less: Non-controlling interests	(13)	(19)	(6)	(31.6%)
Profit attributable to equity shareholders of the Company	721	572	149	26.0%
EBITDA*	1,448	1,324	124	9.4%
Basic earnings per share (HK cents)	19.5	15.5	4.0	25.8%
Dividend per share (HK cents)	6.0	6.0	–	–

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

Profit attributable to equity shareholders of the Company

HK\$ million



* 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 2023 increased by 26.0% or HK\$149 million to HK\$721 million when compared to the corresponding period of 2022. Excluding the valuation gain on investment property of HK\$6 million (six months ended 30 June 2022: HK\$6 million), profit attributable to equity shareholders of the Company for the first half of 2023 would amount to HK\$715 million (six months ended 30 June 2022: HK\$566 million), representing a year-on-year increase of 26.3%.

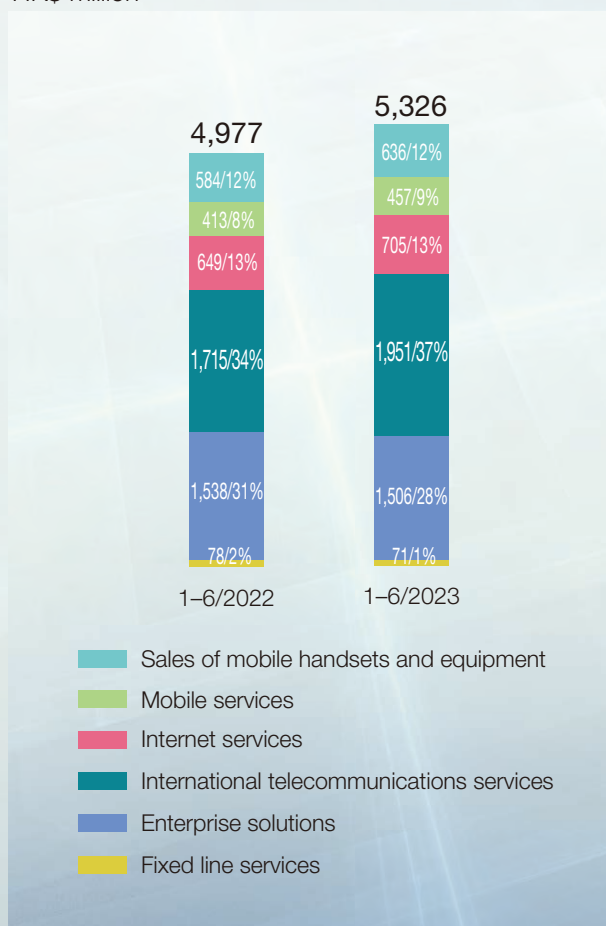
Revenue

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 7.0% year-on-year to HK\$5,326 million.

HK\$ million

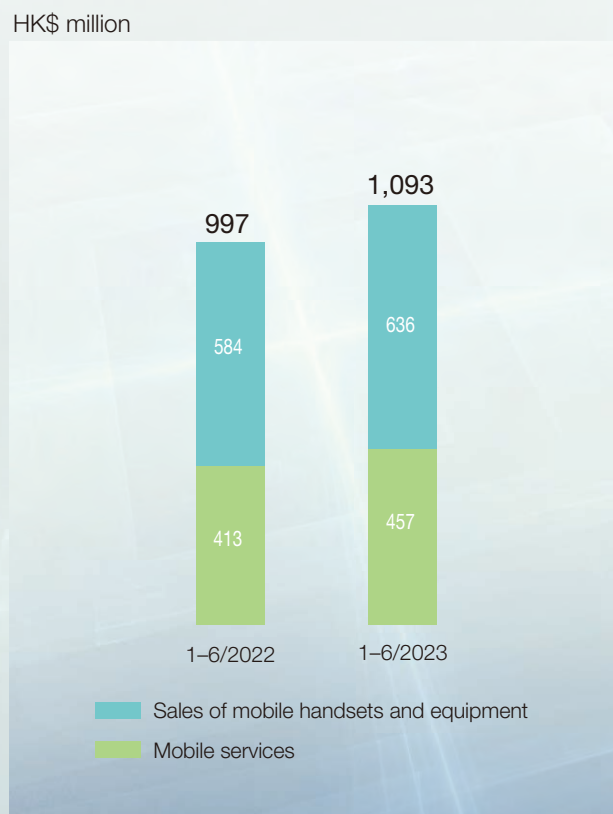


Revenue from telecommunications services for the six months ended 30 June 2023 amounted to HK\$4,690 million, which represented an increase of 6.8% or HK\$297 million when compared to the corresponding period of 2022. The increase was mainly attributed to the growth in international telecommunications services and internet services revenue.

The Group's sales of mobile handsets and equipment for the six months ended 30 June 2023 amounted to HK\$636 million, which represented an increase of 8.9% or HK\$52 million when compared to the corresponding period of 2022. The increase was due to the increase in the supply of mobile handsets during the period and other factors such as the trend in 5G upgrade.

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, other mobile value-added services and others.



Mobile services revenue was up 10.7% to HK\$457 million when compared to the first half of 2022 as a result of the recovery from the COVID-19 pandemic and the increase in number of mobile subscribers. Sales of mobile handsets and equipment increased 8.9% year-on-year to HK\$636 million.

The Group's overall number of mobile subscribers as at 30 June 2023 was approximately 624,000 (30 June 2022: approximately 569,000) subscribers representing an increase of around 9.7% year-on-year resulting from the increase in postpaid subscribers of around 10.4% year-on-year to approximately 478,000 (30 June 2022: approximately 433,000) subscribers and the increase in prepaid subscribers of around 7.4% year-on-year to approximately 146,000 (30 June 2022: approximately 136,000) subscribers.

The Group launched its 5G mobile service in Macau in mid-November 2022. As at 30 June 2023, total number of 5G mobile subscribers was approximately 316,000 subscribers, representing 50.6% of the Group's total number of mobile subscribers.

Internet services

The development of digital economy and the advancement of internet technology has continued to drive higher business internet requirements and greater demand for internet and data centre services. This has led to a year-on-year increase of 8.6% or HK\$56 million in revenue from internet services which amounted to HK\$705 million. Service upgrade by existing customers and around 1.7% year-on-year increase in the number of broadband users to approximately 204,000 (30 June 2022: over 200,600) subscribers, also contributed to the increase in revenue from fibre broadband service.

As at 30 June 2023, the Group's internet market share and broadband market penetration rate in Macau were around 97.1% (30 June 2022: 97.2%) and 91.7% (30 June 2022: 89.2%) 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 13.8% year-on-year or HK\$236 million.

For the six months ended 30 June 2023, due to increasing demand from corporate messaging delivery, messaging services revenue surged 14.4% or HK\$174 million to HK\$1,380 million in the first half of 2023, and voice services revenue increased by 3.8% or HK\$19 million over the corresponding period of 2022 to HK\$515 million.

Revenue from "DataMall 自由行" services increased by HK\$43 million to HK\$56 million when compared to the corresponding period of 2022 due to the lifting of lockdown measures and travel restrictions by certain governments around the world in their corresponding countries/regions in 2023.

Enterprise solutions

For the six months ended 30 June 2023, enterprise solutions revenue decreased by 2.1% year-on-year to HK\$1,506 million. Although economies are recovering from the pandemic, there are other factors such as high interest rate and inflation rate that posed a challenge to enterprises across the globe. This has adversely impacted on the Group's enterprise solutions revenue both in Macau and Chinese mainland. However, the Group continued to experience encouraging growth in 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 9.0% year-on-year to HK\$71 million for the six months ended 30 June 2023.

Results for the period

Profit attributable to equity shareholders of the Company increased by 26.0% year-on-year or HK\$149 million to HK\$721 million mainly due to the combined effect of the following factors:

Revenue

The Group's revenue from telecommunications services increased by 6.8% year-on-year or HK\$297 million to HK\$4,690 million. Total revenue including mobile handsets and equipment sales amounted to HK\$5,326 million for the period, representing a year-on-year increase of 7.0%.

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 2023 by the Group's independent surveyors with a valuation gain of HK\$6 million (six months ended 30 June 2022: HK\$6 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 6.8% or HK\$194 million to HK\$3,037 million when compared to the corresponding period of 2022 mainly due to the increase in revenue from telecommunications services with comparatively higher margin.

Depreciation and amortisation

Depreciation and amortisation expenses totaled HK\$452 million for the six months ended 30 June 2023, representing a year-on-year decrease of 5.0%. The decrease was mainly due to the net impact from certain aged networks and equipment being fully depreciated in 2022 and the increase in depreciation from 5G related equipment since the launch of the Group's 5G mobile service in Macau from mid-November 2022.

Staff costs

Staff costs increased by 1.4% year-on-year or HK\$8 million to HK\$577 million mainly due to the average salary increment and the increase in headcount.

Other operating expenses

Other operating expenses for the six months ended 30 June 2023 increased by 10.1% or HK\$26 million to HK\$283 million when compared to the corresponding period of 2022. This was mainly due to a net exchange loss and the increase in utility charges during the period.

Finance costs

General bank's borrowing rates have continued to increase since the second half of 2022, but the impact of the increase on the Group's finance costs was partly offset by the repayment of bank loans at the end of 2022 and during the period. As a result, finance costs increased by 7.8% year-on-year to HK\$139 million (six months ended 30 June 2022: HK\$129 million).

Income tax

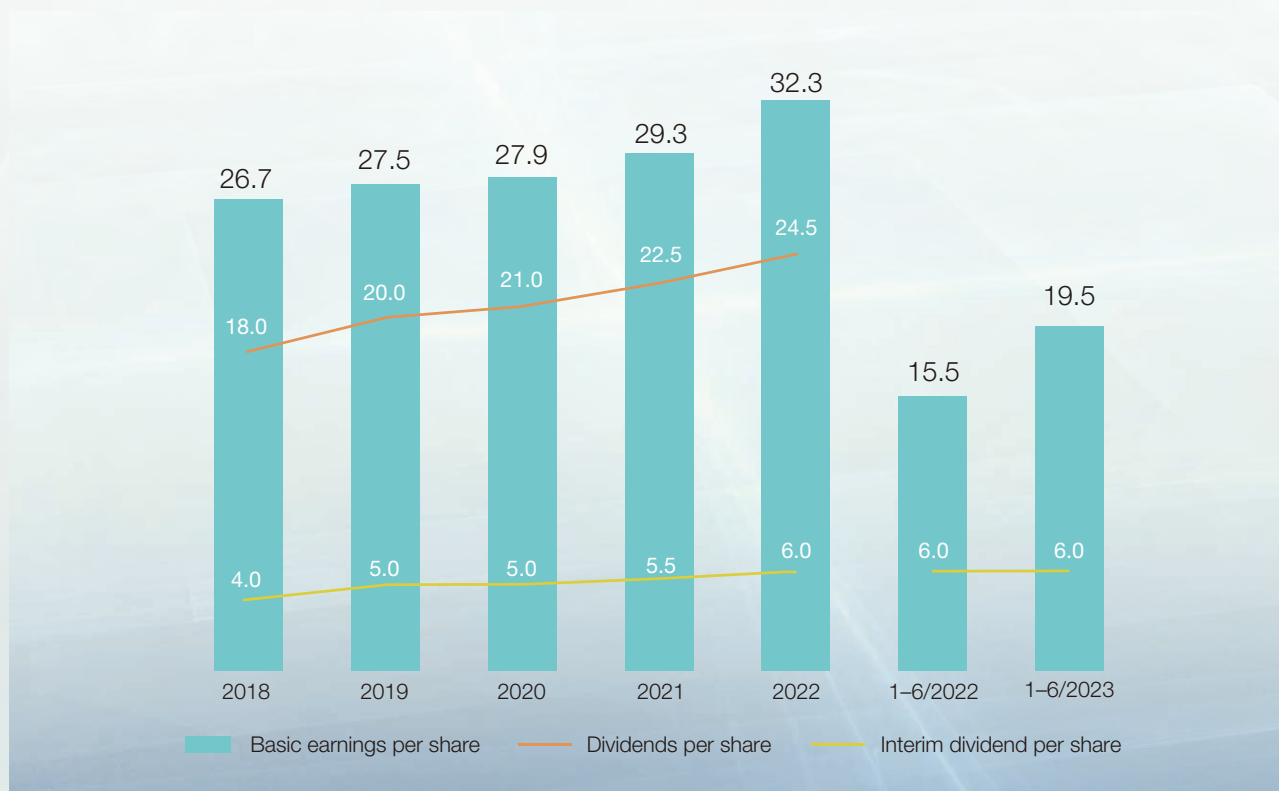
Income tax for the period amounted to HK\$158 million, an increase of HK\$23 million when compared to the first half of 2022. Excluding finance costs, over or under-provision of taxes and any origination and reversal of temporary differences in relation to prior years, the effective tax rates for the six months ended 30 June 2023 and 2022 were 14.5% and 15.6% respectively.

Earnings and Dividends per share

Both basic and diluted earnings per share were up 25.8% year-on-year to approximately HK19.5 cents for the six months ended 30 June 2023.

The Company’s Board of Directors has declared an interim dividend of HK6.0 cents per share for the year ending 31 December 2023.

HK cent



Cash flows

In HK\$ million	Half year ended 30 June		Increase/(Decrease)	
	2023	2022		
<i>Source of cash:</i>				
Cash inflows from business operations	1,228	1,239	(11)	(0.9%)
Decrease in pledged and other deposits	56	2	54	>100%
Other cash inflows	61	19	42	>100%
Sub-total	1,345	1,260	85	6.7%
<i>Use of cash:</i>				
Capital expenditure*	(147)	(157)	(10)	(6.4%)
Dividends paid to equity shareholders of the Company and non-controlling interests	(693)	(636)	57	9.0%
Capital and interest elements of lease rentals paid	(87)	(86)	1	1.2%
Payment of borrowing costs	(128)	(119)	9	7.6%
Net cash outflows from borrowings	(454)	(312)	142	45.5%
Sub-total	(1,509)	(1,310)	199	15.2%
Net decrease in cash and cash equivalents	(164)	(50)	114	>100%

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

The Group generated HK\$1,228 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\$164 million for the six months ended 30 June 2023.

Capital expenditure

The Group's total capital expenditure for the six months ended 30 June 2023 amounted to HK\$120 million. During the period, HK\$15 million was invested in 5G, HK\$5 million was incurred for the Group's data centre development and the remainder of the capital expenditure were mainly for network systems upgrade and expansion.

Capital commitments

As at 30 June 2023, the Group had outstanding capital commitments of HK\$157 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\$44 million was outstanding contractual capital commitments and HK\$113 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\$2,325 million, the net gearing ratio decreased from 20% as at 31 December 2022 to 18% as at 30 June 2023.

As at 30 June 2023, total debt and net debt of the Group were as follows:

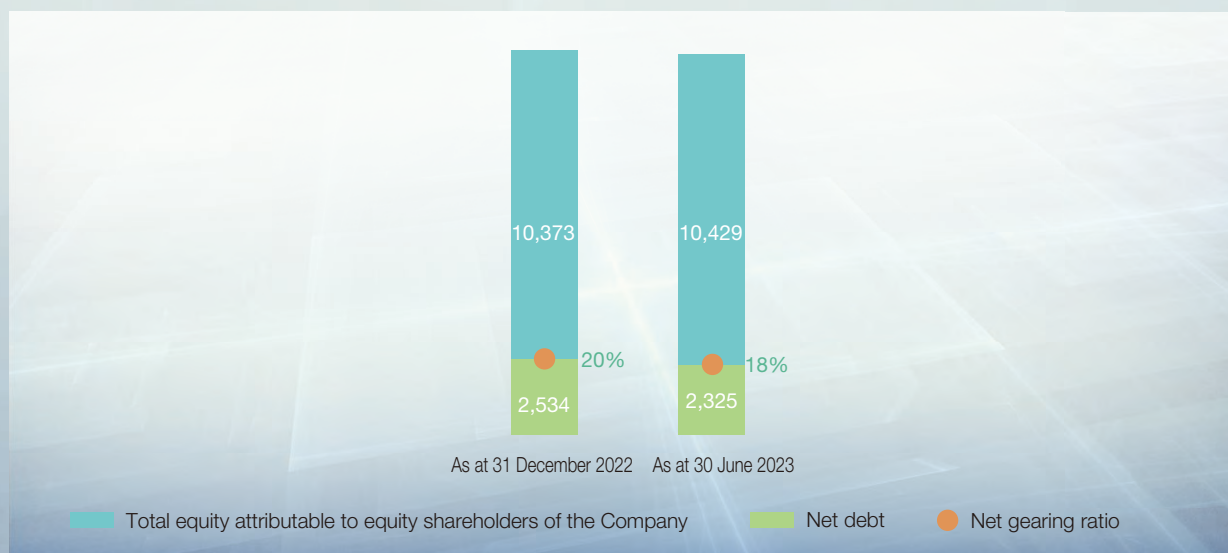
In HK\$ million equivalents	Denomination							Total
	HKD	USD	SGD	MOP	RMB	EUR	Others	
Total debt	150	3,590	344	–	–	–	–	4,084
Less: Cash and deposits	(632)	(480)	(38)	(376)	(152)	(41)	(40)	(1,759)
Net debt/(cash)	(482)	3,110	306	(376)	(152)	(41)	(40)	2,325

As at 30 June 2023 and 31 December 2022, the Group's net gearing ratio was as follows:

In HK\$ million	30 June 2023	31 December 2022
Total debt	4,084	4,520
Less: Cash and deposits	(1,759)	(1,986)
Net debt	2,325	2,534
Total equity attributable to equity shareholders of the Company	10,429	10,373
Total capital	12,754	12,907
Net gearing ratio	18%	20%

Net debt and net gearing ratio

HK\$ million



FINANCIAL REVIEW

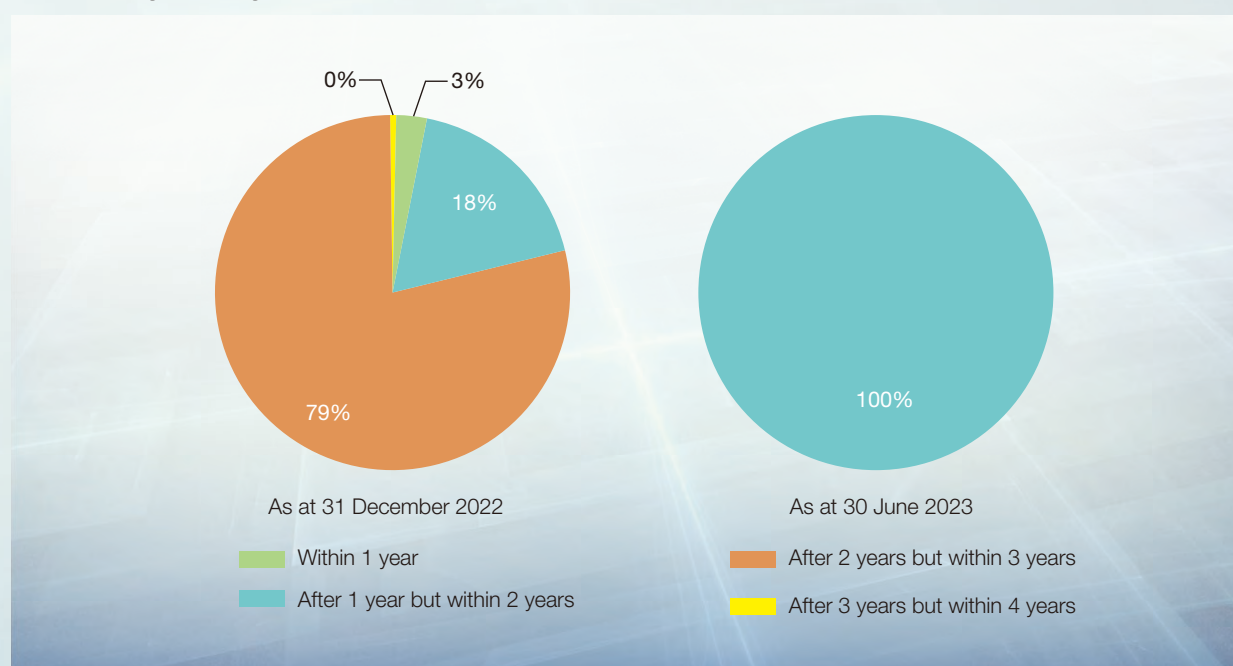
The Group's total debt decreased to HK\$4,084 million which was mainly due to the repayment of bank and other loans amounted to HK\$454 million from its surplus cash during the period.

As at 30 June 2023, the total debt, excluding interest payable, amounted to HK\$4,016 million. None of these will be matured in the coming twelve months.

The maturity profile of the Group's total debt which includes interest payable as at 30 June 2023 was as follows:

In HK\$ million	Within 1 year	After 1 year but within 2 years	Total
Bank and other loans	–	495	495
US\$450 million 6.1% guaranteed bonds	–	3,521	3,521
Interest payable	68	–	68
	68	4,016	4,084

Total Debt by Maturity



* The above graph excludes the amount of interest payable.

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 of HK\$1,759 million as at 30 June 2023 was more than sufficient to cover the repayments of outstanding amount of total debt (including interest payable) of HK\$68 million in the coming twelve months and contractual capital commitments of HK\$44 million as at 30 June 2023.

As at 30 June 2023, the Group had available trading facilities of HK\$218 million. The amount of HK\$63 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 2023.

As at 30 June 2023, 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	495	495	–
– Uncommitted facilities:			
Short-term facilities	894	–	894
	1,389	495	894
Guaranteed bonds – Committed facility			
US\$450 million 6.1% guaranteed bonds	3,527	3,527	–
Trading facilities – Uncommitted facilities			
	218	63	155
Total	5,134	4,085	1,049

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 demands must be approved by the finance committee or the Board of Directors 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 2023 and 31 December 2022, the Group was in compliance with the relevant requirements.

4. Contingent liabilities

As at 30 June 2023 and 31 December 2022, the Group had no significant contingent liabilities.

5. Performance bonds, guarantees and pledged assets

As at 30 June 2023 and 31 December 2022, performance bonds and other guarantees of the Group were as follows:

In HK\$ million	30 June 2023	31 December 2022
Performance bonds provided to the Macau Government and other customers	61	87
Other guarantees	2	2
Total	63	89

As at 30 June 2023, bank deposits of HK\$5 million (31 December 2022: 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\$3,527 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 2023, the Company issued guarantees of HK\$383 million (31 December 2022: HK\$436 million) for its subsidiaries in respect of the various forms of facility lines from financial institutions.

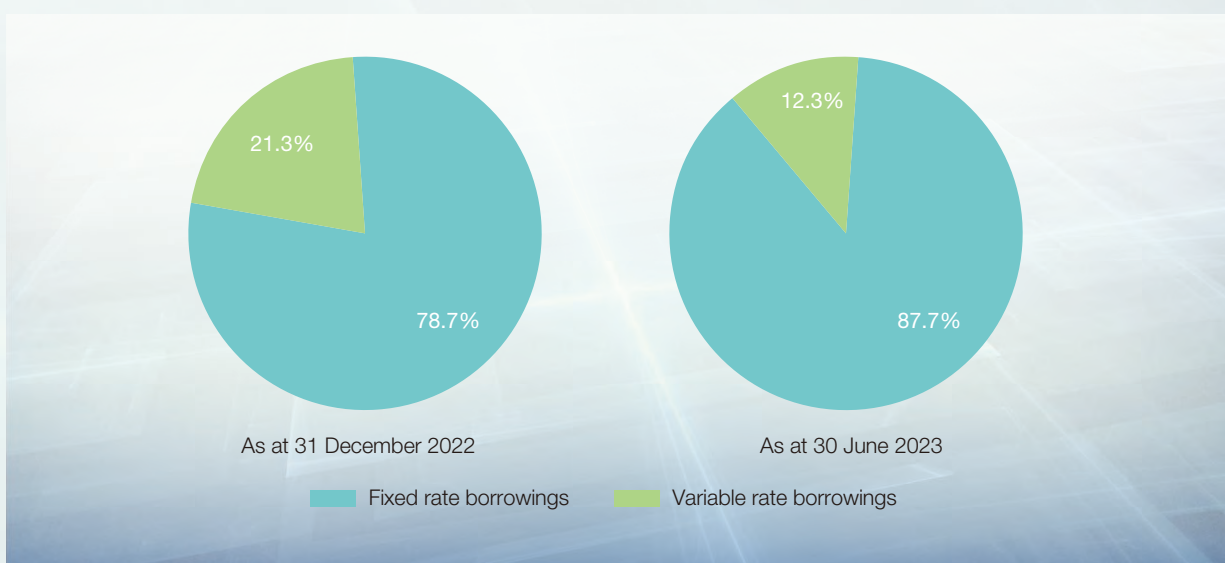
Certain property, plant and equipment of Companhia de Telecomunicações de Macau, S.A.R.L. are designated for the provision of basic infrastructure of public telecommunications services. They may need to be shared with other licensed telecommunications operators or the Macau Government with fair compensation, 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 borrowings or through use of interest rate swap, if necessary. As at 30 June 2023, approximately 87.7% (31 December 2022: approximately 78.7%) 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.

Total Debt



* The above graph excludes the amount of interest payable.

Effective interest rates

As at 30 June 2023 and 31 December 2022, the effective interest rates, after the inclusion of amortisation of transaction costs, were as follows:

	30 June 2023	31 December 2022
Effective interest rate for fixed rate borrowings	6.1%	6.1%
Effective interest rate for variable rate borrowings	5.3%	5.5%
Effective interest rate for total borrowings	6.0%	6.0%

7. 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 currency risk between Hong Kong dollars, United States dollars and Macau Patacas to the Group. Although management considers that the Group's exposure to 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 debtors who accounted for approximately 22.3% (31 December 2022:

approximately 21.2%) of the Group's total trade debtors and contract assets as at 30 June 2023. 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 its group companies. As at 30 June 2023, the Group has maintained cash and deposits of HK\$1,759 million (31 December 2022: HK\$1,986 million), among which HK\$1,756 million (31 December 2022: HK\$1,982 million) was placed in the above-mentioned entities, representing approximately 99.8% (31 December 2022: approximately 99.8%) 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.

FORWARD LOOKING STATEMENTS

This Interim Report 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.

None of the Company, the directors, employees or agents assumes (a) any obligation to correct or update any forward looking statements or opinions contained in this Interim Report; and (b) any liability arising from any forward looking statements or opinions that do not materialise or otherwise prove to be incorrect.

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 2023, the Group employed a total of 2,523 employees for its headquarters in Hong Kong and its subsidiaries. Number of employees in Hong Kong was 506. Employees in Chinese mainland and Macau totalled 1,703. 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.

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 that are linked to the Group's performance and individual work performance of employees, including sales commissions, year-end bonuses, etc. 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.

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. We have 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. We continue to utilise our strength on information technology to support the community.

The Group is committed to conduct business in an environmentally responsible manner. We have formulated and regularly reviewed our policies of environmental protection, energy conservation and emission reduction. Moreover, we are concerned about the opportunities and risks brought by climate change to our operations. We will continue to do our utmost to promote sustainable development.

CONDENSED INTERIM FINANCIAL REPORT



5G

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2023 (Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Revenue	3(a)	5,326	4,977
Valuation gain on investment property	8(b)	6	6
Other income	4	47	17
Cost of sales and services	5(a)	(3,037)	(2,843)
Depreciation and amortisation	5(b)	(452)	(476)
Staff costs	5(c)	(577)	(569)
Other operating expenses		(283)	(257)
		1,030	855
Finance costs	5(d)	(139)	(129)
Share of profit of a joint venture		1	–
Profit before taxation	5	892	726
Income tax	6	(158)	(135)
Profit for the period		734	591
Attributable to:			
Equity shareholders of the Company		721	572
Non-controlling interests		13	19
Profit for the period		734	591
Earnings per share (HK cents)	7		
Basic		19.5	15.5
Diluted		19.5	15.5

The notes on pages 35 to 55 form part of this condensed interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 14(a).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2023 (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Profit for the period	734	591
Other comprehensive income for the period (after tax and reclassification adjustments):		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation adjustments:		
– exchange differences on translation of financial statements of operations outside Hong Kong and its related borrowings	(11)	(47)
Other comprehensive income for the period	(11)	(47)
Total comprehensive income for the period	723	544
Attributable to:		
Equity shareholders of the Company	713	528
Non-controlling interests	10	16
Total comprehensive income for the period	723	544

The notes on pages 35 to 55 form part of this condensed interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023 (Expressed in Hong Kong dollars)

	Note	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Non-current assets			
Investment property	8	682	676
Property, plant and equipment	8	2,123	2,323
Right-of-use assets	9	526	599
Intangible assets		878	932
Goodwill		9,712	9,710
Interest in a joint venture		10	10
Non-current contract assets		26	26
Non-current contract costs		30	28
Non-current finance lease receivables		6	9
Non-current other receivables	10	162	150
Deferred tax assets		73	74
		14,228	14,537
Current assets			
Inventories		43	132
Finance lease receivables		7	8
Contract assets		242	224
Trade and other receivables	10	1,297	1,293
Current tax recoverable		1	1
Cash and deposits	11(a)	1,759	1,986
		3,349	3,644
Current liabilities			
Trade and other payables	12	1,774	2,027
Contract liabilities		193	183
Bank and other borrowings	13	68	183
Lease liabilities		130	131
Current tax payable		380	276
		2,545	2,800
Net current assets		804	844
Total assets less current liabilities		15,032	15,381

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Non-current liabilities			
Non-current contract liabilities		1	1
Non-current bank and other borrowings	13	4,016	4,337
Non-current lease liabilities		256	323
Non-current other payables	12	12	16
Net defined benefit retirement obligation		62	61
Deferred tax liabilities		157	172
		4,504	4,910
NET ASSETS			
		10,528	10,471
CAPITAL AND RESERVES			
Share capital	14(b)	4,754	4,720
Reserves		5,675	5,653
Total equity attributable to equity shareholders of the Company		10,429	10,373
Non-controlling interests		99	98
TOTAL EQUITY		10,528	10,471

The notes on pages 35 to 55 form part of this condensed interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023 (Expressed in Hong Kong dollars)

Note	Attributable to equity shareholders of the Company							
	Share capital	Capital reserve	Property revaluation reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
	(Unaudited) \$ million	(Unaudited) \$ million	(Unaudited) \$ million	(Unaudited) \$ million	(Unaudited) \$ million	(Unaudited) \$ million	(Unaudited) \$ million	(Unaudited) \$ million
Balance as at 1 January 2023	4,720	10	53	(25)	5,615	10,373	98	10,471
Changes in equity for the six months ended 30 June 2023:								
Profit for the period	-	-	-	-	721	721	13	734
Other comprehensive income for the period	-	-	-	(8)	-	(8)	(3)	(11)
Total comprehensive income for the period	-	-	-	(8)	721	713	10	723
Dividend paid to non-controlling interests	-	-	-	-	-	-	(9)	(9)
Shares issued under share option plan 14(b)(ii)	34	(7)	-	-	-	27	-	27
Dividends approved in respect of the previous financial year 14(a)(ii)	-	-	-	-	(684)	(684)	-	(684)
Release upon lapse of share options	-	(1)	-	-	1	-	-	-
	34	(8)	-	-	(683)	(657)	(9)	(666)
Balance as at 30 June 2023	4,754	2	53	(33)	5,653	10,429	99	10,528
Balance as at 1 January 2022	4,704	17	53	13	5,308	10,095	81	10,176
Changes in equity for the six months ended 30 June 2022:								
Profit for the period	-	-	-	-	572	572	19	591
Other comprehensive income for the period	-	-	-	(44)	-	(44)	(3)	(47)
Total comprehensive income for the period	-	-	-	(44)	572	528	16	544
Dividend paid to non-controlling interests	-	-	-	-	-	-	(9)	(9)
Shares issued under share option plan 14(b)(ii)	15	(3)	-	-	-	12	-	12
Dividends approved in respect of the previous financial year 14(a)(ii)	-	-	-	-	(627)	(627)	-	(627)
Release upon lapse of share options	-	(4)	-	-	4	-	-	-
	15	(7)	-	-	(623)	(615)	(9)	(624)
Balance as at 30 June 2022	4,719	10	53	(31)	5,257	10,008	88	10,096

The notes on pages 35 to 55 form part of this condensed interim financial report.

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2023 (Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Operating activities			
Cash generated from operations	11(e)	1,294	1,271
Tax paid:			
– Hong Kong Profits Tax paid		(41)	(11)
– Tax paid for jurisdictions outside Hong Kong		(26)	(24)
Tax refunded:			
– Tax refunded for jurisdictions outside Hong Kong		1	3
Net cash generated from operating activities		1,228	1,239
Investing activities			
Payment for the purchase of property, plant and equipment		(147)	(157)
Decrease in pledged deposits		1	–
Decrease in other deposits		55	2
Interest received		34	7
Net cash used in investing activities		(57)	(148)
Financing activities			
Proceeds from new bank and other borrowings		–	203
Proceeds from new shares issued under share option plan		27	12
Repayment of bank and other borrowings		(454)	(515)
Other borrowing costs paid		(128)	(119)
Capital element of lease rentals paid		(78)	(77)
Interest element of lease rentals paid		(9)	(9)
Dividends paid to equity shareholders of the Company		(684)	(627)
Dividend paid to non-controlling interests		(9)	(9)
Net cash used in financing activities		(1,335)	(1,141)
Net decrease in cash and cash equivalents		(164)	(50)
Cash and cash equivalents as at 1 January		1,255	1,426
Effect of foreign exchange rate changes		(7)	(20)
Cash and cash equivalents as at 30 June	11(a)	1,084	1,356

The notes on pages 35 to 55 form part of this condensed interim financial report.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This 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 (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 18 August 2023.

The condensed interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 2(a).

The preparation of a condensed interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This condensed interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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. PricewaterhouseCoopers’s independent review report to the Board of Directors is included on page 56.

The financial information relating to the financial year ended 31 December 2022 that is included in the condensed interim financial report 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 2022 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 CHANGES IN ACCOUNTING POLICIES

(a) New and amended HKFRSs

The Group has applied the following new and amended HKFRSs issued by the HKICPA to this condensed interim financial report for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

HKFRS 17, *Insurance contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained profits or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the annual financial statements, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) New and amended HKFRSs (continued)

Amendments to HKAS 12, Income taxes: International tax reform – Pillar Two model rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax. The amendments are immediately effective upon issuance and require retrospective application.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and would account for the tax as current tax when incurred.

(b) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong SAR (the “Government”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will eventually abolish the statutory right of an employer to reduce its long service payment (“LSP”) and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund (“MPF”) scheme (also known as the “offsetting mechanism”). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the “Transition Date”). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee’s service from the Transition Date. However, where an employee’s employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee’s service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP; however, upon the enactment of the Amendment Ordinance in June 2022, entities can no longer apply the practical expedient in paragraph 93(b) of HKAS 19 to recognise such deemed contributions as reduction of current service cost in the period the related service is rendered, and any impact from ceasing to apply the practical expedient is recognised as a catch-up adjustment in profit or loss with a corresponding adjustment to the LSP liability during the year ended 31 December 2022.

In this condensed interim financial report and in prior periods, consistent with the HKICPA guidance the Group has been accounting for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed employee contributions towards the LSP. However, the Group has been applying the above-mentioned practical expedient.

The Group has assessed the implications of this new guidance on the above accounting policies and has decided to change those accounting policies to conform with the guidance. The management has commenced the processes on implementing the change including additional data collection and impact assessment. However, the impact of the change is not reasonably estimable at the time this condensed interim financial report is authorised for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance. The Group expects to adopt this guidance with retrospective application in its annual financial statements for the year ending 31 December 2023.

3 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 are as follows:

	Note	Six months ended 30 June	
		2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Revenue from contracts with customers			
Disaggregated by major service lines or products:			
Mobile services	(i)	457	413
Internet services	(ii)	705	649
International telecommunications services	(iii)	1,951	1,715
Enterprise solutions	(iv)	1,506	1,538
Fixed line services	(v)	71	78
Fees from the provision of telecommunications services		4,690	4,393
Sales of mobile handsets and equipment		636	584
		5,326	4,977

Notes:

- (i) Mobile services broadly include mobile local and roaming services, other mobile value-added services and others.
- (ii) Internet services broadly include internet access services, data centre services and others.
- (iii) International telecommunications services broadly include voice services, messaging services and “DataMall 自由行” services.
- (iv) Enterprise solutions broadly include enterprise solutions services, business solution projects, virtual private network services, sales of related products and others.
- (v) Fixed line services broadly include domestic and international fixed telephony services and others.

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Disaggregation of revenue (continued)

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Disaggregated by geographical location of the Group's revenue from external customers:		
Hong Kong (place of domicile)	2,449	2,343
Chinese mainland	586	573
Macau	1,765	1,685
Singapore	221	224
Others	305	152
	2,877	2,634
	5,326	4,977

During the six months ended 30 June 2023 and 2022, 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.

3 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	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Reportable segment profit	1,521	1,381
Net loss on disposal of property, plant and equipment	(1)	–
Gain on surrender of leases	2	–
Net foreign exchange loss	(21)	(5)
Depreciation and amortisation	(452)	(476)
Finance costs	(139)	(129)
Share of profit of a joint venture	1	–
Interest income	35	7
Rental income from investment property less direct outgoings	11	9
Valuation gain on investment property	6	6
Unallocated head office and corporate expenses	(71)	(67)
Consolidated profit before taxation	892	726

(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.

4 OTHER INCOME

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Interest income from cash and deposits	31	3
Interest income from finance leases and other interest income	4	4
	35	7
Gross rental income from investment property (<i>note</i>)	12	10
	47	17

Note: The rental income from investment property less direct outgoings of \$1,000,000 (six months ended 30 June 2022: \$1,000,000) for the six months ended 30 June 2023 is \$11,000,000 (six months ended 30 June 2022: \$9,000,000).

5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
(a) Cost of sales and services		
Cost of provision of telecommunications services	2,418	2,269
Cost of sales of mobile handsets and equipment	619	574
	3,037	2,843
(b) Depreciation and amortisation		
Depreciation charge		
– property, plant and equipment	314	315
– right-of-use assets	84	84
Amortisation	54	77
	452	476

5 PROFIT BEFORE TAXATION (CONTINUED)

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
(c) Staff costs (including directors' emoluments)		
Contributions to defined contribution retirement plans	44	41
Expenses recognised in respect of defined benefit retirement plan	4	4
Total retirement costs	48	45
Salaries, wages and other benefits	529	524
	577	569
(d) Finance costs		
Interest on bank and other borrowings	127	118
Interest on lease liabilities	9	9
Other finance charges	2	2
Other interest expense	1	–
	139	129
(e) Other items		
Impairment losses for trade debtors and contract assets	7	11
Net loss on disposal of property, plant and equipment	1	–
Gain on surrender of leases	(2)	–
Net foreign exchange loss	21	5

6 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Current tax		
– Hong Kong Profits Tax	77	65
– Macau Complementary Tax	63	61
– Jurisdictions outside Hong Kong and Macau	32	28
	172	154
Deferred tax	(14)	(19)
	158	135

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 2022: 16.5%) to the six months ended 30 June 2023.

The provision for Macau Complementary Tax for the six months ended 30 June 2023 is calculated at 12% (six months ended 30 June 2022: 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 2022: 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.

7 EARNINGS PER SHARE

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Profit attributable to equity shareholders of the Company	721	572

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

	Number of shares	
	Six months ended 30 June 2023 (Unaudited) million	2022 (Unaudited) million
Issued ordinary shares as at 1 January	3,688	3,683
Effect of share options exercised	8	3
Weighted average number of ordinary shares (basic) as at 30 June	3,696	3,686
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	3,698	3,688
Basic earnings per share (HK cents)	19.5	15.5
Diluted earnings per share (HK cents)	19.5	15.5

8 INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment with a cost of \$120,000,000 (six months ended 30 June 2022: \$141,000,000). Items of property, plant and equipment with a net book value of \$1,000,000 (six months ended 30 June 2022: \$Nil) were disposed of during the six months ended 30 June 2023, resulting in a net loss on disposal of \$1,000,000 (six months ended 30 June 2022: \$Nil).

(b) Valuation

The valuation of investment property carried at fair value was updated as at 30 June 2023 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2022 valuation. As a result of the update, a gain of \$6,000,000 (six months ended 30 June 2022: \$6,000,000) has been recognised in profit or loss for the period.

(c) Certain property, plant and equipment of the Company's subsidiary, Companhia de Telecomunicações de Macau S.A.R.L., ("CTM") 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. In 2021, the Macau Government has agreed with CTM the extension of the concession agreement for an additional 2-year period, from 1 January 2022 until 31 December 2023. CTM has been discussing with the Macau Government and the Macao Post and Telecommunications Bureau about the operation and provision of basic infrastructure of public telecommunications network and service, and the status of the concession agreement related assets after the end of the term.

9 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2023, the Group entered into a number of lease agreements mainly for use of offices, retail stores, cell sites and data centres, and therefore recognised the additions to right-of-use assets of \$46,000,000 (six months ended 30 June 2022: \$23,000,000).

Derecognition of right-of-use assets of \$30,000,000 (six months ended 30 June 2022: \$Nil) and lease liabilities of \$32,000,000 (six months ended 30 June 2022: \$Nil) was due to early termination of several tenancy agreements during the six months ended 30 June 2023, resulting in a gain on surrender of leases of \$2,000,000 (six months ended 30 June 2022: \$Nil).

10 TRADE AND OTHER RECEIVABLES

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Trade debtors	957	956
Less: loss allowance	(51)	(48)
	906	908
Prepayments, deposits and other receivables	553	535
	1,459	1,443
Represented by:		
Non-current portion	162	150
Current portion	1,297	1,293
	1,459	1,443

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

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Within 1 year	889	899
Over 1 year	17	9
	906	908

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.

11 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Cash at bank and in hand	649	1,138
Time deposits with banks	440	123
Other deposits (<i>note 11(d)</i>)	670	725
Cash and deposits in the consolidated statement of financial position (<i>note 11(b)</i>)	1,759	1,986
Less: pledged deposits (<i>note 11(c)</i>)	(5)	(6)
Less: other deposits (<i>note 11(d)</i>)	(670)	(725)
Cash and cash equivalents in the consolidated cash flow statement	1,084	1,255

- (b)** As at 30 June 2023, cash and deposits situated in Chinese mainland amounted to \$146,000,000 (31 December 2022: \$172,000,000). Remittance of funds out of Chinese mainland is subject to relevant rules and regulations of foreign exchange control.
- (c)** As at 30 June 2023, bank deposits of \$5,000,000 (31 December 2022: \$6,000,000) were pledged to secure parts of the banking facilities of the Group.
- (d)** As at 30 June 2023, other deposits of \$670,000,000 (31 December 2022: \$725,000,000) were deposited in CITIC Finance International Limited, a fellow subsidiary of the Group which is principally engaged in the provision of treasury management services. These unsecured cash deposits carry interest at market rates and can be withdrawn by the Group on demand or in accordance with the terms of agreement.

11 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(e) Reconciliation of profit before taxation to cash generated from operations:

	Note	Six months ended 30 June	
		2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Profit before taxation		892	726
Adjustments for:			
Depreciation and amortisation	5(b)	452	476
Valuation gain on investment property	8(b)	(6)	(6)
Net loss on disposal of property, plant and equipment	5(e)	1	–
Gain on surrender of leases	5(e)	(2)	–
Share of profit of a joint venture		(1)	–
Finance costs	5(d)	139	129
Interest income	4	(35)	(7)
Foreign exchange loss/(gain)		16	(8)
		1,456	1,310
Changes in working capital:			
Decrease in inventories		89	43
(Increase)/decrease in contract costs		(2)	2
Increase in trade and other receivables		(17)	(323)
Decrease/(increase) in finance lease receivables		4	(9)
(Increase)/decrease in contract assets		(18)	76
(Decrease)/increase in trade and other payables		(229)	166
Increase in contract liabilities		10	5
Increase in net defined benefit retirement obligation		1	1
Cash generated from operations		1,294	1,271

12 TRADE AND OTHER PAYABLES

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Trade creditors	978	1,202
Other payables and accruals	808	841
	1,786	2,043
Represented by:		
Non-current portion	12	16
Current portion	1,774	2,027
	1,786	2,043

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 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Within 1 year	776	994
Over 1 year	202	208
	978	1,202

13 BANK AND OTHER BORROWINGS

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Bank and other loans	495	948
Guaranteed bonds at 6.1% due 2025 (note 13(b))	3,521	3,503
	4,016	4,451
Interest payable	68	69
	4,084	4,520

At the end of the reporting period, bank and other borrowings were unsecured and repayable as follows:

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Within 1 year or on demand	68	183
After 1 year but within 2 years	4,016	809
After 2 years but within 5 years	–	3,528
	4,016	4,337
	4,084	4,520

All of the non-current bank and other borrowings are carried at amortised cost. None of the non-current bank and other borrowings is expected to be settled within one year.

- (a) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position and financial performance ratios, as 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 2023 and 31 December 2022, the Group was in compliance with the relevant requirements.
- (b) On 5 March 2013, a wholly-owned subsidiary of the Company issued US\$450,000,000 (equivalent to approximately \$3,527,000,000) bonds with a maturity of twelve years due on 5 March 2025 (the "Guaranteed Bonds"). The Guaranteed Bonds were unconditionally and irrevocably guaranteed by the Company.

The Guaranteed Bonds were issued at 100% of the aggregate principal amount, denominated in United States dollars and bore interest at 6.1% per annum payable semi-annually in arrears. The Guaranteed Bonds would become repayable on demand in case of an event of default.

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Interim dividend declared/declared and paid after the interim period of HK6.0 cents (2022: HK6.0 cents) per share	222	221

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.

(ii) 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 2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK18.5 cents (six months ended 30 June 2022: HK17.0 cents) per share	684	627

For the final dividend in respect of the year ended 31 December 2022, there was a difference of \$2,000,000 between the final dividend disclosed in 2022 annual report and the amount paid during the six months ended 30 June 2023, which represented dividends attributable to shares issued upon exercise of share options before the closing date of the register of members.

14 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

	Note	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
		Number of shares	Amount \$ million	Number of shares	Amount \$ million
Ordinary shares, issued and fully paid:					
As at 1 January	(i)	3,688,280,882	4,720	3,683,012,882	4,704
Shares issued under share option plan	(ii)	11,113,500	34	5,268,000	16
As at 30 June/31 December	(i)	3,699,394,382	4,754	3,688,280,882	4,720

Notes:

- (i) The holders of ordinary shares are entitled to receive dividends as declared from time to time and every member shall have one vote per share on a poll at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.
- (ii) During the six months ended 30 June 2023, 11,113,500 ordinary shares (six months ended 30 June 2022: 4,884,000 ordinary shares) were issued at a weighted average exercise price of \$2.45 (six months ended 30 June 2022: \$2.52) per ordinary share to share option holders who had exercised their options. These new shares issued rank pari passu with the then existing ordinary shares in issue.

15 CAPITAL COMMITMENTS

Capital commitments outstanding at the end of reporting period not provided for in the condensed interim financial report were as follows:

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Contracted for	44	37
Authorised but not contracted for	113	79
	157	116

16 PERFORMANCE BONDS

At the end of the reporting period, performance bonds of the Group were as follows:

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Performance bonds provided to customers of business solutions projects	51	77
Performance bonds provided to others	10	10
	61	87

In respect of above, no provision has been made by the Group in the condensed interim financial report. As at 30 June 2023, the directors do not consider it probable that a claim will be made against the Group under any of the performance bonds. The maximum liability of the Group at the end of the reporting period is the total amount guaranteed by the performance bonds of \$61,000,000 (31 December 2022: \$87,000,000).

17 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with affiliates of the Group and its holding companies

(i) Recurring transactions

	Six months ended 30 June 2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Internet data centre services fee received/receivable from fellow subsidiaries	10	5
Virtual private network services fee received/receivable from fellow subsidiaries	13	13
Internet access services fee received/receivable from fellow subsidiaries	4	3
Telecommunications services and related expenses paid/payable to		
– a fellow subsidiary	(10)	(12)
– an associate of the ultimate holding company	(5)	(6)
Professional fees paid/payable to a controlling shareholder for the provision of internal audit and company secretarial services	(3)	(3)
Building management fees, water and electricity fees, air conditioning charges and car parking spaces rental paid/payable to fellow subsidiaries	(7)	(7)
Rental income and building management charges received/receivable from a fellow subsidiary	8	8
Interest income from cash and deposits received/receivables from fellow subsidiaries	26	1
Finance costs on bank and other borrowings paid/payable to fellow subsidiaries	20	10

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with affiliates of the Group and its holding companies (continued)**(ii) Balances with affiliates of the Group and its holding company**

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
Advance payment paid to the ultimate holding company for the acquisition of the remaining equity interest in a subsidiary included in:		
– Trade and other receivables	67	69
Lease liabilities due to fellow subsidiaries	(13)	(18)
Balance of cash and deposits with fellow subsidiaries	760	729
Bank and other borrowings from fellow subsidiaries	(495)	(948)

(b) Transactions with other government-related entities

The Group is a government-related enterprise and has transactions with entities directly or indirectly controlled by the Government of the People's Republic of China (the "PRC") through government authorities, agencies, affiliates and other organisations (collectively referred to as "government-related entities").

Apart from transactions with the affiliates of the Group as disclosed above, the Group has collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- rendering and receiving services; and
- financial services arrangements.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not government-related. The Group has established its buying, pricing strategy and approval process for purchases and sales of products and services. Such buying, pricing strategy and approval processes do not depend on whether the counterparties are government-related entities or not.

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with other government-related entities (continued)

Having considered the potential for transactions to be impacted by related party relationships, the Group's buying, pricing strategy and approval processes, and what information would be necessary for an understanding of the potential effect of the relationship on the condensed interim financial report, the directors are of the opinion that the following transactions with other government-related entities require disclosure:

(i) Transactions with other government-related entities including state-controlled banks in the PRC

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Interest income from bank deposits	6	2
Fees received/receivable from the provision of telecommunications services	680	583
Fees paid/payable for cost of sales and services	(1,229)	(1,186)

(ii) Balances with other government-related entities including state-controlled banks in the PRC

	30 June 2023 (Unaudited) \$ million	31 December 2022 (Audited) \$ million
	Bank deposits	576
Trade debtors	131	83
Contract assets	12	8
Trade and other payables	(330)	(565)

(c) Key management personnel emoluments

Emoluments for key management personnel of the Group, including amounts paid/payable to the Company's directors, are as follows:

	Six months ended 30 June	
	2023 (Unaudited) \$ million	2022 (Unaudited) \$ million
Short-term employee benefits	10	11

18 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors proposed an interim dividend. Further details are disclosed in note 14(a)(i).

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL REPORT



羅兵咸永道

**To the board of directors of
CITIC Telecom International Holdings Limited**
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed interim financial report set out on pages 29 to 55, which comprises the consolidated statement of financial position of CITIC Telecom International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2023 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed interim financial report in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this condensed interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of the condensed interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial report of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 August 2023

PricewaterhouseCoopers, 22/F Prince’s Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

STATUTORY DISCLOSURE

DIVIDEND AND CLOSURE OF REGISTER

The board of directors of the Company has declared an interim dividend of HK6.0 cents (2022: HK6.0 cents) per share for the year ending 31 December 2023 payable on Friday, 29 September 2023 to shareholders whose names appear on the Register of Members of the Company on Friday, 15 September 2023. The Register of Members of the Company will be closed from Tuesday, 12 September 2023 to Friday, 15 September 2023, 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 Monday, 11 September 2023.

SHARE OPTION PLAN

The share option plan of the Company (the "Plan") was adopted on 17 May 2007 and was valid and effective till 16 May 2017. The Company has no other share option scheme currently in force. Under the Plan, the board may offer to grant an option over the Company's shares to any person employed by the Company or any of its subsidiaries and any person who is an officer or director of the Company or any of its subsidiaries as the board may, in its absolute discretion, select. HK\$1.00 is payable by the grantee to the Company on acceptance of the offer of the option. The subscription price determined by the board will not be less than the higher of (i) the closing price of the Company's shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant; and (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

As approved at the annual general meeting held on 25 April 2014, the mandate limit is refreshed so that taking into account the overriding limit of the Plan, the total number of shares which may be issued upon the exercise of all options to be granted under the Plan, together with all outstanding options granted and yet to be exercised as at 25 April 2014, shall not exceed 333,505,276 shares, being 10% of the number of shares in issue as at the date of approval of the refreshment of the mandate limit.

Particulars of the outstanding share options granted under the Plan and their movements during the six months ended 30 June 2023 are as follows:

Date of grant	Number of share options	Exercise period	Exercise price per share HK\$
24 March 2017	45,339,500	24 March 2018 to 23 March 2023	2.45
24 March 2017	45,339,500	24 March 2019 to 23 March 2024	2.45

The first 50% of the share options granted on 24 March 2017 have expired at the close of business on 23 March 2023. The above outstanding options granted and accepted under the Plan can be exercised in whole or in part within 5 years from the date of commencement of the exercise period. No options were granted nor cancelled during the six months ended 30 June 2023.

SHARE OPTION PLAN (CONTINUED)

A summary of the movements of the share options during the six months ended 30 June 2023 is as follows:

A. Directors of the Company

Name of director	Date of grant	Exercise period	Number of share options			Balance as at 30.6.2023	Percentage to the number of issued shares %
			Balance as at 1.1.2023	Exercised during the six months ended 30.6.2023	Lapsed during the six months ended 30.6.2023		
Xin Yue Jiang	24.3.2017	24.3.2018 – 23.3.2023	500	–	500	–	0.00001
	24.3.2017	24.3.2019 – 23.3.2024	500	–	–	500	
Liu Jifu	24.3.2017	24.3.2019 – 23.3.2024	1,000,000	1,000,000 (Note 1)	–	–	–
Fei Yiping	24.3.2017	24.3.2018 – 23.3.2023	500,000	–	500,000	–	0.01352
	24.3.2017	24.3.2019 – 23.3.2024	500,000	–	–	500,000	
						500,000	

B. Employees of the Company working under continuous contracts (as defined in the Employment Ordinance), other than the Directors

Date of grant	Exercise period	Number of share options			Balance as at 30.6.2023
		Balance as at 1.1.2023	Exercised during the six months ended 30.6.2023 (Note 2)	Lapsed during the six months ended 30.6.2023 (Note 3)	
24.3.2017	24.3.2018–23.3.2023	7,033,000	4,215,000	2,818,000	–
24.3.2017	24.3.2019–23.3.2024	9,904,500	5,898,500	46,000	3,960,000

Notes:

1. The weighted average closing price of the shares immediately before the date on which Mr. Liu Jifu exercised the options was HK\$3.20.
2. The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$2.94.
3. These are in respect of options i) granted to some employees under continuous contracts who have subsequently resigned; or ii) lapsed upon the expiry of the relevant share options.

STATUTORY DISCLOSURE

DIRECTORS' INTERESTS IN SECURITIES

The interests of the director of the Company in shares of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as at 30 June 2023 as recorded in the register required to be kept under section 352 of the SFO were as follows:

1. Shares in an associated corporation

	<u>Number of Shares</u> Personal interests	Percentage to the number of issued shares %
CITIC Limited		
Liu Jifu	840,000	0.003

2. Share options in the Company

The interests of the directors of the Company in the share options (being regarded as unlisted physically settled equity derivatives) of the Company are stated in detail in the preceding section of "Share Option Plan".

Save as disclosed above, as at 30 June 2023, none of the directors of the Company had nor were they taken to or deemed to have, under Part XV of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

STATUTORY DISCLOSURE

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, the interests of the substantial shareholders, other than the directors of the Company or their respective associates, in the shares of the Company as recorded in the register of interests in shares and short positions required to be kept under section 336 of the SFO were as follows:

Name	Number of shares of the Company	Percentage to the number of issued shares %
CITIC Group Corporation	2,129,345,175	57.56
CITIC Polaris Limited	2,129,345,175	57.56
CITIC Glory Limited	2,129,345,175	57.56
CITIC Limited	2,129,345,175	57.56
CITIC Corporation Limited	2,129,345,175	57.56
CITIC Investment (HK) Limited	2,129,345,175	57.56
Silver Log Holdings Ltd.	2,129,345,175	57.56
CITIC Pacific Limited ("CITIC Pacific")	2,129,345,175	57.56
Crown Base International Limited	2,129,345,175	57.56
Effectual Holdings Corp.	2,129,345,175	57.56
CITIC Pacific Communications Limited	2,129,345,175	57.56
Douro Holdings Inc.	2,129,345,175	57.56
Ferretti Holdings Corp.	2,129,345,175	57.56
Ease Action Investments Corp.	2,129,345,175	57.56
Peganin Corp.	2,129,345,175	57.56
Richtone Enterprises Inc.	2,129,345,175	57.56

CITIC Group Corporation is the direct holding company of CITIC Polaris Limited and CITIC Glory Limited, which in turn hold CITIC Limited. CITIC Limited is the direct holding company of CITIC Corporation Limited and CITIC Pacific. CITIC Corporation Limited is the direct holding company of CITIC Investment (HK) Limited, which in turn holds Silver Log Holdings Ltd.. CITIC Pacific is the direct holding company of Crown Base International Limited, which is the direct holding company of Effectual Holdings Corp.. Effectual Holdings Corp. in turn holds CITIC Pacific Communications Limited, which is then the direct holding company of Douro Holdings Inc.. Douro Holdings Inc. is the direct holding company of Ferretti Holdings Corp. and Peganin Corp.. Ferretti Holdings Corp. is the direct holding company of Ease Action Investments Corp. and Peganin Corp. is the direct holding company of Richtone Enterprises Inc.. Accordingly, the interests of CITIC Group Corporation in the Company and the interests in the Company of all its direct and indirect subsidiaries as described above duplicate each other.

On 18 December 2012, CITIC Investment (HK) Limited entered into an agreement (the "Sale and Purchase Agreement") with, inter alia, CITIC Limited for acquiring 444,500,000 shares of the Company by acquiring the entire issued share capital of Silver Log Holdings Ltd. and on 21 February 2013, Ease Action Investments Corp., Richtone Enterprises Inc. and Silver Log Holdings Ltd. entered into a management rights agreement (the "Management Rights Agreement") to regulate their relationship with each other in respect of their shareholdings in the Company. The Sale and Purchase Agreement and the Management Rights Agreement constitute agreements under section 317 of the SFO. For the purposes of the duty of disclosure, in the case of an agreement to which section 317 applies, each party to the agreement is deemed to be interested in any shares comprised in the relevant share capital in which any other party to the agreement is interested apart from the agreement.

STATUTORY DISCLOSURE

SHARE CAPITAL

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 2023 and the Company has not redeemed any of its shares during the period ended 30 June 2023.

During the six months ended 30 June 2023, a total of 11,113,500 shares of the Company were issued upon the exercise of share options granted under the Plan as mentioned in the section of "Share Option Plan".

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 2022 annual report and the Company's website www.citictel.com.

Saved 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 Listing Rules throughout the six months ended 30 June 2023. In respect of the code provision C.1.6 of the Code, Messrs. Wang Guoquan and Liu Jifu were unable to attend the annual general meeting of the Company held on 24 May 2023 due to other business commitments. Also, following the resignation of Mr. Cai Dawei with effect from 31 March 2023, the Company is in the process of identifying a suitable person to fill the position of Chief Executive Officer and shall make further announcement as appropriate. Until the appointment of new Chief Executive Officer, the management team, including the executive directors, of the Company will continue to oversee the day-to-day management of the business and operations of the Company and its subsidiaries.

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. 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 2023.

UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. Luan Zhenjun, an executive director of the Company, has been appointed as a Vice Chairman of China Enterprise ICT Solutions Limited, a subsidiary of the Company, with effect from 31 March 2023.

Mr. Lam Yiu Kin, an independent non-executive director of the Company, ceased to be the independent non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (listed on the Main Board of the Stock Exchange and the STAR Market of the Shanghai Stock Exchange in the People's Republic of China) with effect from 30 May 2023.

CORPORATE INFORMATION

HEADQUARTERS AND REGISTERED OFFICE

25th Floor, CITIC Telecom Tower
93 Kwai Fuk Road
Kwai Chung
New Territories
Hong Kong

Tel: 2377 8888
Fax: 2376 2063

WEBSITE

www.citictel.com contains a description of the Company's business, copies of the reports to shareholders, announcements, press releases and other information.

STOCK CODES

The Stock Exchange of Hong Kong:	01883
Bloomberg:	1883:HK
Reuters:	1883.HK

SHARE REGISTRAR

Shareholders should contact our Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong at 2980 1333, or by fax: 2810 8185, on matters such as transfer of shares, change of name or address, or loss of share certificates.

ANNUAL AND INTERIM REPORTS

Shareholders may obtain printed copies of annual and interim reports from the Company's Share Registrar. Others should contact the Company Secretary at 2377 8888, or by fax: 2376 2063 or by email: contact@citictel.com for a printed report.

FINANCIAL CALENDAR

Closure of Register:	12 September 2023 to 15 September 2023
Interim Dividend Payable:	29 September 2023

The Interim Report is also available on our website at www.citictel.com. Shareholders may choose to receive the Interim Report in printed form or by electronic means. Shareholders may at any time change their choice of means of receipt of the Interim Report by notice in writing to the Company's Share Registrar.

Shareholders having difficulty in receiving or gaining access to the Interim Report will, promptly upon request to the Company's Share Registrar, be sent a printed copy free of charge.

Non-shareholders who wish to receive a copy of the Interim Report are requested to write to the Company Secretary, CITIC Telecom International Holdings Limited, 25th Floor, CITIC Telecom Tower, 93 Kwai Fuk Road, Kwai Chung, New Territories, Hong Kong, or by fax: 2376 2063 or by email: contact@citictel.com.