



中信國際電訊

CITIC TELECOM INTERNATIONAL

STOCK CODE: 1883

CONNECT THE FUTURE

CONNECT THE WORLD



INTERIM REPORT 2024

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 almost 170 PoPs globally. The Group’s business covers 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	53
Statutory Disclosure	54
Corporate Information	60



MILESTONES

Month	Events
January 2024	<ul style="list-style-type: none">China Enterprise ICT Solutions Limited (“CEC”) won the “Energy Supply Chain – Digitalization Pioneer Award” jointly issued by the “Energy” Magazine and the Energy Enterprise Materials Procurement Supply Chain Development Alliance
February 2024	<ul style="list-style-type: none">CEC received the Honorary Credential of “2023 Digitalization Service Innovation Leadership Award” issued by the Association of Chief Information Officers of Anhui ProvinceAcclivis Technologies and Solutions Pte. Ltd (“Acclivis”) was awarded the “2023 Top Emerging Partner” by Tech Data (Singapore) Pte Ltd, one of the world’s largest distributors of Information Technology products and services
March 2024	<ul style="list-style-type: none">CITIC Telecom International Limited (“CITIC Telecom International”) signed an agreement to join the GSMA Open Gateway initiative as a significant partner of GSMA in the Asia-Pacific region. Further enhanced platform capabilities to serve the development of the digital economyCompanhia de Telecomunicações de Macau, S.A.R.L. (“CTM”) and a business partner signed a 5.5G Memorandum of Understanding to carry out in-depth cooperation in the field of 5.5G deployment, applications and the constructions of ecosystem, aiming to accelerate the development of “Digital Macau” smart city initiativeCTM and Baidu signed the “Cooperation Agreement for the City Digital Economy (Macau) Innovation Center” for introducing Baidu PaddlePaddle AI platform into Macau
April 2024	<ul style="list-style-type: none">CITIC Telecom International CPC Limited (“CPC”) became a Strategic Partner with Broadcom Inc. and listed as New VMware Cloud Service Provider (VCSP) – Pinnacle Tier Partner in the Broadcom Advantage Partner Program for multiple regions, including Hong Kong, Singapore and Japan, to help mutual enterprise customers to innovate by adopting VMware Cloud Foundation (VCF) as their private cloud infrastructureCPC’s Research and Development team won the second prize in Innovation Application Challenge with its “AIGC-Blockchain Integrated Solutions” in “XuperCore Open Source Blockchain Innovation Competition” which jointly organised by OpenAtom Foundation, Industry and Information Technology Department of Jiangsu and Baidu Online Network Technology (Beijing) Co., Ltd.CPC’s “AI Databank” won the “CW Innovation Awards APAC 2024” organised by Computer WeeklyCEC’s TrustCSI Managed Information Security Services won the “2023 Outstanding Recommended Product for Intelligent Manufacturing” issued by e-worksCEC won the “2023 Outstanding Supplier of Network Security” issued by e-worksCTM took the lead in applying 5.5G multi-network convergence technology, the world’s first use of SRv6 technology to provide mobile leased lines as backup for fixed leased line service, during the “6th Ministerial Conference of the Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries (Macau)” to ensure security of communications and network services

MILESTONES

Month	Events
May 2024	<ul style="list-style-type: none">• CPC's TrustCSI™ Managed Security Services (MSS) won the award in the "Managed Security Service" category and CPC is also the winner in the "Most Innovative Cybersecurity Company" category in the "2024 Cybersecurity Excellence Awards" organised by Cybersecurity Insiders• CPC received the "Distinguished Enterprise Cybersecurity Provider" in the "Corporate Brand Awards of Excellence 2024" organised by Hong Kong Economic Journal. It is the 8th consecutive year that CPC has won the award• CEC has been selected as one of the constituents in the "China Network Security Industry Overview (11th Edition)" issued by AQNIU in "Network and Communication Security – Communication Transmission Security", "Network and Communication Security – SASE/SSE" and "Network Security Services – Security Operations & Maintenance and Managed Services"• CTM's "5G Cross Regional Private Network Solution" won the "Innovation Award" issued by the International Association of Portuguese-Speaking Communications
June 2024	<ul style="list-style-type: none">• CITIC Telecom International Holdings Limited (the "Company") won the "Best Innovative Solutions Partner Award – Technological Development" from a China operator. It is the 17th consecutive year that the Company has won the award• CITIC Telecom International won first prize in the GSMA Open Gateway Hackathon and demonstrated its innovation capability and technological superiority in this field• CPC received the "Cloud Service Innovator of the Year 2024" at the "Datacloud Global Awards 2024" organised by the BroadGroup• CEC won the "Best Digital Solution Service Provider" jointly issued by the China Intelligent Manufacturing CIO Summit and Qinzhe Culture Communication (Shanghai) Co., Ltd.• CEC won the "2023 Premier Digital Transformation Solution Provider" in the "Gold Excellence Award" jointly issued by CIO TIMES and New Infrastructure Innovation Research Institute• CEC won the "CIO Preferred Digital Service Provider" issued by CIO Association of Guangdong• At the 2024 Mobile World Congress held in Shanghai, CTM signed a Memorandum of Understanding with GSMA to join and become a member of Open Gateway Initiative, working together with global operators and technology pioneers to accelerate the development of global digital services and applications• CTM's Airport O&M Division won "Gold Award for the International Management Certification Recognition for Macau Enterprises" issued by Macau Productivity and Technology Transfer Center• CTM was awarded the "Best Network and Resources Partner Award – Global Roaming" issued by a China operator

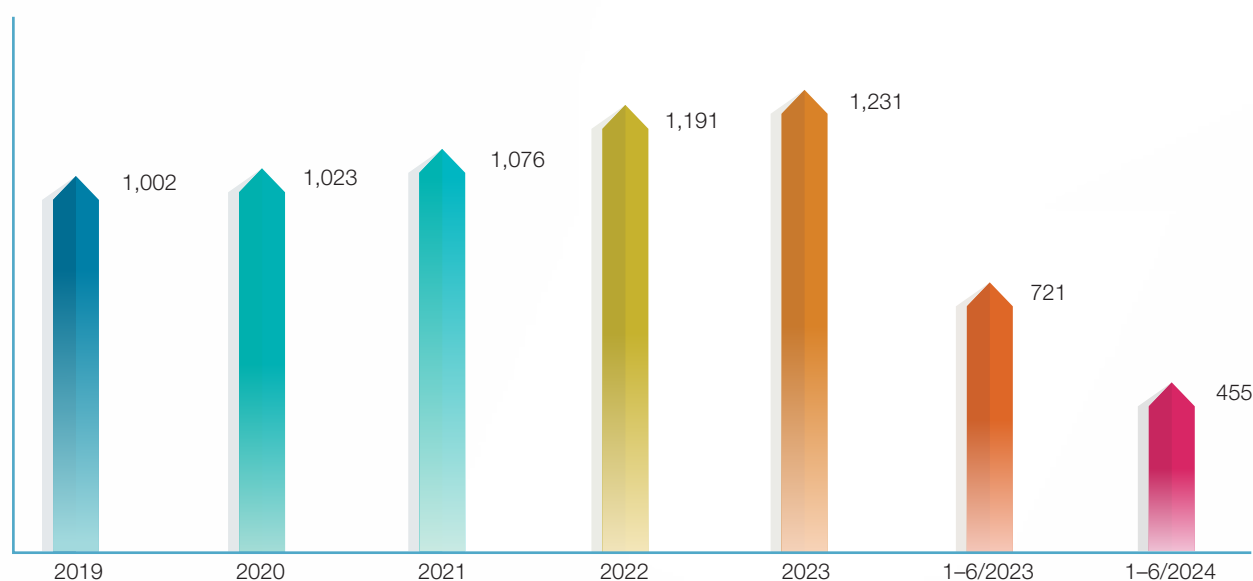
FINANCIAL HIGHLIGHTS

In HK\$ million	Half year ended 30 June		
	2024	2023	
Revenue			
Revenue from telecommunications services	4,160	4,690	Decrease 11.3%
Sales of mobile handsets and equipment	729	636	Increase 14.6%
	4,889	5,326	Decrease 8.2%
Profit attributable to equity shareholders of the Company	455	721	Decrease 36.9%
EBITDA¹	1,038	1,448	Decrease 28.3%
Earnings per share (HK cents)			
Basic	12.3	19.5	Decrease 36.9%
Diluted	12.3	19.5	Decrease 36.9%
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 2024	31 December 2023	
Total assets	17,074	17,363	Decrease 1.7%
Total equity attributable to equity shareholders of the Company	10,489	10,756	Decrease 2.5%
Total debt²	3,924	3,934	Decrease 0.3%
Less: Cash and deposits	(1,561)	(1,726)	Decrease 9.6%
Net debt	2,363	2,208	Increase 7.0%
Net gearing ratio³	18%	17%	Increase 1.0%

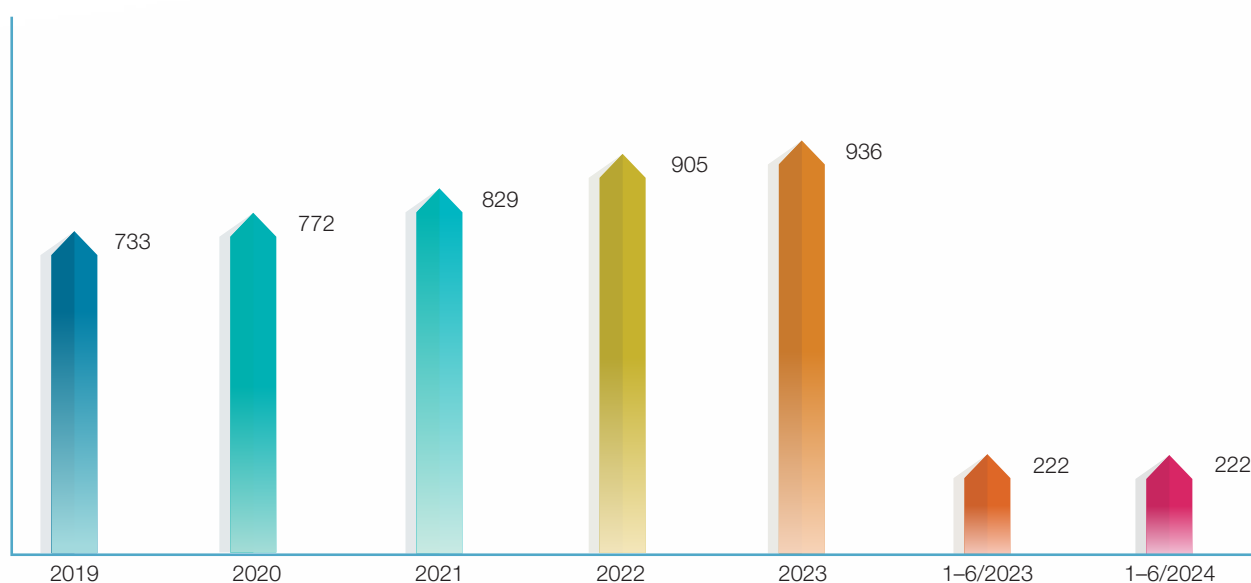
² Total debt includes current and non-current bank and other borrowings.

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 2024 was based on the number of shares in issue as at 30 June 2024, which may differ from the number of shares at the closing date of the register of members.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to announce the operating and financial results of CITIC Telecom International Holdings Limited (the "Company", and together with its subsidiaries the "Group") for the first half of 2024.

In response to changes in various external factors, some customers made corresponding adjustments to their businesses since the second half of 2023. In the first half of 2024, there was a significant year-on-year decrease in revenue from messaging services in international telecommunications services, leading to a decrease in profit attributable to equity shareholders of the Company. In view of this, while the Company continues to consolidate its traditional telecommunications business, it is striving to seize the opportunity arising from the in-depth integration of the real economy and the digital economy driven by the next generation reform in information technology, deepen change and innovation, and facilitate business transformation and development through digitalisation and intelligentisation, so as to alleviate the impact.

I. FINANCIAL RESULTS

For the first half of 2024, total revenue of the Group amounted to HK\$4,889 million, decreasing by 8.2% when compared to the corresponding period of the previous year; and the revenue from its principal business of telecommunications services amounted to HK\$4,160 million, decreasing by 11.3% when compared to the corresponding period of the previous year.

Profit attributable to equity shareholders of the Company was HK\$455 million, decreasing by 36.9% as compared to the corresponding period of the previous year. Excluding the effect of investment property revaluation, there would have been a decrease of 36.4% as compared to the corresponding period of the previous year.

Basic earnings per share for the first half of the year amounted to HK12.3 cents, representing a 36.9% decrease as compared to the corresponding period of the previous year.

The Board declared an interim dividend of HK6.0 cents per share for 2024, which is in line with corresponding period for the previous year.

II. BUSINESS REVIEW

In response to the challenges, the Group has expedited its digital transformation, striving to improve capabilities in product R&D and innovation, and enrich its product portfolio. Also, the Group has made efforts to sustain its competitive edge in core businesses, optimise its business structure, and foster the growth of emerging businesses. During the first half of the year, the Group's revenue from mobile services amounted to HK\$510 million, representing a year-on-year increase of 11.6%; revenue from internet services amounted to HK\$737 million, representing a year-on-year increase of 4.5%; and enterprise solutions revenue was HK\$1,608 million, representing a year-on-year increase of 6.8%, alleviating the downward pressure in revenue from international telecommunications services and demonstrating the Company's strong business resilience and growth potential.

Consolidating the scale advantages of "5G+Broadband", focusing on user value and technology upgrade

Driven by 5G, Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM"), the Group's subsidiary, continued to capture more individual mobile users. As at the end of June 2024, CTM's share of the Macau mobile market reached 50.0%, firmly ranking first in the Macau market. The number of 5G users exceeded 620,000, with a penetration rate of 87.9%. In July 2024, CTM launched 5.5G commercial services, propelling Macau into the "5.5G Era" and making Macau become one of the first 5.5G commercialised cities in the world.

As at the end of June 2024, CTM launched bilateral 5G roaming services with 140 overseas network operators (covering 104 countries/regions), bilateral 4G roaming services with 392 overseas network operators (covering 221 countries/regions) and bilateral VoLTE roaming services with 39 overseas network operators (covering 44 countries/regions). By virtue of its high-quality roaming services, CTM serves as a source of assurance, facilitating Macau citizens' travel abroad and attracting visitors from all over the world to Macau.

As for the internet business, CTM has been constantly promoting customer service upgrades with FTTR (Fiber-to-the-room) solutions. As at the end of June 2024, CTM maintained its top ranking in Macau's broadband services with approximately a 97.0% market share. According to the broadband network test report published by an international website cable.co.uk in July 2024, Macau ranked third in the world in terms of average fixed broadband downloading speed at the rate of 234.74Mbps.

Expanding and upgrading smart application scenarios to promote the development of smart city in Macau

CTM has fully committed to promoting the realisation of "Digital Macau" smart city development vision by leveraging the resource advantages offered by the "5G+ cloud network" to create smart application scenarios and solutions with rich variety, complete functions and competitive power, empowering customers from various sectors such as government affairs, enterprises, education, healthcare, and finance in pursuit of digitalisation upgrades.

In the first half of 2024, CTM launched "Dr. Easy", the one-stop smart healthcare solutions, for medical institutions, to promote the development of smart healthcare in Macau. In the field of smart education, CTM and Pui Ching Middle School Macau have entered a strategic cooperation to jointly build a leading smart campus, which comprehensively strengthens the information and network security of the school, enabling smart campus operation and AI teaching. By the end of June 2024, CTM has launched a total of 9 5G private network solutions and implemented 13 smart application scenarios, continuously contributing to the development of Macau's smart city. CTM has also actively deployed 50G PON, the next-generation optical network access technology, to support Macau's transition to the "10-Giga City" era and contribute to the high-quality development of Macau's digital economy.

Leveraging our position as a hub for international telecommunications services and expanding enterprise customers through changing existing sales model

The Group actively optimised the sales model of messaging services. While continuing to carry out the "wholesale" business, the Group introduced the "B2B direct sales" model to unleash the potential of the Group's internal enterprise customers, so that a wider range of customer groups can be reached and served more directly. Furthermore, the Group enhanced its platform capabilities through the use of various communication tools including SMS, MMS, RCS, WhatsApp Business, video messaging, 5G messages, etc., to meet the diverse demand of message delivery from customers in different scenarios, thereby enhancing the competitiveness of our products.

Facilitating the integration of "Cloud, Network, Intelligence and Security" and enhancing competitiveness by diversified products

CITIC Telecom International CPC Limited ("CPC"), the Group's subsidiary, provided customers with highly-integrated, flexible and efficient services by integrating existing network products with security services in an innovative way to improve the cyber security and operational efficiency of its customers' businesses. CPC facilitated the rapid development of new businesses and developed diversified revenue streams through cross-selling of "Cloud, Network, Intelligence and Security" products to customers.

Focusing on the strategy of "ICT – MiiND™", CPC integrates core technologies such as Large Language Model (LLM), AI and data algorithm platforms to enhance the intelligent and automation capabilities of existing core products and thus creates differentiated competitive advantages. By virtue of years of technology accumulation, CPC has developed an AI service platform to provide enterprise customers with comprehensive open services for data processing and model development, helping enterprises to efficiently train and develop AI models.

Opening up new markets with globalisation strategy and fully exploring new business opportunities overseas

Acclivis Technologies and Solutions Pte. Ltd. ("Acclivis"), a subsidiary of the Group, has further accelerated its expansion in the Southeast Asian market. In Singapore, Acclivis entered a partnership with a globally renowned major hardware provider to offer server deployment for local customers. In Malaysia, Acclivis completed several data centre ICT projects.

Moreover, CPC continued to expand the coverage of TrueCONNECT™, an MPLS VPN service, which has covered nearly 170 PoPs (point-of-presence) in 160 countries/regions worldwide. To optimise the arrangement of global resources, in the first half of 2024, CPC deployed the first network PoP in Dubai, UAE, and added the second PoP in Amsterdam, the Netherlands, to address customers' needs for global connectivity.

New breakthroughs in technological innovation and accelerated formation of new quality productive forces

In the first half of 2024, the Group and CTM officially joined the GSMA Open Gateway Initiative and won the first prize in the Open Gateway Hackathon Competition during the Mobile World Congress Shanghai 2024 (MWC Shanghai), demonstrating the Group's technological accumulation and innovative capabilities in this field. As a member of International Association of Portuguese-Speaking Communications (AICEP), CTM continued to strengthen exchanges and cooperation with member organisations to help Macau better play its role as an economic and trade platform between China and Portuguese-speaking countries. The "Smart Campus Project of the Macau University of Science and Technology" introduced by CTM was awarded the "Innovative Development" prize by AICEP. CPC's TrustCSI™ Managed Security Services won the award in the Managed Security Service category and CPC also won in the Most Innovative Cybersecurity Company category in the "2024 Cybersecurity Excellence Awards" organised by Cybersecurity Insiders, demonstrating the innovative ability of the technology team to implement cutting-edge technological concepts into solutions. The Group's subsidiary, China Enterprise ICT Solutions Limited, achieved the "2023 Digitalisation Service Innovation Leadership Award" by the Anhui Province Association of Chief Information Officer.

The Group continues to increase its investment in research and development and has achieved fruitful results in scientific and technological innovation. In the first half of 2024, the Group was granted 4 newly authorised patents and 12 new software copyrights; as at the end of June 2024, a total of 17 authorised patents and 56 software copyrights were obtained.

Practicing corporate social responsibility and promoting sustainable development

The Group and the Communications Association of Hong Kong (CAHK) jointly organised the "Green Tech ICT Open Day" as part of the "World Telecommunication and Information Society Day Hong Kong 2024", inviting delegations of secondary school teachers and students from Hong Kong to visit the Group's Network Operation Centre, Data Centre and Security Operation Centre, showcasing the Group's achievements in the field of green technology.

For the 11th consecutive year, CTM organised the "Youth Development Program" to encourage young people to devote themselves to diversified development through a series of internships, training, visits and exchanges, and to cultivate their interest in the communications technology industry, so as to reserve more outstanding talents for the future development of Macau.

CPC always strives for sustainable development initiatives. CPC participated in the "ESG Pledge" campaign organised by the Chinese Manufacturers' Association of Hong Kong (CMA) for the second consecutive year and was awarded the "15 Years Plus Caring Company" logo by the Hong Kong Council of Social Service for the 15th consecutive year.

III. OUTLOOK

In the first half of 2024, all staff of the Group made concerted efforts to uphold integrity and innovation and forge ahead, demonstrating firm determination and resilience for development. In the future, the Group will continue to adhere to the innovation-driven and market-oriented approach, strengthen its technological leadership, proactively respond to the challenges of the global economic environment, grasp the strategic development opportunities brought about by the new round of technological and industrial revolutions in the information and communications industry, and strive to expand into new domains and new markets, so as to inject a steady stream of impetus for the enterprise's high-quality development, and to make every effort to develop into a "world-class internet-based integrated digital and intelligent telecommunications enterprise" to create greater values for our shareholders and the society.

In the second half of 2024, the Group will carry out the following key tasks:

Leveraging the leading advantages of 5G and participating in the construction of "Digital Macau 3.0"

Through the application of 5.5G technology and the leading digital base of smart cities, CTM will introduce and create more smart application solutions for Macau, explore diversified and innovative services, and help all sectors in Macau to accelerate the pace of digital transformation and promote the construction of "Digital Macau 3.0".

Comprehensively deepening digital transformation and upgrade, promoting the development of new quality productive forces

Optimising the intelligence level of core products and promoting the upgrade of intelligent products. Based on the existing integrated platform of "Cloud, Network, Intelligence and Security", the Group will integrate emerging technologies such as big models, big data algorithms and AI to continuously enrich our digital intelligent services and product portfolio, and help our global customers in their digital transformation and intelligent development. The Group will actively implement the GSMA Open Gateway open development concept, work with global industry partners to create and build a capacity sharing platform and actively participate in Open Gateway industry innovation to promote technological upgrades, enrich application scenarios and create new business opportunities.

Expanding ecological partners and leveraging resource synergy advantages

We will continue to build an ecosystem of industrial cooperation, deepen cooperation with strategic partners, operators and research institutions, and actively carry out business and R&D collaboration. Capitalising on CITIC Group's comprehensive advantages in industry-finance integration, business diversification, and global presence, we will strengthen the efficient coordination of resource elements and expand new markets and customers.

Strengthening global business presence, and empowering all industries to expand internationally in an intelligent way

Closely adhering to the strategic positioning of “With the backing of the Mainland, Setting a foothold in Hong Kong and Macau, and Connecting to the World”, the Group will expand its global business presence, continue to increase efforts in mature markets such as Hong Kong and Macau, fully implement the “Belt and Road” strategy of high-quality development, and expand into emerging markets such as Southeast Asia and BRIC countries. We are committed to becoming a digital intelligent partner for enterprises to “go global” and “draw in new opportunities”, thereby empowering the global development of all industries.

Finally, on behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, investors, customers, partners and all sectors of the society for their support, and to all of our employees for their continuous efforts and contributions.

Luo Xicheng

Chairman

Hong Kong, 16 August 2024



BUILDING THE FUTURE

The background is a dark blue gradient with various digital motifs. At the top, there are several rows of blue chevron arrows pointing right. The main text 'BUILDING THE FUTURE' is centered in the upper half. Below the text, there are numerous horizontal lines of varying lengths and colors (blue, red, orange) that curve and flow across the page, suggesting data streams or network connections. On the left side, there are some faint, overlapping circular and dashed lines. At the bottom, there are more blue chevron arrows pointing right, mirroring the ones at the top.

FINANCIAL REVIEW

OVERVIEW

The Group's profit for the six months ended 30 June 2024 decreased by 35.8% year-on-year to HK\$471 million, profit attributable to equity shareholders of the Company decreased by 36.9% year-on-year to HK\$455 million, and basic earnings per share was down by 36.9% to HK12.3 cents when compared to the first half of 2023.

The Group's total revenue decreased by 8.2% year-on-year to HK\$4,889 million while revenue from telecommunications services decreased by 11.3% to HK\$4,160 million when compared to the first half of 2023.

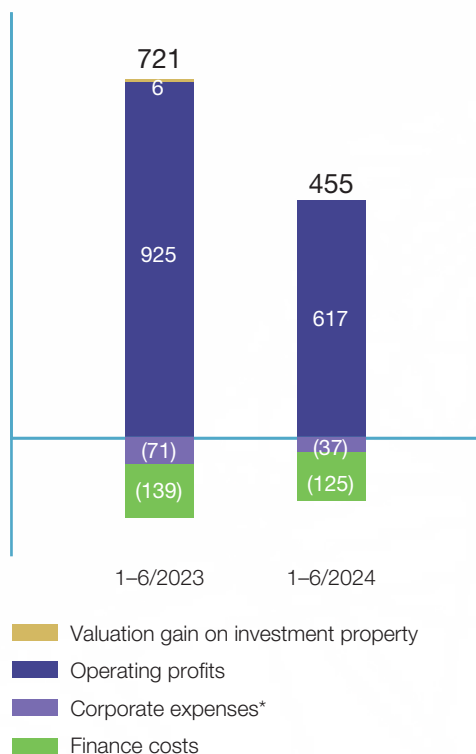
Summary of Financial Results

In HK\$ million	Half year ended 30 June		Increase/(Decrease)	
	2024	2023		
Revenue from telecommunications services	4,160	4,690	(530)	(11.3%)
Sales of mobile handsets and equipment	729	636	93	14.6%
Revenue	4,889	5,326	(437)	(8.2%)
Valuation gain on investment property	–	6	(6)	N/A
Other income	46	47	(1)	(2.1%)
Cost of sales and services	(3,078)	(3,037)	41	1.4%
Depreciation and amortisation	(378)	(452)	(74)	(16.4%)
Staff costs	(537)	(577)	(40)	(6.9%)
Other operating expenses	(249)	(283)	(34)	(12.0%)
Profit from consolidated activities	693	1,030	(337)	(32.7%)
Finance costs	(125)	(139)	(14)	(10.1%)
Share of profit of a joint venture	–	1	(1)	N/A
Income tax	(97)	(158)	(61)	(38.6%)
Profit for the period	471	734	(263)	(35.8%)
Less: Non-controlling interests	(16)	(13)	3	23.1%
Profit attributable to equity shareholders of the Company	455	721	(266)	(36.9%)
EBITDA*	1,038	1,448	(410)	(28.3%)
Basic earnings per share (HK cents)	12.3	19.5	(7.2)	(36.9%)
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 2024 decreased by 36.9% or HK\$266 million to HK\$455 million when compared to the corresponding period of 2023. Excluding the valuation gain on investment property for the six months ended 30 June 2023 of HK\$6 million, profit attributable to equity shareholders of the Company for the first half of 2024 decreased 36.4% year-on-year or HK\$260 million to HK\$455 million.

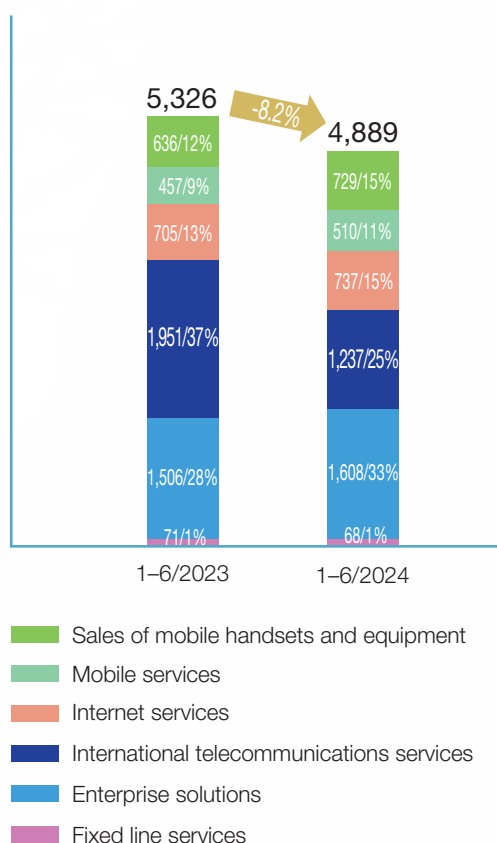
Revenue

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 decreased by 8.2% year-on-year to HK\$4,889 million.

HK\$ million



Revenue from telecommunications services for the six months ended 30 June 2024 amounted to HK\$4,160 million, which represented a decrease of 11.3% or HK\$530 million when compared to the corresponding period of 2023. The decrease was largely due to the drop in revenue from messaging services in international telecommunications services, but it was partially offset by increase in revenue for mobile services, internet services and enterprise solutions.

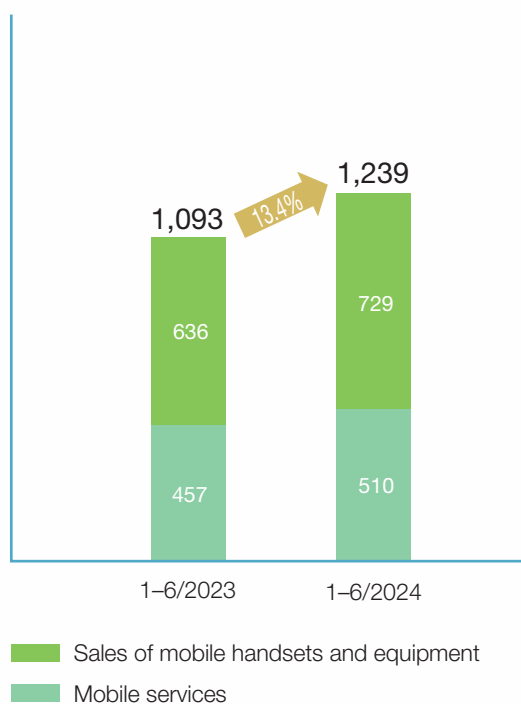
FINANCIAL REVIEW

The Group's sales of mobile handsets and equipment for the six months ended 30 June 2024 amounted to HK\$729 million, which represented an increase of 14.6% or HK\$93 million when compared to the corresponding period of 2023. The increase was due to more stable supply of mobile handsets during the period and other factors such as the increasing 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.

HK\$ million



Mobile services revenue was up 11.6% to HK\$510 million when compared to the first half of 2023 mainly due to the increase in roaming revenue and the increase in number of mobile subscribers. Sales of mobile handsets and equipment increased by 14.6% to HK\$729 million when compared to the corresponding period of 2023.

The Group's overall number of mobile subscribers as at 30 June 2024 was over 710,000 (30 June 2023: approximately 624,000) subscribers representing an increase of around 13.8% year-on-year resulting from the increase in postpaid subscribers of around 12.8% year-on-year to approximately 539,000 (30 June 2023: approximately 478,000) subscribers and the increase in prepaid subscribers of around 17.1% year-on-year to over 171,000 (30 June 2023: approximately 146,000) subscribers.

As at 30 June 2024, total number of 5G mobile subscribers was over 624,000 subscribers (30 June 2023: 316,000 subscribers), representing 87.9% (30 June 2023: 50.6%) of the Group's total number of mobile subscribers.

Internet services

Sustained growth in the demand for internet and data centre services has led to a year-on-year increase of 4.5% or HK\$32 million in revenue from internet services which amounted to HK\$737 million. Service upgrade by existing customers and around 1.0% year-on-year increase in the number of broadband users to over 206,000 (30 June 2023: over 204,000) subscribers, also contributed to the increase in revenue from fibre broadband service.

As at 30 June 2024, the Group's internet market share and broadband market penetration rate in Macau were around 97.0% (30 June 2023: 97.1%) and 91.0% (30 June 2023: 91.7%) respectively.

International telecommunications services

International telecommunications services revenue including revenue from messaging services (including SMS), voice services and "DataMall 自由行" services decreased by 36.6% or HK\$714 million year-on-year to HK\$1,237 million.

Since the latter half of 2023, certain customers had made corresponding adjustments to their businesses in response to changes in various external factors that led to an adverse impact on our messaging services revenue. In response, the Group's successful efforts in increasing its voice services revenue by 74.6% or HK\$384 million year-on-year to HK\$899 million has partly offset the drop in messaging services revenue.

Revenue from "DataMall 自由行" services continued its growth momentum and achieved an increase of 19.6% or HK\$11 million to HK\$67 million when compared to the corresponding period of 2023.

Enterprise solutions

For the six months ended 30 June 2024, enterprise solutions revenue increased by 6.8% year-on-year or HK\$102 million to HK\$1,608 million. The increase is mainly due to more projects awarded to the Group by the government and enterprises in Macau and Southeast Asian countries (including Singapore, Malaysia, Thailand and Indonesia) which has offset the Group's decrease in enterprise solutions revenue in the Chinese mainland market.

Fixed line services

As a result of the decrease in fixed residential and business lines, fixed line services revenue was down by 4.2% year-on-year to HK\$68 million for the six months ended 30 June 2024.

Results for the period

Profit attributable to equity shareholders of the Company decreased by 36.9% year-on-year or HK\$266 million to HK\$455 million mainly due to the combined effect of the following factors:

Revenue

The Group's revenue from telecommunications services decreased by 11.3% year-on-year or HK\$530 million to HK\$4,160 million. Total revenue including mobile handsets and equipment sales amounted to HK\$4,889 million for the period, representing in a year-on-year decrease of 8.2%.

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 2024 by the Group's independent surveyors with no change in the total value for the six months ended 30 June 2024 (six months ended 30 June 2023: a gain of 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 1.4% or HK\$41 million to HK\$3,078 million when compared to the corresponding period of 2023 mainly due to the increase in sales of mobile handsets and equipment which have comparatively lower margins.

Depreciation and amortisation

Depreciation and amortisation expenses totaled HK\$378 million for the six months ended 30 June 2024, representing a year-on-year decrease of 16.4%. The decrease was mainly due to certain aged networks and equipment being fully depreciated in 2023.

Staff costs

Staff costs was similar to the corresponding period of 2023 and amounted to HK\$537 million for the six months ended 30 June 2024.

Other operating expenses

Other operating expenses for the six months ended 30 June 2024 decreased by 12.0% or HK\$34 million to HK\$249 million when compared to the corresponding period of 2023. This was mainly due to the net exchange gain during the period whereas it was an exchange loss for the corresponding period of 2023.

Finance costs

As the Group has repaid certain bank loans in 2023, it has countered the impact from the enduring high general bank's borrowing rates. As a result, finance costs decreased by 10.1% year-on-year to HK\$125 million (six months ended 30 June 2023: HK\$139 million).

Income tax

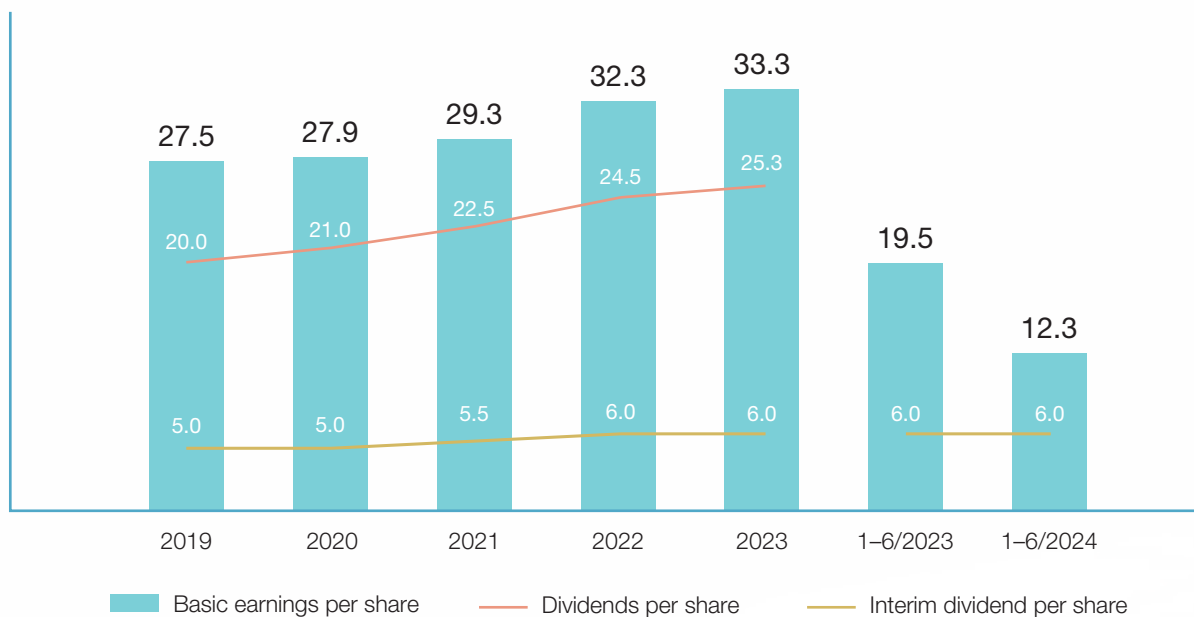
Income tax for the period amounted to HK\$97 million, a decrease of HK\$61 million when compared to the first half of 2023. Excluding finance costs, over or under-provision of taxes and any origination and reversal of temporary differences in relation to prior years, the effective tax rates for the six months ended 30 June 2024 and 2023 were 14.0% and 14.5% respectively.

Earnings and Dividends per share

Both basic and diluted earnings per share were down by HK7.2 cents year-on-year to approximately HK12.3 cents for the six months ended 30 June 2024.

The Company's Board of Directors has declared an interim dividend of HK6.0 cents per share for the year ending 31 December 2024.

HK cent



Cash flows

In HK\$ million	Half year ended 30 June		Increase/(Decrease)	
	2024	2023		
<i>Source of cash:</i>				
Cash inflows from business operations	891	1,228	(337)	(27.4%)
Decrease in pledged and other deposits	130	56	74	>100%
Other cash inflows	36	61	(25)	(41.0%)
Sub-total	1,057	1,345	(288)	(21.4%)
<i>Use of cash:</i>				
Capital expenditure*	(170)	(147)	23	15.6%
Dividends paid to equity shareholders of the Company and non-controlling interests	(723)	(693)	30	4.3%
Capital and interest elements of lease rentals paid	(78)	(87)	(9)	(10.3%)
Payment of borrowing costs	(116)	(128)	(12)	(9.4%)
Net cash outflows from borrowings	-	(454)	(454)	N/A
Sub-total	(1,087)	(1,509)	(422)	(28.0%)
Net decrease in cash and cash equivalents	(30)	(164)	(134)	(81.7%)

* 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\$891 million cash inflow from its operations, with the use of cash mainly comprised of capital expenditure, lease payments and dividends distributions. In total, the Group recorded a net cash outflow of HK\$30 million for the six months ended 30 June 2024.

Capital expenditure

The Group's total capital expenditure for the six months ended 30 June 2024 amounted to HK\$149 million. During the period, HK\$46 million was invested in 5G, HK\$15 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 2024, the Group had outstanding capital commitments of HK\$229 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\$84 million was outstanding contractual capital commitments and HK\$145 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 increased to HK\$2,363 million, the net gearing ratio increased slightly from 17% as at 31 December 2023 to 18% as at 30 June 2024.

As at 30 June 2024, total debt and net debt of the Group were as follows:

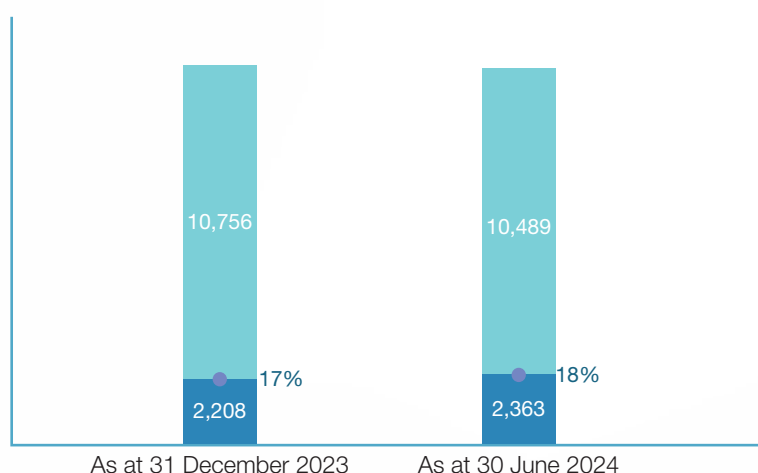
In HK\$ million equivalents	Denomination							Total
	HKD	USD	SGD	MOP	RMB	EUR	Others	
Total debt	–	3,581	343	–	–	–	–	3,924
Less: Cash and deposits	(558)	(363)	(31)	(368)	(150)	(45)	(46)	(1,561)
Net debt/(cash)	(558)	3,218	312	(368)	(150)	(45)	(46)	2,363

As at 30 June 2024 and 31 December 2023, the Group's net gearing ratio was as follows:

In HK\$ million	30 June 2024	31 December 2023
Total debt	3,924	3,934
Less: Cash and deposits	(1,561)	(1,726)
Net debt	2,363	2,208
Total equity attributable to equity shareholders of the Company	10,489	10,756
Total capital	12,852	12,964
Net gearing ratio	18%	17%

Net Debt and Net Gearing Ratio

HK\$ million



■ Total equity attributable to equity shareholders of the Company

■ Net debt

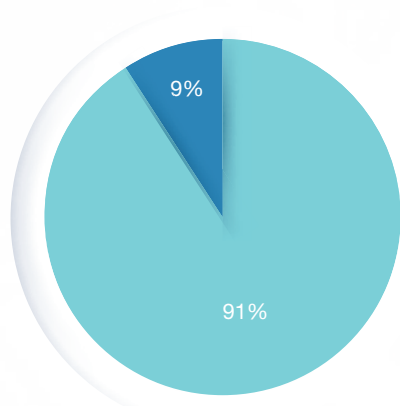
● Net gearing ratio

FINANCIAL REVIEW

The maturity profile of the Group's total debt which includes interest payable as at 30 June 2024 was as follows:

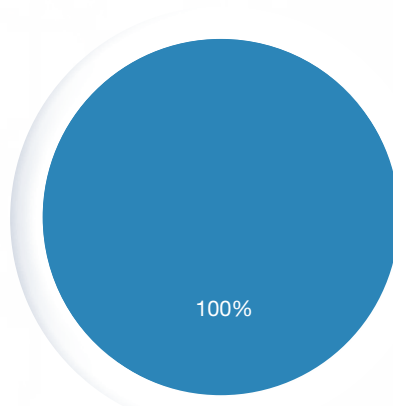
In HK\$ million	Within 1 year	Total
Bank and other loans	343	343
US\$450 million 6.1% guaranteed bonds	3,512	3,512
	3,855	3,855
Interest payable	69	69
	3,924	3,924

Total Debt by Maturity



As at 31 December 2023

■ Within 1 year



As at 30 June 2024

■ After 1 year but within 2 years

* The above graph excludes the amount of interest payable.

Available sources of financing

The Group aims to maintain the cash balance and undrawn bank and other loans 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\$1,561 million and undrawn committed bank and other loans facilities of HK\$7,290 million as at 30 June 2024 were more than sufficient to cover the repayments of outstanding amount of total debt (excluding interest payable) of HK\$3,855 million in the coming twelve months and contractual capital commitments of HK\$84 million as at 30 June 2024.

As at 30 June 2024, the Group had available trading facilities of HK\$228 million. The amount of HK\$78 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\$1 million were required to be secured by pledged deposits as at 30 June 2024.

As at 30 June 2024, 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:			
Bank loans	3,780	–	3,780
Other loans	3,853	343	3,510
	7,633	343	7,290
– Uncommitted facilities:			
Short-term facilities	882	–	882
	8,515	343	8,172
Guaranteed bonds – Committed facility			
US\$450 million 6.1% guaranteed bonds	3,514	3,514	–
Trading facilities – Uncommitted facilities			
	228	78	150
Total	12,257	3,935	8,322

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 (with certain predetermined levels of authority) 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 bank and other loans facilities to meet its liquidity requirements in the short and longer term.

Cash flow is well-planned and reviewed regularly by the management of the Group, so that the Group can meet its funding needs. The cash flows from the Group's operating activities together with the undrawn bank and other loans facilities 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 2024 and 31 December 2023, the Group was in compliance with the relevant requirements.

4. Contingent liabilities

As at 30 June 2024 and 31 December 2023, the Group had no significant contingent liabilities.

5. Performance bonds, guarantees and pledged assets

As at 30 June 2024 and 31 December 2023, performance bonds and other guarantees of the Group were as follows:

In HK\$ million	30 June 2024	31 December 2023
Performance bonds provided to the Macau Government and other customers	76	81
Other guarantees	2	2
Total	78	83

As at 30 June 2024, bank deposits of HK\$2 million (31 December 2023: HK\$2 million) were pledged to secure part 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\$3,514 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 2024, the Company issued guarantees of HK\$376 million (31 December 2023: HK\$381 million) for its subsidiaries in respect of the various forms of facility lines from financial institutions.

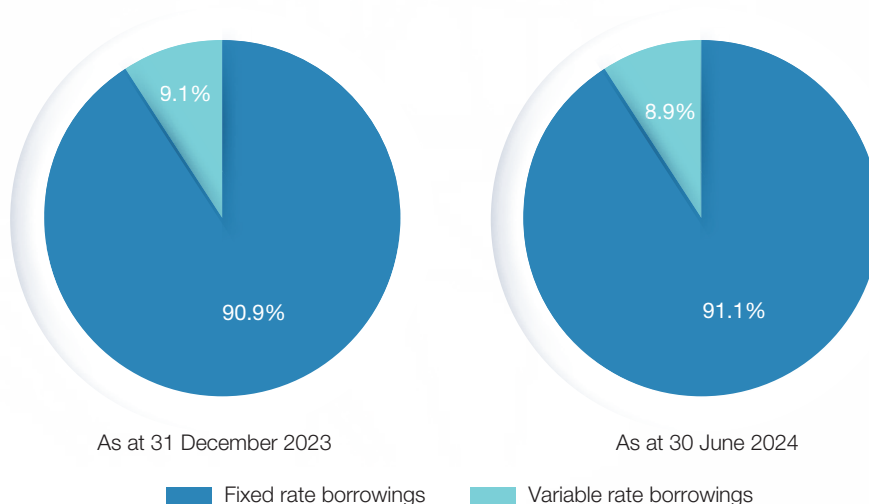
Certain property, plant and equipment of Companhia de Telecomunicações de Macau, S.A.R.L. are designated for the provision of basic infrastructure of public telecommunications services. They may need to be shared with other licensed telecommunications operators or the Macau Government with fair compensation, 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 2024, approximately 91.1% (31 December 2023: approximately 90.9%) 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 2024 and 31 December 2023, the effective interest rates, after the inclusion of amortisation of transaction costs, were as follows:

	30 June 2024	31 December 2023
Effective interest rate for fixed rate borrowings	6.1%	6.1%
Effective interest rate for variable rate borrowings	5.0%	5.0%
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 27.1% (31 December 2023: approximately 24.7%) of the Group's total trade debtors and contract assets as at 30 June 2024. 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 financial institutions 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 2024, the Group has maintained cash and deposits of HK\$1,561 million (31 December 2023: HK\$1,726 million), among which HK\$1,559 million (31 December 2023: HK\$1,721 million) was placed in the above-mentioned entities, representing approximately 99.9% (31 December 2023: approximately 99.7%) 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 2024, the Group employed a total of 2,519 employees for its headquarters in Hong Kong and its subsidiaries. Number of employees in Hong Kong was 514. Employees in Chinese mainland and Macau totalled 1,692. Employees in overseas countries totalled 313.

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



CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Revenue	3(a)	4,889	5,326
Valuation gain on investment property	8(b)	–	6
Other income	4	46	47
Cost of sales and services	5(a)	(3,078)	(3,037)
Depreciation and amortisation	5(b)	(378)	(452)
Staff costs	5(c)	(537)	(577)
Other operating expenses		(249)	(283)
		693	1,030
Finance costs	5(d)	(125)	(139)
Share of profit of a joint venture		–	1
Profit before taxation	5	568	892
Income tax	6	(97)	(158)
Profit for the period		471	734
Attributable to:			
Equity shareholders of the Company		455	721
Non-controlling interests		16	13
Profit for the period		471	734
Earnings per share (HK cents)	7		
Basic		12.3	19.5
Diluted		12.3	19.5

The notes on pages 35 to 52 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 2024

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Profit for the period	471	734
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	(10)	(11)
Other comprehensive income for the period	(10)	(11)
Total comprehensive income for the period	461	723
Attributable to:		
Equity shareholders of the Company	445	713
Non-controlling interests	16	10
Total comprehensive income for the period	461	723

The notes on pages 35 to 52 form part of this condensed interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

(Expressed in Hong Kong dollars)

	Note	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Non-current assets			
Investment property	8	726	726
Property, plant and equipment	8	1,885	1,989
Right-of-use assets	9	393	454
Intangible assets		770	824
Goodwill		9,711	9,717
Interest in a joint venture		10	11
Non-current contract assets		21	27
Non-current contract costs		22	24
Non-current finance lease receivables		4	5
Non-current other receivables	10	127	145
Deferred tax assets		60	63
		13,729	13,985
Current assets			
Inventories		48	57
Finance lease receivables		3	5
Contract assets		354	242
Trade and other receivables	10	1,360	1,344
Current tax recoverable		19	4
Cash and deposits	11(a)	1,561	1,726
		3,345	3,378
Current liabilities			
Trade and other payables	12	1,600	1,606
Contract liabilities		194	183
Bank and other borrowings	13	3,924	421
Lease liabilities		98	116
Current tax payable		268	221
		6,084	2,547
Net current (liabilities)/assets		(2,739)	831
Total assets less current liabilities		10,990	14,816

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Non-current liabilities			
Non-current contract liabilities		1	1
Non-current bank and other borrowings	13	–	3,513
Non-current lease liabilities		186	224
Non-current other payables	12	16	20
Defined benefit plan obligations		46	48
Deferred tax liabilities		137	146
		386	3,952
NET ASSETS		10,604	10,864
CAPITAL AND RESERVES			
Share capital	14(b)	4,758	4,756
Reserves		5,731	6,000
Total equity attributable to equity shareholders of the Company		10,489	10,756
Non-controlling interests		115	108
TOTAL EQUITY		10,604	10,864

The notes on pages 35 to 52 form part of this condensed interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company								
	Note	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 2024		4,756	2	62	(23)	5,959	10,756	108	10,864
Changes in equity for the six months ended 30 June 2024:									
Profit for the period		-	-	-	-	455	455	16	471
Other comprehensive income for the period		-	-	-	(10)	-	(10)	-	(10)
Total comprehensive income for the period		-	-	-	(10)	455	445	16	461
Dividend paid to non-controlling interests		-	-	-	-	-	-	(9)	(9)
Shares issued under share option plan	14(b)(ii)	2	-	-	-	-	2	-	2
Dividends approved in respect of the previous financial year	14(a)(ii)	-	-	-	-	(714)	(714)	-	(714)
Release upon lapse of share options		-	(2)	-	-	2	-	-	-
		2	(2)	-	-	(712)	(712)	(9)	(721)
Balance as at 30 June 2024		4,758	-	62	(33)	5,702	10,489	115	10,604

	Attributable to equity shareholders of the Company								
	Note	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

The notes on pages 35 to 52 form part of this condensed interim financial report.

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Operating activities			
Cash generated from operations	11(e)	962	1,294
Tax paid:			
– Hong Kong Profits Tax paid		(47)	(41)
– Macau Complementary Tax paid		(2)	–
– Tax paid for jurisdictions outside Hong Kong and Macau		(22)	(26)
Tax refunded:			
– Tax refunded for jurisdictions outside Hong Kong and Macau		–	1
Net cash generated from operating activities		891	1,228
Investing activities			
Payment for the purchase of property, plant and equipment		(170)	(147)
Decrease in pledged deposits		–	1
Decrease in other deposits		130	55
Interest received		34	34
Net cash used in investing activities		(6)	(57)
Financing activities			
Proceeds from new shares issued under share option plan		2	27
Repayment of bank and other borrowings		–	(454)
Other borrowing costs paid		(116)	(128)
Capital element of lease rentals paid		(71)	(78)
Interest element of lease rentals paid		(7)	(9)
Dividends paid to equity shareholders of the Company		(714)	(684)
Dividend paid to non-controlling interests		(9)	(9)
Net cash used in financing activities		(915)	(1,335)
Net decrease in cash and cash equivalents		(30)	(164)
Cash and cash equivalents as at 1 January		1,078	1,255
Effect of foreign exchange rate changes		(5)	(7)
Cash and cash equivalents as at 30 June	11(a)	1,043	1,084

The notes on pages 35 to 52 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 16 August 2024.

The condensed interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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 2023 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 53.

The financial information relating to the financial year ended 31 December 2023 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 2023 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.

Going concern assumptions

As at 30 June 2024, the current liabilities of the Group exceeded the current assets by \$2,739,000,000. Included in the current liabilities were Guaranteed Bonds of \$3,512,000,000 scheduled to be redeemed on the maturity date (i.e. 5 March 2025). Management of the Group anticipates the net cash inflows from the operations, together with the ability to draw down from available committed bank and other loan facilities of \$7,290,000,000, is sufficient to enable the Group to meet its liabilities as and when they fall due. Accordingly, this unaudited condensed interim financial report has been prepared on a going concern basis.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

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	
		2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Revenue from contracts with customers			
Disaggregated by major service lines or products:			
Mobile services	(i)	510	457
Internet services	(ii)	737	705
International telecommunications services	(iii)	1,237	1,951
Enterprise solutions	(iv)	1,608	1,506
Fixed line services	(v)	68	71
Fees from the provision of telecommunications services		4,160	4,690
Sales of mobile handsets and equipment		729	636
		4,889	5,326

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	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Disaggregated by geographical location of the Group's revenue from external customers:		
Hong Kong (place of domicile)	1,901	2,449
Chinese mainland	562	586
Macau	1,912	1,765
Singapore	370	221
Others	144	305
	2,988	2,877
	4,889	5,326

During the six months ended 30 June 2024 and 2023, 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.

(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	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Reportable segment profit	1,059	1,521
Net loss on disposal of property, plant and equipment	–	(1)
Gain on surrender of leases	–	2
Net foreign exchange gain/(loss)	4	(21)
Depreciation and amortisation	(378)	(452)
Finance costs	(125)	(139)
Share of profit of a joint venture	–	1
Interest income	33	35
Rentals income from investment property less direct outgoings	12	11
Valuation gain on investment property	–	6
Unallocated head office and corporate expenses	(37)	(71)
Consolidated profit before taxation	568	892

(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	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Interest income from deposits	28	31
Interest income from finance leases and other interest income	5	4
	33	35
Gross rentals income from investment property (<i>note</i>)	13	12
	46	47

Note: The rentals income from investment property less direct outgoings of \$1,000,000 (six months ended 30 June 2023: \$1,000,000) for the six months ended 30 June 2024 is \$12,000,000 (six months ended 30 June 2023: \$11,000,000).

5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
(a) Cost of sales and services		
Cost of provision of telecommunications services	2,358	2,418
Cost of sales of mobile handsets and equipment	720	619
	3,078	3,037
(b) Depreciation and amortisation		
Depreciation charge		
– property, plant and equipment	250	314
– right-of-use assets	75	84
Amortisation	53	54
	378	452

5 PROFIT BEFORE TAXATION (CONTINUED)

	Six months ended 30 June	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
(c) Staff costs (including directors' emoluments)		
Contributions to defined contribution retirement plans	48	44
Expenses recognised in respect of defined benefit plans:		
– long service payments	2	–
– CTM Staff Provident Fund	3	4
Salaries, wages and other benefits	484	529
	537	577
(d) Finance costs		
Interest on bank and other borrowings	116	127
Interest on lease liabilities	7	9
Other finance charges	2	2
Other interest expense	–	1
	125	139
(e) Other items		
Impairment losses for trade debtors and contract assets	–	7
Net loss on disposal of property, plant and equipment	–	1
Gain on surrender of leases	–	(2)
Net foreign exchange (gain)/loss	(4)	21

6 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Current tax		
– Hong Kong Profits Tax	17	77
– Macau Complementary Tax	70	63
– Jurisdictions outside Hong Kong and Macau	15	32
Deferred tax	102 (5)	172 (14)
	97	158

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2023: 16.5%) to the six months ended 30 June 2024.

The provision for Macau Complementary Tax for the six months ended 30 June 2024 is calculated at 12% (2023: 12%) of the estimated assessable profits for the period. Assessable profits of the first Macau Patacas (“MOP”) 600,000 (equivalent to approximately \$582,000) (2023: 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 jurisdictions.

7 EARNINGS PER SHARE

	Six months ended 30 June	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Profit attributable to equity shareholders of the Company	455	721

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

	Number of shares Six months ended 30 June	
	2024 (Unaudited) million	2023 (Unaudited) million
Issued ordinary shares as at 1 January	3,700	3,688
Effect of share options exercised	1	8
Weighted average number of ordinary shares (basic) as at 30 June	3,701	3,696
Effect of deemed issue of shares under the Company's share option plan	-	2
Weighted average number of ordinary shares (diluted) as at 30 June	3,701	3,698
Basic earnings per share (HK cents)	12.3	19.5
Diluted earnings per share (HK cents)	12.3	19.5

8 INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of \$149,000,000 (six months ended 30 June 2023: \$120,000,000) and had no material disposal of property, plant and equipment (six months ended 30 June 2023: items of property, plant and equipment with a net book value of \$1,000,000 were disposed of, resulting in a net loss on disposal of \$1,000,000).

(b) Valuation

The valuation of investment property carried at fair value was updated as at 30 June 2024 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2023 valuation. As a result of the update, there was no material gain or loss (six months ended 30 June 2023: a gain of \$6,000,000) recognised in profit or loss for the period.

(c) Certain property, plant and equipment of 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. The Macau Government has agreed with CTM the extension of the concession agreement for an additional 9-month period, from 1 January 2024 until 30 September 2024. CTM and the Group have communicated and will further discuss with the Macau Government and the Macau 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 2024, the Group entered into a number of lease agreements mainly for use of retail stores, cell sites and data centres, and therefore recognised the additions to right-of-use assets of \$18,000,000 (six months ended 30 June 2023: \$46,000,000) and had no material derecognition of right-of-use assets and lease liabilities (six months ended 30 June 2023: derecognition of right-of-use assets of \$30,000,000 and lease liabilities of \$32,000,000 was due to early termination of several tenancy agreements, resulting in a gain on surrender of leases of \$2,000,000).

10 TRADE AND OTHER RECEIVABLES

	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Trade debtors	1,025	1,038
Less: loss allowance	(41)	(45)
	984	993
Prepayments	181	163
Deposits and other receivables	322	333
	1,487	1,489
Represented by:		
Non-current portion	127	145
Current portion	1,360	1,344
	1,487	1,489

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 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Within 1 year	966	986
Over 1 year	18	7
	984	993

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 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Cash at bank and in hand	655	666
Time deposits with banks	390	414
Other deposits (<i>note 11(d)</i>)	516	646
Cash and deposits in the consolidated statement of financial position (<i>note 11(b)</i>)	1,561	1,726
Less: pledged deposits (<i>note 11(c)</i>)	(2)	(2)
Less: other deposits (<i>note 11(d)</i>)	(516)	(646)
Cash and cash equivalents in the consolidated cash flow statement	1,043	1,078

- (b) As at 30 June 2024, cash and deposits situated in Chinese mainland amounted to \$140,000,000 (31 December 2023: \$149,000,000). Remittance of funds out of Chinese mainland is subject to relevant rules and regulations of foreign exchange control.
- (c) As at 30 June 2024, bank deposits of \$2,000,000 (31 December 2023: \$2,000,000) were pledged to secure part of the banking facilities of the Group.
- (d) As at 30 June 2024, other deposits of \$516,000,000 (31 December 2023: \$646,000,000) 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	
		2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Profit before taxation		568	892
Adjustments for:			
Depreciation and amortisation	5(b)	378	452
Valuation gain on investment property	8(b)	–	(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)	125	139
Interest income	4	(33)	(35)
Foreign exchange (gain)/loss		(8)	16
		1,030	1,456
Changes in working capital:			
Decrease in inventories		9	89
Decrease/(increase) in contract costs		2	(2)
Decrease/(increase) in trade and other receivables		2	(17)
Decrease in finance lease receivables		3	4
Increase in contract assets		(106)	(18)
Increase/(decrease) in trade and other payables		13	(229)
Increase in contract liabilities		11	10
(Decrease)/increase in defined benefit plan obligations		(2)	1
Cash generated from operations		962	1,294

12 TRADE AND OTHER PAYABLES

	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Trade creditors	924	920
Other payables and accruals	692	706
	1,616	1,626
Represented by:		
Non-current portion	16	20
Current portion	1,600	1,606
	1,616	1,626

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 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Within 1 year	803	784
Over 1 year	121	136
	924	920

13 BANK AND OTHER BORROWINGS

	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Bank and other loans	343	352
Guaranteed bonds at 6.1% due 2025 <i>(note 13(b))</i>	3,512	3,513
	3,855	3,865
Interest payable	69	69
	3,924	3,934

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

	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Within 1 year or on demand	3,924	421
After 1 year but within 2 years	–	3,513
	3,924	3,934

All of the bank and other borrowings are carried at amortised cost.

- (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 2024 and 31 December 2023, 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 \$3,514,000,000) 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

	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Interim dividend declared/declared and paid after the interim period of HK6.0 cents (2023: HK6.0 cents) per share	222	222

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 2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK19.3 cents (six months ended 30 June 2023: HK18.5 cents) per share	714	684

(b) Share capital

	Note	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
		Number of shares	Amount \$ million	Number of shares	Amount \$ million
Ordinary shares, issued and fully paid:					
As at 1 January	(i)	3,700,035,382	4,756	3,688,280,882	4,720
Shares issued under share option plan	(ii)	856,000	2	11,754,500	36
As at 30 June/31 December	(i)	3,700,891,382	4,758	3,700,035,382	4,756

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 2024, 856,000 (six months ended 30 June 2023: 11,113,500) ordinary shares were issued at a weighted average exercise price of \$2.45 (six months ended 30 June 2023: \$2.45) per ordinary share to share option holders who had exercised their options. These new shares issued rank equally 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 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Contracted for	84	55
Authorised but not contracted for	145	70
	229	125

16 PERFORMANCE BONDS

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

	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
Performance bonds provided to customers of business solutions projects	66	71
Performance bonds provided to others	10	10
	76	81

In respect of above, no provision has been made in the condensed interim financial report. As at 30 June 2024, 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 \$76,000,000 (31 December 2023: \$81,000,000).

17 MATERIAL RELATED PARTY TRANSACTIONS

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

(i) Recurring transactions

	Six months ended 30 June	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Internet data centre services fee received/receivable from fellow subsidiaries	13	10
Virtual private network services fee received/receivable from fellow subsidiaries	15	13
Internet access services fee received/receivable from fellow subsidiaries	6	4
Information security management services fee received/receivable from fellow subsidiaries	3	2
Cloud computing solutions services fee received/receivable from fellow subsidiaries	3	2
Messaging services fee received/receivable from fellow subsidiaries	5	4
Telecommunications services and related expenses paid/payable to		
– a fellow subsidiary	(11)	(10)
– an associate of the ultimate holding company	(5)	(5)
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 deposits received/receivables from fellow subsidiaries	18	26
Finance costs on bank and other borrowings paid/payable to fellow subsidiaries	(9)	(20)

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

(ii) Balances with affiliates of the Group and its holding company

	30 June 2024 (Unaudited) \$ million	31 December 2023 (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	68	68
Lease liabilities due to fellow subsidiaries	(3)	(9)
Deposits with fellow subsidiaries (<i>note (i)</i>)	628	774
Other borrowings from a fellow subsidiary (<i>note (ii)</i>)	(343)	(352)

Notes:

- (i) Deposits with fellow subsidiaries are unsecured, bear interest at the prevailing market rates and can be withdrawn on demand or in accordance with the terms of agreement.
- (ii) Other borrowings from a fellow subsidiary are unsecured, bear interest at the prevailing market rates and repayable in accordance with the terms of agreement.

(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	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Interest income from bank deposits	9	6
Fees received/receivable from the provision of telecommunications services	847	680
Fees paid/payable for cost of sales and services	(749)	(1,229)

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

	30 June 2024 (Unaudited) \$ million	31 December 2023 (Audited) \$ million
	Bank deposits	491
Trade debtors	173	186
Contract assets	7	6
Trade creditors	(223)	(243)

(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	
	2024 (Unaudited) \$ million	2023 (Unaudited) \$ million
Short-term employee benefits	9	10

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 52, 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 2024 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, 16 August 2024

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STATUTORY DISCLOSURE

DIVIDEND AND CLOSURE OF REGISTER

The board of directors of the Company has declared an interim dividend of HK6.0 cents (2023: HK6.0 cents) per share for the year ending 31 December 2024 payable on Friday, 27 September 2024 to shareholders whose names appear on the Register of Members of the Company on Friday, 13 September 2024. The Register of Members of the Company will be closed from Tuesday, 10 September 2024 to Friday, 13 September 2024, 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, 9 September 2024.

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 2024 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 2019 to 23 March 2024	2.45

The above share options have expired at the close of business on 23 March 2024. 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 2024.

SHARE OPTION PLAN (CONTINUED)

A summary of the movements of the share options during the six months ended 30 June 2024 is as follows:

A. Director of the Company

Name of director	Date of grant	Exercise period	Number of share options			Percentage to the number of issued shares %
			Balance as at 1.1.2024	Exercised during the six months ended 30.6.2024	Lapsed during the six months ended 30.6.2024	
Fei Yiping (Note 1)	24.3.2017	24.3.2019 – 23.3.2024	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 30.6.2024
		Balance as at 1.1.2024	Exercised during the six months ended 30.6.2024 (Note 3)	Lapsed during the six months ended 30.6.2024 (Note 4)	
24.3.2017	24.3.2019 – 23.3.2024	3,299,500 (Note 2)	856,000	2,443,500	–

Notes:

1. Mr. Fei Yiping retired as a non-executive director of the Company with effect from 21 May 2024.
2. Mr. Xin Yue Jiang retired as the chairman of the Board and an executive director of the Company with effect from 27 October 2023. His remaining options (i.e. 500 share option granted on 24 March 2017) was then reclassified to section B.
3. The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$2.86.
4. 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.

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 2024 as recorded in the register required to be kept under section 352 of the SFO were as follows:

1. Long positions in shares of associated corporations

	Nature of interest	Number of shares	Percentage to the number of issued shares %
CITIC Limited			
Luo Xicheng	Beneficial owner	73,000	0.00025
Luan Zhenjun	Beneficial owner	60,000	0.00021
Liu Jifu	Beneficial owner	840,000	0.00289
Zhang Bo	Beneficial owner	132,000	0.00045
Wang Hua	Beneficial owner	50,000	0.00017
CITIC Securities Company Limited (A shares)			
Zhang Bo	Beneficial owner	137,900	0.00113

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 2024, 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 Issuers (the "Model Code") contained in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

STATUTORY DISCLOSURE

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the interests of the substantial shareholders, other than the directors of the Company or their respective associates, in the shares, underlying shares and debentures 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	Nature of interest/capacity	Number of shares of the Company (Note 10)	Percentage to the number of issued shares (Note 9) %
CITIC Group Corporation ("CITIC Group")	Interests in controlled corporations (Notes 1 and 2)	2,129,345,175 (L)	57.54
CITIC Limited	Interests in controlled corporations and interests in section 317 concert party agreement (Notes 2 and 8)	2,129,345,175 (L)	57.54
CITIC Investment (HK) Limited ("CITIC Investment (HK)")	Interests in a controlled corporation and interests in section 317 concert party agreement (Notes 3 and 8)	2,129,345,175 (L)	57.54
Silver Log Holdings Ltd. ("Silver Log")	Beneficial owner and interests in section 317 concert party agreement (Notes 2, 4 and 8)	2,129,345,175 (L)	57.54
Ease Action Investments Corp. ("Ease Action")	Beneficial owner and interests in section 317 concert party agreement (Notes 2, 5 and 8)	2,129,345,175 (L)	57.54
Richtone Enterprises Inc. ("Richtone")	Beneficial owner and interests in section 317 concert party agreement (Notes 2, 6 and 8)	2,129,345,175 (L)	57.54

Notes:

- CITIC Group is the indirect holding company of CITIC Limited, holding 53.12% interest in CITIC Limited as at 30 June 2024 via two wholly-owned subsidiaries of CITIC Group: CITIC Polaris Limited (holding 27.52% interest in CITIC Limited as at 30 June 2024) and CITIC Glory Limited (holding 25.60% interest in CITIC Limited as at 30 June 2024).
- CITIC Limited indirectly and wholly owns each of Silver Log, Ease Action, Richtone and Perfect New Holdings Limited ("Perfect New"), which in turn hold direct interests in the Company, as follows:
 - Silver Log as to 611,187,500 shares.
 - Ease Action as to 1,241,649,869 shares.
 - Richtone as to 134,841,139 shares.
 - Perfect New as to 141,666,667 shares.
- CITIC Investment (HK) directly and wholly owns Silver Log.
- Silver Log is an indirect wholly-owned subsidiary of CITIC Limited, via the following chain of intermediate holding companies (on a wholly-owned basis at each level): CITIC Corporation Limited and CITIC Investment (HK).
- Ease Action is an indirect wholly-owned subsidiary of CITIC Limited, via the following chain of intermediate holding companies (on a wholly-owned basis at each level): CITIC Pacific Limited ("CITIC Pacific"), Crown Base International Limited ("Crown Base"), Effectual Holdings Corp. ("Effectual"), CITIC Pacific Communications Limited ("CP Communications"), Douro Holdings Inc. ("Douro") and Ferretti Holdings Corp., which is the direct holding company of Ease Action.

STATUTORY DISCLOSURE

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Notes: (continued)

6. Richtone is an indirect wholly-owned subsidiary of CITIC Limited, via the following chain of intermediate holding companies (on a wholly-owned basis at each level): CITIC Pacific, Crown Base, Effectual, CP Communications, Douro and Peganin Corp., which is the direct holding company of Richtone.
7. Perfect New is an indirect wholly-owned subsidiary of CITIC Limited, via the following chain of intermediate holding companies (on a wholly-owned basis at each level): CITIC Pacific, Crown Base, Effectual, CP Communications, Douro and All Achieve Investments Limited, which is the direct holding company of Perfect New.
8. CITIC Limited, CITIC Investments (HK), Ease Action, Richtone and Silver Log are parties to agreements which section 317 of the SFO applies. As such, the interests of Ease Action, Richtone, Silver Log and Perfect New (all being indirect wholly-owned subsidiaries of CITIC Limited) are aggregated for disclosure purpose.
9. "Percentage to the number of issued shares" attributable to CITIC Group and/or its subsidiaries (each a "relevant reporting entity") as presented in the table above has been re-computed by the Company as follows: dividing (a) "the number of shares of the Company" as disclosed by the relevant reporting entity and as recorded in the register of interests in shares and short positions required to be kept under section 336 of the SFO, by (b) the total number of issued shares of the Company as at 30 June 2024 (i.e. 3,700,891,382 shares). Such percentage so re-computed and presented, therefore, may deviate slightly from the percentage as so recorded on the relevant register, due to intervening changes in the total number of issued shares of the Company between the date of the relevant disclosure and 30 June 2024 where such changes may or may not have triggered disclosure by the relevant reporting entity.
10. L denotes the entity's long position in the shares of the Company.

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 2024 and the Company has not redeemed any of its shares during the period ended 30 June 2024.

During the six months ended 30 June 2024, a total of 856,000 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 47 of the 2023 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 Part 2 of Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024. In respect of the code provision C.1.6 of the Code, Mr. Liu Jifu was unable to attend the annual general meeting of the Company held on 20 May 2024 due to other business commitments. Also, as disclosed in the 2023 annual report of the Company, 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.

STATUTORY DISCLOSURE

CORPORATE GOVERNANCE (CONTINUED)

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 2024.

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

Mr. Sui Chen, alternate director to Mr. Liu Jifu, a non-executive director of the Company, has been appointed as a director of CITIC Pacific with effect from 5 June 2024 and an executive director of CITIC Mining International Ltd. (a subsidiary of CITIC Limited) with effect from 13 June 2024.

CORPORATE INFORMATION

HEADQUARTERS AND REGISTERED OFFICE

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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.

FINANCIAL CALENDAR

Closure of Register:	10 September 2024 to 13 September 2024
Interim Dividend Payable:	27 September 2024

INTERIM REPORT 2024

The Interim Report is also available in "Financial Reports" under the "Investors" section 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. Details please refer to "Corporate Communication Requests" under the "Investors" section on our website at www.citictel.com.

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.