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中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01883)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHAIRMAN'S STATEMENT

Dear Shareholders,

I hereby announce the annual operating and financial results of CITIC Telecom International Holdings Limited (the "Company", together with its subsidiaries, the "Group") for 2024.

Year 2024 has been marked by vigorous endeavours to address challenges, as we continued to face complexity and uncertainty in the macro-economic landscape. Our colleagues tackled the challenge head-on with solid and pragmatic efforts, speeding up the process of our transformation towards digitalisation and intelligentisation to increase the proportion of new businesses while consolidating the traditional businesses in close tandem with our development strategies and annual operational goals, as we continued to optimise our business mix in persistent pursuit of qualitative development guided by technological innovation. We established our presence in strategic novel businesses whilst stepping up with our effort in overseas market expansion, in a full effort to enhance our operating results and efficiencies in development.

I. FINANCIAL RESULTS

The Group reported HK\$9,573 million in total revenue for 2024, representing a decrease by 4.1% compared to HK\$9,987 million for the corresponding period of the previous year.

Profit attributable to equity shareholders of the Company for 2024 amounted to HK\$910 million (including the revaluation loss on investment property for 2024 of HK\$7 million), decreasing by 26.1% as compared to HK\$1,231 million (including the revaluation gain on investment property for 2023 of HK\$14 million) for the corresponding period of the previous year, representing a decrease of 24.7% when excluding the effect of investment property revaluation, compared to the corresponding period of the previous year.

Basic earnings per share for 2024 amounted to HK24.6 cents, representing a 26.1% decrease as compared to 2023. The Board recommended a final dividend of HK12.8 cents per share for 2024. Together with the 2024 interim dividend of HK6.0 cents per share, total dividends per share for 2024 amounted to HK18.8 cents, 25.7% less compared to the corresponding period of the previous year. The annual dividend payout ratio for 2024 was 76.4%.

II. REVIEW OF BUSINESS DEVELOPMENT

To address the trend of integration of new-generation digital technologies, notably cloud computing, big data and AI, the Group persisted in innovation-driven development as it expedited the process of transformation towards digitalisation and intelligentisation on all fronts to drive growth in the non-traditional and novel businesses in ongoing optimisation of its business mix.

Potential value realised through strong 5G penetration whilst broadband business upgrades assured solid foundation

We have maintained the growth momentum of our 5G user base in the Macau market and stepped up with the promotion of 5G to the mass market. As at 31 December 2024, the Group's market share in the mobile market of Macau rose to 53.3% as it continued to stay firmly atop. In particular, we registered close to 760,000 5G users that represented a penetration rate of 98.4%.

We have actively promoted the upgrade of user experience and deepened innovations in scenario operations to further solidify the foundation and value basis for sizeable growth. In 2024, the Group launched its 5.5G service in Macau, highlighted by the introduction of the innovative "GameOnTheGo" cloud gaming platform created to enhance users' sense of fulfilment and satisfaction in the superb digital life.

We have continued to advance the upgrade of our capabilities and the large-scale penetration of Gigabit Network to cement our leading position in Macau's broadband market. As at 31 December 2024, the Group stayed firmly at the top of the Macau market with a 96.8% market share.

Exploring new scenarios for applications in vertical industries with deepening cultivation in the market of government and corporate customers

Efforts to develop key sectors such as government affairs, tourism, education and medical care in Macau have been enhanced, taking advantage of basic resources and local services to achieve large-scale expansion in a number of product and service sub-segments. In 2024, the Group launched "Dr. Easy Smart Healthcare Platform", a one-stop smart healthcare solutions for medical institutions in Macau, with the application of AI technologies. Meanwhile, we launched the "Macau Tourism Smart Customer Service APP" in association with the Macao Government Tourism Office through the integration of big data technologies based on the "Baidu Wenxin Large Model", in a bid to assist Macau's tourism industry in seizing opportunities arising from smart cultural tourism.

On the back of our advantage in cloud network resources, we will drive the integration and innovation of numerous elements such as cloud, big data, AI, computing and security to enhance capabilities in industry insight, product innovation, systematic planning as well as support and delivery, with a view to the provision of total digitalisation and intelligentisation solutions for customers. In 2024, the “CR Beer Digitalised and Intelligentised Green Factory” and “CR Beer One-stop Hybrid Network” projects, launched by the Group in association with China Resources Beer (Holdings) Company Limited, respectively garnered the “2024 IDC China Future Digital Industry Leader – Digital Industry / Energy” and “IDC China Future Enterprise Awards – Future Connectivity Leader” presented by IDC China.

We have also empowered government and corporate customers in the Southeast Asian market in their informatisation development and transformation towards digitalisation and intelligentisation. In 2024, the Group implemented a number of digitalisation and intelligentisation service projects in Singapore, Malaysia and Thailand, etc., for customers in the government and medical sectors, among others.

Enhancing integration and innovation in “cloud-based cybersecurity” as products showcased further AI application capabilities

The Group has continued to enhance the broad diversity of its product lines as it advanced the full-stack deployment of a wide array of products, such as network connectivity, information security, cloud computing and cloud data centre, to construct integration digital bases for enterprises.

We have seized the trend of changing requirements on the part of corporate customers to drive the diversification and integrated development of our product portfolio. The Group actively embraced the concept of “Safe Access Service Edge” (SASE) as it innovatively forged the integrated “network+security” service complemented by customer-end management tools on the back of its technologies in stock and product advantages in the area of information security to enhance the market competitiveness of products. In line with the development of its “Software-Defined Wide-Area Network” (SD-WAN) service, the Group was stepping up with the construction of SD-WAN gateways. As at 31 December 2024, more than 60 SD-WAN gateways had commenced operation, covering Greater China, Southeast Asia and major overseas commercial regions.

We have deepened our “AI+ Cloud, Network, Security” strategy and accelerated the integration of new elements such as AI and large model into our products, with a view to consistently enhancing our product competitiveness, business value and service standards. In the cloud computing segment, the cloud-edge heterogeneous large-model management platform was launched to lower the cost of large-model applications for corporate clients, thereby enhancing the value of the cloud computing business. In the information security segment, the Group put AI technologies such as image identification to creative applications complemented by information security large models to analyse, identify and manage abnormalities. The Group’s competence in “Cloud, Network, Security” was well recognised by the market as it continued to expand in the Hong Kong market, signing up reputed clients in the banking and hotel sectors during the reporting period to establish sound business relationships.

Enhancing competence in platform servicing on all fronts to cement position as international telecommunications hub

The Group has continued to enhance its platform servicing capabilities and explore platform application scenarios. In 2024, the Group completed the upgrade of its “Greater Bay Area SIMN Service Platform” to support VoLTE, as well as the online connection and commercial application of “G2G Sponsored Roaming Service Platform”, to enhance the competitiveness of its mobile value-added mobile services. We advanced the upgrade of our “DataMall自由行” servicing capabilities to expand the coverage of our roaming services and users. The application of “DataMall自由行” in IoT and IoV has also been actively advanced, underpinned by development of the IoT-based “eSIM platform” tailored for the smart automobile sector to seize new opportunities presented by the overseas business development of Chinese automobile manufacturers.

Connection to and coverage of global network resources have been enhanced in ongoing consolidation of our position as an international telecommunications hub. In 2024, the Group strengthened cooperation with overseas as well as domestic carriers in joint efforts to explore IPX connectivity. Revenue from the voice and messaging businesses has been stabilised and usage by existing customers has increased as a result.

Strengthening the technology-guided approach with full strengths as innovative capabilities continued to grow

In persistent reliance on the support of technological R&D and in deep integration with the national strategy of driving development with technological innovation, the Group have imparted the principle of innovation in the full life cycle of total solutions for technologies, products and industries. During the reporting period, the Group’s “Digitalised and Intelligentised Cross-border Mobile Communication Network Security Management Platform” won the “2024 STAR Award – Best Cybersecurity Solution” presented by the Communications Association of Hong Kong. Our “Macau Smart Tourism + Smart Expo Solution” won the first prize in the “Greater Bay Area 5G Application Innovation Competition” organised by the Greater Bay Area 5G Industry Alliance.

In close tracking of trends in the development and applications of frontier technologies, the Group has stepped up with the advancement strategic novel businesses and future industries. In 2024, the Group became the first operator in the Asia Pacific to have 5 GSMA Open Gateway API international accreditations, as it entered into cooperation with mainstream telecommunication carriers in the Chinese mainland, Hong Kong and Macau to capitalise on opportunities presented by the Open Gateway initiative and make pre-emptive moves in Open Gateway applications in Hong Kong and Macau.

Innovations in R&D institutions and mechanisms have been deepened to enhance motivation on the part of the technological R&D team and expedite commercialisation of R&D achievements in technologies. In 2024, the Group was granted 9 newly authorised patents and 20 new software copyrights. As at the end of December 2024, a total of 21 authorised patents and 63 software copyrights had been obtained.

Ongoing advancement of internationalisation to facilitate overseas business growth

The Group has continued to enhance its competence in international business, as it further optimised the global deployment of its resources and expedited the overseas expansion of premium and mature businesses and services, in a bid to increase cooperation in the international ecosystem of the sector and drive qualitative development of its overseas operations.

Our global distribution of network resources has been optimised to empower the global development of corporate customers. In 2024, the Group added 4 new network PoPs in Ji'an in Jiangxi, Dubai in United Arab Emirates, Hanoi in Vietnam and Amsterdam in the Netherlands, whilst adding new SD-WAN central gateways in Hanoi, Vietnam. As at 31 December 2024, the Group operated nearly 170 PoPs worldwide, connecting with more than 600 partner carriers worldwide, covering 160 countries and regions across five continents and offering robust support to service delivery capabilities that “serve locally and connect the world” as a reliable digital and intelligent partner to enterprises that seek overseas expansion and international cooperation.

We have contributed to the joint effort to develop along the “Belt and Road” with our supreme service quality, as we continued with our business development in countries and regions such as Southeast Asia, Europe and the Middle East. In 2024, the Group secured a new internet service license from the Philippines in the Southeast Asian market. As at 31 December 2024, the Group held internet service license from five countries, namely, Singapore, Malaysia, Indonesia, Thailand and the Philippines. In 2024, the Group entered into cooperation with renowned international hardware suppliers to provide server deployment for local customers in Singapore. In the European market, the Group’s cloud custodian service has been extended to Ireland, the United Kingdom and Germany, etc.

Active implementation of ESG principles with meticulous improvements in corporate governance standards

The Group continued to invest in the provision of premium and reliable services to all sectors in the community. In 2024, the Group successfully completed its task in safeguarding network communication security in connection with all major activities for the celebration of the 25th anniversary of Macau’s return to China and was highly commended for its performance. Thanks to its effort to deepen management of services on all fronts, the Group continued to rank among the best in the industry in terms of customer satisfaction. According to customer satisfaction polls conducted by third-party agencies, the Group ranked high with ongoing improvements in terms of customer satisfaction and loyalty for all customer groups in Macau in 2024.

The Group remained committed to the principle of integrating technology and compassionate concerns, as it actively undertook corporate social responsibilities to intelligently and empower sustainable development of the economy and the society. Companhia de Telecomunicações de Macau, S.A. (“CTM”, formerly known as “Companhia de Telecomunicações de Macau, S.A.R.L.”), the Group’s subsidiary, won the inaugural version of the “Outstanding Contribution Award” at the World Internet Conference 2024 as the only awardee from Hong Kong and Macau in recognition of CTM’s persistent effort in driving development of communication technologies for the mass market, training talents for the communication sectors and caring for

underprivileged groups.

The Group has persistently maintained high standards in corporate governance. In adherence to the corporate governance principle emphasising compliance, professionalism, efficiency and prudence, we have further enhanced the compliance culture underpinned by ongoing improvements in risk aversion to ensure more solidity in corporate operation. With a strong emphasis on investor relations management, the Group maintained close liaison with investors and listened to their voices in a proactive manner in genuine protection of the best long-term interests of the shareholders. In 2024, the Group ranked in the “Top 100 Hong Kong Stock Exchanges – Top 50 Small Enterprises” in testimony to the capital market’s recognition of and confidence in the Group.

III. OUTLOOK

At present, the new-quality productivity integrating new technologies such as cloud computing, big data and AI are rapidly coming into shape, as the digital economy becomes an important pillar supporting the formation of a new pattern for development. This has presented a historic opportunity for the information and communications industry to embrace a new cycle of growth, whilst also posing higher requirements for the Group to improve the quality of its products and services and drive business mix optimisation.

To address the new landscape and new opportunities, the Group will focus on “internationalisation” and the “technology-driven approach” as its new directions and ascertain the development into a “leading digitalised and intelligentised comprehensive telecommunications enterprise in Asia Pacific” in line with its new positioning of “With the backing of the Mainland, Setting a foothold in Hong Kong and Macau, and Connecting to the World”, consistently enhancing its core competitive strengths as it drives ongoing growth in its enterprise value and achieves new heights in qualitative development.

In future, the Group will implement the important tasks set out below:

I. Ongoing optimisation of existing business setup whilst cultivating driving force for the development of novel businesses

We will advance the upgrade of traditional industries in a coordinated manner to maintain stable growth in revenue from the traditional business. We will continue to reinforce our position as an international telecommunications hub by enhancing construction of network infrastructure and driving upgrades in existing customer services. We will cement our advantageous leading position in the Macau market with deeper efforts to explore segments such as mobile communications, broadband services and enterprise solutions, among others.

In a vigorous effort to seize new opportunities arising from the GSMA Open Gateway Initiative, “AI+” and “data elements ×”, we will deepen our effort to strengthen our enterprise through technology, as we integrate the combined technological strengths of various parties to bring into play our advantage as a market-oriented company not bound to any particular carriers. We will focus on strategic novel sectors such as AI, network as a service (NaaS), low-altitude economy and data element

circulation to enhance the Group's competitiveness in digitalisation and intelligentisation and impart new driving force for the qualitative development of the enterprise.

II. Increasing efficiency of the innovation regime to enhance the technology-guided approach

We will proactively position ourselves in the macro-landscape of national technological development and take full advantage of Hong Kong's favourable strengths in innovative technological research to embark on deep cooperation with renowned tertiary colleges and technological research institutions in a joint effort to advance frontier research fundamental technologies and applications such as AI, financial technology and data element, integrating with the international ecosystem chain for innovation to create opportunities for strategic cooperation.

We will further deepen reform and highlight the technology-guided and innovation-driven approach. We will enhance the driving force behind the commercialisation of achievements in technological R&D to drive the commercial application of patents and award-winning projects. The technological research regime will be optimised to inspire vigour in technological research innovation. We will also bring into play the advantage of integrated development in Hong Kong and Macau and consolidate our resources to enhance utilisation of the combined strengths of Guangdong, Hong Kong and Macau in technological research.

III. Ongoing enlargement of open cooperation to enhance brand strength

We will step up with high-standard, open cooperation and introduce innovative models for strategic cooperation, in order to construct a mutually beneficial ecosystem for the industry in terms of technological innovation, talent exchange and business ecosphere. We will actively construct an ecosystem for industry chain coordination covering telecommunications carriers and internet technology companies to enhance the leadership and influence of our brand name in the industry and the society. Through resource-sharing, technical cooperation and other means, we will strengthen the efficient coordination of various elements to maximise synergistic advantages.

IV. Enhancing global business presence to drive quality improvement and physical expansion of overseas business

We will seize opportunities in the overseas market with proactive efforts to embark on new journeys of international development. With a special focus on overseas countries or regions such as the "Belt and Road" and BRICS nations, we will deepen our strategic international presence and leverage the advantage of our international operations as well as the brand influence of the CITIC Group as a trusted partner to domestic businesses seeking to overseas expansion as well as overseas businesses seeking access to China, such that we will also become the preferred digitalised and intelligentised partner to domestic companies, planning for international development or overseas companies, looking to enter the Chinese market, and empowering global development for companies across all sectors. CTM will continue to actively work with the Macau SAR Government in connection with work arrangements for the concession agreement, safeguarding shareholders' interest whilst procuring corporate development.

Finally, I would like to express sincere appreciation to all shareholders, investors, customers, partners and the public for their longstanding support for CITIC Telecom, as well as sincere gratitude to all employees for their hard work and dedication.

Luo Xicheng

Chairman

Hong Kong, 12 March 2025

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2024</i> \$ million	<i>2023</i> \$ million
Revenue	3(a)	9,573	9,987
Valuation (loss)/gain on investment property		(7)	14
Other income	4	86	96
Cost of sales and services	5(a)	(6,022)	(5,785)
Depreciation and amortisation	5(b)	(727)	(870)
Staff costs	5(c)	(1,020)	(1,140)
Other operating expenses		(550)	(531)
		<u>1,333</u>	<u>1,771</u>
Finance costs	5(d)	(252)	(267)
Share of profit of a joint venture		1	1
		<u>1,082</u>	<u>1,505</u>
Profit before taxation	5	1,082	1,505
Income tax	6	(154)	(253)
		<u>928</u>	<u>1,252</u>
Profit for the year		<u>928</u>	<u>1,252</u>
Attributable to:			
Equity shareholders of the Company		910	1,231
Non-controlling interests		18	21
		<u>928</u>	<u>1,252</u>
Profit for the year		<u>928</u>	<u>1,252</u>
Earnings per share (HK cents)	8		
Basic		<u>24.6</u>	<u>33.3</u>
Diluted		<u>24.6</u>	<u>33.3</u>

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Hong Kong dollars)

	2024 \$ million	2023 \$ million
Profit for the year	928	1,252
Other comprehensive income for the year (after tax and reclassification adjustments)		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit plan obligations	12	21
Deferred tax recognised on the remeasurement of defined benefit plan obligations	(1)	(3)
Surplus on revaluation of owner-occupied property upon change of use to investment property, net of \$Nil tax	-	9
	11	27
<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	(30)	-
Net movement in the hedging reserve	2	-
	(28)	-
Other comprehensive income for the year	(17)	27
Total comprehensive income for the year	911	1,279
Attributable to:		
Equity shareholders of the Company	895	1,260
Non-controlling interests	16	19
Total comprehensive income for the year	911	1,279

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

(Expressed in Hong Kong dollars)

	<i>Note</i>	2024 \$ million	2023 \$ million
Non-current assets			
Investment property		668	726
Property, plant and equipment		1,931	1,989
Right-of-use assets		461	454
Intangible assets		732	824
Goodwill		9,696	9,717
Interest in a joint venture		11	11
Non-current contract assets		33	27
Non-current contract costs		21	24
Non-current finance lease receivables		2	5
Non-current other receivables	9	112	145
Non-current derivative financial instruments		2	-
Deferred tax assets		69	63
		<u>13,738</u>	<u>13,985</u>
Current assets			
Derivative financial instruments		2	-
Inventories		375	57
Finance lease receivables		2	5
Contract assets		235	242
Trade and other receivables	9	1,476	1,344
Current tax recoverable		16	4
Cash and deposits		1,611	1,726
		<u>3,717</u>	<u>3,378</u>
Current liabilities			
Trade and other payables	10	1,591	1,606
Contract liabilities		445	183
Bank and other borrowings		3,561	421
Lease liabilities		88	116
Current tax payable		179	221
		<u>5,864</u>	<u>2,547</u>
Net current (liabilities)/assets		<u>(2,147)</u>	<u>831</u>
Total assets less current liabilities		<u>11,591</u>	<u>14,816</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (CONTINUED)**

(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2024</i> \$ million	<i>2023</i> \$ million
Non-current liabilities			
Non-current contract liabilities		1	1
Non-current bank and other borrowings		346	3,513
Non-current lease liabilities		236	224
Non-current other payables	10	15	20
Defined benefit plan obligations		33	48
Deferred tax liabilities		133	146
		<u>764</u>	<u>3,952</u>
NET ASSETS		<u>10,827</u>	<u>10,864</u>
CAPITAL AND RESERVES			
Share capital		4,758	4,756
Reserves		5,959	6,000
Total equity attributable to equity shareholders of the Company		<u>10,717</u>	<u>10,756</u>
Non-controlling interests		<u>110</u>	<u>108</u>
TOTAL EQUITY		<u>10,827</u>	<u>10,864</u>

Notes

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Basis of preparation

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap.622). The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies used in the preparation of the financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2023 except for the adoption of all amendments to HKFRSs that are first effective for accounting periods beginning on or after 1 January 2024 (see note 2).

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the statutory annual consolidated financial statements of CITIC Telecom International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for those years but is derived from those consolidated financial statements in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622).

The Company has delivered the consolidated 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 (Cap.622) and will deliver the consolidated financial statements for the year ended 31 December 2024 in due course.

The Company’s auditor has reported on the consolidated financial statements for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap.622).

Going concern assumptions

As at 31 December 2024, the current liabilities of the Group exceeded the current assets by \$2,147,000,000. Included in the current liabilities were guaranteed bonds of \$3,492,000,000 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 \$9,967,000,000, is sufficient to enable the Group to meet its liabilities as and when they fall due. Accordingly, the financial statements has been prepared on a going concern basis.

After the end of the reporting period, the Group fully redeemed the guaranteed bonds on the maturity date of 5 March 2025 by using the available facilities and its surplus fund.

2 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

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

(a) Revenue

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.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines or products is as follows:

	2024 \$ million	2023 \$ million
Revenue from contracts with customers		
Disaggregated by major service lines or products:		
Mobile services	1,090	967
Internet services	1,499	1,427
International telecommunications services	2,365	2,954
Enterprise solutions	2,958	3,079
Fixed line services	133	142
	<hr/>	<hr/>
Fees from the provision of telecommunications services	8,045	8,569
Sales of mobile handsets and equipment	1,528	1,418
	<hr/>	<hr/>
	9,573	9,987
	<hr/>	<hr/>

Disaggregation of revenue from external customers by geographical location is disclosed in note 3(b)(iv).

During the years ended 31 December 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.

3 Revenue and segment reporting (continued)

- (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

	2024 \$ million	2023 \$ million
Within 1 year	2,217	2,169
Over 1 year	1,154	1,066
	<u>3,371</u>	<u>3,235</u>

The Group will recognise the expected revenue in future when or as the service is performed or the work is completed.

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its contracts for services or products such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for services or products that had an original expected duration of one year or less.

(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.

- (i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources, the Group's senior executive management monitors the results, assets and liabilities attributable to the reportable segment on the following bases:

- Segment assets include all assets, with the exception of investment property, interest in a joint venture, deferred tax assets, current tax recoverable, derivative financial instruments, and other corporate assets. Segment liabilities include trade and other payables, contract liabilities, lease liabilities and defined benefit plan obligations attributable to the operating activities of the segment.
- Revenue and expenses are allocated to the reportable segment with reference to sales generated by the segment and the expenses incurred by the segment or which otherwise arise from the depreciation or amortisation of assets attributable to the segment.

3 Revenue and segment reporting (continued)

(ii) Reconciliation of reportable segment profit

	2024 \$ million	2023 \$ million
Profit		
Reportable segment profit	2,026	2,625
Net loss on disposal of property, plant and equipment	(2)	(2)
Gain on surrender of leases	-	2
Net foreign exchange gain/(loss)	23	(17)
Depreciation and amortisation	(727)	(870)
Finance costs	(252)	(267)
Share of profit of a joint venture	1	1
Interest income	60	71
Rentals income from investment property less direct outgoings	25	23
Valuation (loss)/gain on investment property	(7)	14
Unallocated head office and corporate expenses	(65)	(75)
	<u>1,082</u>	<u>1,505</u>
Consolidated profit before taxation	<u>1,082</u>	<u>1,505</u>

(iii) Reconciliations of reportable segment assets and liabilities

	2024 \$ million	2023 \$ million
Assets		
Reportable segment assets	16,620	16,490
Investment property	668	726
Interest in a joint venture	11	11
Non-current derivative financial instruments	2	-
Deferred tax assets	69	63
Derivative financial instruments	2	-
Current tax recoverable	16	4
Unallocated head office and corporate assets	67	69
	<u>17,455</u>	<u>17,363</u>
Consolidated total assets	<u>17,455</u>	<u>17,363</u>
Liabilities		
Reportable segment liabilities	2,388	2,179
Bank and other borrowings	3,561	421
Current tax payable	179	221
Non-current bank and other borrowings	346	3,513
Deferred tax liabilities	133	146
Unallocated head office and corporate liabilities	21	19
	<u>6,628</u>	<u>6,499</u>
Consolidated total liabilities	<u>6,628</u>	<u>6,499</u>

3 Revenue and segment reporting (continued)

(iv) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment property, property, plant and equipment, right-of-use assets, intangible assets, goodwill, interest in a joint venture, non-current contract assets and non-current contract costs ("specified non-current assets"). The geographical location of revenue is based on the physical location of assets through which the services were provided or the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of investment property, property, plant and equipment, and right-of-use assets; the location of the operations to which they are allocated, in the case of intangible assets, goodwill, non-current contract assets and non-current contract costs; and the location of operation, in the case of interest in a joint venture.

	<i>Revenue from external customers</i>		<i>Specified non-current assets</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>\$ million</i>	<i>\$ million</i>	<i>\$ million</i>	<i>\$ million</i>
Hong Kong (place of domicile)	3,715	4,136	1,748	1,760
Chinese mainland	1,182	1,162	423	444
Macau	3,913	3,761	10,759	10,912
Singapore	499	453	429	440
Others	264	475	194	216
	<u>5,858</u>	<u>5,851</u>	<u>11,805</u>	<u>12,012</u>
	<u>9,573</u>	<u>9,987</u>	<u>13,553</u>	<u>13,772</u>

4 Other income

	<i>2024</i>	<i>2023</i>
	<i>\$ million</i>	<i>\$ million</i>
Interest income from deposits	55	63
Interest income from finance leases and other interest income	5	8
	<u>60</u>	<u>71</u>
Gross rentals income from investment property (note)	26	25
	<u>86</u>	<u>96</u>

Note: The rentals income from investment property less direct outgoings of \$1,000,000 (2023: \$2,000,000) for the year ended 31 December 2024 is \$25,000,000 (2023: \$23,000,000).

5 Profit before taxation

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

(a) Cost of sales and services

Cost of sales and services represents the cost of provision of telecommunications services, which includes interconnection charges, roaming costs and other network operating costs, and the cost of sales of mobile handsets and equipment.

	2024 \$ million	2023 \$ million
Cost of provision of telecommunications services (note)	4,514	4,392
Cost of sales of mobile handsets and equipment	1,508	1,393
	<u>6,022</u>	<u>5,785</u>

Note: Rental charges for leased circuits of \$779,000,000 (2023: \$824,000,000) are included in cost of provision of telecommunications services for the year ended 31 December 2024.

(b) Depreciation and amortisation

	2024 \$ million	2023 \$ million
Depreciation charge		
– property, plant and equipment	479	602
– right-of-use assets	139	160
Amortisation	109	108
	<u>727</u>	<u>870</u>

(c) Staff costs (including directors' emoluments)

	2024 \$ million	2023 \$ million
Contributions to defined contribution retirement plans	99	92
Expenses recognised in respect of defined benefit plans:		
– long service payments	2	5
– CTM Staff Provident Fund	6	7
Salaries, wages and other benefits	913	1,036
	<u>1,020</u>	<u>1,140</u>

5 Profit before taxation (continued)

(d) Finance costs

	2024 \$ million	2023 \$ million
Interest on bank and other borrowings	231	245
Interest on lease liabilities	15	16
Other finance charges	5	4
Other interest expense	1	2
	<u>252</u>	<u>267</u>

(e) Other items

	2024 \$ million	2023 \$ million
Auditors' remuneration		
– audit services	7	8
– non-audit services	4	5
	11	13
Impairment losses for trade debtors and contract assets	48	2
Net loss on disposal of property, plant and equipment	2	2
Gain on surrender of leases	-	(2)
Net foreign exchange (gain)/loss	(23)	17

6 Income tax

Income tax in the consolidated income statement represents:

	2024 \$ million	2023 \$ million
Current tax		
Hong Kong Profits Tax		
– Provision for the year	32	107
– Over-provision in respect of prior years	-	(10)
	<u>32</u>	<u>97</u>
Macau Complementary Tax		
– Provision for the year	138	128
– Under-provision in respect of prior years	1	-
	<u>139</u>	<u>128</u>
Jurisdictions outside Hong Kong and Macau		
– Provision for the year	24	48
– Over-provision in respect of prior years	(22)	(2)
	<u>2</u>	<u>46</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(19)</u>	<u>(18)</u>
	<u>154</u>	<u>253</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/24 subject to a maximum reduction of \$3,000 for each business (2023: a maximum reduction of \$6,000 was granted for the year of assessment 2022/23 and was taken into account in calculating the provision for 2023).

The provision for Macau Complementary Tax for 2024 is calculated at 12% (2023: 12%) of the estimated assessable profits for the year. 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 charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

7 Dividends

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

	2024 \$ million	2023 \$ million
Interim dividend declared and paid of HK6.0 cents (2023: HK6.0 cents) per share	222	222
Final dividend proposed after the end of the reporting period of HK12.8 cents (2023: HK19.3 cents) per share	474	714
	<u>696</u>	<u>936</u>

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

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

	2024 \$ million	2023 \$ million
Final dividend in respect of the previous financial year, approved and paid during the year, of HK19.3 cents (2023: HK18.5 cents) per share	<u>714</u>	<u>684</u>

8 Earnings per share

	<i>2024</i> \$ million	<i>2023</i> \$ million
Profit attributable to equity shareholders of the Company	<u>910</u>	<u>1,231</u>

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

	<i>Number of shares</i>	
	<i>2024</i> million	<i>2023</i> million
Issued ordinary shares as at 1 January	3,700	3,688
Effect of share options exercised	<u>1</u>	<u>10</u>
Weighted average number of ordinary shares (basic) as at 31 December	3,701	3,698
Effect of deemed issue of shares under the Company's share option plan	<u>-</u>	<u>1</u>
Weighted average number of ordinary shares (diluted) as at 31 December	<u>3,701</u>	<u>3,699</u>
Basic earnings per share (HK cents)	<u>24.6</u>	<u>33.3</u>
Diluted earnings per share (HK cents)	<u>24.6</u>	<u>33.3</u>

9 Trade and other receivables

	2024 \$ million	2023 \$ million
Trade debtors	999	1,038
Less: loss allowance	(87)	(45)
	<u>912</u>	<u>993</u>
Prepayments	392	163
Deposits and other receivables	284	333
	<u>1,588</u>	<u>1,489</u>
Represented by:		
Non-current portion	112	145
Current portion	1,476	1,344
	<u>1,588</u>	<u>1,489</u>

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:

	2024 \$ million	2023 \$ million
Within 1 year	895	986
Over 1 year	17	7
	<u>912</u>	<u>993</u>

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.

10 Trade and other payables

	<i>2024</i> \$ million	<i>2023</i> \$ million
Trade creditors	843	920
Other payables and accruals	763	706
	<u>1,606</u>	<u>1,626</u>
Represented by:		
Non-current portion	15	20
Current portion	1,591	1,606
	<u>1,606</u>	<u>1,626</u>

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:

	<i>2024</i> \$ million	<i>2023</i> \$ million
Within 1 year	715	784
Over 1 year	128	136
	<u>843</u>	<u>920</u>

FINANCIAL REVIEW

OVERVIEW

The Group's profit for the year ended 31 December 2024 was HK\$928 million which decreased by 25.9% year-on-year, profit attributable to equity shareholders of the Company was HK\$910 million which decreased by 26.1% year-on-year, and basic earnings per share was down 26.1% to HK24.6 cents when compared to last year.

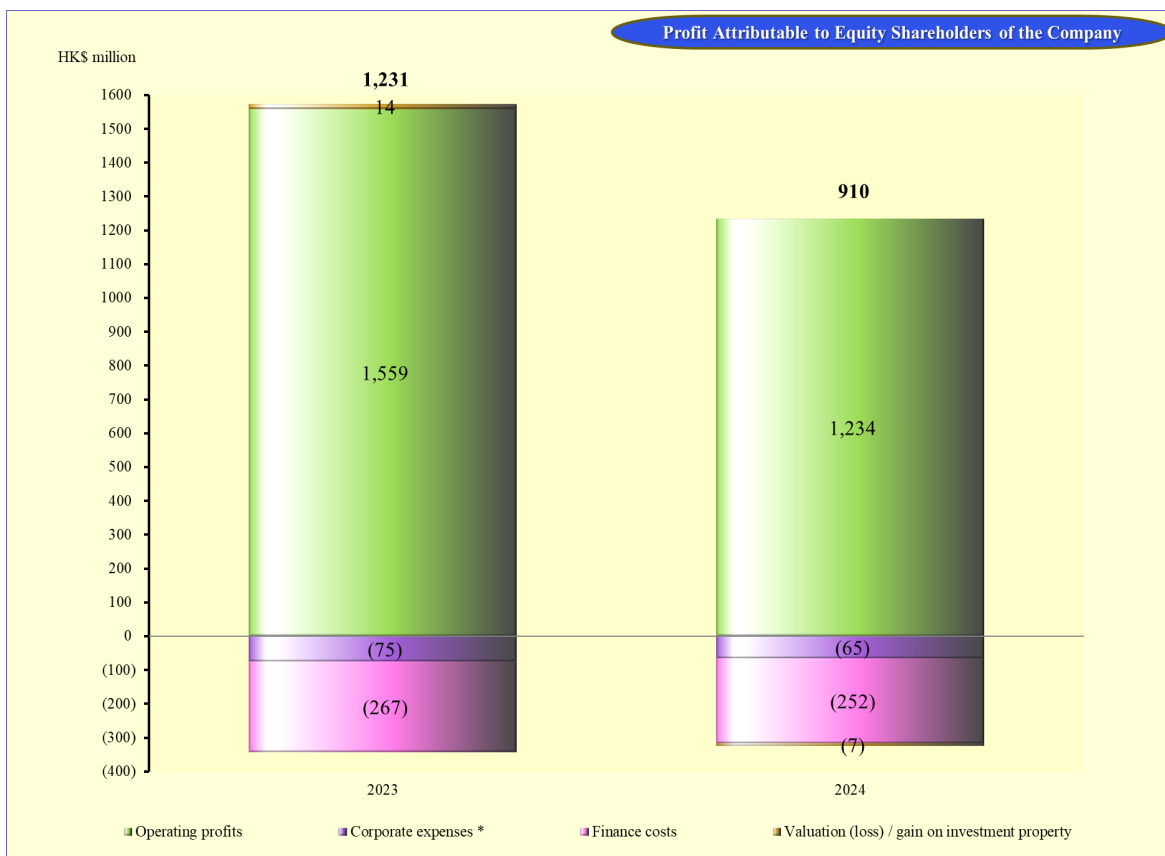
The Group's total revenue decreased by 4.1% year-on-year to HK\$9,573 million while revenue from telecommunications services decreased by 6.1% to HK\$8,045 million when compared to last year.

Summary of Financial Results

<i>In HK\$ million</i>	Year ended 31 December		Increase / (Decrease)	
	2024	2023		
Revenue from telecommunications services	8,045	8,569	(524)	(6.1%)
Sales of mobile handsets and equipment	1,528	1,418	110	7.8%
Revenue	9,573	9,987	(414)	(4.1%)
Valuation (loss) / gain on investment property	(7)	14	(21)	N/A
Other income	86	96	(10)	(10.4%)
Cost of sales and services	(6,022)	(5,785)	237	4.1%
Depreciation and amortisation	(727)	(870)	(143)	(16.4%)
Staff costs	(1,020)	(1,140)	(120)	(10.5%)
Other operating expenses	(550)	(531)	19	3.6%
Profit from consolidated activities	1,333	1,771	(438)	(24.7%)
Finance costs	(252)	(267)	(15)	(5.6%)
Share of profit of a joint venture	1	1	-	-
Income tax	(154)	(253)	(99)	(39.1%)
Profit for the year	928	1,252	(324)	(25.9%)
Less: Non-controlling interests	(18)	(21)	(3)	(14.3%)
Profit attributable to equity shareholders of the Company	910	1,231	(321)	(26.1%)
EBITDA*	2,001	2,571	(570)	(22.2%)
Basic earnings per share (HK cents)	24.6	33.3	(8.7)	(26.1%)
Dividends per share (HK cents)	18.8	25.3	(6.5)	(25.7%)

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

Profit attributable to equity shareholders of the Company



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

Profit attributable to equity shareholders of the Company for the year ended 31 December 2024 was HK\$910 million which decreased by 26.1% or HK\$321 million when compared to the previous year. Excluding the valuation loss on investment property of HK\$7 million (2023: valuation gain of HK\$14 million), profit attributable to equity shareholders of the Company for the year would amount to HK\$917 million (2023: HK\$1,217 million), representing a year-on-year decrease of 24.7%.

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 was HK\$9,573 million which decreased by 4.1% year-on-year.

Revenue from telecommunications services for the year ended 31 December 2024 amounted to HK\$8,045 million, which represented a decrease of 6.1% or HK\$524 million when compared to the previous year. The decrease was mainly attributed to the decrease in revenue from enterprise solutions and messaging services revenue under international telecommunications services, but was partially offset by the increase in revenue from mobile services and internet services revenues.

Sales of mobile handsets and equipment for the year ended 31 December 2024 amounted to HK\$1,528 million, which represented an increase of 7.8% or HK\$110 million when compared to the previous year.

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.

Sales of mobile handsets and equipment increased 7.8% year-on-year to HK\$1,528 million due to more stable supply of mobile handsets during the year and other factors such as the increasing trend in 5G upgrade.

Postpaid revenue was up from last year due to the increase in the number of mobile customers and mobile market shares as well as 5G penetration rate. Meanwhile, due to the stable recovery of Macau's tourism industry and measures such as "Northbound Travel for Macau Vehicles", both outbound and inbound roaming revenue and prepaid revenue also recorded an increase. Overall, mobile services revenue was up 12.7% year-on-year to HK\$1,090 million.

The Group's total number of mobile subscribers as at 31 December 2024 was over 771,000 (31 December 2023: over 663,000) subscribers, showing an increase of around 16.3% resulting from the increase in postpaid customers of around 11.8% to over 570,000 (31 December 2023: approximately 510,000) subscribers and the increase in prepaid customers of around 31.4% to over 201,000 (31 December 2023: over 153,000) subscribers.

As at 31 December 2024, total number of 5G mobile subscribers reached over 759,000 (31 December 2023: over 502,000) subscribers, representing 98.4% (31 December 2023: 75.7%) of the Group's total number of mobile subscribers.

Internet services

Stable growth in the demand for internet and data centre services has led to the 5.0% or HK\$72 million year-on-year increase in revenue from internet services to HK\$1,499 million. Service upgraded by existing customers and around 1.0% year-on-year increase in the number of broadband subscribers to over 208,000 (31 December 2023: approximately 206,000) subscribers also contributed to the increase in internet services revenue.

As at 31 December 2024, the Group's internet market share in Macau was around 96.8% (31 December 2023: 97.1%).

International telecommunications services

International telecommunications services revenue including revenue from messaging services (including SMS), voice services and “DataMall 自由行” services decreased by 19.9% or HK\$589 million year-on-year to HK\$2,365 million.

Since the second half of 2023, customers' adjustments to changes in various external factors has led to an adverse impact on the Group's messaging services revenue. For the year ended 31 December 2024, messaging services revenue decreased by 61.9% or HK\$984 million year-on-year to HK\$605 million. In response, the Group's successful efforts in increasing its voice services revenue by 30.9% or HK\$381 million year-on-year to HK\$1,615 million has partly compensated for the drop in messaging services revenue.

There has been a sustained growth in the revenue from “DataMall 自由行” services with an increase of 10.7% or HK\$14 million to HK\$145 million when compared to last year.

Enterprise solutions

Enterprise solutions broadly include enterprise solutions services, business solution projects, virtual private network services, sales of related products and others. For the year ended 31 December 2024, enterprise solutions revenue decreased by 3.9% or HK\$121 million year-on-year to HK\$2,958 million. Enterprise solutions revenue in Macau was similar to last year and the decrease for the year was mainly caused by the marginal drop in revenue from both the Chinese mainland and Southeast Asia market.

Fixed line services

As a result of the decrease in fixed residential and business lines, fixed line services revenue was down by 6.3% year-on-year to HK\$133 million for the year ended 31 December 2024.

Results for the year

Profit attributable to equity shareholders of the Company was HK\$910 million which decreased by 26.1% year-on-year or HK\$321 million mainly due to the combined effect of the following factors:

Revenue

The Group's revenue from telecommunications services decreased by 6.1% or HK\$524 million to HK\$8,045 million. Total revenue including mobile handsets and equipment sales amounted to HK\$9,573 million for the year, representing a year-on-year decrease of 4.1%.

Valuation (loss)/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 31 December 2024 by the Group's independent surveyors with a valuation loss of HK\$7 million (2023: valuation gain of HK\$14 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 4.1% year-on-year or HK\$237 million to HK\$6,022 million. The increase in cost of sales and services was contributed by the increase in sales of mobile handsets and equipment with a comparatively lower margin together with the impact from the decrease in messaging services revenue with a comparatively higher margin.

Depreciation and amortisation

Depreciation and amortisation expenses totaled HK\$727 million for the year ended 31 December 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 2024.

Staff costs

Staff costs decreased year-on-year by 10.5% or HK\$120 million to HK\$1,020 million.

Other operating expenses

Other operating expenses increased year-on-year by 3.6% or HK\$19 million to HK\$550 million. The increase was mainly due to the increase in loss allowance on trade receivables.

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 5.6% year-on-year or HK\$15 million to HK\$252 million (31 December 2023: HK\$267 million).

Income tax

Income tax for the year amounted to HK\$154 million, a decrease of HK\$99 million when compared to the previous year. 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 years ended 31 December 2024 and 2023 were 13.4% and 13.6% respectively.

Earnings and Dividends per share

Both basic and diluted earnings per share were down 26.1% year-on-year respectively to approximately HK24.6 cents for the year ended 31 December 2024.

The Company's Board of Directors has resolved to recommend to shareholders the payment of final dividend of HK12.8 cents per share which, together with the interim dividend of HK6.0 cents per share already paid, makes total dividends of HK18.8 cents per share for the year ended 31 December 2024. This represents a decrease of 25.7% year-on-year.

Cash flows

<i>In HK\$ million</i>	Year ended 31 December		Increase / (Decrease)	
	2024	2023		
Source of cash:				
Cash inflows from business operations	1,560	1,881	(321)	(17.1%)
Decrease in pledged and other deposits	44	83	(39)	(47.0%)
Other cash inflows	63	100	(37)	(37.0%)
Sub-total	1,667	2,064	(397)	(19.2%)
Use of cash:				
Capital expenditure*	(404)	(311)	93	29.9%
Dividends paid to equity shareholders and non-controlling interests	(950)	(915)	35	3.8%
Capital and interest elements of lease rentals paid	(140)	(163)	(23)	(14.1%)
Payment of borrowing costs	(233)	(246)	(13)	(5.3%)
Net cash outflows from borrowings	(1)	(604)	(603)	(99.8%)
Sub-total	(1,728)	(2,239)	(511)	(22.8%)
Net decrease in cash and cash equivalents	(61)	(175)	(114)	(65.1%)

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

The Group generated HK\$1,667 million cash inflow from its operations, with the use of cash mainly comprised of capital expenditure, lease payments, dividends distributions and payment of borrowing costs. In total, the Group recorded a net cash outflow of HK\$61 million for the year ended 31 December 2024.

Capital expenditure

The Group's total capital expenditure for the year ended 31 December 2024 amounted to HK\$410 million. During the year, HK\$116 million was invested in 5G network, HK\$41 million was incurred for the Group's data centre development and the remainder of the capital expenditure was mainly used for network systems upgrade and expansion.

Capital commitments

As at 31 December 2024, the Group had outstanding capital commitments of HK\$118 million, mainly for 5G network 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\$60 million was outstanding contractual capital commitments and HK\$58 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 at 31 December 2024, the Group's total debt was HK\$3,907 million, a decrease of 0.7% when compared to HK\$3,934 million as at 31 December 2023. However, the Group's net debt increased to HK\$2,296 million, the net gearing ratio increased slightly from 17% as at 31 December 2023 to 18% as at 31 December 2024.

As at 31 December 2024, total debt and net debt of the Group were as follows:

<i>In HK\$ million</i>	Denomination							Total
	HKD	USD	SGD	MOP	RMB	EUR	Others	
Total debt	-	3,561	-	-	346*	-	-	3,907
Less: Cash and deposits	(393)	(517)	(51)	(396)	(148)	(43)	(63)	(1,611)
Net debt/ (cash)	(393)	3,044	(51)	(396)	198	(43)	(63)	2,296

* The Group entered into a certain amount of RMB to SGD fixed-to-fixed cross currency swap during the year to eliminate foreign exchange risk associated with the retranslation of part of the net investment in Singapore subsidiaries.

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

<i>In HK\$ million</i>	31 December 2024	31 December 2023
Total debt	3,907	3,934
Less: Cash and deposits	(1,611)	(1,726)
Net debt	2,296	2,208
Total equity attributable to equity shareholders of the Company	10,717	10,756
Total capital	13,013	12,964
Net gearing ratio	18%	17%

The Group's total debt decreased from HK\$3,934 million as at 31 December 2023 to HK\$3,907 million as at 31 December 2024. During the year, the Group refinanced the other loan denominated in SGD amounted to HK\$342 million with a bank loan denominated in RMB amounted to HK\$341 million. The RMB denominated bank loan, together with the cross currency swap are used to hedge part of the net investment in Singapore subsidiaries.

The maturity profile of the Group's total debt which includes interest payable as at 31 December 2024 was as follows:

<i>In HK\$ million</i>	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	Total
Bank and other loans	-	-	346	346
US\$450 million 6.1% guaranteed bonds	<u>3,492</u>	-	-	<u>3,492</u>
	3,492	-	346	3,838
Interest payable	<u>69</u>	-	-	<u>69</u>
	<u>3,561</u>	<u>-</u>	<u>346</u>	<u>3,907</u>

Available sources of financing

The Group aims to maintain the cash balance and undrawn bank and other loan facilities at a reasonable level to meet the debt repayments and capital expenditure requirement in the coming year.

The Group's cash balance of HK\$1,611 million and undrawn committed bank and other loan facilities of HK\$9,967 million as at 31 December 2024 were more than sufficient to cover the repayments of outstanding amount of total debt (excluding interest payable) of HK\$3,492 million in the coming year and contractual capital commitments of HK\$60 million as at 31 December 2024.

As at 31 December 2024, the Group had available trading facilities of HK\$230 million. The amount of HK\$83 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 31 December 2024.

As at 31 December 2024, the type of facilities of the Group was summarised as follows:

<i>In HK\$ million</i>	Total available facilities	Amount utilised	Amount unutilised
Bank and other loans			
- Committed facilities:			
Bank loans	6,820	346	6,474
Other loans	<u>3,493</u>	<u>-</u>	<u>3,493</u>
	10,313	346	9,967
- Uncommitted facilities:			
Short-term facilities	<u>478</u>	<u>-</u>	<u>478</u>
	10,791	346	10,445
Guaranteed bonds - Committed facility			
US\$450 million 6.1% guaranteed bonds*	3,493	3,493	-
Trading facilities - Uncommitted facilities			
	<u>230</u>	<u>83</u>	<u>147</u>
Total	<u>14,514</u>	<u>3,922</u>	<u>10,592</u>

* After the end of the reporting date, the guaranteed bonds was fully redeemed on the maturity date of 5 March 2025.

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 loan 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 loan 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 31 December 2024 and 2023, the Group was in compliance with the relevant requirements.

4. Contingent liabilities

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

5. Performance bonds, guarantees and pledged assets

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

<i>In HK\$ million</i>	31 December 2024	31 December 2023
Performance bonds provided to the Macau		
Government and other customers	78	81
Other guarantees	<u>5</u>	<u>2</u>
Total	<u>83</u>	<u>83</u>

As at 31 December 2024, bank deposits of HK\$2 million (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\$3,493 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 31 December 2024, the Company issued guarantees of HK\$175 million (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 Company’s subsidiary, Companhia de Telecomunicações de Macau, S.A. (“CTM”) are designated for the provision of basic infrastructure of public telecommunications services. Since 1981, the concession agreement signed between CTM and the Macau Government has specified that upon the expiry of the concession period, the concession assets and investments outlined in the agreement (“Concession Assets”) would be transferred to the Macau SAR. As disclosed in the announcement of the Company dated 30 September 2024, the concession period was extended for 12 months, from 1 October 2024 to 30 September 2025, and CTM and the Macau Government continue to negotiate on the operation and provision of basic infrastructure of public telecommunications network and service, and the status of the Concession Assets upon expiry of the concession period.

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 the interest rate swap, if necessary. As at 31 December 2024, all (2023: approximately 90.9%) of the Group's borrowings, excluding interest payable and after taking the effect of cross currency swap arrangement, were linked to fixed interest rates. During the year, the Group did not enter into any interest rate swap arrangement for interest rate risk management.

Effective interest rates

As at 31 December 2024 and 2023, the effective interest rates, after the inclusion of amortisation of transaction costs, were as follows:

	31 December 2024	31 December 2023
Effective interest rate for fixed rate borrowings	5.8%	6.1%
Effective interest rate for variable rate borrowings	N/A	5.0%
Effective interest rate for total borrowings	5.8%	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. The Group measures its currency risk mainly by performing currency gap analysis. The Group seeks to reduce its currency risk by matching its foreign currency denominated assets with the corresponding liabilities of the same currency or by using forward contracts, cross currency swaps and other derivative instruments where appropriate, provided that hedging is only considered when there is a highly probable forecasted transaction.

During the year, the Group entered into cross currency swap and forward contracts to reduce part of the Group's currency risk exposure.

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 20.3% (2023: approximately 24.7%) of the Group's total trade debtors and contract assets as at 31 December 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 31 December 2024, the Group has maintained cash and deposits of HK\$1,611 million (2023: HK\$1,726 million), among which HK\$1,608 million (2023: HK\$1,721 million) was placed in the above-mentioned entities, representing approximately 99.8% (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.

SUSTAINABILITY REPORT

Corporate social responsibility is inseparable with the Group's corporate strategy and business philosophy. The Group adheres to the sustainability vision of "People and Community" as the foundation of our principle, and is committed to integrating the vision into our daily operations, in the view of driving sustained and continued business growth.

"Board Statement on Environmental, Social and Governance Matters" has demonstrated our commitment to sustainability and systematic management through a top-down governance structure.

We endeavour to advance in various sustainability aspects. It is our ambition to co-create a sustainable business environment and underpin win-win situations for the Group, its shareholders, customers, employees, business partners, and the community.

The Group engages with a diverse range of stakeholders through various means to collect their expectations on the Group's strategy and performance. At the same time, we actively convey our sustainability vision to stakeholders, so as to gain their continued support.

The Group continues to improve its corporate governance, with the goal of "strengthening its governance capabilities, adhering to the bottom line of risks". We will do our utmost to ongoing enhance our risk management for the high-quality development of the organisation.

The provision of high-quality and reliable services to customers underlies the core value of the Group. We charge ourselves with the mission of providing premium products and services to customers in a stable and uninterrupted manner, while leveraging our inherent strengths to serve the community in different ways. To respond to our customer needs and stay ahead of the industry, the Group has accelerated its technological innovation and product research and development (R&D) works on different emerging services.

The Group upholds a high standard of business ethics and personal conduct of its employees. There are a series of mechanism to govern our employees to ensure them strictly complying with the Code of Conduct and related policies. We have set up and implemented our Anti-corruption Policy and mechanism. There are training sessions of anti-corruption and awareness-raising activities covering different levels of our employees. These serve as continuous reminders to our employees on awareness of integrity behavior and anti-corruption as well as to strengthen overall corporate governance.

It is crucial for the Group to protect intellectual property in the process of products and services innovation. Moreover, it is our responsibility of protecting customer data privacy. We make earnest efforts to protect personal information and abide by relevant laws and regulations in our operating countries. The Group is committed to ensuring the stability and effectiveness of the information security management system. The Group has obtained ISO/IEC 27001 information security management system certification since 2019. We have gained the new version of ISO27001:2022 in this year, which is the upgrade version of international information security management system certification. Moreover, the ISO certification will be independently audited by third parties in accordance with ISO professional standards on a regular basis. Our subsidiary is also one of the first Infrastructure as a Service (IaaS) suppliers in Hong Kong to obtain ISO27017 certification, as well as achieving "CMMI Maturity Level 3 Certifications" by the CMMI Institute. In accordance with the Code of Conduct of the Group, we must ensure that our procurement and

tendering processes allow for open and fair competition, and are in line with public interest and accountability. To ongoing promote the concept of “green supply chain”, the Group is committed to select products and services in the most cost-effective and environmentally-friendly way.

The Group is distinguished by its professional and international team of excellent and outstanding employees. As at the end of December 2024, our total number of employees was 2,512.

The Group is an equal opportunity employer and adheres to non-discriminatory employment practices and procedures in recognising and respecting individuals’ rights. The Group strictly complies with applicable laws regarding equal opportunities and anti-discrimination.

It is our belief that employees are our most precious assets. The Group continues to put great emphasis on employees’ work-life balance as well as their mental and physical wellbeing through organising a series of employee activities. Moreover, the Group actively invests resources in arranging different training and development programmes for our staff to enhance their knowledge and nurture talents. The Group regularly provides continuous professional training to Directors and senior management of the Group to ensure that they are kept abreast of the latest regulations and market trends.

Environmental protection is one of the key priorities of the Group. The Group is committed to conduct business in an environmentally responsible manner and support to reduce greenhouse gas emissions. The “CITIC Telecom Green Policy” has been established to provide clear guide to our environmental management for promoting business sustainability. Climate change presents opportunities and risks to the Group's operations. Our ESG Committee regularly discusses the sustainability agenda and continuously assesses the impact of climate change. We have commissioned a third-party consultant to conduct climate-related risk analysis to assist us in identifying the impact of climate change on our business. The Group is dedicated to enhancing climate risk management and performance to further develop our resilience and adaption to climate change. Through historical data analysis, forecasting of future factors and peer benchmarking, the Group has set quantitative environmental targets. We have achieved our expected progress by taking different measures and will closely monitor the final results for completion.

The Group continues to providing support for our community, giving helping hands to the underprivileged through voluntary service and donation, and leveraging its expertise to promote social development. The Group strives to leverage our expertise and resources in communication and information technology to enhance the quality of life by promoting development of smart city, 5.5G and AI Technology. The Group places great emphasis on nurturing our younger generation through activities to unleash potentials of teenagers such that they could become future leaders of our society.

The Group is honoured to receive awards and commendations again from multiple organisations, in recognition for our contributions to the society during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. The board of directors of the Company (the “Board”) believes that good corporate governance

practices are important to promote investor confidence and protect the interest of our shareholders. At CITIC Telecom, we attach importance to our people, our code of conduct, and our corporate policies and standards, which together form the basis of our corporate governance practices. We respect and are committed to comply the laws, rules and regulations of each country and region in which we operate, and we strive to ensure for our people a healthy and safe working environment which is our paramount concern. We endeavour to contribute to the sustainable development of the Company, with particular focus on our accountability to shareholders and stakeholders. A full description of the Company's corporate governance will be set out in the section of "Corporate Governance" contained in the 2024 annual report.

Save 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 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 2024 Interim 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 the 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 of the Board, consisting of three independent non-executive directors and a non-executive director, has reviewed the 2024 financial statements with management and the external auditors and recommended its adoption by the Board.

DIVIDEND AND CLOSURE OF REGISTER

The Directors have resolved to recommend to shareholders the payment of a final dividend of HK12.8 cents (2023: HK19.3 cents) per share, which together with the interim dividend of HK6.0 cents (2023: HK6.0 cents) per share already paid makes a total dividend of HK18.8 cents (2023: HK25.3 cents) per share for the year ended 31 December 2024.

The proposed final dividend of HK12.8 cents per share, the payment of which is subject to approval of the shareholders at the forthcoming annual general meeting (the "AGM") of the Company to be held on Wednesday, 21 May 2025, is to be payable on Friday, 20 June 2025 to shareholders whose names appear on the Register of Members of the Company on Friday, 30 May 2025.

The Register of Members of the Company will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 May 2025. In addition, the Register of Members of the Company will be closed from Wednesday, 28 May 2025 to Friday, 30 May 2025 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify

for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Tuesday, 27 May 2025. During such periods, no share transfer will be effected.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2024 and the Company has not redeemed any of its shares during the year ended 31 December 2024.

FORWARD LOOKING STATEMENTS

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

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

ANNUAL REPORT AND FURTHER INFORMATION

A copy of the announcement will be found on the Company's website (www.citictel.com) and the website of the Stock Exchange (www.hkexnews.hk). The full Annual Report will be made available on the websites of the Company and the Stock Exchange around 9 April 2025.

By Order of the Board
CITIC Telecom International Holdings Limited
Luo Xicheng
Chairman

Hong Kong, 12 March 2025

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

<i>Executive Directors:</i>	<i>Non-Executive Directors:</i>	<i>Independent Non-Executive Directors:</i>
Luo Xicheng (Chairman)	Liu Jifu (Sui Chen as his	Zuo Xunsheng
Luan Zhenjun	alternate)	Lam Yiu Kin
	Zhao Lei	Wen Ku
	Wang Hua	