



8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

Tian Yuan Building, Wensan Road, Hangzhou City, Zhejiang Province, PRC.

<http://www.8telecom.cn/>

FOR IMMEDIATE RELEASE

8Telecom generates 10.9% rise in revenue to RMB119.2 million for the first quarter

- Revenue increased mainly due to higher demand for telecommunication & other towers
- Profit improved on higher gross profit
- Continue focus on research and development towards greater product differentiation in the market

Singapore, 14 May 2015 - SGX Mainboard-listed 8Telecom International Holdings Co. Ltd. ("8Telecom" or "The Group" or "八方电信国际控股有限公司"), a telecommunication infrastructure solution provider and emerging property developer in the PRC, achieved a 10.9% year-on-year ("yoy") increase in revenue to RMB119.2 million for its three months ended 31 March 2015 ("1QFY2015").

Financial Highlights

(RMB '000)	1QFY2015	1QFY2014	% Chg
Revenue	119,153	107,424	10.92
- Telecommunications			
a) Telecom pipes	4,887	13,369	(63.45)
b) Telecom & other towers	71,424	48,291	47.90
c) Telecom engineering services	40,651	44,114	(7.85)
- Property development	2,191	1,650	32.79
Gross profit	20,206	18,901	6.90



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Gross profit margin (%)	17.0	17.6	(0.6)pp
Net profit	1,636	1,603	2.06

*pp: percentage points

Revenue rose from higher revenue from the telecommunication & other towers segment and property segment, partially offset by a decrease of telecommunication pipes segment and telecommunication engineering services segment.

Net profit increased 2.1% yoy to RMB1.6 million for 1QFY2015, primarily due to higher gross profit and lower selling expenses, partially offset by lower other operating income, higher administrative expenses and financial costs.

Telecommunications Business Segment

Revenue from Telecommunications & other towers business increased 47.9% yoy to RMB71.4 million on higher demand while Telecommunication engineering services and telecommunications pipes business were down 7.9% and 63.5% yoy respectively.

In line with the Group's goal for delivering outstanding and innovative products, the research costs increased 12.5% yoy to RMB5.6 million for 1QFY2015.

Property Development Business Segment

Revenue from the Group's property development business segment increased 32.8% yoy to RMB2.2 million for 1QFY2015.

The Group's commercial property project in Lin Ping, Hangzhou Zhejiang province is currently 90.0% leased. The other commercial property project in Wuchang, Zhejiang



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province, also known as 'Bafang City • Urban Complex Project', is under development for its Phase 1 and scheduled to be completed by the end of 2015. Its Phase 2 was successfully started in December 2014 and is expected to be completed by 2016.

Outlook

By this year, over 600,000 new 4G network base stations will be built and over 200 million mobile phone users will become 4G network customers according to the Ministry of Industry and Information Technology's latest guideline¹.

"We are happy to see China's 4G users increased by 60 million to 162 million as compared with the end of last year for the first quarter of 2015¹. Riding on favourable industry dynamics, we shall continue our efforts to deliver quality products and services to our clients. In addition, we will keep up the investment in research and development in anticipation of differentiating our product in the market and obtaining higher profit margin. "

Mr. Ye Tian Yun ("叶天云"), Executive Chairman and CEO of the Group

- End -

Reference

¹ Xinhua News Agency, May 8, 2015, *China to develop broadband network nationwide*



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About 8Telecom International Holdings Co. Ltd.

8Telecom International Holdings Co. Ltd. ("8Telecom"), set up in 1997 and based in Hangzhou City, Zhejiang province, has already established its presence in 13 provinces across China.

8Telecom is involved in the following principal activities:

- (1) Manufacture and supply of telecommunications pipes;
- (2) Manufacture and supply of telecommunications and other towers;
- (3) Provision of telecommunications engineering services;
- (4) Real estate development.

8Telecom is one of the country's largest producers of grid-type telecom pipes as well as one of Zhejiang province's largest telecom engineering suppliers and producers of telecom steel towers. With 35 patents and 5 proprietary technologies, 8Telecom holds leading positions in the production and supply of telecom pipes as well as the provision of complementary engineering services to its clientele base, which mainly includes the country's telecom giants such as China Telecom, China Unicom, and China Mobile. In preparation for further growth, 8Telecom has recently set up an ISO9000: 2000 certified factory, which is primarily engaged in the manufacture of telecom-related products.

Issued for and on behalf of 8Telecom International Holdings Co Ltd.

By Financial PR Pte Ltd



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ZHANG YUCHAO / NGO YIT SUNG

staff@financialpr.com.sg

Tel: (065) 6438 2990

Fax: (065) 6438 0064