

**8TELECOM INTERNATIONAL HOLDINGS CO. LTD.**

(Registration No. 34713)

(Incorporated in Bermuda)

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(RMB'000)**

For the year ended 31 December 2015

	<u>GROUP</u>		<u>+ / (-) %</u>
	<u>2015</u>	<u>2014</u>	
<b>Revenue</b>	<b>536,604</b>	<b>562,856</b>	<b>(4.66)</b>
Cost of sales	(436,736)	(447,860)	<b>(2.48)</b>
<b>Gross profit</b>	<b>99,868</b>	<b>114,996</b>	<b>(13.16)</b>
Other operating income	10,443	4,367	<b>139.13</b>
Changes in fair value of investment properties	714	(13,820)	<b>n/m</b>
Changes in fair value of other financial assets	486	190	<b>155.79</b>
Selling expenses	(17,307)	(16,688)	<b>3.71</b>
Administrative expenses	(67,950)	(65,258)	<b>4.13</b>
Finance costs	(13,207)	(17,786)	<b>(25.74)</b>
<b>Profit before income tax</b>	<b>13,047</b>	<b>6,001</b>	<b>117.41</b>
Income tax (expense) credit	(4,867)	2,038	<b>n/m</b>
<b>Profit for the year</b>	<b>8,180</b>	<b>8,039</b>	<b>1.75</b>
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Revaluation gain of property (net of tax), representing total other comprehensive income	-	6,726	<b>n/m</b>
<b>Total comprehensive income for the year, attributable to equity holders of the company</b>	<b>8,180</b>	<b>14,765</b>	<b>(44.60)</b>

n/m : not meaningful.

**1(a)(ii) Profit before income tax was arrived at after (crediting) charging the following:**

	<u>2015</u>	<u>2014</u>	<u>+/(-) %</u>
	<b>RMB'000</b>	<b>RMB'000</b>	
Allowance for doubtful trade receivables	2,867	5,320	<b>(46.11)</b>
Doubtful trade receivables recovered	-	(2,100)	<b>(100)</b>
Allowance for doubtful non-trade receivables	-	549	<b>(100)</b>
Depreciation and amortisation expense	8,142	8,217	<b>(0.91)</b>
Finance cost	13,207	17,786	<b>(25.74)</b>
Interest income	(5,775)	(1,137)	<b>407.92</b>
Loss on disposal of plant and equipment	1,784	25	<b>7,036</b>
(Gain) Loss on fair valuation of investment properties	(714)	13,820	<b>n/m</b>
Government grants	(4,628)	(3,071)	<b>(50.70)</b>
Research costs	34,276	30,167	<b>13.62</b>
Foreign exchange gain - net	(45)	(81)	<b>(44.44)</b>
Interest on notes receivable	4,542	1,616	<b>181.06</b>

**n/m** : not meaningful.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**STATEMENT OF FINANCIAL POSITION (RMB'000)**

As at 31 December 2015

	<u>GROUP</u>		<u>Company</u>	
	<u>As at</u> <u>31/12/2015</u>	<u>As at</u> <u>31/12/2014</u>	<u>As at</u> <u>31/12/2015</u>	<u>As at</u> <u>31/12/2014</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	211,332	218,765	474	1,047
Other financial assets	-	63,469	-	-
Trade receivables	102,087	140,499	-	-
Amount due from subsidiaries	-	-	127,166	153,090
Other receivables and prepayments	34,547	56,298	362	185
Construction contracts	80,296	69,536	-	-
Inventories	14,816	45,753	-	-
Properties under development	545,946	384,543	-	-
<b>Total current assets</b>	<b>989,024</b>	<b>978,863</b>	<b>128,002</b>	<b>154,322</b>
<b>Non-current assets:</b>				
Investment in subsidiaries	-	-	60,000	60,000
Investment properties	195,304	194,590	-	-
Derivative financial instruments	9,782	-	9,782	-
Property, plant and equipment	87,401	87,070	-	-
Prepayments	20,838	21,870	-	-
Intangible assets	658	714	-	-
<b>Total non-current assets</b>	<b>313,983</b>	<b>304,244</b>	<b>69,782</b>	<b>60,000</b>
<b>Total assets</b>	<b>1,303,007</b>	<b>1,283,107</b>	<b>197,784</b>	<b>214,322</b>

	<b>GROUP</b>		<b>Company</b>	
	<b>As at 31/12/2015</b>	<b>As at 31/12/2014</b>	<b>As at 31/12/2015</b>	<b>As at 31/12/2014</b>
<b>LIABILITIES AND EQUITY</b>				
Short-term bank borrowings	317,500	352,160	-	-
Trade payables	72,715	114,727	-	-
Amount due to subsidiaries	-	-	214	26,955
Other payables and accrued expenses	108,837	90,189	1,313	762
Income tax payable	939	2,315	-	-
Provision for land appreciation tax	34,055	34,055	-	-
<b>Total current liabilities</b>	<b>534,046</b>	<b>593,446</b>	<b>1,527</b>	<b>27,717</b>
<b>Non-current liabilities:</b>				
Other payables	9,782	-	9,782	-
Long-term bank loans	168,181	101,600	-	-
Deferred tax liabilities	57,648	57,297	-	-
	<b>235,611</b>	<b>158,897</b>	<b>9,782</b>	<b>-</b>
<b>Equity</b>				
Shareholders' equity	533,350	530,764	186,475	186,605
<b>Total equity</b>	<b>533,350</b>	<b>530,764</b>	<b>186,475</b>	<b>186,605</b>
<b>Total liabilities and equity</b>	<b>1,303,007</b>	<b>1,283,107</b>	<b>197,784</b>	<b>214,322</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.  
Amount repayable in one year or less, or on demand**

<b>As at 31 December 2015</b>		<b>As at 31 December 2014</b>	
<b>RMB'000</b>		<b>RMB'000</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
315,191	9,400	367,414	28,000

**Amount repayable after one year**

<b>As at 31 December 2015</b>		<b>As at 31 December 2014</b>	
<b>RMB'000</b>		<b>RMB'000</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
123,981	44,200	57,000	44,600

**Details of any collateral**

	<b>As at 31 December 2015</b>	<b>As at 31 December 2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Secured by fixed deposits	49,058	110,767
Secured by land use right	21,920	22,386
Secured by trade receivables	-	36,667
Secured by investment properties	195,304	194,590
Secured by properties under development	545,946	384,543
Secured by building	50,607	54,944

In addition, maximum guarantee of RMB306 million (2014: RMB97 million) is guaranteed by a company in which a director has interest in and maximum guarantee of RMB328 million (2014: RMB123 million) is guaranteed by a director and his associate.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS (RMB'000)**

For the year ended 31 December 2015

	<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows (used in) from operating activities:</b>		
Profit before income tax	13,047	6,001
Adjustments for:		
Depreciation and amortization expense	8,142	8,217
Allowance for doubtful trade receivables	2,867	5,320
Doubtful trade receivables recovered	-	(2,100)
Allowance for doubtful non-trade receivables	-	549
Finance costs	13,207	17,786
Interest income	(5,775)	(1,137)
Loss on disposal of property, plant and equipment	1,784	25
Changes in fair value of other financial assets	(486)	(190)
(Gain) Loss on fair valuation of investment properties	(714)	13,820
Operating profit before working capital changes	32,072	48,291
Trade receivables	35,545	16,689
Other receivables and prepayments	21,751	1,749
Construction contracts	(10,760)	24,043
Inventories	30,937	(13,538)
Properties under development	(159,890)	(62,112)
Trade payables	(42,012)	31,887
Other payables and accrued expenses	31,988	10,198
Cash (used in) generated from operations	(60,369)	57,207
Interest received	5,775	1,137
Interest paid	(28,060)	(24,484)
Income tax paid	(5,892)	(4,786)
Net cash (used in) generated from operating activities	(88,546)	29,074
<b>Cash flows generated from (used in) investing activities:</b>		
Purchase of property, plant and equipment	(9,875)	(11,946)
Proceeds from disposal of plant and equipment	706	28
Additions to land use rights	-	(13,472)
Proceeds from disposal of land use rights	-	10,443
Addition of financial asset at fair value through profit or loss	-	(62,900)
Proceeds from disposal of financial asset at fair value through profit or loss	63,955	87
Advances to a related party	(14,270)	(44,400)
Repayment of advances by a related party	14,270	44,400
Net cash generated from (used in) investing activities	54,786	(77,760)

**CONSOLIDATED STATEMENT OF CASH FLOWS (RMB'000)**

For the year ended 31 December 2015

	<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from financing activities:</b>		
Repayments of short-term bank borrowings	(422,160)	(353,000)
Increase in short-term bank borrowings	329,700	401,360
Increase in long-term bank loans	124,381	44,600
Advances from a related party	61,284	25,670
Repayment of advances to a related party	(61,284)	(25,670)
Dividends paid	(5,594)	(2,768)
Pledged fixed deposits	61,709	(36,461)
Net cash generated from financing activities	<u>88,036</u>	<u>53,731</u>
Net increase in cash and cash equivalents	54,276	5,045
Cash and cash equivalents at beginning of period	107,998	102,953
<b>Cash and cash equivalents at end of year (Note 1)</b>	<u>162,274</u>	<u>107,998</u>

Note 1:

	<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>
	RMB'000	RMB'000
Cash and bank balances	211,332	218,765
Less: Fixed deposits pledged:	(49,058)	(110,767)
Cash and cash equivalents at end of year	<u>162,274</u>	<u>107,998</u>

**(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Attributable to equity holders of the Company**

	<u>Share Capital</u> <u>RMB'000</u>	<u>Treasury Shares</u> <u>RMB'000</u>	<u>Share Premium</u> <u>RMB'000</u>	<u>Other Reserve</u> <u>RMB'000</u>	<u>Capital Reserve</u> <u>RMB'000</u>	<u>Share Based Payment Reserve</u> <u>RMB'000</u>	<u>Asset Revaluation Reserve</u> <u>RMB'000</u>	<u>Accumulated Profits</u> <u>RMB'000</u>	<u>Total</u> <u>RMB'000</u>
<u>Group</u>									
Balance as at 1 January 2014	79,369	(12,883)	118,574	63,766	(10,925)	1,527	13,966	265,373	518,767
Total comprehensive income for the year									
- profit for the year	-	-	-	-	-	-	-	8,039	8,039
- other comprehensive income	-	-	-	-	-	-	6,726	-	6,726
Total	-	-	-	-	-	-	6,726	8,039	14,765
Transfer	-	-	-	3,098	-	-	-	(3,098)	-
Transaction with owner, recognised directly in equity									
Dividends paid	-	-	-	-	-	-	-	(2,768)	(2,768)
Balance as at 31 December 2014	79,369	(12,883)	118,574	66,864	(10,925)	1,527	20,692	267,546	530,764
Total comprehensive income for the year	-	-	-	-	-	-	-	8,180	8,180
Transfer	-	-	-	4,156	-	-	-	(4,156)	-
Transaction with owner, recognised directly in equity									
Dividends paid	-	-	-	-	-	-	-	(5,594)	(5,594)
Balance as at 31 December 2015	79,369	(12,883)	118,574	71,020	(10,925)	1,527	20,692	265,976	533,350

<u>Company</u>	<u>Share Capital</u> <u>RMB'000</u>	<u>Treasury</u> <u>Shares</u> <u>RMB'000</u>	<u>Share</u> <u>Premium</u> <u>RMB'000</u>	<u>Share-Based</u> <u>Payment</u> <u>Reserve</u> <u>RMB'000</u>	<u>Accumulated</u> <u>Profits (Losses)</u> <u>RMB'000</u>	<u>Total Equity</u> <u>RMB'000</u>
Balance as at 1 January 2014	79,369	(12,883)	118,574	1,527	(903)	185,684
Total comprehensive income for the year	-	-	-	-	3,689	3,689
Transaction with owners, recognised directly in equity						
Dividends paid	-	-	-	-	(2,768)	(2,768)
Balance as at 31 December 2014	79,369	(12,883)	118,574	1,527	18	186,605
Total comprehensive income for the year	-	-	-	-	5,464	5,464
Transaction with owners, recognised directly in equity						
Dividends paid	-	-	-	-	(5,594)	(5,594)
Balance as at 31 December 2015	79,369	(12,883)	118,574	1,527	(112)	186,475

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share consolidation exercise ("Share Consolidation") was carried out by the Company, consolidating every five (5) existing issued ordinary shares of par value of US\$0.02 each in the issued and authorised share capital of the Company (including treasury shares) into one (1) ordinary share of par value of US\$0.10 each. Subsequent to the annual general meeting approval on 29 April 2015, the exercise was completed and announced on 24 June 2015.

The number of ordinary shares held as treasury shares as at 31 December 2015 was 3,150,000 shares (31 December 2014: 15,750,000 shares).

As at 31 December 2015, there were no shares that may be issued on conversion of any outstanding convertibles or share option (2014: Nil).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 December 2015 is 92,630,849 shares (31 December 2014: 463,154,250 shares).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the second quarter announcement for the current financial period as those of the audited financial statements for the year ended 31 December 2014, as well as all the applicable International Financial Reporting Standards ("IFRS") which became effective for the financial year beginning on or after 1 January 2015. The adoption of these new and revised IFRSs has no material effect on the second quarter announcement for the current period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There have been no changes in accounting policies and methods of computation.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>GROUP</u>	
	<u>2015</u>	<u>2014</u>
Basic EPS (RMB cents) *	8.83	8.68
Diluted EPS (RMB cents) *	8.83	8.68

\* based on revised numbers of ordinary shares in issue of 92,630,849 (2014: 92,630,849 ordinary shares) as a results of the Share Consolidation.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Net asset value per ordinary share (RMB cents) *	575.78	572.99	201.31	201.45

\* based on the revised numbers of ordinary shares in issue of 92,630,849 (2014: 92,630,849 ordinary shares) as a results of the Share Consolidation.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-  
 a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
 b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Statement of Comprehensive Income

A breakdown of the Group's revenue by product segments:

	FY2015 RMB 'Mil	FY2014 RMB 'Mil	Chg RMB 'Mil	Chg %
<b>Revenue by business segments:</b>				
Telecommunications pipes	41.00	66.03	(25.03)	(37.91)
Telecommunications & other towers	298.38	334.92	(36.54)	(10.91)
Telecommunications engineering services	188.84	154.03	34.81	22.60
Property	8.38	7.88	0.50	6.35
<b>Total revenue</b>	<b>536.60</b>	<b>562.86</b>	<b>(26.26)</b>	<b>(4.67)</b>

## Consolidated Statement of Comprehensive Income

The Group announced revenue of RMB536.60 million for the FY2015, a decrease of RMB26.26 million (4.67%) as compared with FY2014. This is mainly due to a decrease of RMB36.54 million (10.91%) and RMB25.03 million (37.91%) in revenue from telecommunications & other towers and telecommunications pipes respectively. However, the revenue from telecommunication engineering services segment and leasing properties has increased by RMB34.81 million (22.6%) and RMB0.50 million (6.35%) respectively.

The gross profit margin for the group is 18.61%, a decrease of 1.82% as compared with 20.43% for FY2014.

The gain from changes in fair value of investment properties is RMB0.71 million for this year as compared with as a loss from changes in fair value of investment properties amounting to RMB13.82 million in last year.

The other operating income increased by RMB6.08 million in FY2015 mainly due to increase in government grants and interest income by RMB1.56 million and RMB4.64 million respectively.

The selling, administrative expenses and finance costs of the Group decreased by RMB1.27 million (1.27%) from RMB99.73 million in FY2014 to RMB98.46 million in FY2015. It is mainly due to a decrease in finance costs by RMB4.58 million from RMB17.79 million in FY2014 to RMB13.21 million in FY2015 which was off-set against the increase in research and development costs by RMB4.11 million (13.62%) in FY2015.

There is income tax expense of RMB4.87 million in FY2015 as compared to income tax credit of RMB2.04 million in FY2014 due to reversal of deferred tax liabilities amounting to RMB7.64 million which resulted from the fair value loss on investment properties in FY2014.

In the first quarter of FY2014, office units previously classified as part of property, plant and equipment was leased out under long term contract and thus transferred to part of the Group's investment properties during FY2014. The gain on revaluation of these office units (net of tax) of RMB6.73 million was recognised as other comprehensive income in FY2014.

In summary, the Group has achieved a total comprehensive income of RMB8.18 million for FY2015 compared with RMB14.77 million for FY2014, a decrease of RMB6.59 million.

## Statement of Financial Position

Trade receivables as at 31 December 2015 decreased by RMB38.41 million to RMB102.09 million compared with RMB140.50 million as at 31 December 2014 which is primarily due to the improvement in collection from customers and lower sales generated during the year.

Other receivables and prepayments amounted to RMB21.75 million as at 31 December 2015, a decrease of RMB34.55 million from RMB56.30 million as at 31 December 2014. This is mainly due to utilisation of prepayments and advances to suppliers during the year.

Construction contracts as at 31 December 2015 increased by RMB10.76 million to RMB80.30 million compared with RMB69.54 million as at 31 December 2014 mainly due to the progress of the construction works as there are higher completion of projects but not yet billed at the end of the year.

Inventory stood at RMB14.82 million as at 31 December 2015, a decrease of RMB30.93 million from RMB45.75 million as at 31 December 2014 due to the effective control of inventory.

Property under development (the Group's Wuchang property project) increased by RMB161.41 million from RMB384.54 million to RMB545.95 million due to additional construction costs, capitalisation of other expenses and interest expense incurred during the financial year.

Investment properties increase by RMB0.71 million to RMB195.30 million as at 31 December 2015 as compared to RMB194.59 million in 2014 due to gain in fair value of RMB0.71 million during the year.

Fixed assets increased by RMB0.33 million to RMB87.40 million as at 31 December 2015 compared with RMB87.07 million as at 31 December 2014. This is mainly due to additions of fixed assets of RMB9.88 million which included construction cost of factory building in Jingshan town amounting to RMB9.17 million; partially offset by disposal of plant and machinery amounting to RMB2.49 million and depreciation charge of RMB7.05 million during the year.

The decrease in non-current prepayment (ie land use rights) and intangible assets as at 31 December 2015 mainly due to the amortisation charge of RMB1.09 million during the year.

Derivative financial instruments amounting to RMB9.78 million as at 31 December 2015 pertained to the put option given to the Group by the shareholders of the Group's associate at the point of acquisition of the associate. Accordingly, the cost of investment in associate and its corresponding share of losses for the financial year has not been recorded by the Group.

Bank borrowings amounted to RMB485.68 million as at 31 December 2015, an increase of RMB31.92 million from RMB453.76 million at 31 December 2014 due to new term loans amounting to RMB454.08 million off-set against repayment of RMB422.16 million of loans during the period.

Trade payable decreased by RMB42.01 million from RMB114.73 million as at 31 December 2014 to RMB72.72 million as at 31 December 2015. 2015 mainly due to payments made to suppliers and lower purchases during the year.

Other payables and accrued expenses (current) amounted to RMB108.84 million at 31 December 2015, an increase of RMB18.65 million from RMB90.19 million as at 31 December 2014. This is mainly due to higher accrued cost for construction of properties under development as at year end.

Other payables (non-current) amounting to RMB9.78 million as at 31 December 2015 pertained to amount payable for investment in associate which is due more than 12 months after the end of the reporting period.

Deferred income tax liabilities amounted to RMB57.65 million at 31 December 2015, an increase of RMB0.35 million from RMB57.30 million at 31 December 2014. This is mainly due to deferred income tax liabilities charge on the fair value gain of investment properties during the year.

### **Consolidated Statement of Cash Flows**

Cash from operating activities in FY2015 was an outflow of RMB88.55 million as compared with an inflow of RMB29.07 million in FY2014. It is mainly due to cash used in Wuchang project which increased by RMB97.78 million.

Cash and cash equivalents amounted to RMB162.27 million at 31 December 2015, an increase of RMB54.27 million compared with RMB108.00 million at 31 December 2014.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Telecommunications**

The Group will be facing near-term challenges from intensified competition and a more muted business environment due to slowdown in the China economy. Looking ahead, we will continue to focus on consolidating our businesses and building our market reach to strengthen our revenue base.

**Property**

Our commercial property project in Lin Ping, Hangzhou Zhejiang province continues to deliver a healthy and stable rental income. Construction of our commercial property project in Wuchang, Zhejiang province is on schedule. Phase 1 of the Wuchang project is expected to be completed within FY2016 and we expect the project to contribute positively to our earnings.

**Disposal of subsidiaries**

On August 21, 2015, the Company has entered into a conditional sale and purchase agreement with Manfaith Investments Ltd. ("Manfaith") (a company 100% owned by Mr Ye Tianyun), in relation to the proposed disposal ("Proposed Disposal") of the Company's entire interest in East Jade International Limited and Aim Tech Network Investment Limited ("Target Group Companies") for an aggregate cash consideration of RMB420 million. Circular for the Proposed Disposal has been approved by the Singapore Stock Exchange ("SGX") on 22 January, 2016. A special general meeting ("SGM") for shareholders approved is to be held on the 15 March, 2016.

The Company intends to utilise the net proceeds from the Proposed Disposal for distributions to the shareholders ("Proposed Dividend").

After the completion of Proposed Disposal and the payment of the Proposed Dividend, the remaining businesses ("Remaining Businesses") in the Group consists of 8Telecom International Holdings Co. Ltd. and Arete M Pte Ltd. The Group will then transact mainly in the business of information-communications services. The Board plans to continue to focus and develop the Remaining Businesses.

Subsequently, Manfaith has informed 8Telecom's board of directors that it has appointed KGI Fraser Securities Pte. Ltd. as the placement agent to dispose the balance of the shares it owns in 8Telecom [other than the 29% already contracted to Signa Air Limited, a company owned by the existing shareholders of Arete M Pte Ltd]. One of the conditions precedent of the Proposed Disposals is for Manfaith to fully dispose of its entire 71.728% equity interest in the Group. On February 2, 2016, the Company has obtained the clearance from SGX and the SGM will be held on March 15, 2016.

11. **Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on? No.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	<b>Final Dividend</b>
Dividend type	Cash
Dividend per Share	SGD0.0013
Par value of ordinary shares	USD0.02
Tax Rate	Not applicable

Name of Dividend	<b>Special Dividend</b>
Dividend type	Cash
Dividend per Share	SGD0.0013
Par value of ordinary shares	USD0.02
Tax Rate	Not applicable

The final dividend and special dividend of total SGD0.0026 per ordinary share for the financial year ended 31 December 2014 was paid on 25 May 2015.

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Year ended 31 December 2015

<b>GROUP</b>	<b>Tele-communications pipes RMB'000</b>	<b>Tele-communications engineering services RMB'000</b>	<b>Tele-communications and other towers RMB'000</b>	<b>Property RMB'000</b>	<b>Total RMB'000</b>
<b>Revenue</b>					
Revenue from external customers	41,003	188,835	298,383	8,383	536,604
<b>Result:</b>					
Segment results	(4,431)	1,422	30,891	410	28,292
Fair value gain on investment properties	-	-	-	714	714
Unallocated corporate expenses					(2,752)
Finance cost					(13,207)
Profit before income tax					<b>13,047</b>
Income tax expenses					(4,867)
Profit for the year					<b>8,180</b>

Year ended 31 December 2014

<b>GROUP</b>	<b>Tele-communications pipes RMB'000</b>	<b>Tele-communications engineering services RMB'000</b>	<b>Tele-communications and other towers RMB'000</b>	<b>Property RMB'000</b>	<b>Total RMB'000</b>
<b>Revenue</b>					
Revenue from external customers	66,034	154,025	334,920	7,877	562,856
<b>Result:</b>					
Segment results	3,156	3,249	33,425	5,581	45,411
Fair value loss on investment properties	-	-	-	(13,820)	(13,820)
Unallocated corporate expenses					(7,804)
Finance cost					(17,786)
Profit before income tax					<b>6,001</b>
Income tax credit					2,038
Profit for the year					<b>8,039</b>

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 and 13.

15. A breakdown of sales.

	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Sales reported for first half year	<b>255,715</b>	<b>243,144</b>
Operating profit after tax before deducting non-controlling interest reported for the first half	<b>4,694</b>	<b>7,341</b>
Sales reported for second half year	<b>280,889</b>	<b>319,712</b>
Operating profit after tax before deducting non-controlling interest reported for the second half	<b>3,486</b>	<b>698</b>

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Latest Full Year 2015	Previous Full Year 2014
Ordinary	<b>SGD1,204,201</b> <b>RMB5,594,000</b>	<b>SGD602,101</b> <b>RMB2,768,000</b>
Preference	-	-
Total:	<b>SGD1,204,201</b> <b>RMB5,594,000</b>	<b>SGD602,101</b> <b>RMB2,768,000</b>

**17. Interested Person Transactions ("IPT")**

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all IPT During the year (excluding Transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all IPT Conducted under shareholders' mandate pursuant to Rule 902 (excluding transactions below \$100,000) RMB'000
Guarantees of bank loans by: Ye Tianyun and his associate.	328,000	-
Guarantees of bank loans by: Zhejiang Andison Information and Technology Co.,Ltd.	306,000	-
Recharge of electricity charge to companies in which a director has interest in.	2,849	-
Advances to Zhejiang Andison Information and Technology Co.,Ltd.( <b>Note</b> )	14,270	-
Advances from Zhejiang Andison Information and Technology Co.,Ltd. ( <b>Note</b> )	61,284	-
Sales of property units to interested person ( <b>Note1</b> )	1,102	-

**Note:** Zhejiang Andison Information and Technology Co.,Ltd is a company in which a director has interest in. The advances have been fully repaid as at December 31, 2015.

**Note1:** This pertains to Property Reservation Transfer Agreements signed with the daughters of the Company's directors for the sales of property units of Wuchang Project at 10% staff discount price. The Phase 1 of Wuchang project is ready for sales by mid-2016.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual**

Name	Age	Family relationship with any director and/or substantial shareholder	Family relationship with any director and/or substantial shareholder	Details of changes in duties and position held, if any, during the year
Chen MeiXia	40	Cousin of Mr Ye Tianyun, the Executive Chairman, Chief Executive Officer and a Substantial Shareholder of the Company	She is a Manager of Financial Department, effective 1 January 2010, and she is the acting CFO from 15 Aug 2013	No

**FOR AND ON BEHALF OF THE BOARD**

**Ye Tianyun**  
**Executive Chairman and CEO**  
**25 February 2016**