

**FOR IMMEDIATE RELEASE**

## **8TELECOM POSTS THIRD QUARTER 2015 REVENUE OF RMB140.3 MILLION AND NET PROFIT OF RMB3.2 MILLION**

Singapore, 12 November 2015 - SGX Mainboard-listed 8Telecom International Holdings Co. Ltd. (“8Telecom” or “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, today reported a net profit of RMB3.23 million and revenue of RMB140.31 million for the third quarter ended 30 September 2015 (“3Q 2015”). For the same period in 2014 (“3Q 2014”), the Group posted a net profit of RMB5.43 million on revenue of RMB163.07 million.

### **Financial Highlights**

RMB million	3 Months Ended 30 Sep			9 Months Ended 30 Sep		
	3Q 2015	3Q 2014	Change (%)	9M 2015	9M 2014	Change (%)
<b>Revenue</b>						
- Telecommunications Pipes	11.3	19.1	(41.1)	27.3	52.1	(47.6)
- Telecommunications & Other Towers	84.8	107.2	(20.8)	237.1	235.5	0.1
- Telecommunications Engineering Services	42.5	35.2	20.8	125.8	113.3	11.1
- Property Development	1.7	1.6	4.4	5.9	5.3	10.9
<b>Group Revenue</b>	<b>140.3</b>	<b>163.1</b>	<b>(14.0)</b>	<b>396.1</b>	<b>406.2</b>	<b>(2.5)</b>
<b>Gross Profit</b>	<b>27.8</b>	<b>35.4</b>	<b>(21.5)</b>	<b>74.6</b>	<b>83.0</b>	<b>(10.2)</b>
<b>Gross Profit Margin</b>	<b>19.8</b>	<b>21.7</b>	<b>(1.9) pp</b>	<b>18.8</b>	<b>20.4</b>	<b>(1.6) pp</b>
<b>Profit Before Tax</b>	<b>5.7</b>	<b>7.1</b>	<b>(19.5)</b>	<b>14.7</b>	<b>19.6</b>	<b>(25.4)</b>
<b>Net Profit</b>	<b>3.2</b>	<b>5.4</b>	<b>(40.6)</b>	<b>7.9</b>	<b>12.8</b>	<b>(38.0)</b>

The Group recorded a 14.0% decline in revenue for 3Q 2015, this was mainly attributable to lower contributions from Telecommunications Pipes division and Telecommunications & Other Towers division. Despite lower selling, administrative expenses and finance costs in 3Q 2015, net profit declined by 40.6% to RMB3.2 million.

For the segmental performance, revenue from Telecommunications Pipes division in 3Q 2015 was 41.1% lower at RMB11.3 million, while revenue from Telecommunications & Other Towers division decreased by 20.8% to RMB84.8 million due to lower equipment and product sales. For Telecommunications Engineering Services division, revenue grew by 20.8% to RMB42.50 million, boosted by higher sales order from customers. Likewise, revenue from Property Development division rose 4.4% to RMB1.71 million compared to RMB1.64 million in 3Q 2014 on the back of higher rental income from the commercial property in Lin Ping.

The Group continued to maintain a healthy balance sheet and cash position. As at 30 September 2015, the Group’s cash and cash equivalents was RMB72.04 million, an increase of RMB14.96 million as compared to RMB57.08 million in the six months ended 30 June 2015.

## CEO's Commentary

Mr Ye Tian Yun (叶天云), Executive Chairman and CEO of 8Telecom International Holdings Co. Ltd. said, "Despite a challenging quarter, we have improved our performance in the Telecommunications Engineering Services and Property Development division. Going forward, we will continue to optimise our resources and sharpen our business focus in our telecommunications business in China to take advantage of continuous growth in demand for domestic 4G services. Our expansion into Singapore will also provide new opportunities for the Group's telecommunications infrastructure solutions business.

Construction of our second commercial property project in Wu Chang is progressing well with the first phase of the project is expected to be completed by 2016, this will enhance revenue in the further."

## Recent Development

On 21 August 2015, the Group has entered into a conditional sale and purchase agreement to dispose the entire interest in its two wholly-owned subsidiaries, East Jade International Limited and Aim Tech Network Investment Limited (the "Target Companies"), to Manfaith Investments Ltd. (the "Proposed Disposal"), for an aggregate cash consideration of RMB420 million.

The Proposed Disposal will unlock the value of the assets in the Target Companies and allow 8Telecom to re-strategise its financial and capital resources. With the Proposed Disposal, 8Telecom will realise the assets of the Group and will allow the shareholders to benefit from the sale in the form of a special dividend ("Proposed Dividend").

The approval of the shareholders on the Proposed Disposal, as well as the Proposed Dividend, is to be determined at a special general meeting ("SGM"); the date of the SGM will be announced in due course.

## Outlook (Positive)

Future growth is expected to be even lower as the Chinese economy continues with its restructuring. Despite this, the focus on infrastructure expenditure by the Chinese authorities will help to underpin the Group's telecom businesses.

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*This press release should be read in conjunction with 8Telecom's financial announcement filings with the Singapore Exchange on 12 November 2015, which can be downloaded via [www.sgx.com](http://www.sgx.com).*

**About 8Telecom International Holdings Co. Ltd. (Bloomberg: 8TEL:SP, Reuters: ETEL.SI)**

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.

For more information, please visit our website at [www.8telecom.cn](http://www.8telecom.cn)

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