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8Telecom's 1Q2014 net profit up 158.1% to RMB1.6 million

- Higher net profit achieved on the back of 51.7% increase in revenue to RMB107.4 million and a 567.1% surge in other operating income to RMB3.0 million
- Stronger performance underpinned by 52.7% and 9.1% increase in revenue from telecommunication and property business segments respectively
- Diluted earnings per share increased from RMB0.13 cents to RMB1.71 cents
- Growing market for diversified telecommunication services such as 4G network in China augurs well for Group's expansion into other provincial markets

Singapore, 9 May 2014 - 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 China, today reported a 158.1% year-on-year ("yoy") jump in net profit to RMB1.6 million for the first quarter ended 31 March 2014 ("1Q2014").

The higher net profit was achieved on the back of 51.7% yoy increase in revenue to RMB107.4 million and a 567.1% yoy surge in other operating income to RMB3.0 million.

"We are heartened to start off our first quarter positively on stronger performance across our telecommunication and property business segments. Our earnings per share has also improved significantly and we shall concert our efforts to deliver



STELECOM INTERNATIONAL HOLDINGS CO. LTD.

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

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

higher value for our shareholders. We foresee extensive opportunities to drive more telecommunication businesses as China opens up this sector to meet the burgeoning telecommunication demand in provincial markets.

Looking ahead, we hope to transform property development into one of our core engines of growth and unlock our potential in developing a sizeable property portfolio.

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

Financial Highlights

(RMB 'million)	1Q2014	1Q2013	% Chg
Revenue	107.4	70.8	51.7%
- Telecom-related			
<i>a) Telecom pipes</i>	13.4	11.0	21.8%
<i>b) Telecom & other towers</i>	48.3	36.8	31.4%
<i>c) Telecom engineering svcs</i>	44.1	21.5	104.8%
- Property	1.7	1.5	9.1%
Gross Profit	18.9	16.7	13.4%
Other Operating Income	3.0	0.5	567.1%
Operating Expenses (Selling and Administrative Expenses and Finance Costs)	18.8	15.4	22.2%
Net Profit	1.6	0.6	158.1%
Diluted Earnings Per Share* (RMB cents)	0.35	0.13	1215.4%



*Calculated based on weighted average number of ordinary shares in issue of 463,154,250 ordinary shares in 1Q2014 and 463,154,250 ordinary shares in 1Q2013

Telecommunications Business Segment

The higher revenue reported was mainly due to a 21.8% yoy increase in telecommunication pipes segment to RMB13.4 million, a 31.4% yoy increase in telecommunication & other towers to RMB48.3 million and a 104.8% yoy increase in telecommunication engineering services to RMB44.1 million.

The Group saw its engineering construction contracts increase 50.3% yoy to RMB140.7 million primarily due to the increase in installation and engineering services revenue was not yet invoiced during the previous quarter.

Property Business Segment

Revenue from the Group's property business segment increased 9.1% yoy to RMB1.6 million for 1Q2014. The Group's commercial property project in Lin Ping, Hangzhou Zhejiang province continues to deliver recurring and stable rental income. Its other commercial property project development in Wuchang, Zhejiang province, which spans an aggregate gross floor area of 3,229,173 sq ft, is still undergoing its first phase of construction and development.

The Group's overall operating expenses for 1Q2014 went up 22.2% yoy to RMB18.8 million largely due to a 335.0% increase in finance costs to RMB3.9 million. The main reason for the higher finance costs is that the cost of land of the Wuchang project was not accrued in



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1Q2014 and was taken into account without capitalization of interest hence it resulted in higher interest expense.

In line with higher net profit, the Group's earnings per share increased from RMB0.13 cents for 1Q2013 to RMB0.35 cents for 1Q2014.

Outlook

Mr. Ye Tian Yun shared, "To remain competitive as a leading telecommunication infrastructure solution provider in China, we are focusing our energies on developing innovative telecommunication-related products and services to cater to the more sophisticated telecommunication demands in the sector.

We are anticipating long-run growth potential of our development in our telecommunication business segment as major telecommunication operators unveil diversified services to attract more users. With China allowing the influx of foreign peers to operate in the telecommunication market, we are eyeing higher market penetration into other provincial markets. We have been successful in expanding our footprint beyond Zhejiang province via collaborations with Chongqing Mobile, Shaanxi Mobile and Henan Mobile, and shall look forward to more of such partnerships.

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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



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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

JASMINE LEONG / NGO YIT SUNG

staff@financialpr.com.sg

Tel: (065) 6438 2990

Fax: (065) 6438 0064