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8Telecom achieves a 35.1% increase in revenue to RMB163.1 million for 3Q2014

- Higher revenue largely attributable to stronger demand for telecommunication pipes and telecommunication & other towers
- Higher operating expense impinged on net profit; Net profit fell 21.4% yoy to RMB5.4 million
- Focus on developing research and development capabilities to broaden telecommunication product range
- Explore potential alliances with major telecommunication operators

Singapore, 11 Nov 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 the PRC, achieved a 35.1% year-on-year ("**yoy**") increase in revenue to RMB163.1 million for its third quarter ended 30 September 2014 ("**3Q2014**").

Financial Highlights

(RMB 'million)	3Q2014	3Q2013	% Chg
Revenue	163.1	120.7	35.1
- Telecommunications	161.5	118.8	35.9
<i>a) Telecom pipes</i>	<i>19.1</i>	<i>17.1</i>	<i>11.6</i>



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<i>b) Telecom & other towers</i>	107.2	65.5	63.7
<i>c) Telecom engineering services</i>	35.2	36.2	(2.9)
- Property development	1.6	1.9	(15.0)
Gross profit	35.4	26.8	31.8
Gross profit margin	21.7	22.2	(0.5) pp
Operating expenses	29.0	18.0	61.1
Net profit	5.4	6.9	(21.4)

*pp: percentage points

The higher revenue recorded was largely due to stronger demand for the Group's telecommunication pipes and telecommunication & other towers.

Net profit declined 21.4% yoy to RMB5.4 million, impacted by a 61.1% yoy surge in operating expenses to RMB29.0 million for 3Q2014.

In line with the higher revenue, selling and administrative expenses increased 44.5% yoy to RMB24.3 million. Finance costs increased 287.7% yoy to RMB4.7 million due to higher interest expenses not being capitalized as part of properties under development in 3Q2014.

Telecommunications Business Segment

For the third quarter, the Group's telecommunications pipes business segment increased 11.6% yoy to RMB19.1 million. Telecommunications & other towers business segment increased 63.7% yoy to RMB107.2 million for 3Q2014. However, telecommunication engineering services business segment slipped 2.9% yoy to RMB35.2 million for 3Q2014.



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The Group's engineering construction contracts increased 32.3% from RMB93.6 million as at 31 December 2013 to RMB123.8 million as at 30 September 2014.

In the Group's objective to broaden its range of telecommunication products and services, it has stepped up its research and development efforts. Research costs increased 67.5% yoy to RMB8.9 million for 3Q2014.

Property Development Business Segment

Revenue from the Group's property development business segment declined 15.0% to RMB1.6 million for 3Q2014. Properties under development increased 8.6% from RMB286.0 million as at 31 December 2013 to RMB310.7 million at 30 September 2014. This is largely due to the capitalization of design fees, staff costs, interest and construction costs.

The Group's commercial property project in Lin Ping, Hangzhou Zhejiang province is currently 90.0% leased and is expected to continue to deliver recurring and stable rental income. Its other high-end commercial property project in Wuchang, Zhejiang province, also known as 'Bafang City • Urban Complex Project', spans a gross floor area of 4,305,564 sq ft. This project is progressing as scheduled with the construction of its superstructure completed and main structure targeted to complete by 1Q2015.

Outlook

Telecommunication

The outlooks for all subsectors within the telecommunication sector is expected to remain stable, while the industry faces challenges of increased competition and rising labour cost,



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lower costs of materials as well as improved cost management will help to keep margin at the correct level. Telecommunication sector is expected to remain profitable in the Q4.

Property

Rental income for the Lin Ping commercial building and Tian Yuan building is expected to remain stable with no major lease renewal in the Q4.

Progress for the Wu Chang project construction is as scheduled. The construction of its superstructure has completed and main structure targeted to complete by 1Q2015. The Group remains confident that this project will contribute positively to its performance.

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

Barring any unforeseen circumstances, the Group is fairly optimistic on a profitable FY2014.

- End -

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;



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- (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.

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