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8Telecom achieves a 31.45% yoy increase in revenue to RMB562.9 million for FY2014

- Higher revenue mainly attributable to burgeoning demand for telecommunication & other towers and telecommunication engineering services.
- Profit before tax dropped by 75.94% yoy largely due to fair value loss on investment properties of RMB13.8 million and higher finance costs and administrative expenses during 2014.
- For FY2014, the Group declared a final dividend of 0.13 Singapore cents per ordinary share and a special dividend of 0.13 Singapore cents per ordinary share. The special dividend is proposed to recorded shareholders in celebration of 10 years listing in Singapore.
- Continue efforts on developing research and development capabilities to broaden product range and achieve higher profit margin.

Singapore, 14 February 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 31.45% year-on-year ("**yoy**") increase in revenue to RMB562.9 million for its financial year ended 31 December 2014 ("**FY2014**").



STELECOM INTERNATIONAL HOLDINGS CO. LTD.

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

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

Financial Highlights

(RMB '000)	FY2014	FY2013	% Chg
Revenue	562,856	428,195	31.45
- Telecommunications			
<i>a) Telecom pipes</i>	66,034	75,660	(12.72)
<i>b) Telecom & other towers</i>	334,920	218,385	53.36
<i>c) Telecom engineering services</i>	154,025	127,510	20.79
- Property development	7,877	6,640	18.63
Gross profit	114,996	95,304	20.66
Gross profit margin	20.4%	22.3%	(8.52) pp
Finance costs	(17,786)	(5,981)	197.38
Administrative expenses	(65,258)	(49,859)	30.89
Net profit	8,039	17,163	(53.16)
Total comprehensive income attributable to equity holders of the company	14,765	17,163	(13.97)

*pp: percentage points

The Group posted revenue growth mainly due to the increased revenue for telecommunication & other towers segment, telecommunication engineering services and rental income.

Net profit declined 53.2% yoy to RMB8.0 million, impacted by fair value loss on investment properties of RMB13.8 million and 197.4% yoy surge in finance costs to RMB17.8 million and a 30.9% yoy increase of administrative expenses to RMB65.3 million for FY2014.

Partially offset by revaluation gain of property (net of tax), representing total other comprehensive income of RMB6.7 million for FY2014, the total comprehensive income



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attributable to equity holders of the company only decreased 14.0% from RMB17.2 million for FY2013 to RMB14.8 million for FY2014.

Telecommunications Business Segment

For FY2014, the Group's telecommunications pipes business segment decreased 12.7% yoy to RMB66.0 million. Telecommunications & other towers business segment surged 53.4% yoy to RMB334.9 million for FY2014. Telecommunication engineering services business segment increased 20.8% yoy to RMB154.0 million for FY2014.

Construction contracts decreased from RMB93.6 million as at 31 December 2013 to RMB69.5 million as at 31 December 2014.

In anticipation of broadening its range of telecommunication products and services, the Group has stepped up its research and development efforts. Accordingly, research costs increased 25.2% yoy to RMB30.2 million for FY2014.

Property Development Business Segment

Revenue from the Group's property development business segment increased 18.7% to RMB7.9 million for FY2014.

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. The other commercial property project in Wuchang, Zhejiang province, also known as 'Bafang City • Urban Complex Project', is under development for its Phase 1 and scheduled for completion by the end of 2015.

Dividend

For FY2014, the Group declared a final dividend of 0.13 Singapore cents per ordinary share and a special dividend of 0.13 Singapore cents per ordinary share.



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Outlook

Last year, China proposed One Belt and One Road strategy to the world during the APEC meeting. According to recent research, the total amount of investment will reach USD 1.6 Trillion for the next 10 years. As a result, faster urbanization process and population growth along the benefited regions in the blueprint is expected, which will translate into burgeoning demand in telecommunications and property sector.

“We shall strive for delivering perfect product and service to our clients as always for the coming year. Meanwhile, 8Telecom will continue the research and development efforts to achieve wider product range for our clients and higher profit margin for our shareholders. In light of the rapid urbanization in China, the Group remains sanguine on the growth of our business.”

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

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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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