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8Telecom posts a 5.17% increase in revenue to RMB255.7 million for 1H2015

- Net profit decreased mainly due to lower government subsidies
- Group remains sanguine on short-term & long-term growth as latest acquisition not fully reflected in 1H2015 result
- Continues focus on R&D efforts to pursue opportunities in the buoyant market

Singapore, 11 Aug 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 5.17% increase in revenue to RMB255.7 million for its first half ended 30 June 2015 ("1H2015").

Financial Highlights

(RMB 'million)	1H2015	1H2014	% Chg
Revenue	255.7	243.1	5.17
- Telecom-related			
<i>a) Telecom pipes</i>	16.0	33.0	(51.39)
<i>b) Telecom & other towers</i>	152.2	128.3	18.61
<i>c) Telecom engineering svcs</i>	83.2	78.1	6.59
- Property development	4.2	3.7	13.59
Gross profit	46.8	47.7	(1.75)
Gross profit margin	18.30%	19.62%	(1.32) pp
Net profit	4.7	7.3	(36.06)

*pp: percentage points

Total revenue increased largely due to stronger demand for the telecom & other towers, telecom engineering services and higher revenue from property development.



Telecommunications Business Segment

In terms of revenue mix, telecommunications pipes business segment fell 51.39% year-on-year (“yoy”) to RMB16.0 million; telecommunications and other towers business segment increased 18.61% yoy to RMB152.2 million; and telecommunication engineering services business segment increased 6.59% yoy to RMB83.2 million.

With continual development of its telecommunication towers and engineering services, the Group’s engineering construction contracts increased by RMB67.0 million from RMB69.5 million as at 31 December 2014 to RMB136.6 million as at 30 June 2015.

Property Development Business Segment

Revenue from the Group’s property development business segment increased 13.59% to RMB4.2 million. Development costs for the Group’s high-end property in Wuchang, Zhejiang province increased RMB87.1 million from RMB384.5 million as at 30 June 2014 to RMB467.7 million as at 30 June 2015 due to higher construction costs.

However, gross profit for 1H2015 dipped 1.75% to RMB46.8 million. Accordingly, gross profit margin for 1H2015 decreased 1.29 percentage point yoy to 18.31%.

Overall, net profit has declined 36.06% to RMB4.7 million mainly attributable to lower other operating income which resulted from a decrease of RMB3.74 million in government subsidies.

Recent Development & Outlook

On 2 June 2015, the Group has entered into a conditional sale and purchase agreement to acquire 51% of the issued and paid up capital of Arete M Pte. Ltd. (“Arete M”), a information-communications services provider, for a total consideration of S\$2,150,000.



STELECOM INTERNATIONAL HOLDINGS CO. LTD.

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

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

“This quarter marks a new phase in our growth story as the foray into the Singapore information-communication market represents a boost to our portfolio of telecommunication assets.

Leveraging on our reputation as a leading telecommunication infrastructure solution provider in China, we will continue to focus our R&D efforts to meet the diversified needs from telecommunications sector.”

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

Home prices in China have been increasing for consecutive two months month-on-month in May and June 2015 possibly due to the supporting policies from the Chinese government, indicating a turnabout in the housing market¹. The Group remains sanguine on the property market in China.

- End -

Reference

1 China's property market climbs for second month in a row, South China Morning Post, 19 July 2015

<http://www.scmp.com/news/china/economy/article/1841186/chinas-property-market-climbs-second-month-row>



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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.

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