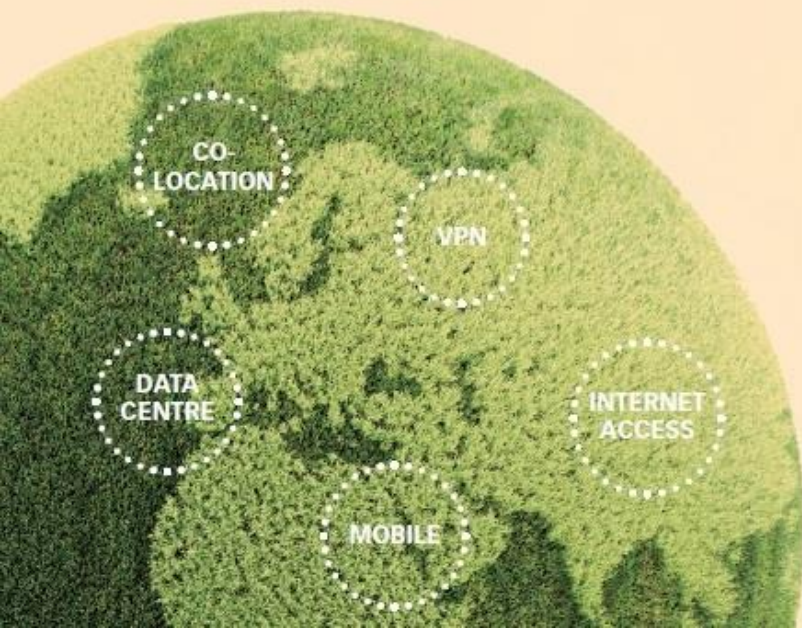
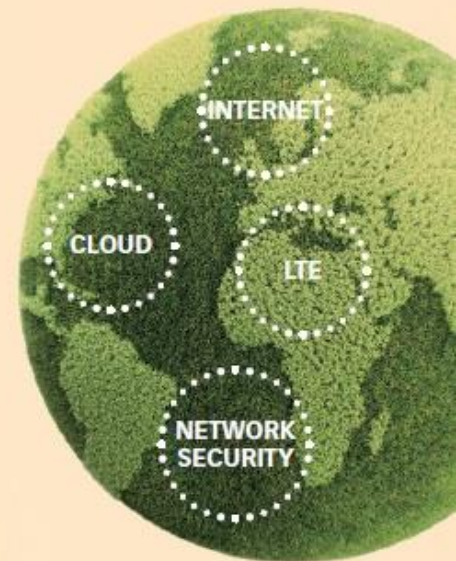




中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(stock code : 01883)



**Interim Results Announcement
for the Six Months Ended 30 June 2015**

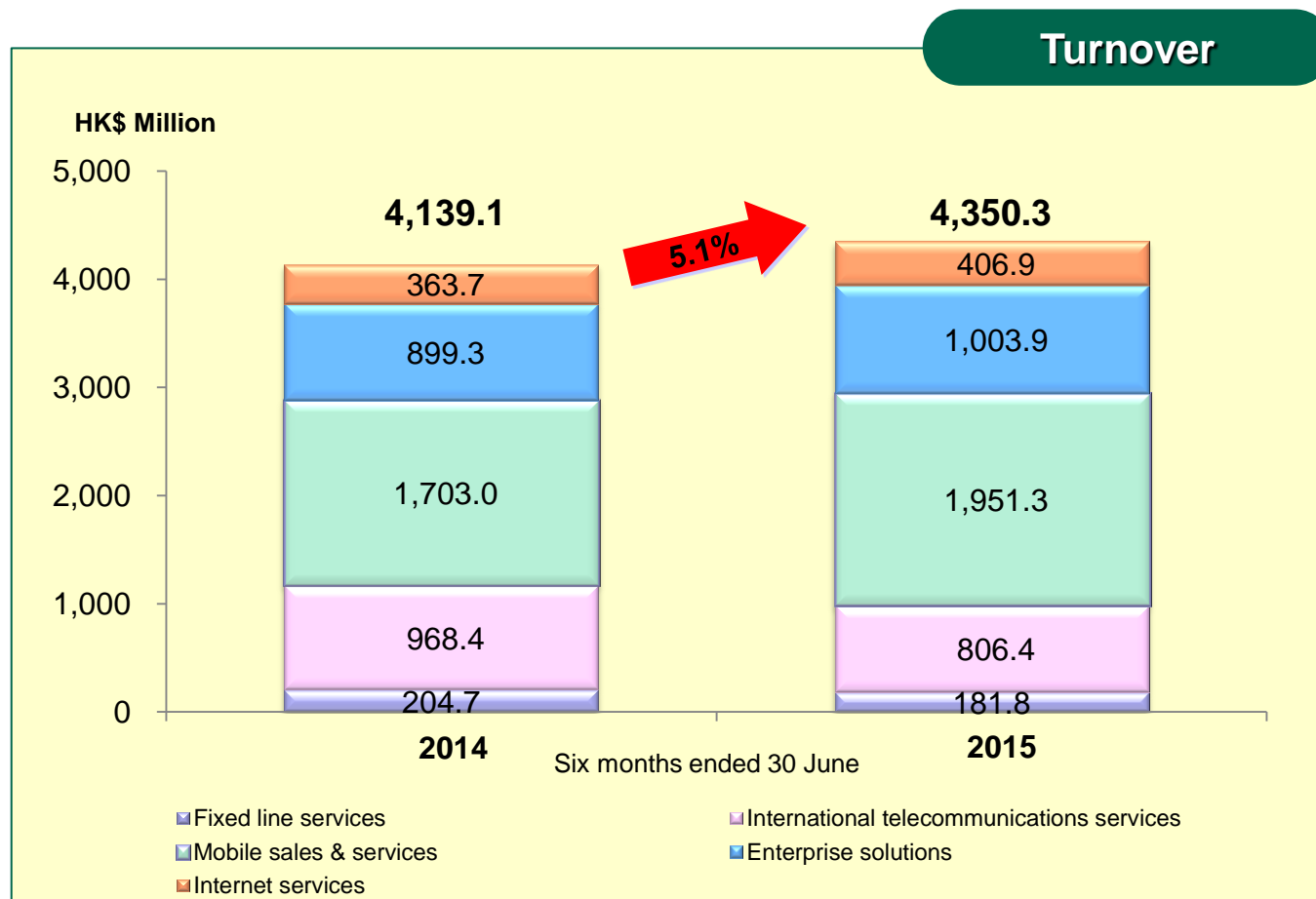
24 August 2015

Highlights for the Six Months Ended 30 June 2015

- Turnover recorded a growth of **5.1%** to **HK\$4,350.3 million** as compared against the corresponding period of last year
- Profit attributable to equity shareholders of the Company increased **10.2%** to **HK\$397.2 million** as compared against the corresponding period of last year
- At 30 June 2015, net debt was **HK\$6,303.1 million** (December 2014: HK\$6,570.7 million), including cash and bank deposits of HK\$1,944.8 million (December 2014: HK\$1,396.9 million)
- Interim dividend of **HK2.8 cents** (2014 interim: HK2.7 cents)

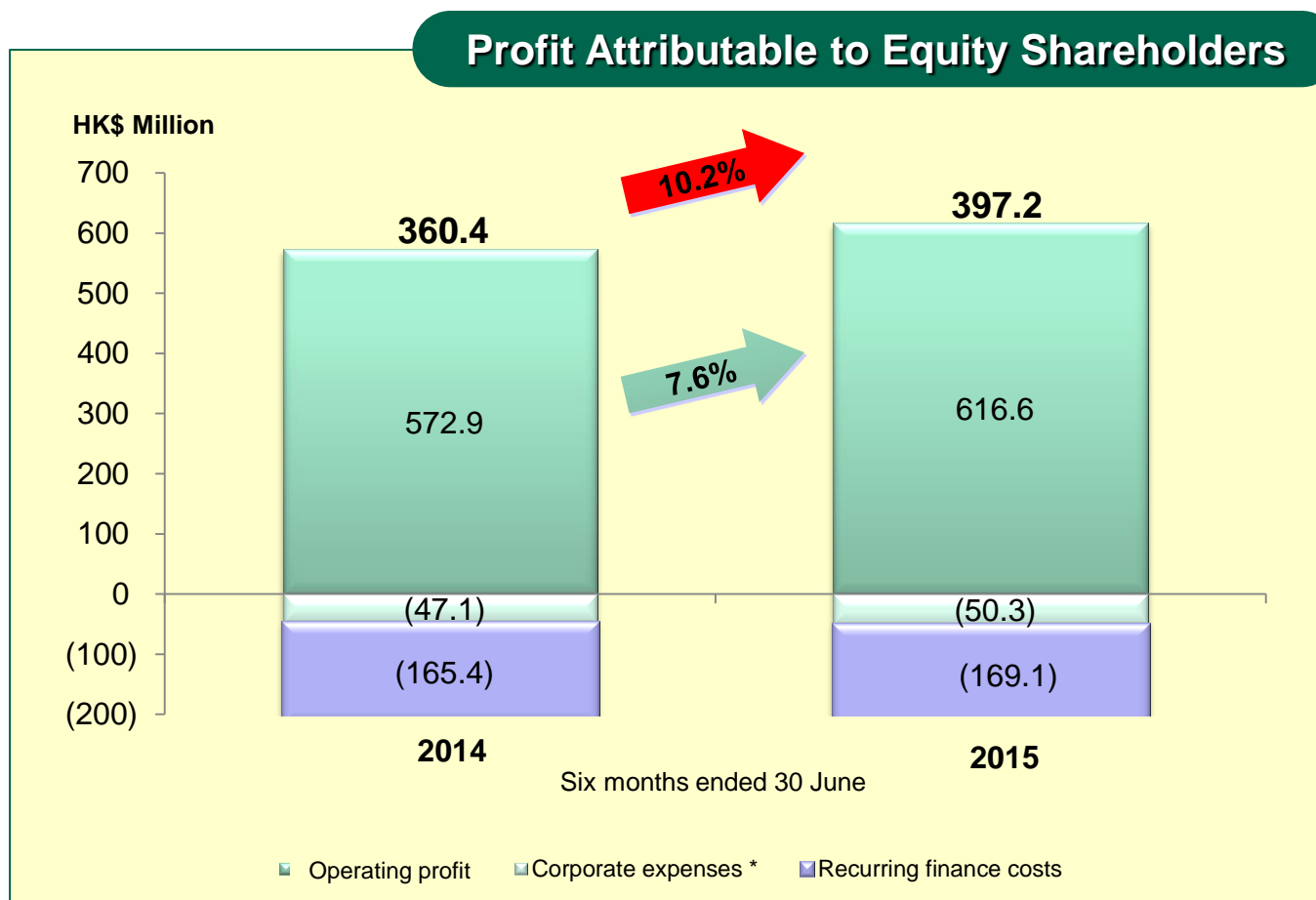
Turnover by Services

- Turnover increased by 5.1% to HK\$4,350.3 million when compared with 1H 2014



Note: Comparative figures were restated to conform to current period's presentation.

Profit Attributable to Equity Shareholders



*Corporate expenses included staff cost for corporate function, equity-settled share-based payment expenses, listing fee, unallocated staff bonus and others.



Liquidity and Capital Structure

2014

2015

HK\$ Million

For the six months ended 30 June

Net cash generated from consolidated activities

935.2

976.3

Payment for acquisitions

1.2

-

**Capital expenditure for Data centre
Capital expenditure - recurring**

**56.4
148.0**

**12.3
358.2**

HK\$ Million

At 31 December

At 30 June

Cash and bank deposits

1,396.9

1,944.8

Bank and other borrowings

7,967.6

8,247.9

Net Debt

6,570.7

6,303.1

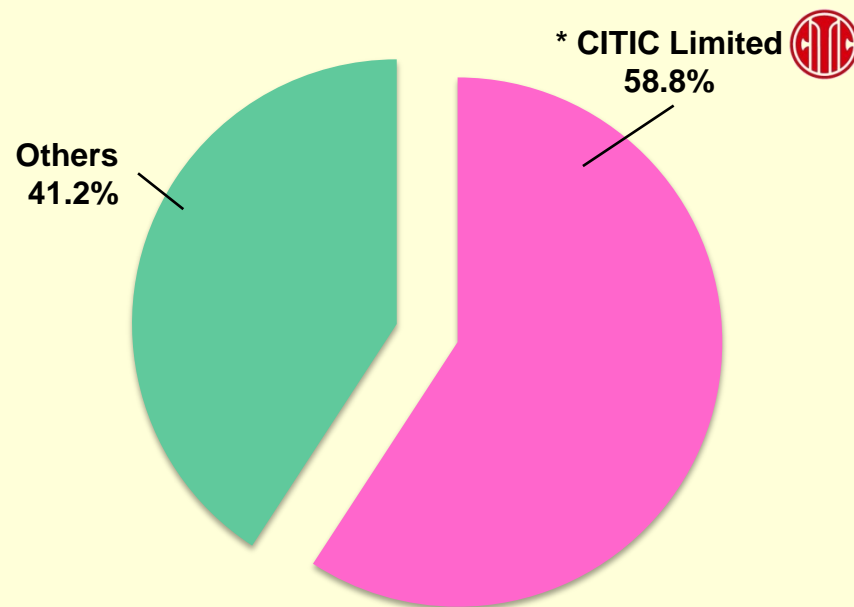
Net gearing ratio

50%

48%



Shareholding Structure



At 30 June 2015

**CITIC Group indirectly holds 67.9% interest in CITIC Limited*

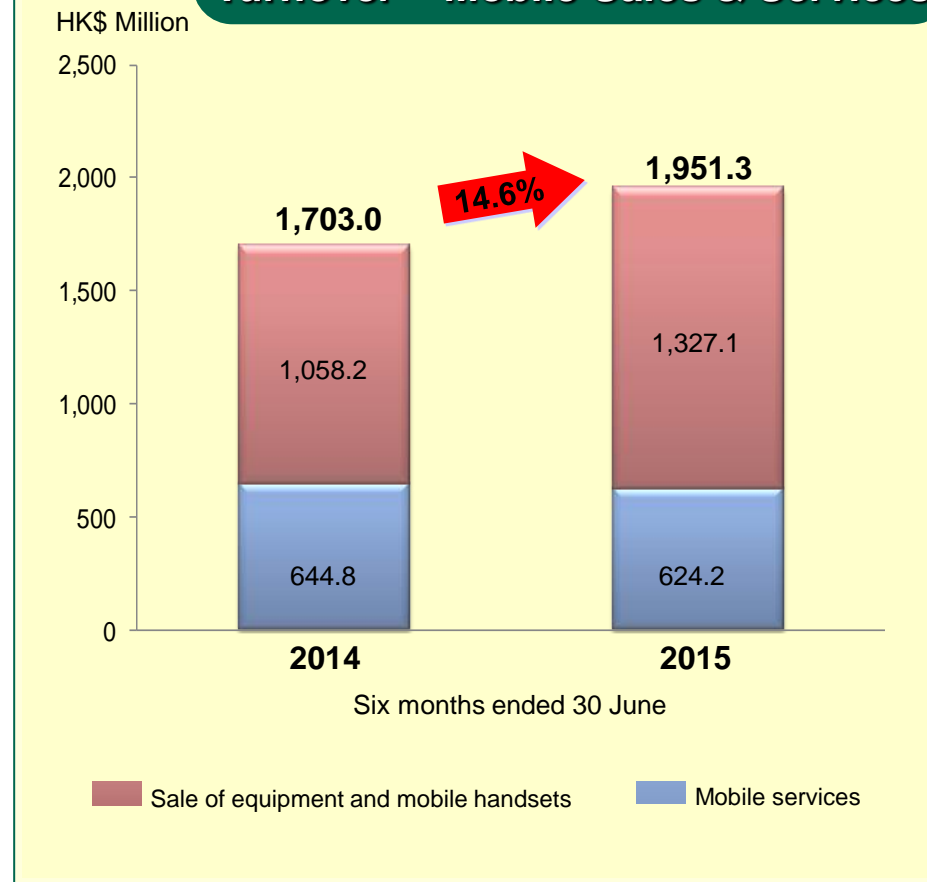


Major Business Operation

Mobile Sales and Services

- Mobile sales and services revenue increased 14.6% to HK\$1,951.3 million mainly due to the growth in mobile handset sales and mobile data usage, as well as product differentiation.
- Adjusted Postpaid Average Revenue per User (“ARPU”) was up 4.8% to HK\$218.1 when compared with last year, while prepaid ARPU decreased by 14.8% to HK\$14.8 due to the drop in voice revenue, which has offset the growth in mobile data revenue.
- Overall number of subscribers increased by 7.1% to approximately 820,000.
- Market share was maintained at around 44%.

Turnover – Mobile Sales & Services



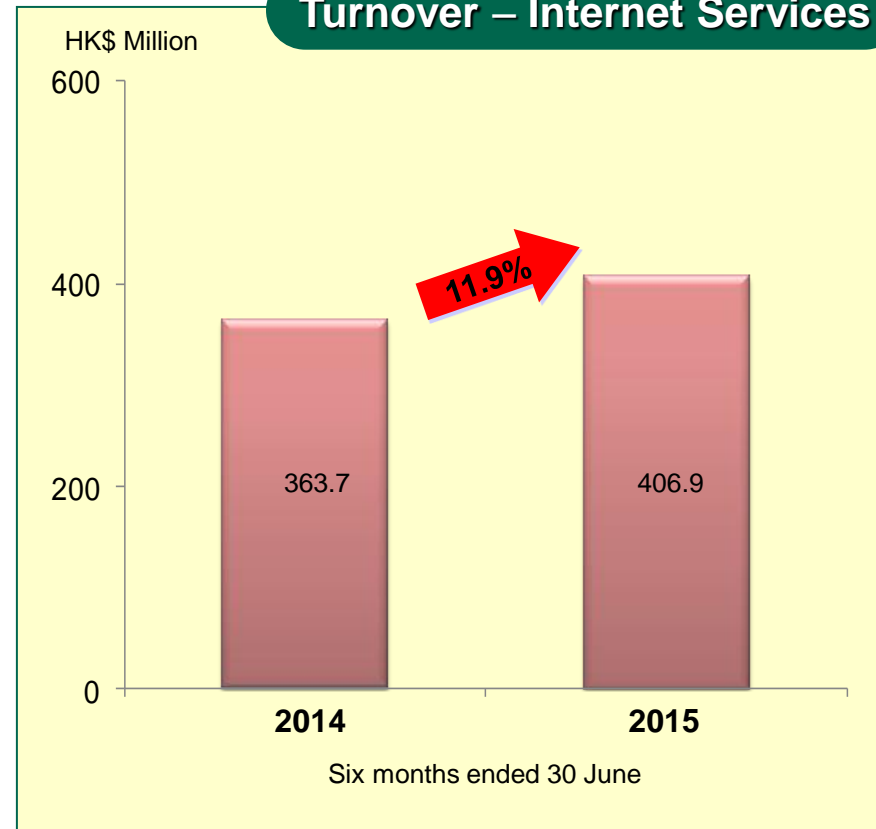
Major Business Operation (con't)

Internet Services

Internet services revenue increased by 11.9% to HK\$406.9 million compared to the first half year of 2014 mainly due to :

- Fibre to business building coverage reached 100% and fibre to the home reached 92.5% in June 2015.
- Overall broadband ARPU increased 5.7% to HK\$311.4.
- Total broadband customers increased by 4.8% to over 160,000 in June 2015.
- The Group's internet market share in Macau was around 99.9%, while broadband market penetration rate in Macau was around 83.0% in June 2015 (June 2014 : 82.1%).

Turnover – Internet Services

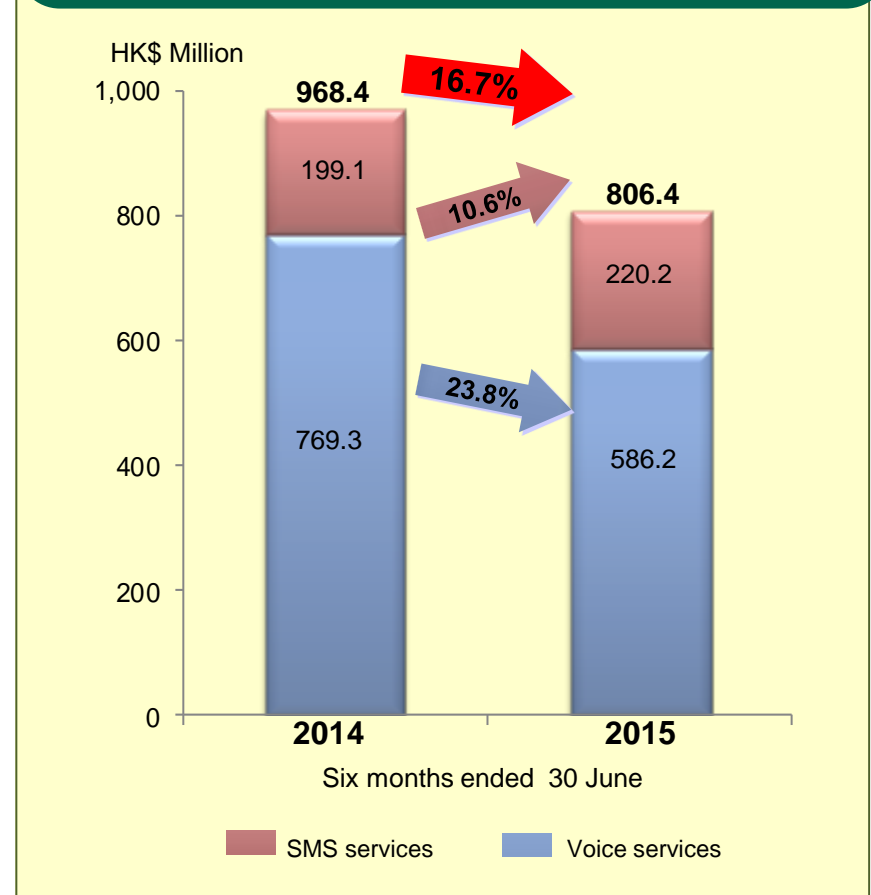


Major Business Operation (con't)

International Telecommunications Services

- Global voice wholesale market remains challenging.
- With focus on regions with higher profit margins, overall voice revenue per minute increased 13.0% to HK\$0.26 when compared with the first half of 2014.
- Successful efforts in accelerating the development of corporate SMS has countered the substitution impact of emerging internet applications.
- Revenue per message was HK\$0.26 in the first half of 2015, 4.0% higher than the corresponding period in 2014.

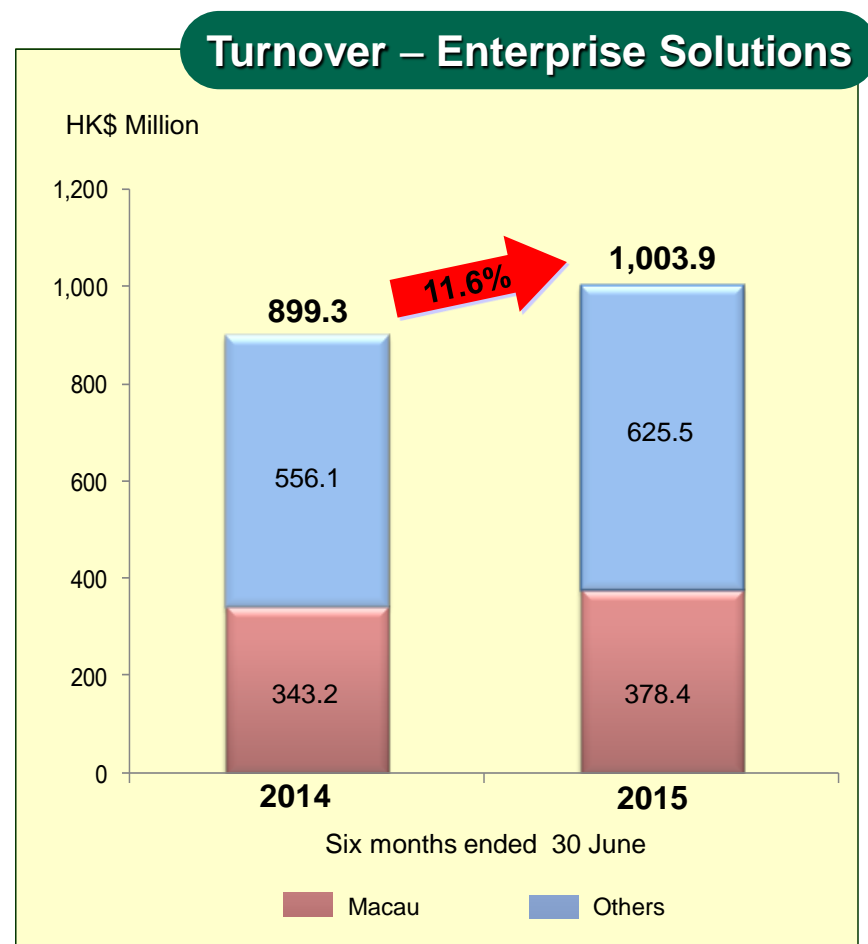
Turnover – International Telecommunications Services



Major Business Operation (con't)

Enterprise Solutions

- Enterprise solutions revenue increased by 11.6% to HK\$1,003.9 million.
- Higher demand for leased lines from carriers and corporates.
- Steady growth in cloud computing and information security services.
- Around 50% and 40% of revenue were derived from Mainland China and Macau, respectively, for the first half of both 2015 and 2014.
- Continuing popularity of VPN services with global coverage of over 100 Points-of-Presence (PoPs).

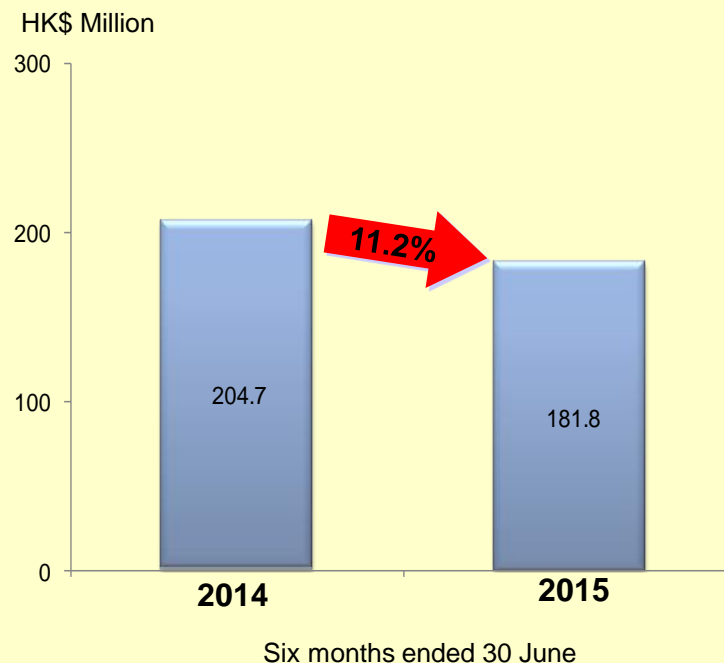


Major Business Operation (con't)

Fixed Line Services

- Fixed line services revenue decreased 11.2% to HK\$181.8 million.
- Gradual replacement of fixed residential lines by mobile services was partially offset by growth in business as a result of enlarged commercial activities.

Turnover – Fixed Line Services



A photograph of a rounded, grassy hill with vibrant green grass, set against a solid light orange background. The hill is positioned in the lower half of the frame, with the text overlaid on its right side.

Acquires Up To 39% Equity Interest in CITIC Networks

Proposed Acquisition – CITIC Networks

Transaction Details

Proposed Acquisition of CITIC Networks:

- Up to 39% of equity interest

Purchase Price:

- Up to RMB1.17 billion (equivalent to approximately HK\$1.42 billion)

Share Subscription Arrangement:

- 473 million shares offered at the subscription price of HK\$3.00 after the acquisition



Proposed Acquisition – CITIC Networks (Con't)

CITIC Networks – Financial Highlights

RMB'Million	2013	2014
Revenue	191.85	110.04
EBITDA	7.75	(55.91)

Proposed Acquisition – CITIC Networks (Con't)

Fibre Network Coverage

**Basic
Telecommunications
License –
Lease or sale of
network elements
(apart from the 3 PRC
operators)**



**24,800Km of fibre optic
network, traversing
over 25 provinces**

**32 PoPs in China
covering almost all
major cities and
developed areas**


**Over 160 network
connections, providing
1G to 10G transmission
cables, with 8T maximum
capacity**



Proposed Acquisition – CITIC Networks (Con't)

CITIC Networks possesses a valuable Basic Telecom Infrastructure Service license in China

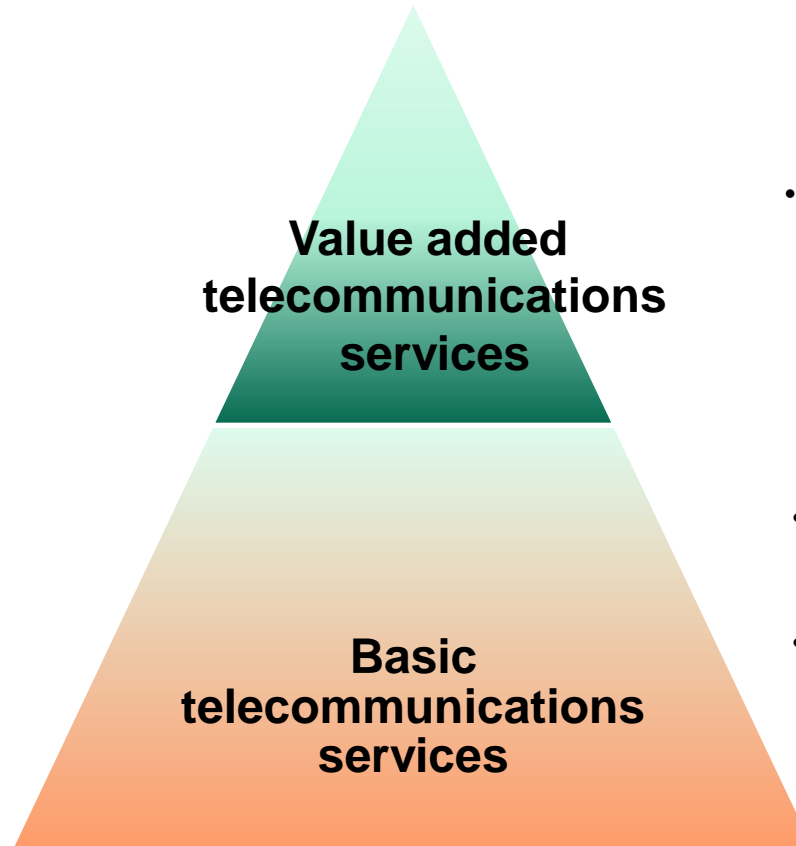
- **Nationwide basic telecom infrastructure service license**
- **License holder can build and operate nationwide backbone networks**
- **CITIC networks is the only license holder besides the 3 large operators in China**



**A precious entry-ticket to tap into the
fast growing data transmission market in China**

Proposed Acquisition – CITIC Networks (Con't)

Telecommunications Licenses in the PRC



- Value-added telecom business is an open market. But telcos need to subscribe basic telecommunications services in order to provide value-added telecommunications services
- Tier 1 (Tier 1 Data Communication Services License – Only granted to the 3 PRC operators)
- Tier 2 (Domestic Communication Infrastructure Services License – Only granted to CITIC Networks and the 3 PRC operators)



Proposed Acquisition – CITIC Networks (Con't)

Telecommunications Licenses in the PRC (con't)

The license allows CITIC Networks:

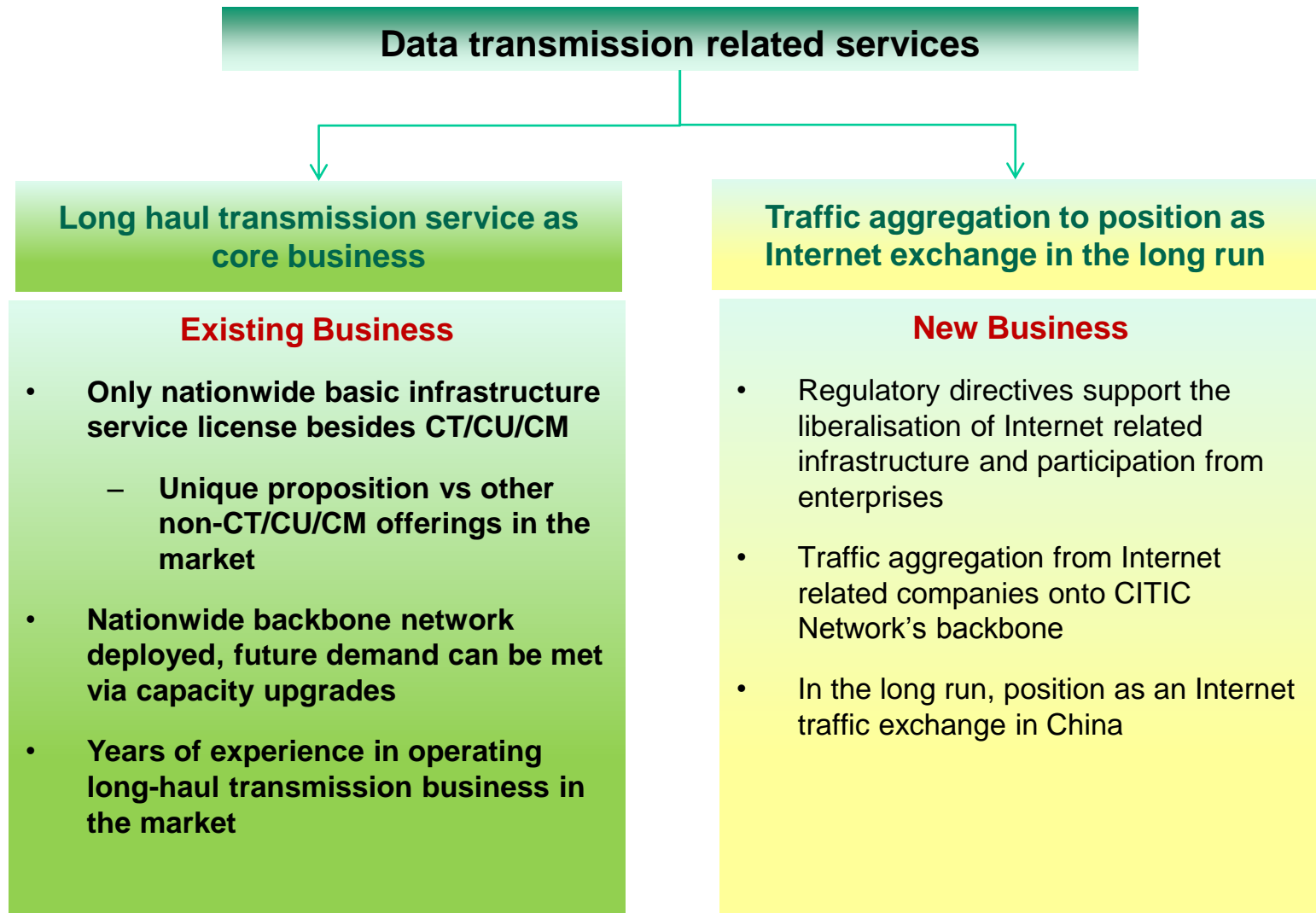
- Own terrestrial transmission networks and network elements that provide domestic traffic
- Domestic communication infrastructure services refer to the construction and leasing, sale of domestic communication infrastructure services
- Apart from the 3 local operators, CITIC Networks is the only legitimate provider of nationwide transmission network services in the PRC

Basic telecommunications business license granted to only the 3 PRC operators and CITIC Networks



Proposed Acquisition – CITIC Networks (Con't)

CITIC Networks will focus on two different businesses



Proposed Acquisition – CITIC Networks (Con't)

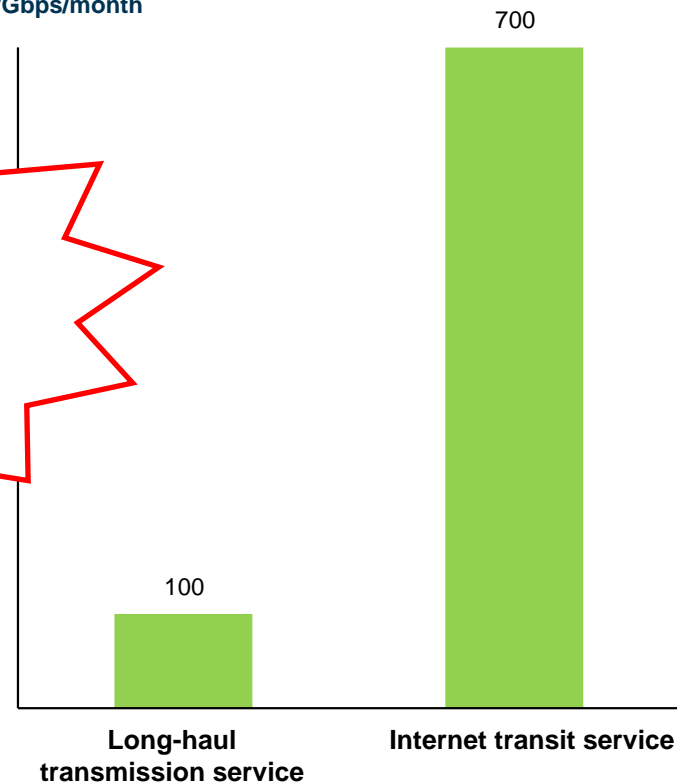
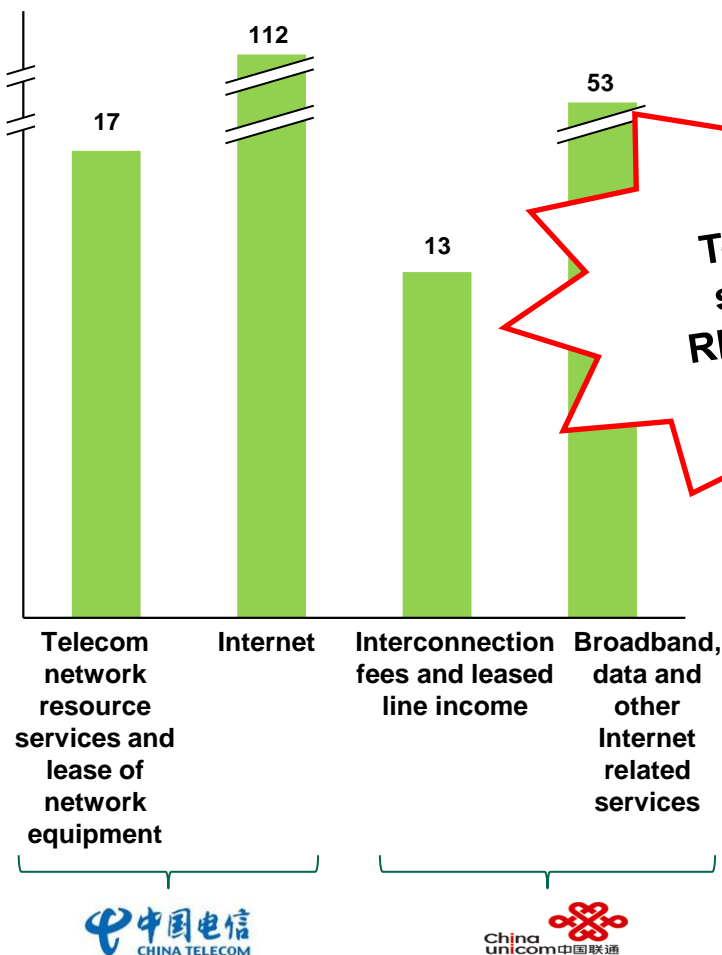
China has a sizeable market for data transmission related services

2014 Data transmission related services

2014 Data transmission related services – list price

RMB' billion

RMB '000/Gbps/month



Proposed Acquisition – CITIC Networks (Con't)

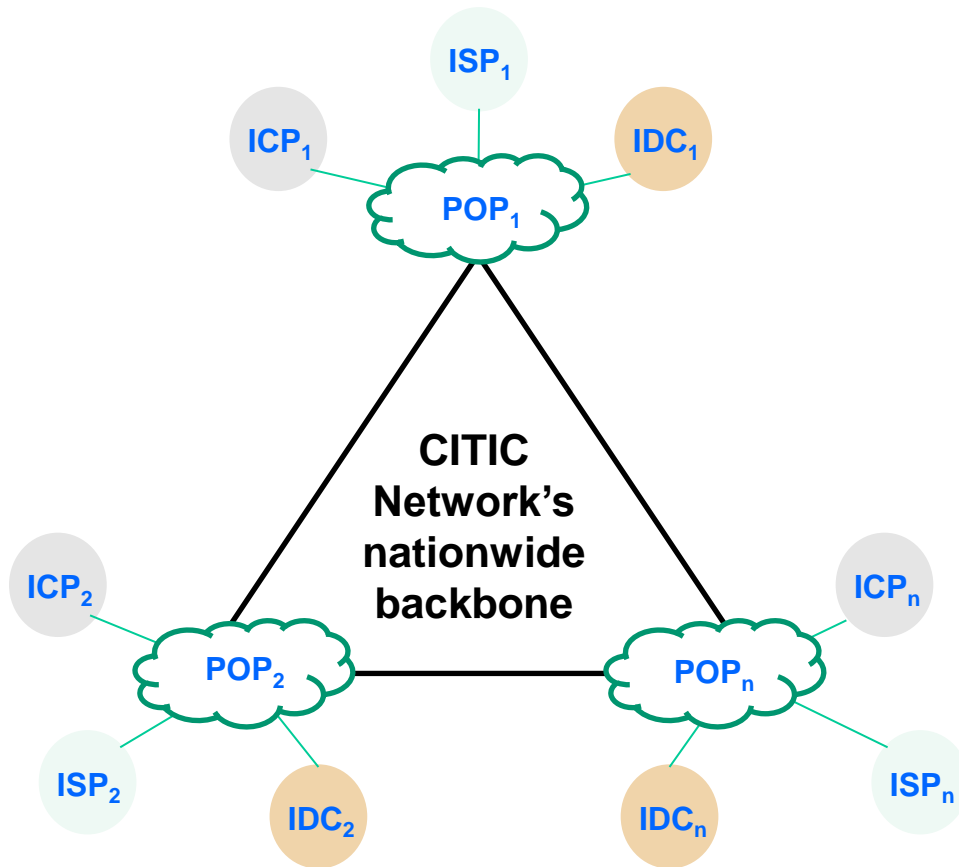
Key business – Long haul transmission service

- Intercity, point-to-point data transmission service
- Key customers are Internet companies and service providers



Proposed Acquisition – CITIC Networks (Con't)

Key business – Traffic aggregation as potential Internet exchange



- Aggregate traffic from Internet companies and service providers onto CITIC Network's nationwide backbone via provisioning of long haul transmission service
- Once scale in economy is achieved, the backbone network becomes an Internet exchange
- Aligns with regulatory directives, and opens up attractive opportunities for CITIC Telecom

Proposed Acquisition – CITIC Networks (Con't)

Conclusion

- The license provides enormous potential for CITIC Telecom to develop data transmission services in China
- Expand the Group's Internet broadband services
- Forms synergy with CITIC Telecom's existing services



A photograph of a green, grassy hill under a clear blue sky. The text 'Q&A' is centered on the hill in a white, serif font.

Q&A

Appendix



Data Mall

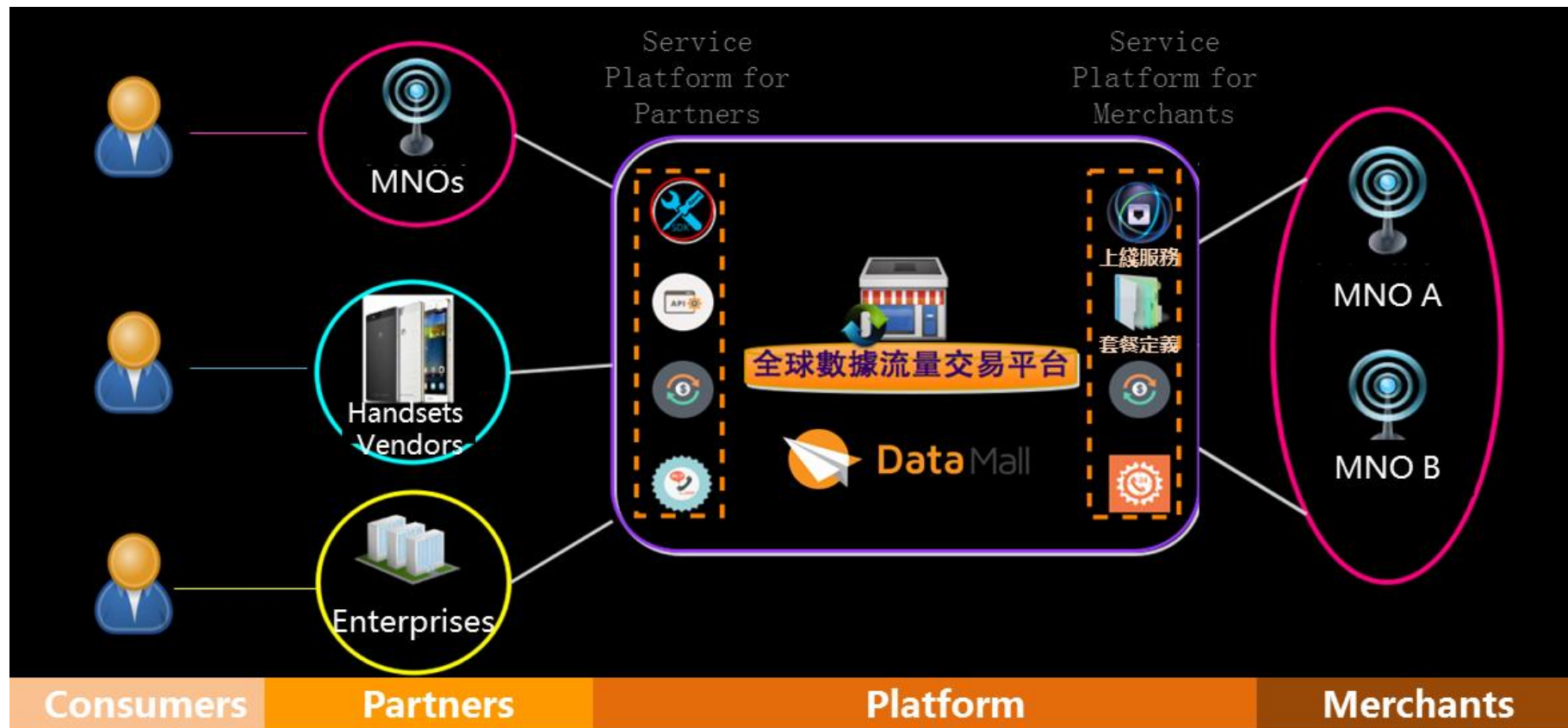
全球首個國際數據流量交易平台

The World's 1st International Mobile Data Trading Platform



中信國際電訊
CITIC TELECOM INTERNATIONAL

DataMall : An open platform for joint development



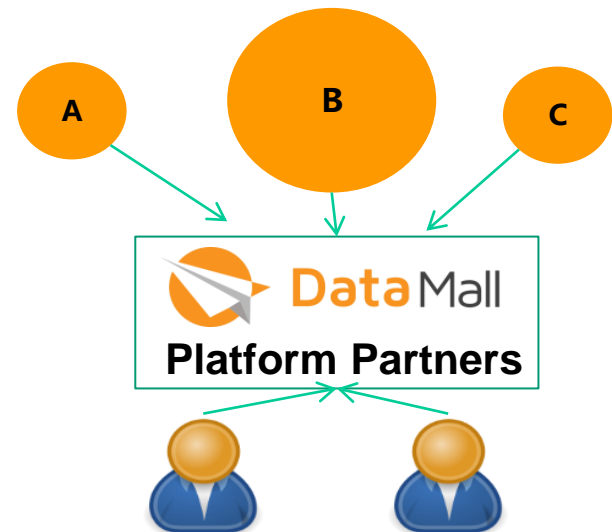
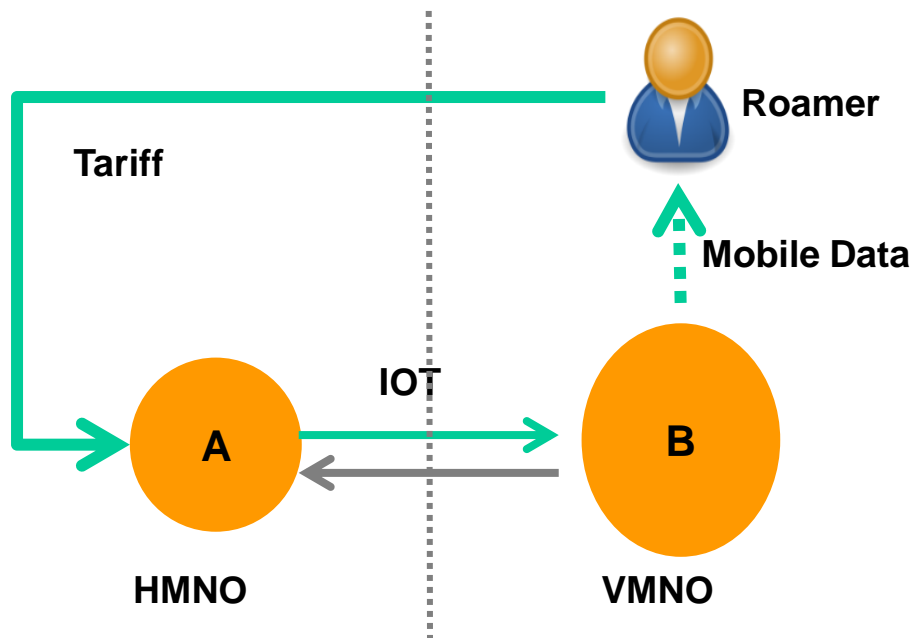
Breakthrough in the conventional data roaming model

Mutual Agency

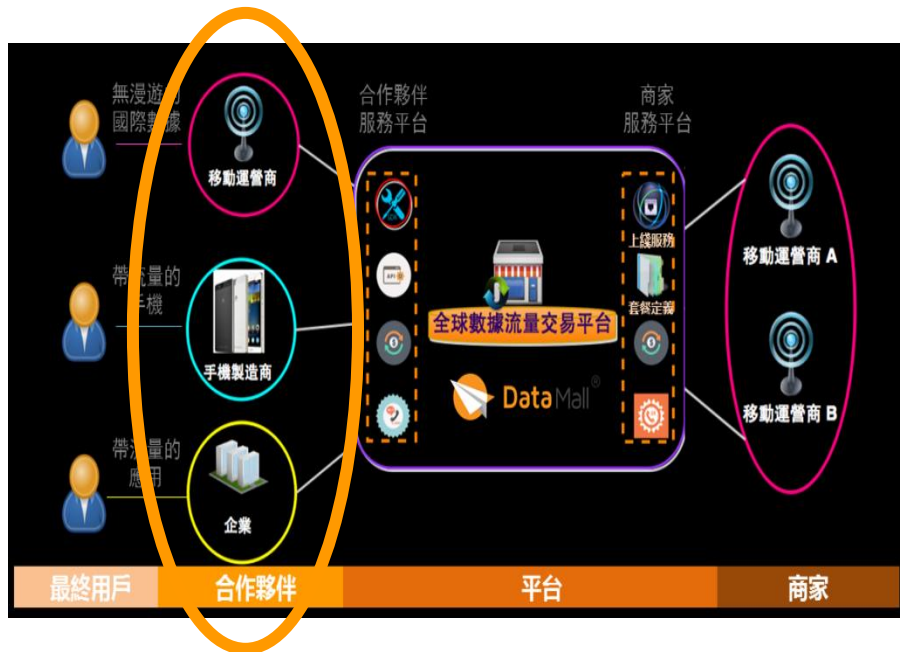
“AA14” Model

Direct Transaction

“DataMall” Model



Benefits for partners



MNO
MVNO



Handset
Manufacturer



OTT
Players



Bank/ Financial
firms

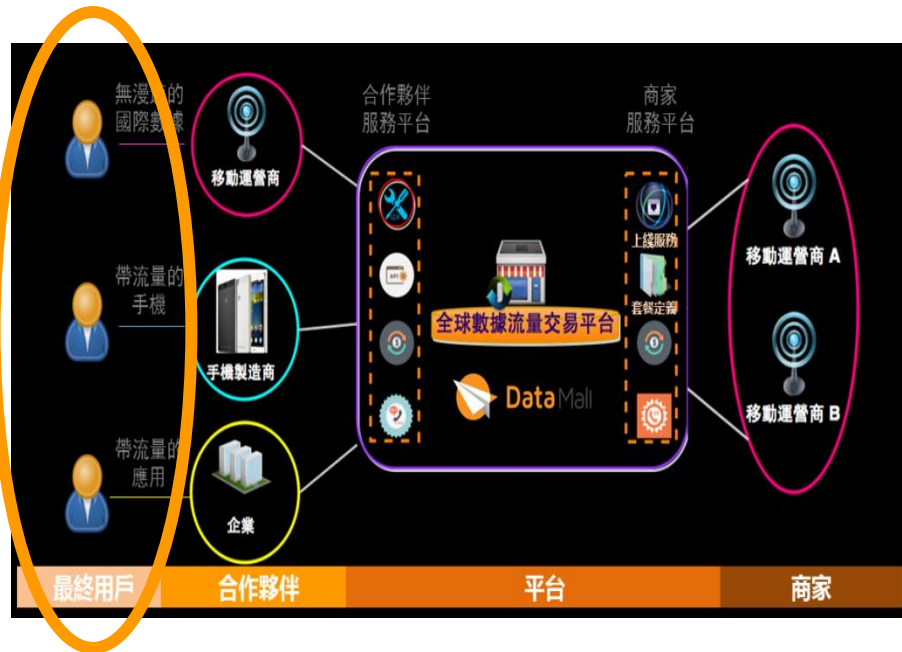


Tourism firms



Other firms

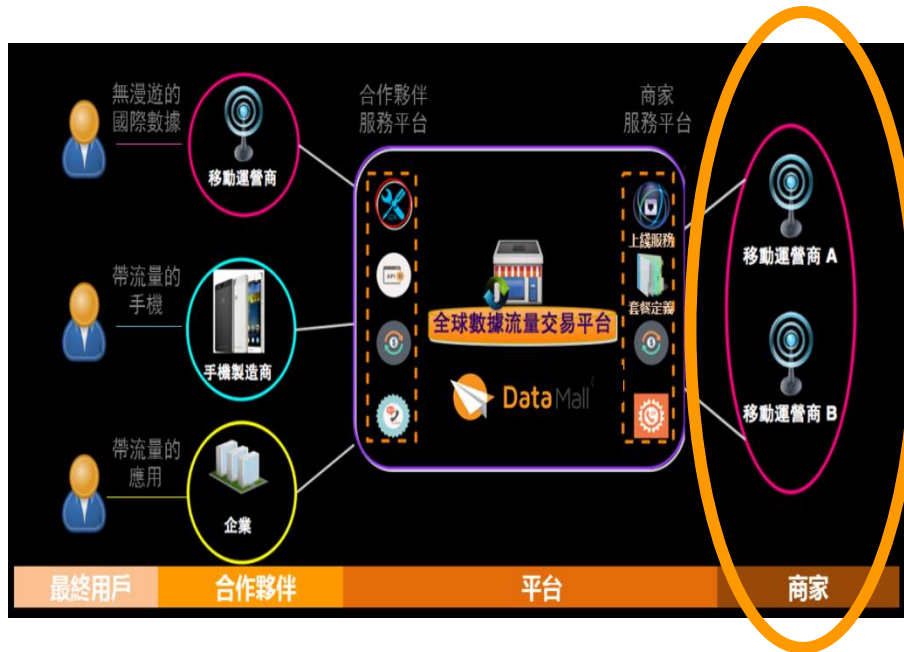
Benefits for end customers



- ✓ Without changing SIM card
- ✓ Without changing phone numbers
- ✓ Without using any external devices
- ✓ Keep voice calls and SMS with your own number
- ✓ Like a local
- ✓ Lower tariffs
- ✓ Transparent charging



Benefits for end merchants



- ✓ Achieve more inbound roamers
- ✓ Direct sale and service
- ✓ Lower channel cost
- ✓ Able to choose selected roamers



**Wake up
“Silent Roamers”**



Win-win ecosystem

Win

Win

Win

Win

Consumers → Partners → Merchants → CITIC Telecom

A brand new model for data trading
A brand new customer experience

