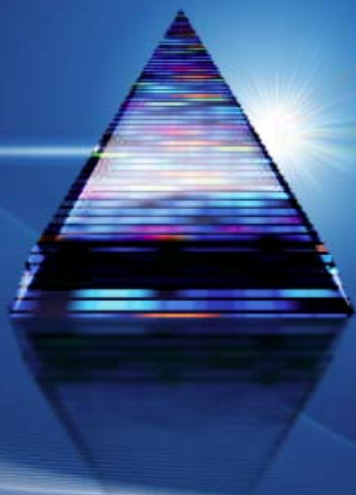


CITIC 1616 Holdings Limited

中信 1616 集團有限公司

(Stock Code: 1883)



**Annual Results Announcement
for the year ended 31 December 2009
11 Feb 2010**

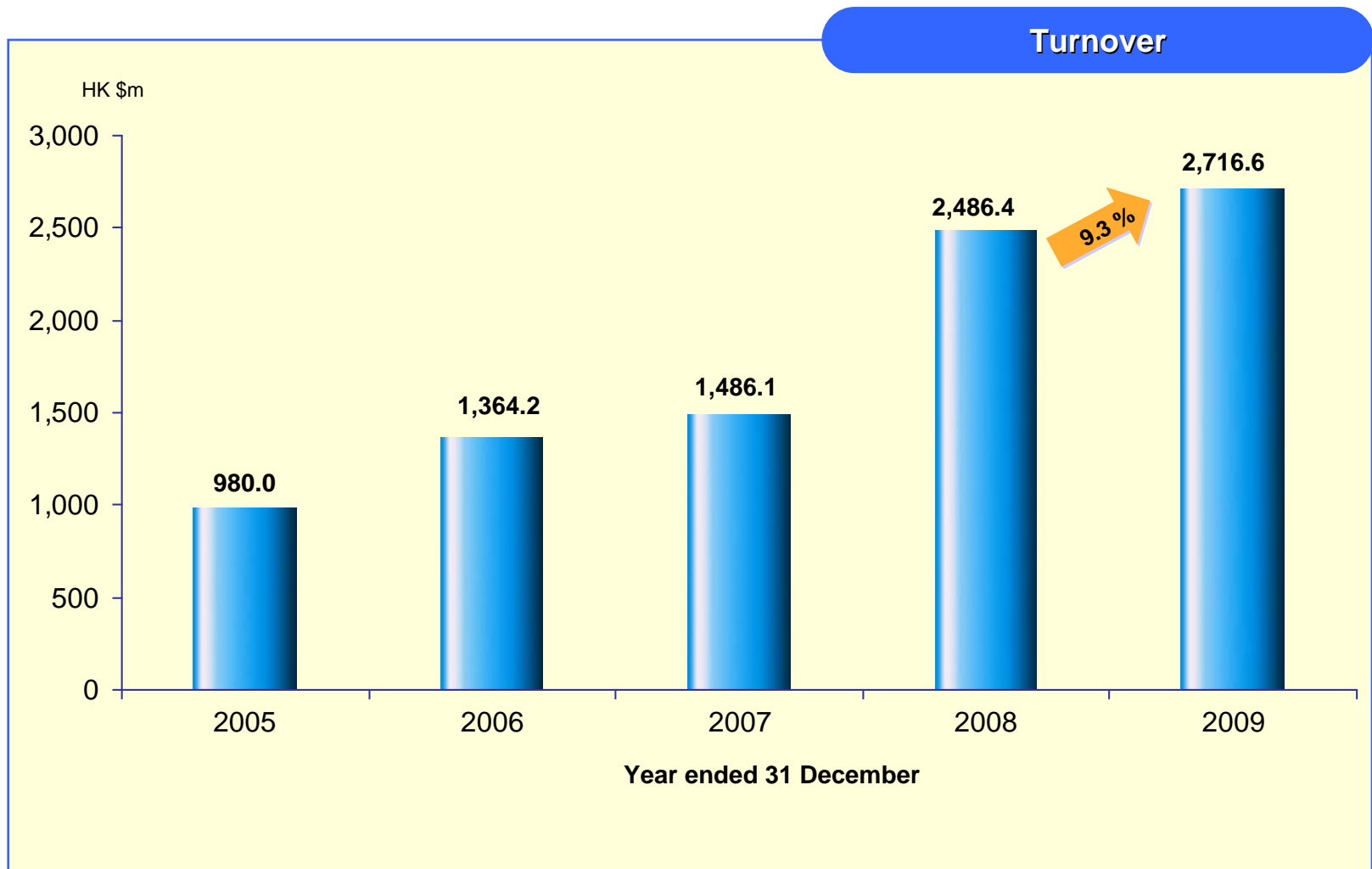
Highlights for the Year Ended 31 December 2009

- ◆ Profit attributable to equity holders of the Company increased by 11.9% to **HK\$ 371.5 million**, as compared against last year
- ◆ Turnover recorded a growth of 9.3% as compared against last year
- ◆ Revenue generated from Voice services amounted to HK\$1,726.9 million, representing a 7.0% increase as compared against last year
- ◆ Revenue generated from SMS services rose 15.7% compared against last year to HK\$286.0 million
- ◆ Revenue generated from Mobile VAS rose 18.5% compared against last year to HK\$112.0 million
- ◆ Revenue generated from Data services rose 11.3% as compared to 2008
- ◆ Completion the acquisition of Macquarie's international voice and data business by 31 July 2009
- ◆ Completion the acquisition of China Motion's fixed network business by 31 July 2009
- ◆ At 31 December 2009, cash and cash equivalents was **HK\$686.2 million**. No debt as at 31 December 2009
- ◆ Final dividend of HK 7.1 cents, together with interim dividend of HK 2.4 cents, the total dividend payment for the year of HK 9.5 cents, an increase of 13.1% as compared to 2008 and represent a dividend payout ratio of 50.5%

Financial Review

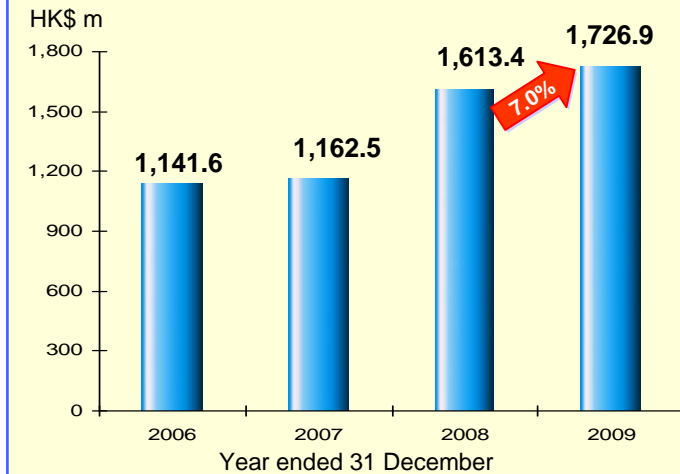
Turnover

Turnover increased 9.3% to HK\$2,716.6 million when compared with last year

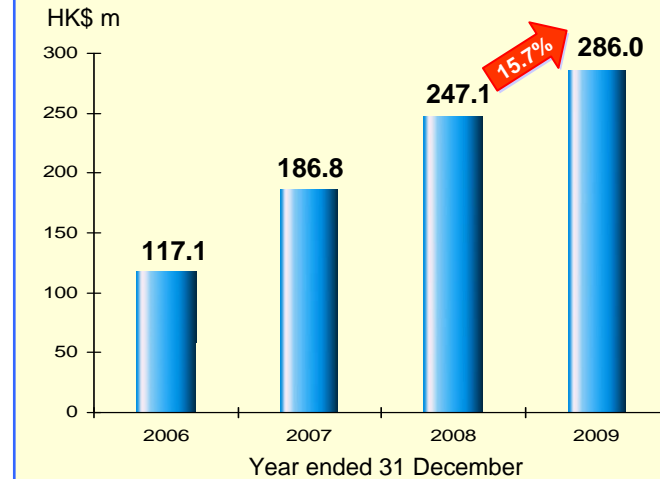


Turnover of Four Major Business Segments

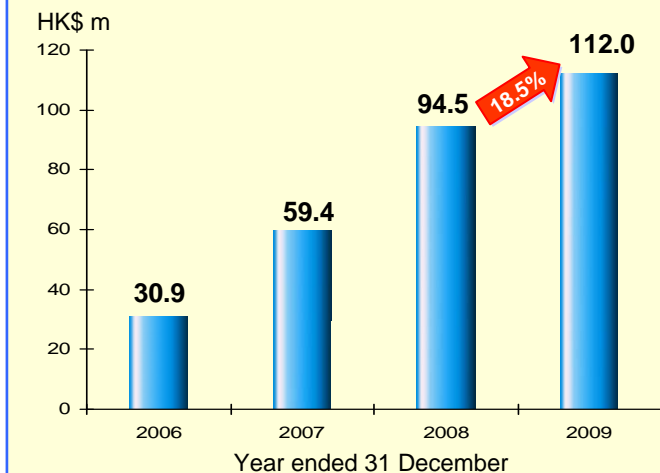
Voice Services



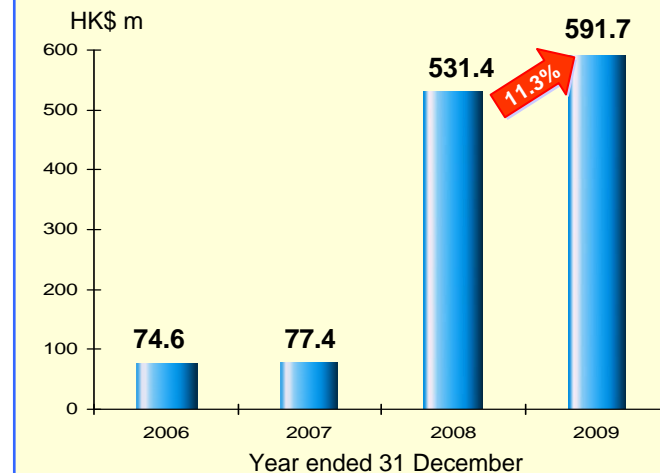
SMS Services



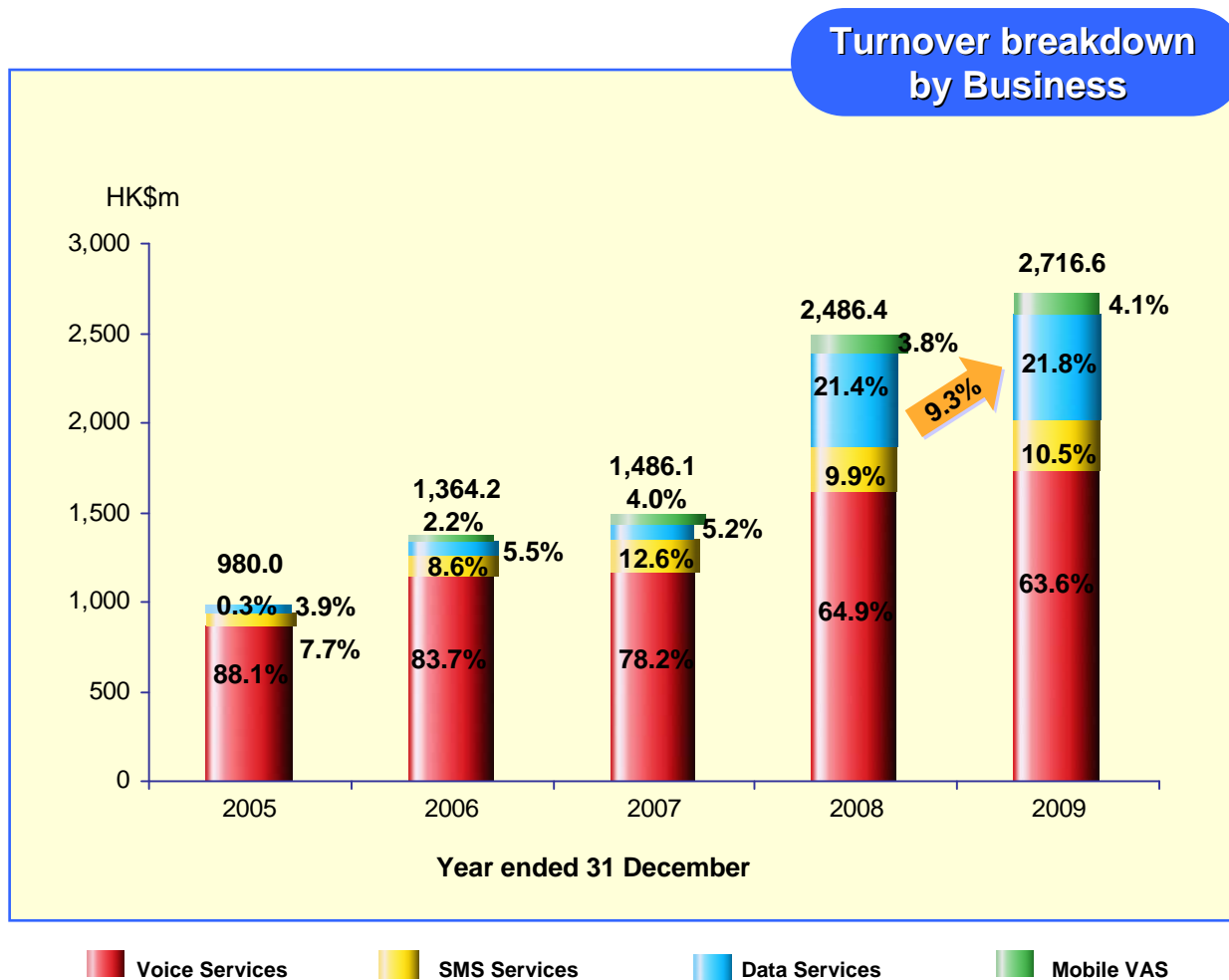
Mobile VAS



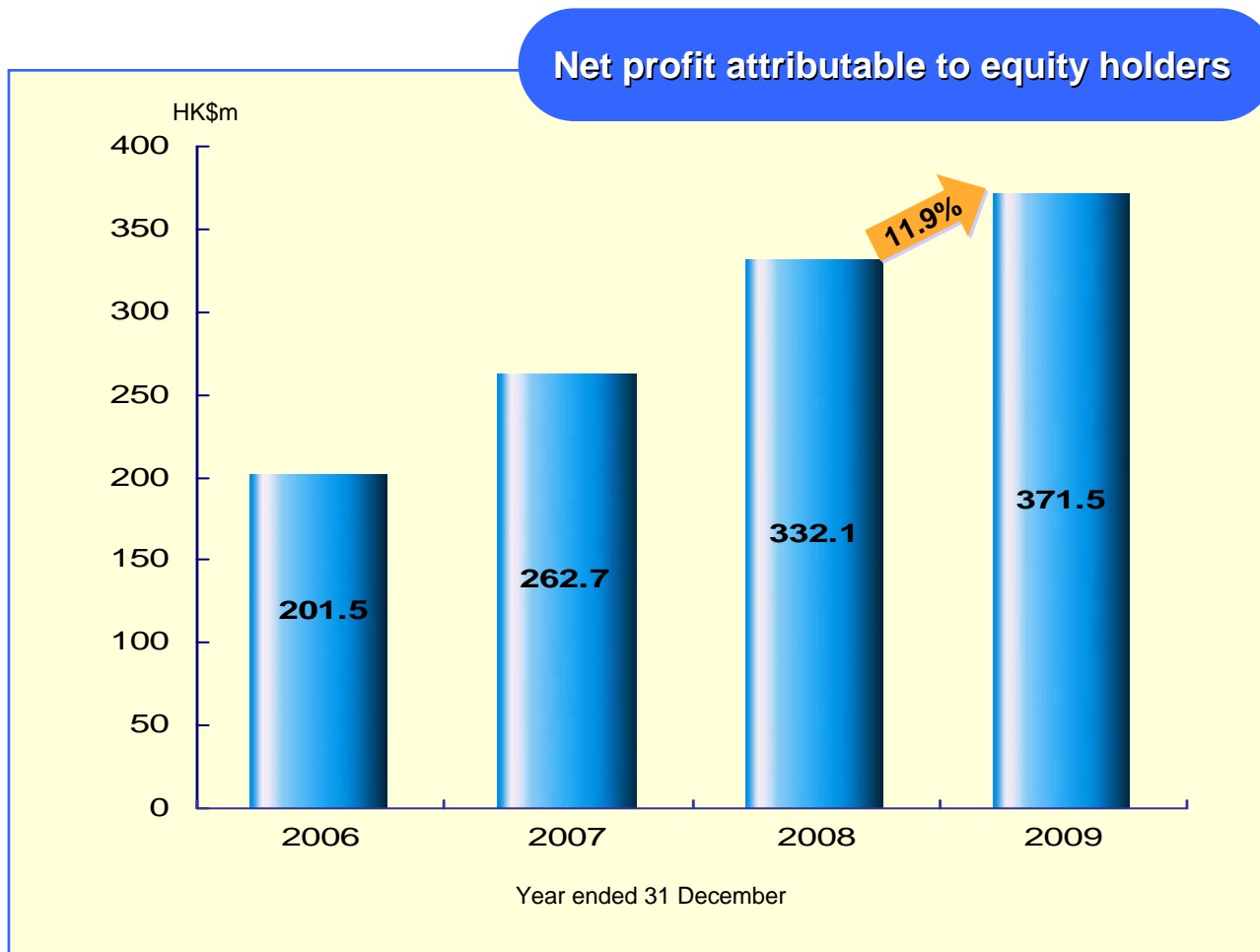
Data Services



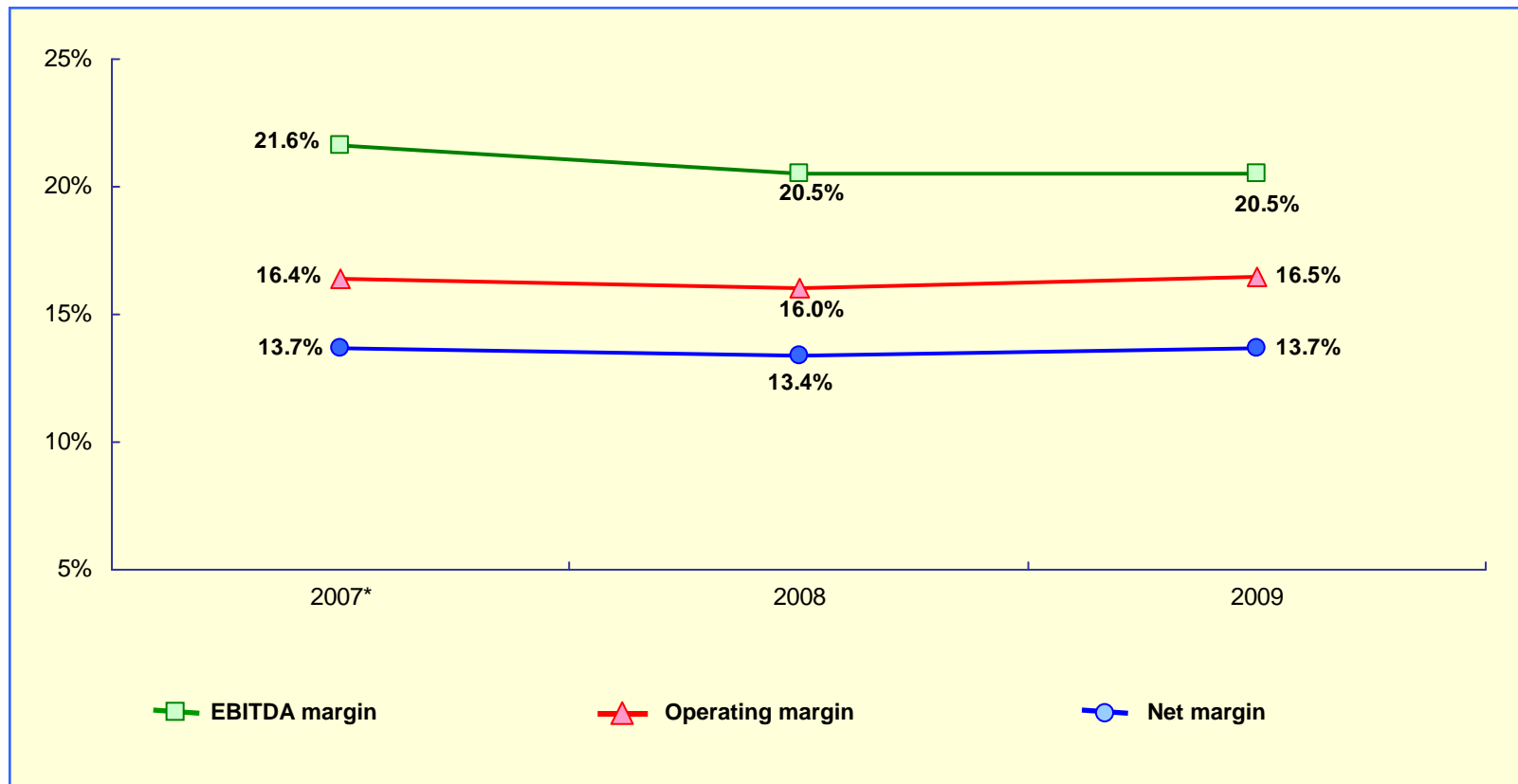
Turnover Breakdown



Profit Growth



Sustain Solid Margin



* 2007: It excluded interest income from IPO and included CPCNet's whole year impact

Strong Liquidity and Capital Structure

2005

2006

2007

2008

2009

HK\$m

For the year ended 31 December

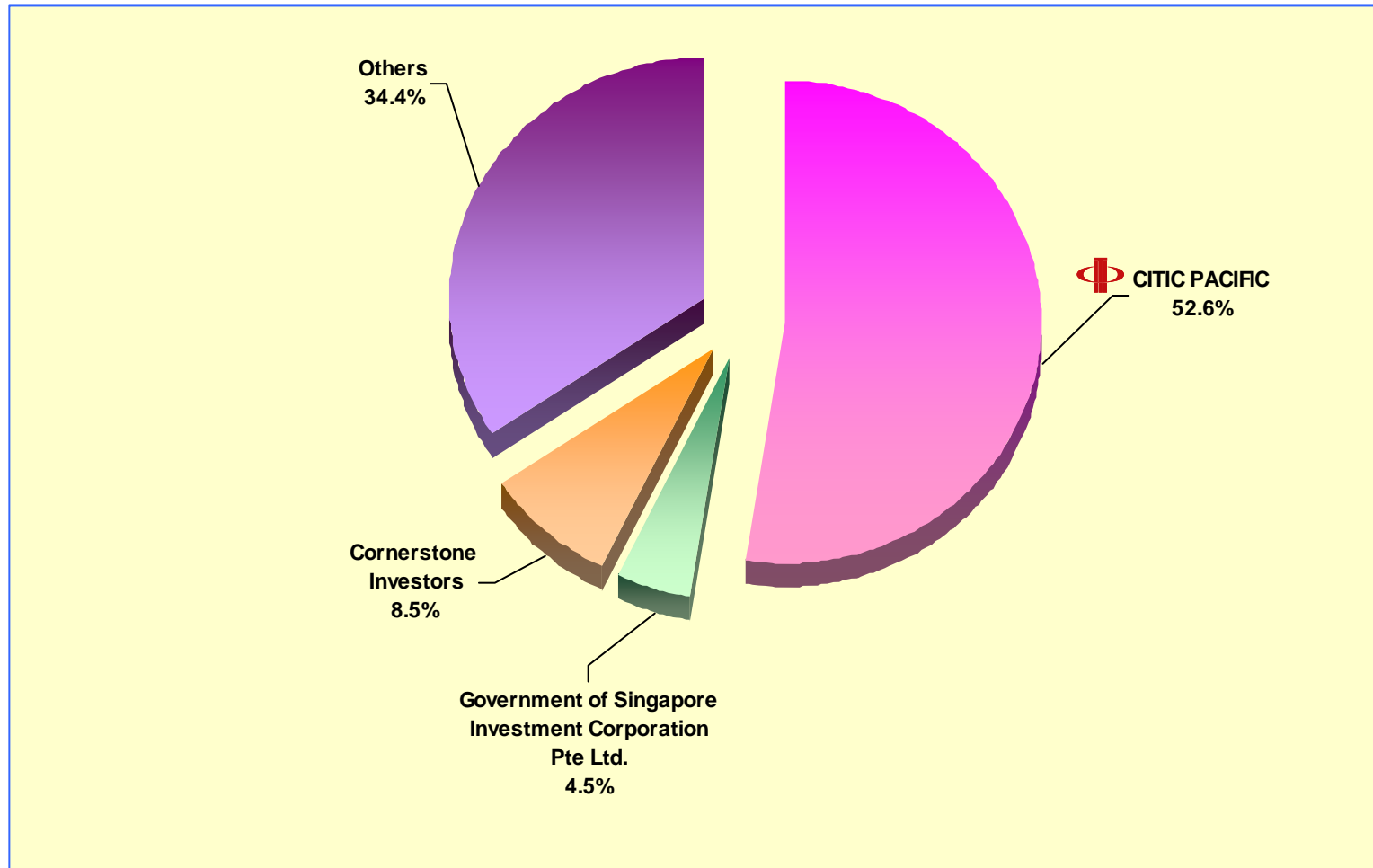
Operating cash flow before changes in working capital & tax	183.9	292.4	335.7	493.6	554.1
Net cash generated from operating activities	348.1	250.7	262.1	400.1	402.3
Interest received	0.3	2.2	61.3	20.4	6.8
Capital expenditure for Broadway Centre	-	-	-	-	157.0
Capital expenditure - others	47.6	30.2	62.4	123.8	107.1

HK\$m

At 31 December

Cash and cash equivalents in consolidated Balance Sheet	31.9	43.4	780.6	795.0	686.2
Debt	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -
Gearing ratio	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

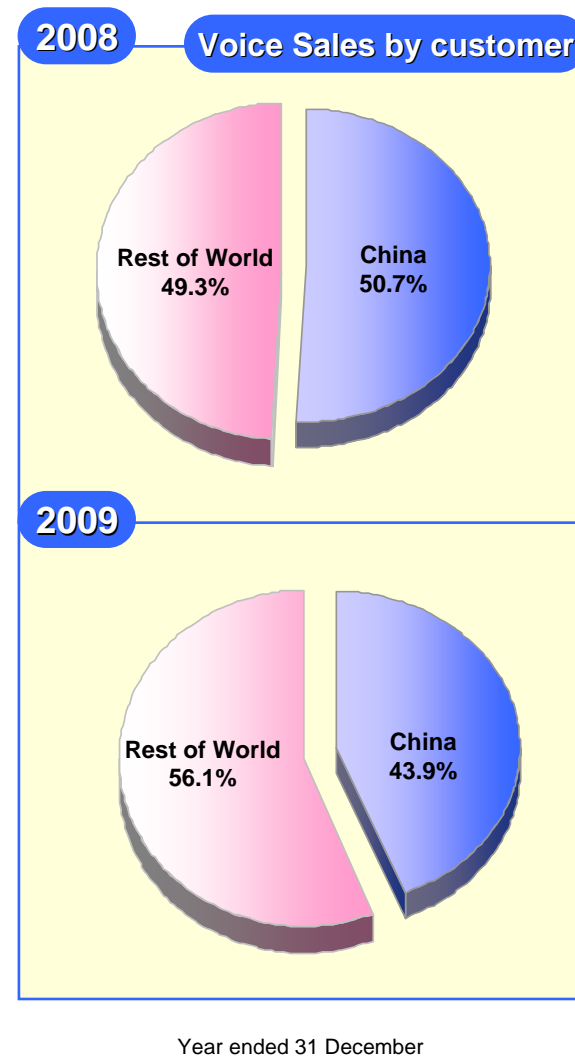
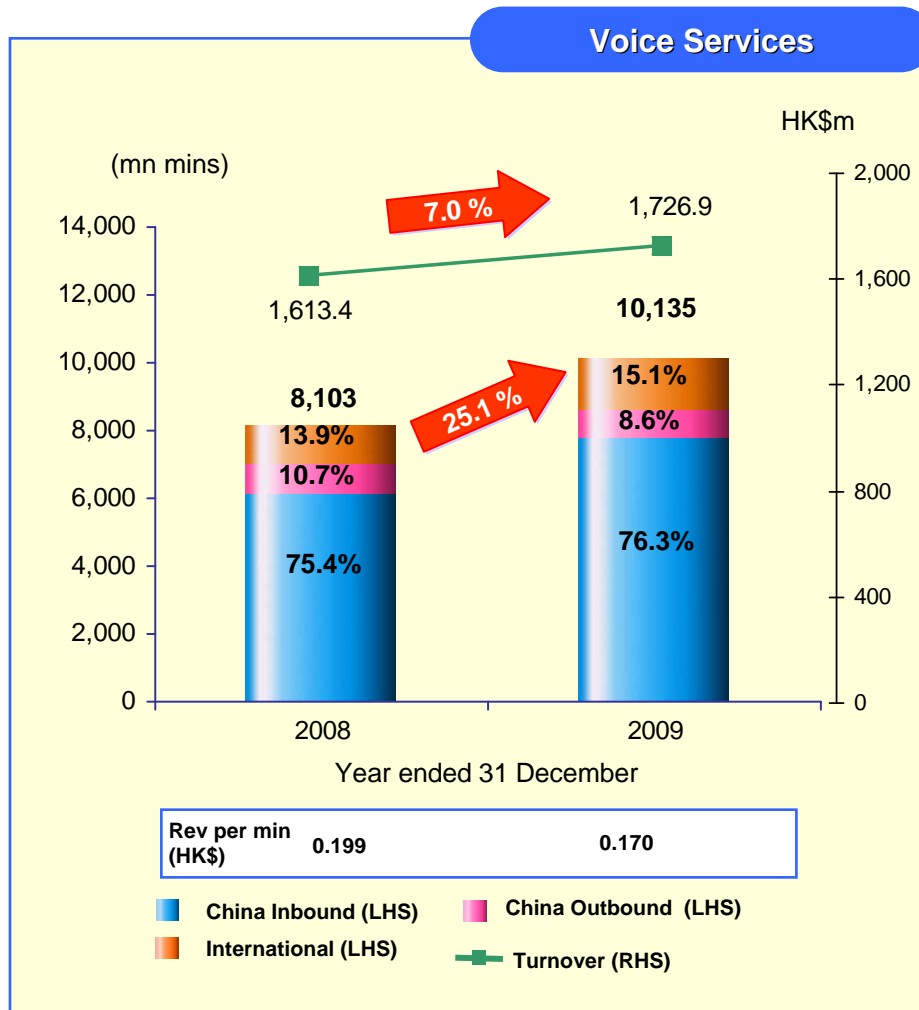
Shareholding Structure at 31 December 2009



Business Review

Major Business Segment – Voice Services

Handled over 10.1 bn mins voice traffic

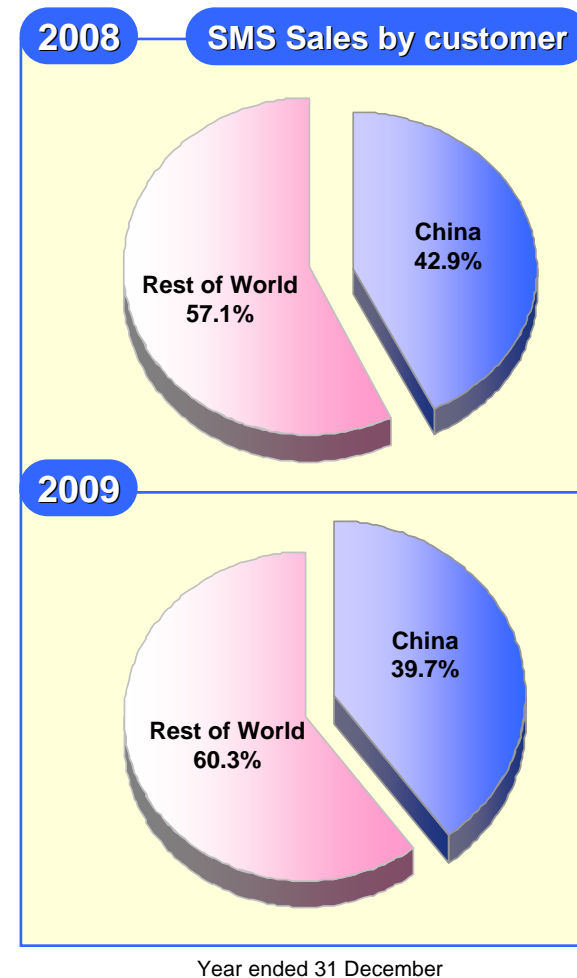
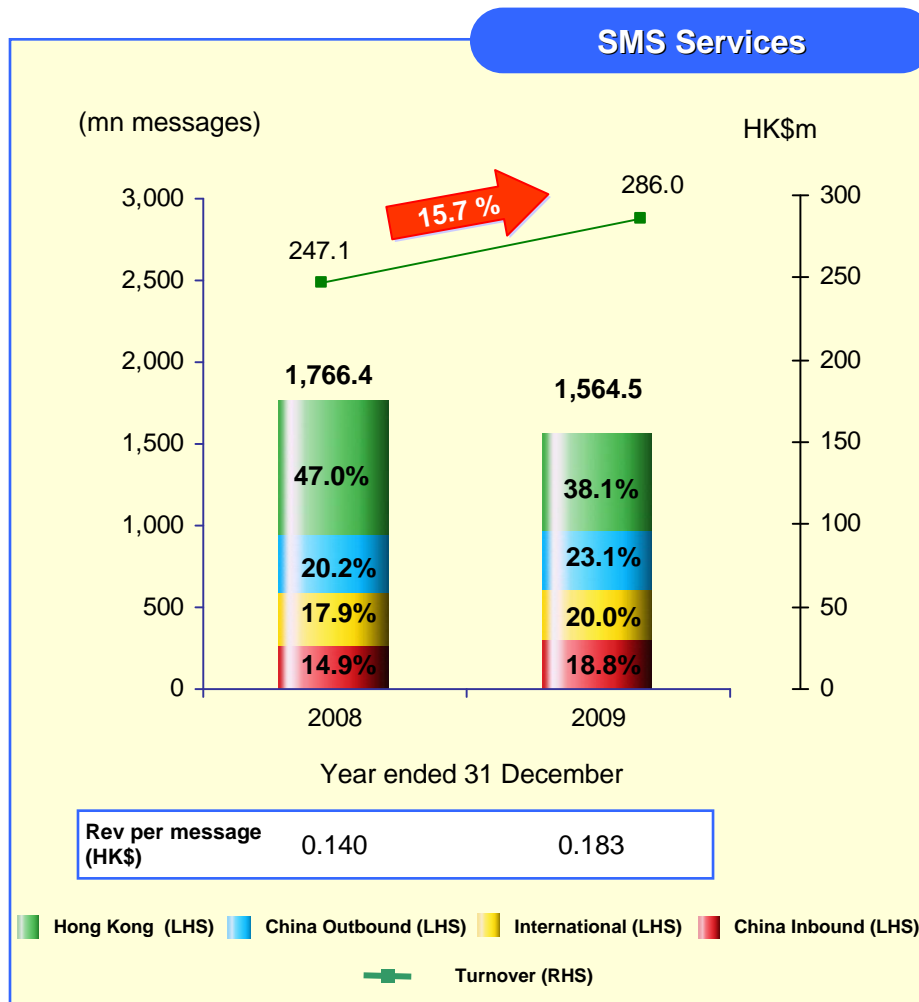


Major Business Segment – Voice Services

- ❖ Continue to expand the voice business with the China operators
- ❖ Further develop the extent of 3G video connections
- ❖ Expand our sales coverage to the Middle East, Africa and Latin America
- ❖ Challenge in the period
 - Price pressure of voice services
- ❖ Enter into retail and enterprises IDD business in Hong Kong and Singapore
- ❖ Ranked number 14th Top International Carrier of 2008 in Telegeography Report.
- ❖ Deploy new NGN switches on global fully redundant MPLS network.

Major Business Segment – SMS Services

✦ Handled over 1.56 bn SMS messages



Major Business Segment – SMS Services

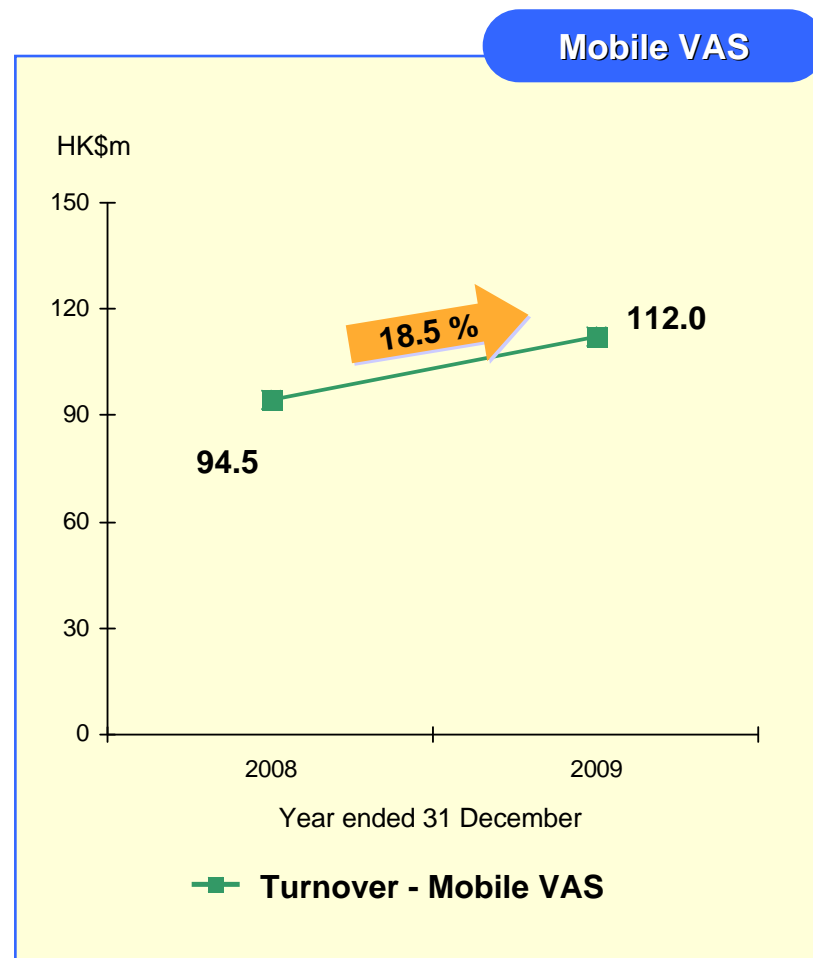
- ◆ Further leadership in international SMS for all mobile carriers in China by providing 25 more destination countries SMS delivery.
- ◆ Signed SMS agreement with mobile telecom operators including France, Japan, USA, Hong Kong, Malaysia, Mongolia, Singapore, Luxembourg, Italy, UK and India.
- ◆ Complete support on China 3G Deployment on SMS including China Standard TDS-CDMA.
- ◆ Domestic HK IOSMS Feature enhancement of Alpha Numeric Sender ID. Pending for acceptance of HK MNOS.
- ◆ OFTA DNC (Do-Not-Call) Registry Compliance.
- ◆ Completed OC Inter-connections with other SMS Hubs in Europe, America, and Africa.
- ◆ Further enterprises SMS services in Japan, Taiwan, Vietnam, Singapore and USA/Canada.



Major Business Segment – Mobile VAS

Mobile VAS

- ❖ Engaged into GRQ (Global Roaming Quality) initiative recommend form GSMA (GSM Association)
- ❖ Performed successful trial of E-Roam (Essential Roaming) with selected customers in Asia Pacific.
- ❖ Signs its first CDMA/CDMA2000 customer in Indonesia providing both CDMA to GSM (C2G) inter-standard solution as well as CDMA to CDMA (C2C) roaming solution.
- ❖ Repeat the VAS features such as PRS and SIN into the CDMA world.



Major Business Segment – Data Business

❖ Innovative products launched in 2009 :

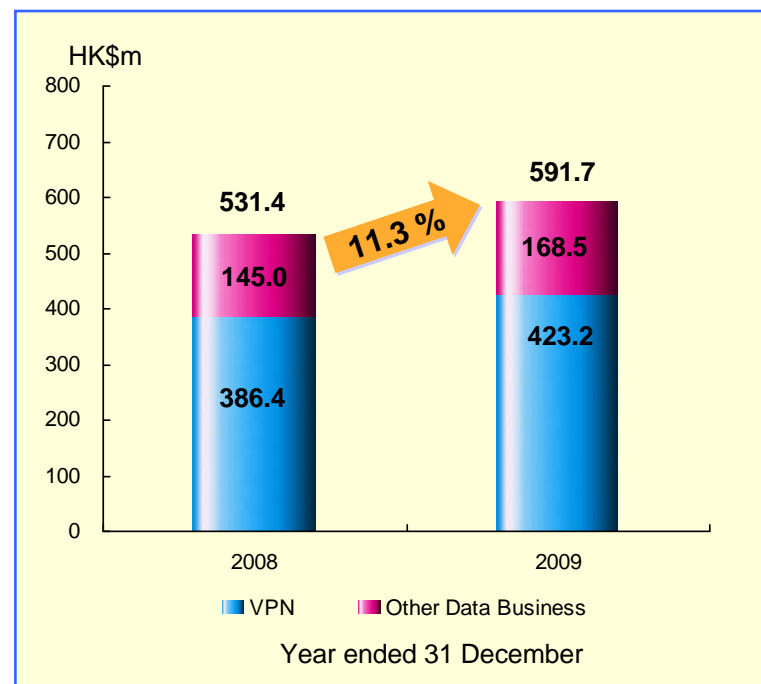
- **VC2** – Asia's first IP-VPN HD-based managed video conferencing service;
 - **M@iCONNECT Plus** - a dedicated secure and cost effective managed email hosting solution;
 - **TrueCONNECT™ Accelerator** – The first Managed WAN Optimization Service in the Greater China; and
- New products focused in coming years – security products and cloud computing services.

❖ Extend our MPLS VPN coverage and meet customers' growing communications needs in Asia Pacific – extend POPs and partnerships in Vietnam, Malaysia and Sydney

❖ Has taken over data services customers from previous Macquarie Telecom Pte. Ltd (Singapore) since August 2009 - strengthens our business foundations in Singapore, as well as enables us to expand into South Asia.

❖ Secured various prestigious awards while pursuing service excellence including:

1. "World Communication Award (WCA) 2009 - The Best Managed Service"
2. Selected as one of the "TOP 20 Regional Global ICT Companies 2009" - MIS Asia Strategic 100.
3. "2009 The Best SME Partners" - HK Economic Digest for the third consecutive year.
4. "2009 Best Practices Award – Excellence in Growth" – from Frost & Sullivan
5. "Customer Relationship Excellence (CRE) Awards" - Asia Pacific Customer Service Consortium ("APCSC")



Acquisition of 20% CTM Stake

- The acquisition of Companhia de Telecomunicacoes de Macau, S.A.R.L. (“CTM”) stake from CITIC Pacific reinforces CITIC 1616 as Asia’s leading telecom service provider
- Existing business relationship between CITIC 1616 and CTM will be further strengthened with clear synergies in the following area:

Network Sharing

- Position CITIC 1616 as preferred partner, enhance connectivity through CITIC 1616 hub
- Sharing of CITIC 1616’s IRU cables

Business development

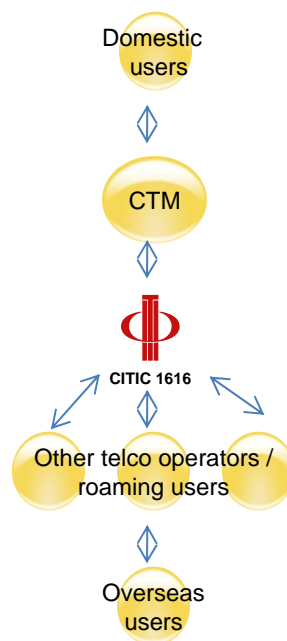
- Secure CTM as the anchor customer on the back of new product and service launches
- Timely adoption of new standards meeting end-user needs

Enhanced international traffic business

- Increase inbound and outbound roaming voice and SMS traffic connected via CITIC 1616 hub
- Growth of wholesale IDD business in Macau

Increased financial return

- CTM is a cash rich company without liabilities
- Pick up of CTM’s profit
- Dividend from CTM enhances CITIC 1616’s cash position



Acquisition of 20% CTM Stake

Stake Acquisition

- 20% interest in CTM, currently owned by CITIC Pacific
- Other shareholders include: Macau Government (1%), Cable & Wireless (51%) and Portugal Telecom (28%)

Consideration Price

- Total consideration of HK\$1,400.4 million:
 - ✓ One-third, HK\$467.0 million, payable in cash
 - ✓ Two-third, HK\$933.4 million, payable in new shares at HK\$2.3 per share

CITIC Pacific Shareholding

- Upon completion of the transaction, CITIC Pacific's shareholding in CITIC 1616 will increase from 52.6% to approx. 60.65%

Reinforce CITIC 1616 as Asia's Leading Telecom Service Provider

Q&A