CITIC 1616 Holdings Limited
中信 1616 集團有限公司

(Stock Code: 1883)

Interim Results Announcement
for the six months ended 30 June 2009

18 August 2009

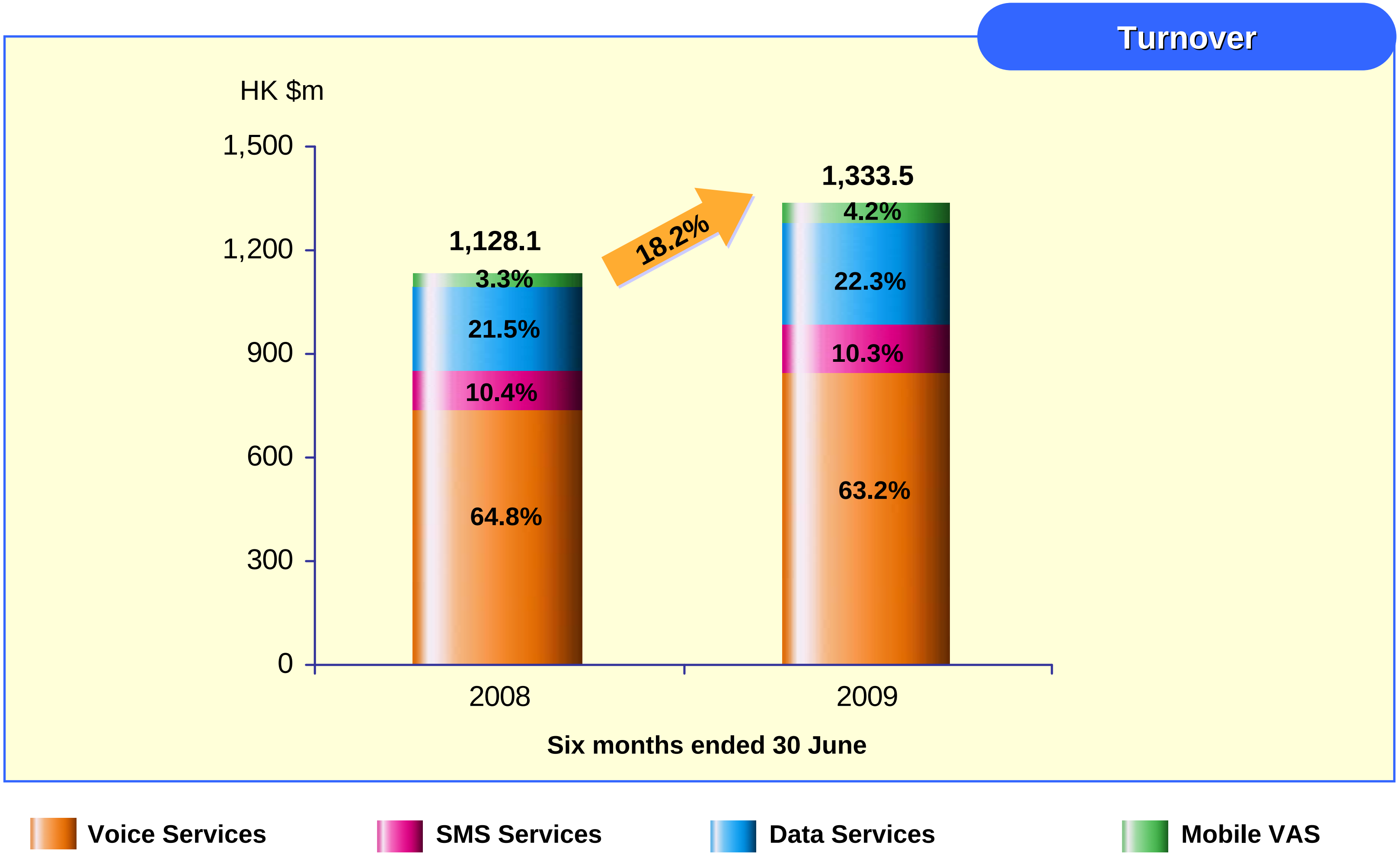
Highlights for the Six Months Ended 30 June 2009

- Profit attributable to the equity holders of the Company increased by 17.7% to **HK$177.8 million,** as compared against last year
- Turnover recorded a 18.2% growth of as compared to 2008
- Revenue generated from Voice services amounted to HK$842.6 million, representing a 15.3% increase as compared to 2008
- Revenue generated from SMS services rose 17.9% compared against last year to HK$137.8 million in 2008
- Revenue generated from Mobile VAS rose by 49.7% to HK$56.3 million
- Revenue generated from Data services rose 22.3% to HK$ 296.8 million
- As at 30 June 2009, cash and cash equivalents was **HK$841.5 million**
- No debt as at 30 June 2009
- Interim dividend of **2.4 cents** (2008 Interim: 2 cents), an increase of 20.0% as compared to 2008

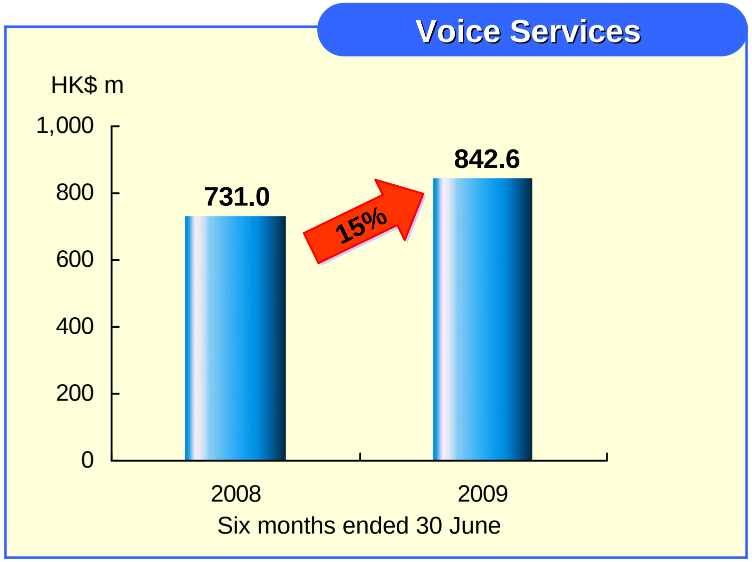
Financial Review

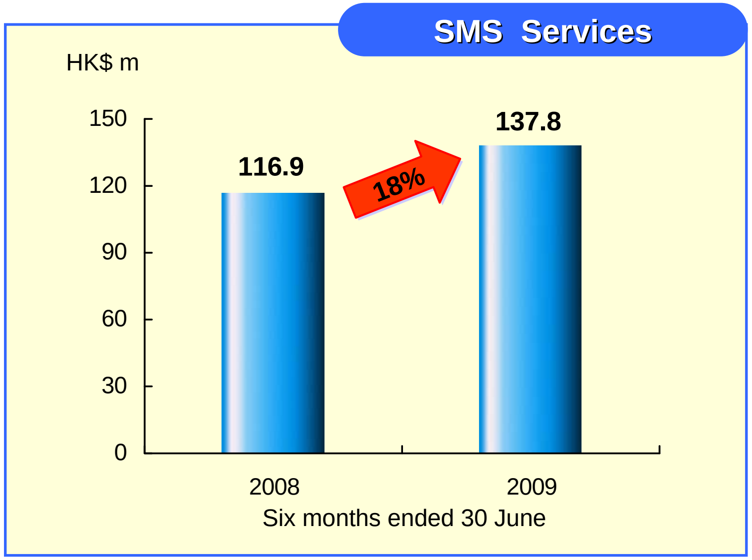
Turnover

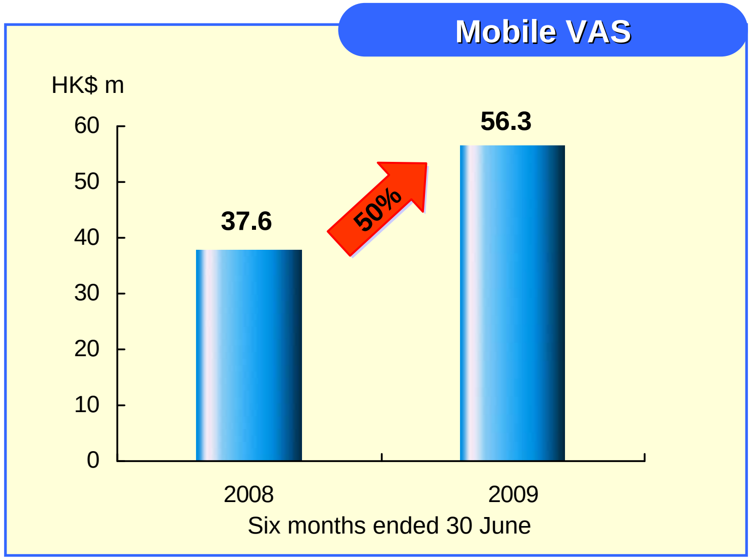
- Turnover increased 18.2% to HK$1,333.5 million when compared with last year

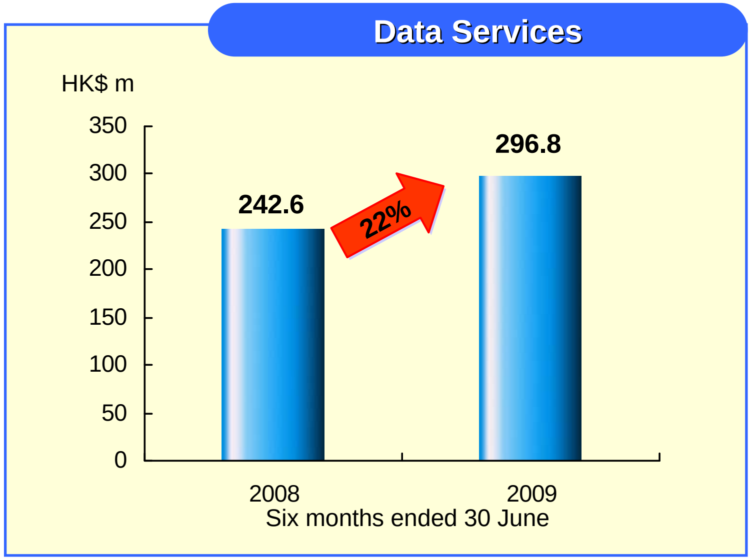


Turnover of Four Major Business Segments

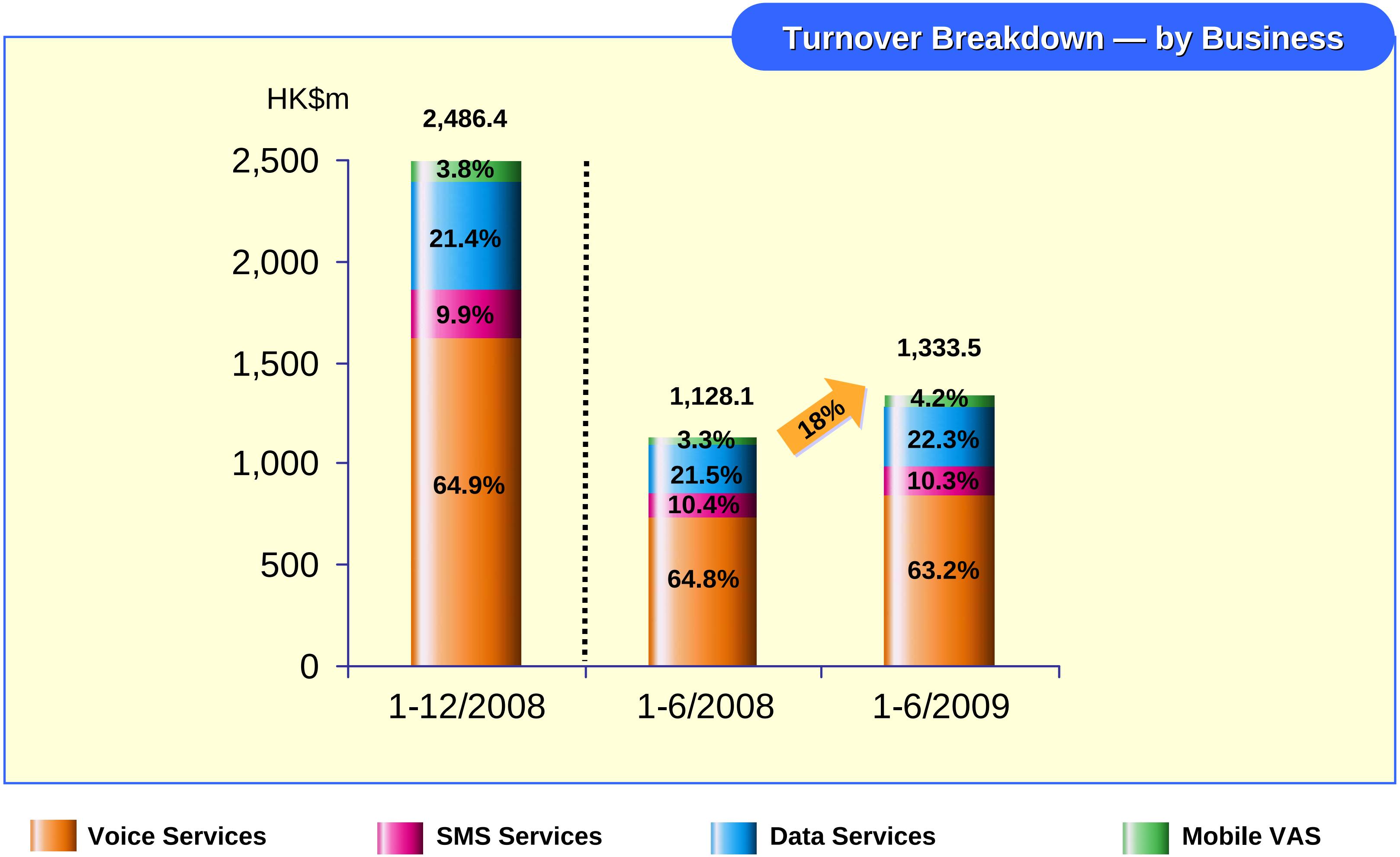




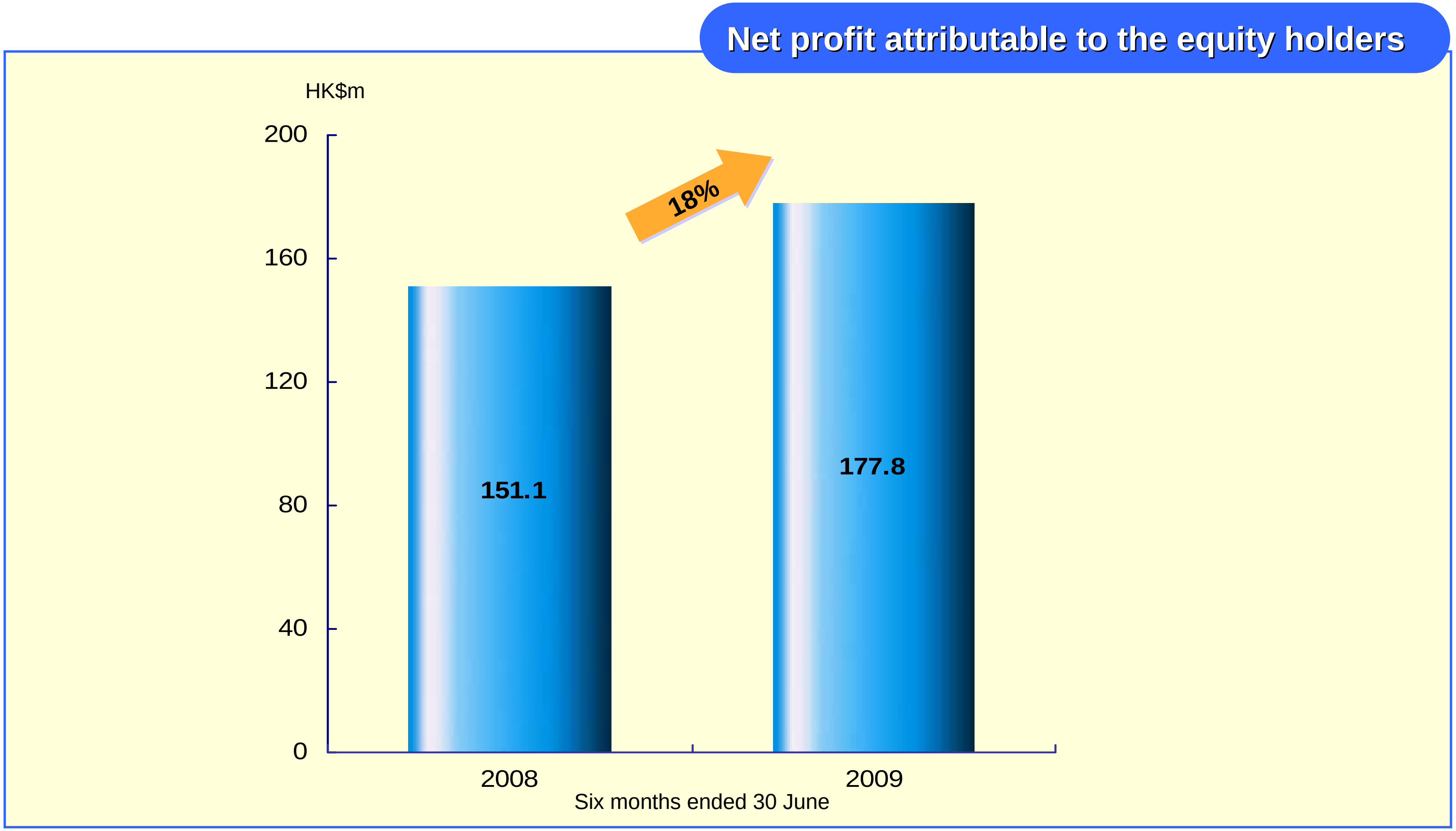




Turnover Breakdown



Profit Growth



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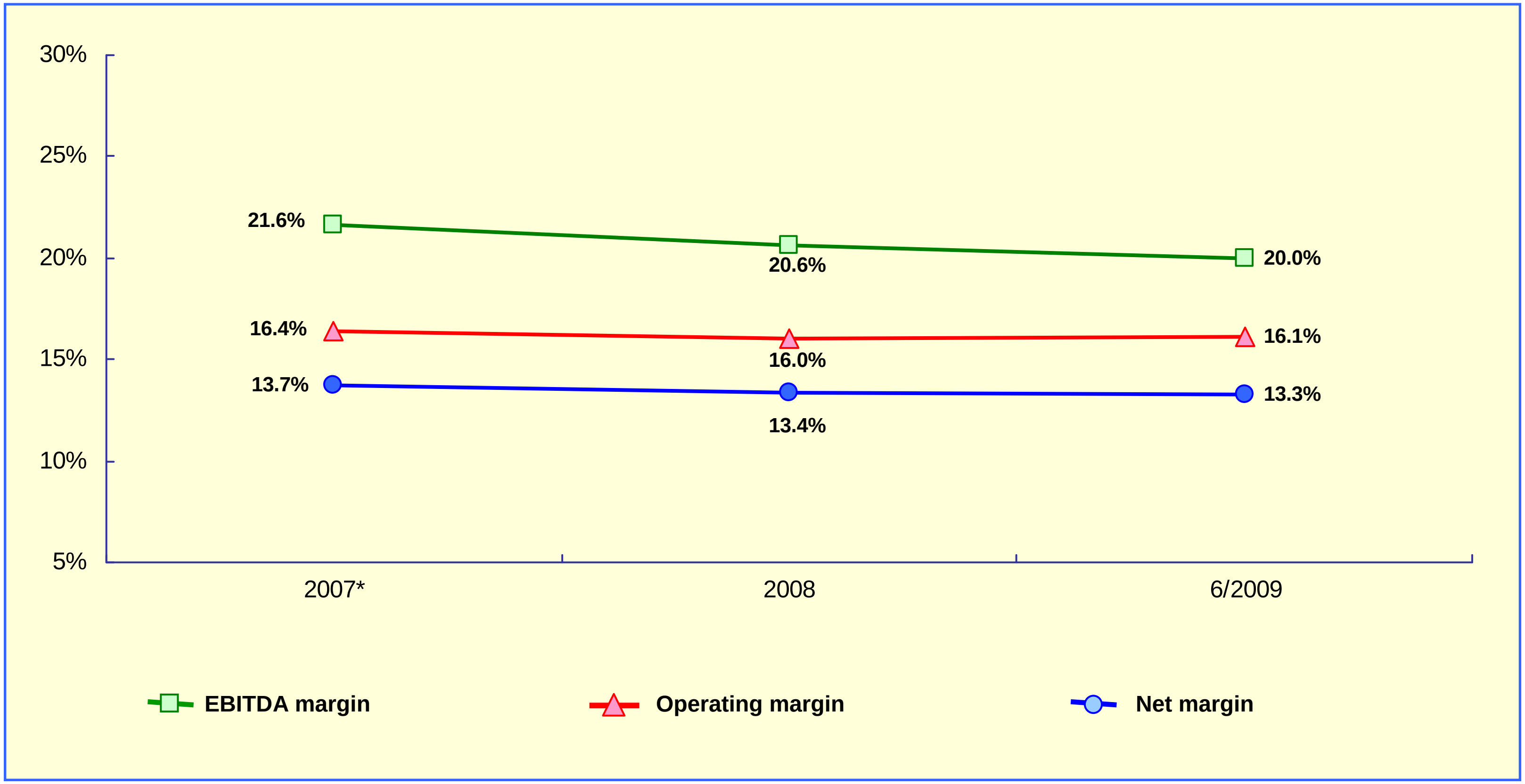
Sustain Solid Margin



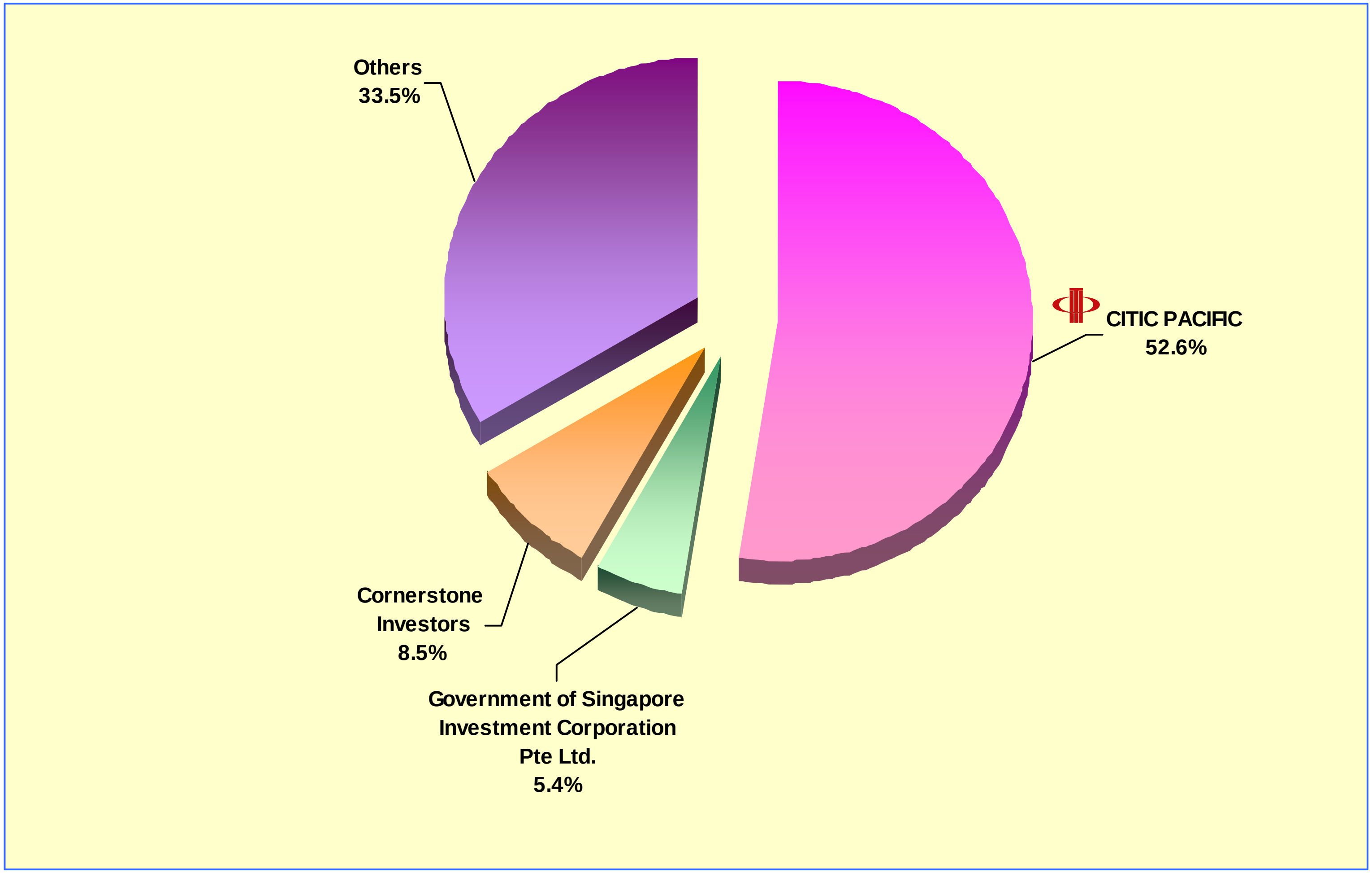
* *2007: It excluded interest income from IPO and included CPCNet's whole year impact.*

Strong Liquidity and Capital Structure

HK$m	2008 30 June	2009 30 June
Operating profit before changes in working capital	226.4	261.8
Net cash generated from operating activities + Interest received	202.4	241.6
Capital expenditures (including Capital commitments)	83.8	69.9

HK$m	At 31 Dec 2008	At 30 Jun 2009
Cash and cash equivalents	795.0	841.5
Debt	- NIL -	- NIL -
Gearing ratio	Net Cash	Net Cash

Shareholding Structure



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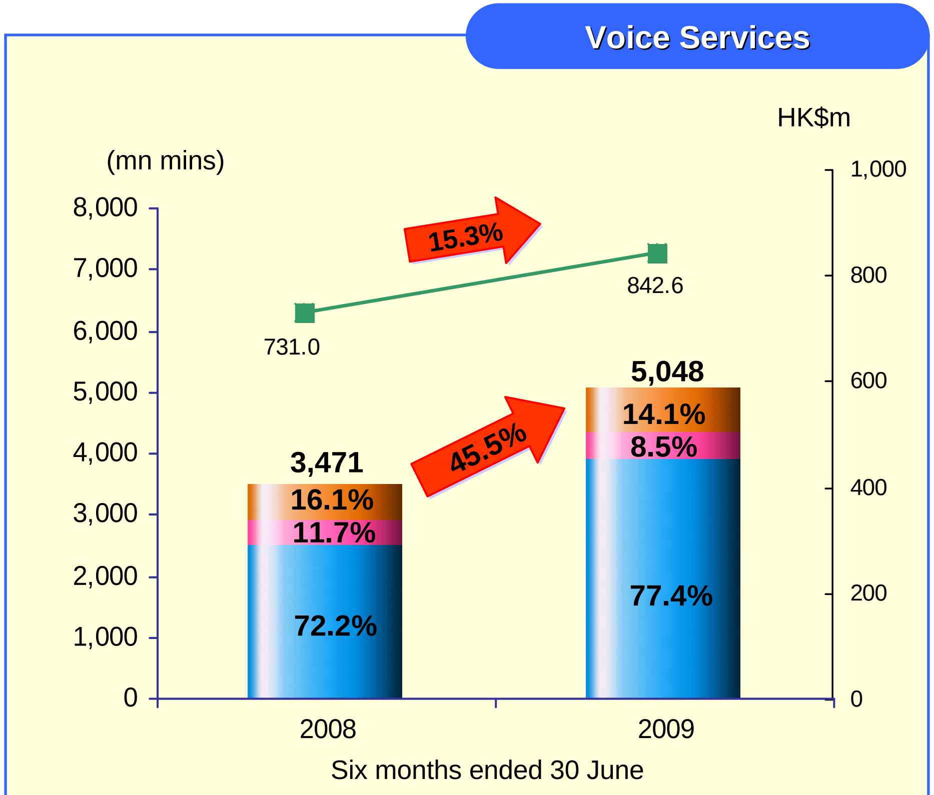
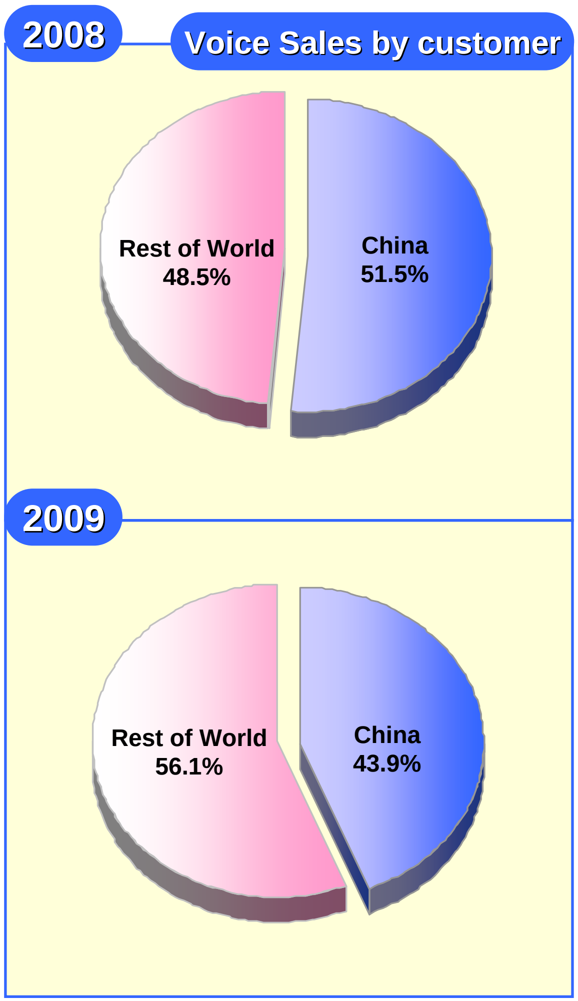
Business Review

Major Business Segment – Voice Services

- Handled approximately 5.05bn mins voice traffic



Rev per min (HK$)	0.211	0.167



Six months ended 30 June

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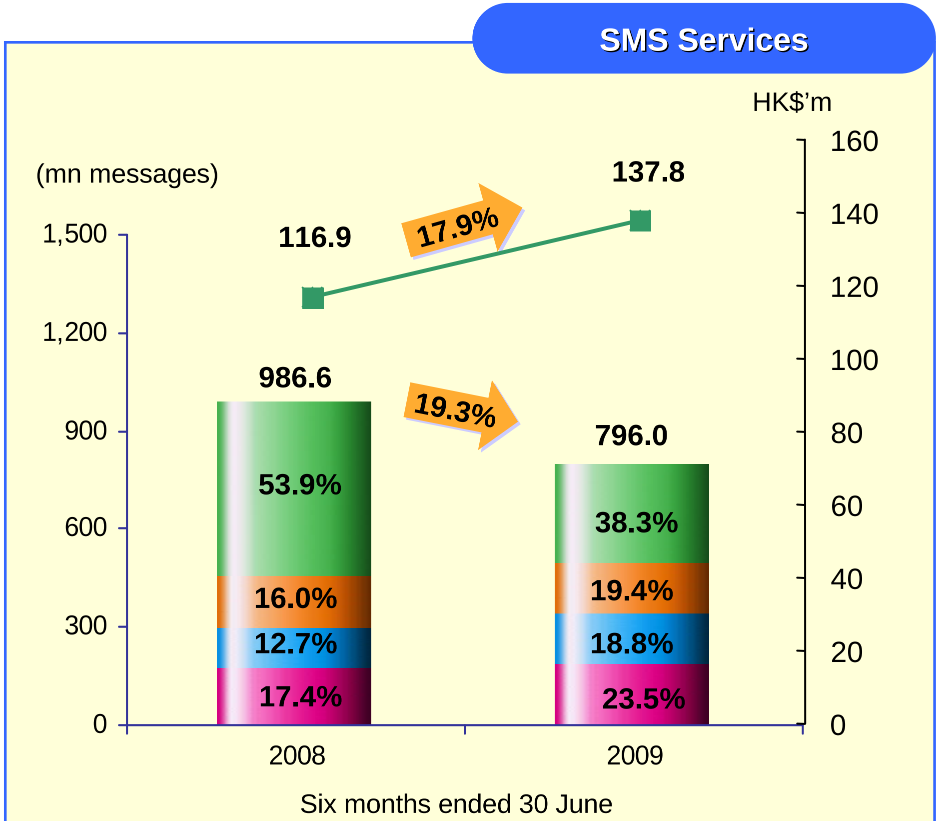
Major Business Segment – Voice Services

- Expanded voice product portfolio with China and International operators to leverage on existing relations and resources (e.g. 3G video call)
- Interconnected with 40 new international customers for voice business
- Established direct interconnect to Qatar, South Africa, Brazil, and Bangladesh
- Entered a strategic partnership with the world's largest long-distance phone company
- Completed the acquisition of Macquarie Telecom
- Merged in ChinaMotion Netcom successfully

- Challenge in the period:
  - Change of market condition including price pressure of voice services

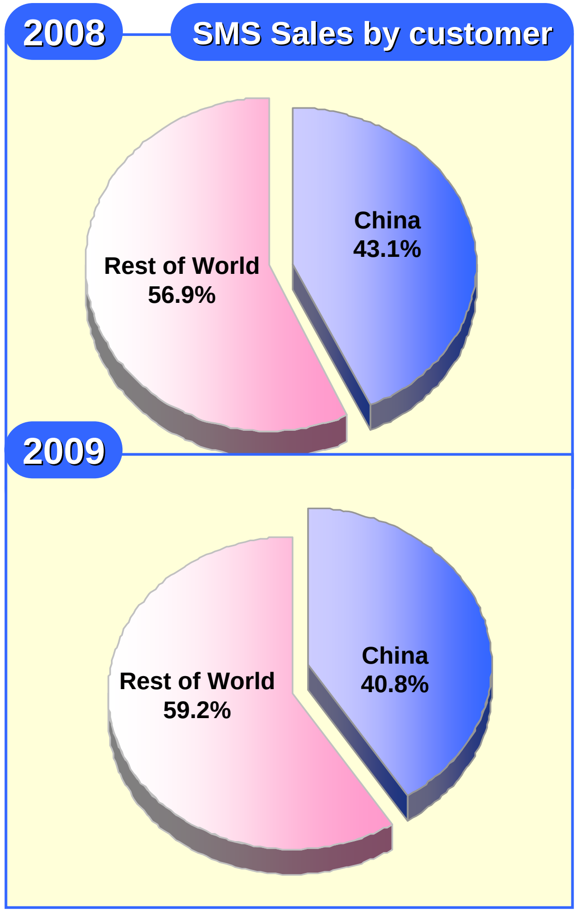
Major Business Segment – SMS Services

- Handled approximately 0.80 bn SMS messages



Rev per message (HK$)	0.118	0.173

China Outbound (LHS) | China Inbound (LHS) | Hong Kong (LHS) | International (LHS) | Turnover (RHS)



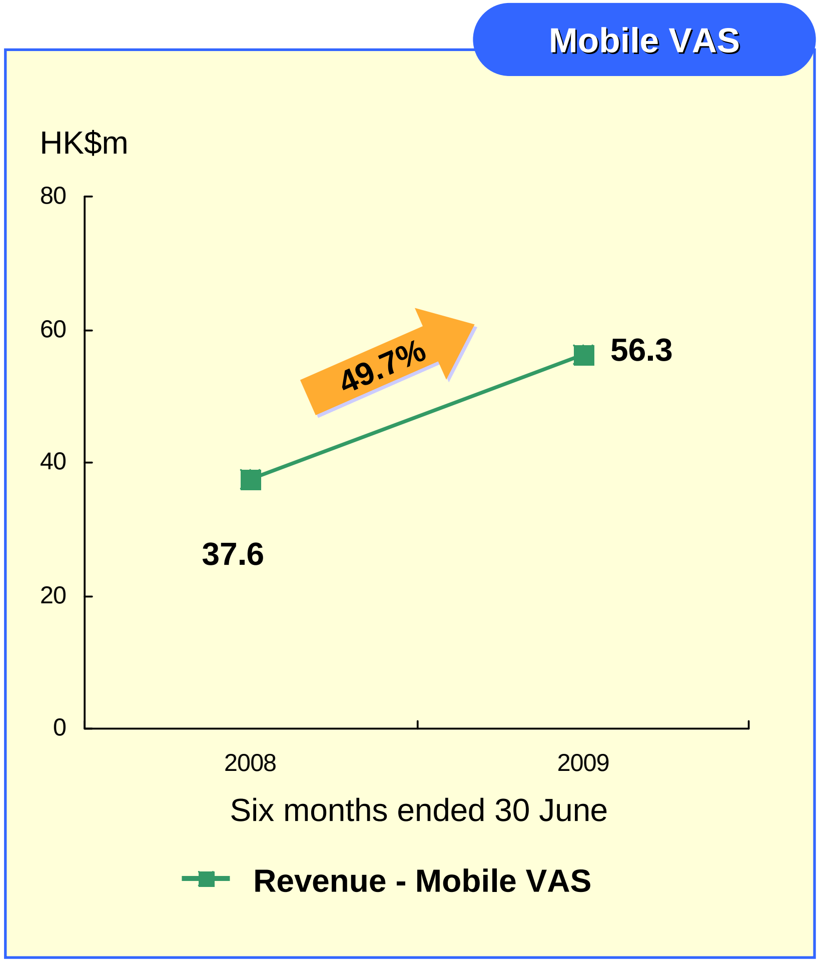
Six months ended 30 June

Major Business Segment – SMS Services

- Riding on the 3G evolution of the Chinese mobile market to further leadership in international SMS for all mobile carriers in China. Inter-standard SMS delivery amongst different China 3G standards for more than 80 countries worldwide
- As one of the leading GSMA recognized "Open Connectivity (OC)" SMS hubs, CITIC has further strengthen our position in the CDMA community to provide SMS delivery to both GSM and CDMA operators
- Extended SMS service converge to middle East, Eastern Europe, USA, and CIS region (formally known as Soviet Unions)
- Extended enterprise SMS capability

Major Business Segment – Mobile VAS

- Benefits from Chinese granted 3G mobile license, inter-standard roaming and VAS of roaming voice and data activities can be carried out with CITIC roaming platform
- Virtual International Access Number, enhanced version of "Single IMSI Multiple Number (SIMN)" creates a new market demands in countries such as USA, Philippines, Italy and Hong Kong
- Amount of subscribers on CITIC "Prepaid Roaming Hubbing" service increased significantly, including operators customers in China, Hong Kong, Taiwan and Macau, Philippines, Malaysia, Japan, Italy, Thailand, Indonesia, Korea, UK, Greece and Singapore
- Formally establish CITIC as a CDMA roaming service provider with a partnership with TNSI



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Major Business Segment – Data Business

- Continue to maintain stable revenue growth with improvement of net profit margin
- Obtained the ISO 9001:2000 and 27001 Information Security Management System Certification

Achievements

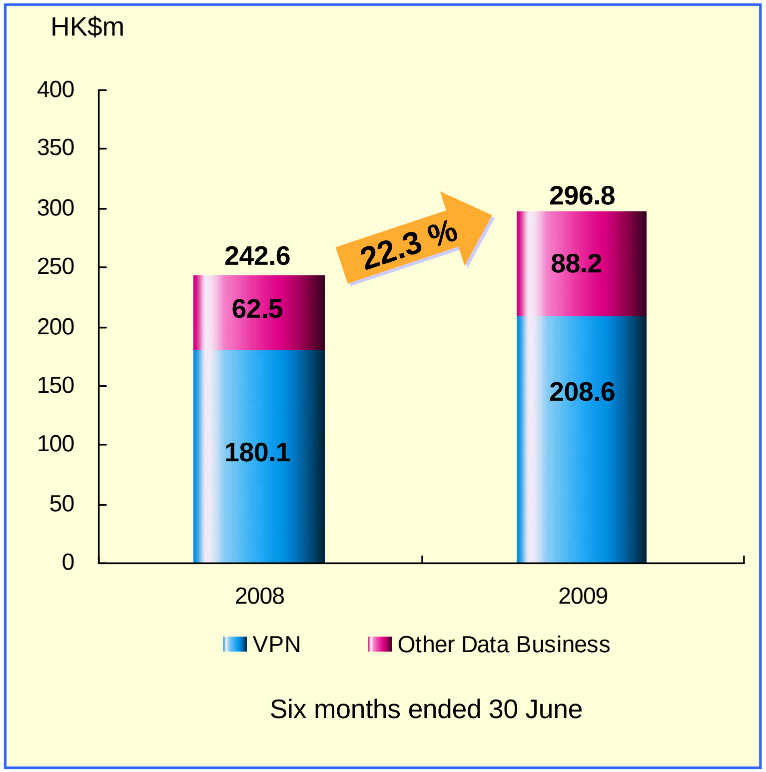
- **ITeS Best Choice Award** under IDC hosting service; Enterprise video conferencing service; Vulnerability assessment and recovery managed service & MPLS VPN service

- **The 41th Distinguished Salesperson Award (DSA)** by Hong Kong Management Association

- **Customer Relationship Excellence (CRE) Awards** by Asia Pacific Customer Service Consortium - the awards on "People Development Program" and "Integrated Support Team"

- **Outstanding Strategic Performance Awards** by Capital Magazine

- **The Golden Peak Awards** by Outstanding Enterprise Manager Association (Taiwan) - Outstanding Enterprises of the Year & Outstanding Entrepreneurial Leaders of the Year



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Prospects

Prospects

Core Businesses

- Stable growth in voice services business; expand retail voice services
- Maintain growth in SMS business
- Focus on the development in new markets for Mobile VAS business

New Business

- The acquisition of Macquarie Telecom Pte Ltd. strengthens the Group's business foundations in Singapore and will act as our stepping stone to Middle East, Africa and South Asia

Q&A