



**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 2008**

**31 July 2008**

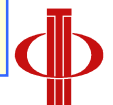
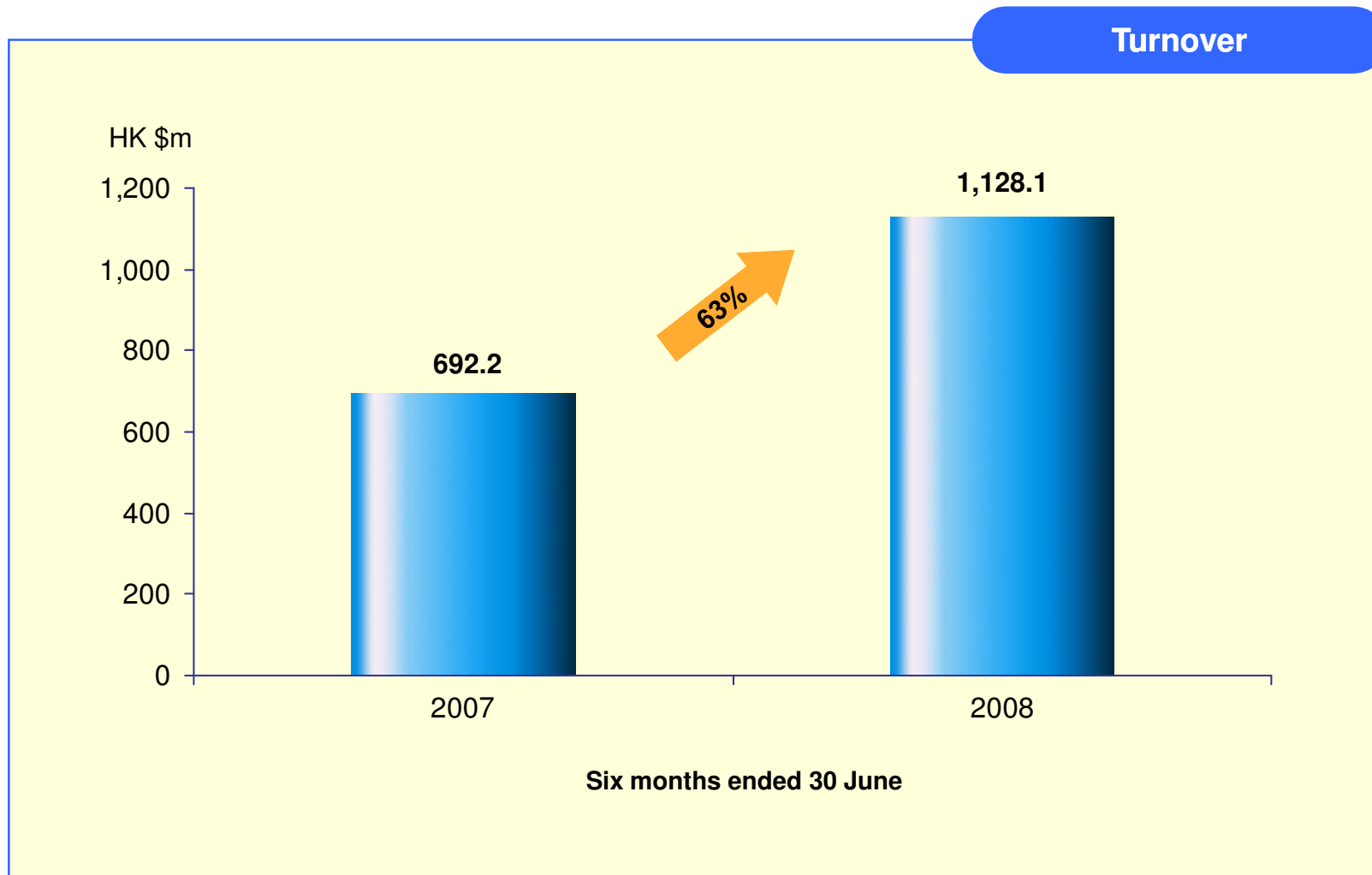
## Highlights for the Six Months Ended 30 June 2008

- ❖ Profit attributable to the equity holders of the Company increased by 11% to **HK\$151 million**, as compared against last year
  - Excluding the interest income from IPO in 2007, the profit from continuing activities surged by 58%, as compared against last year
- ❖ Turnover recorded a strong growth of 63% as compared against last year
- ❖ Revenue generated from Voice Hubbing services amounted to HK\$731million, representing a 32% increase as compared against last year
- ❖ Revenue generated from SMS Hubbing Services rose 38% compared against last year to HK\$116.9 million
- ❖ Revenue generated from Mobile VAS rose 54% compared against last year to HK\$37.6 million
- ❖ CPCNet recorded remarkable profit growth. Before intangible amortization of HK\$6.4 million, net profit growth by 120% as compared to 2007
- ❖ As at 30 June 2008, cash and cash equivalents was **HK\$875 million**.
- ❖ No debt as at 30 June 2008
- ❖ Interim dividend of 2 cents, doubled last year's (2007 Interim:1 cent)

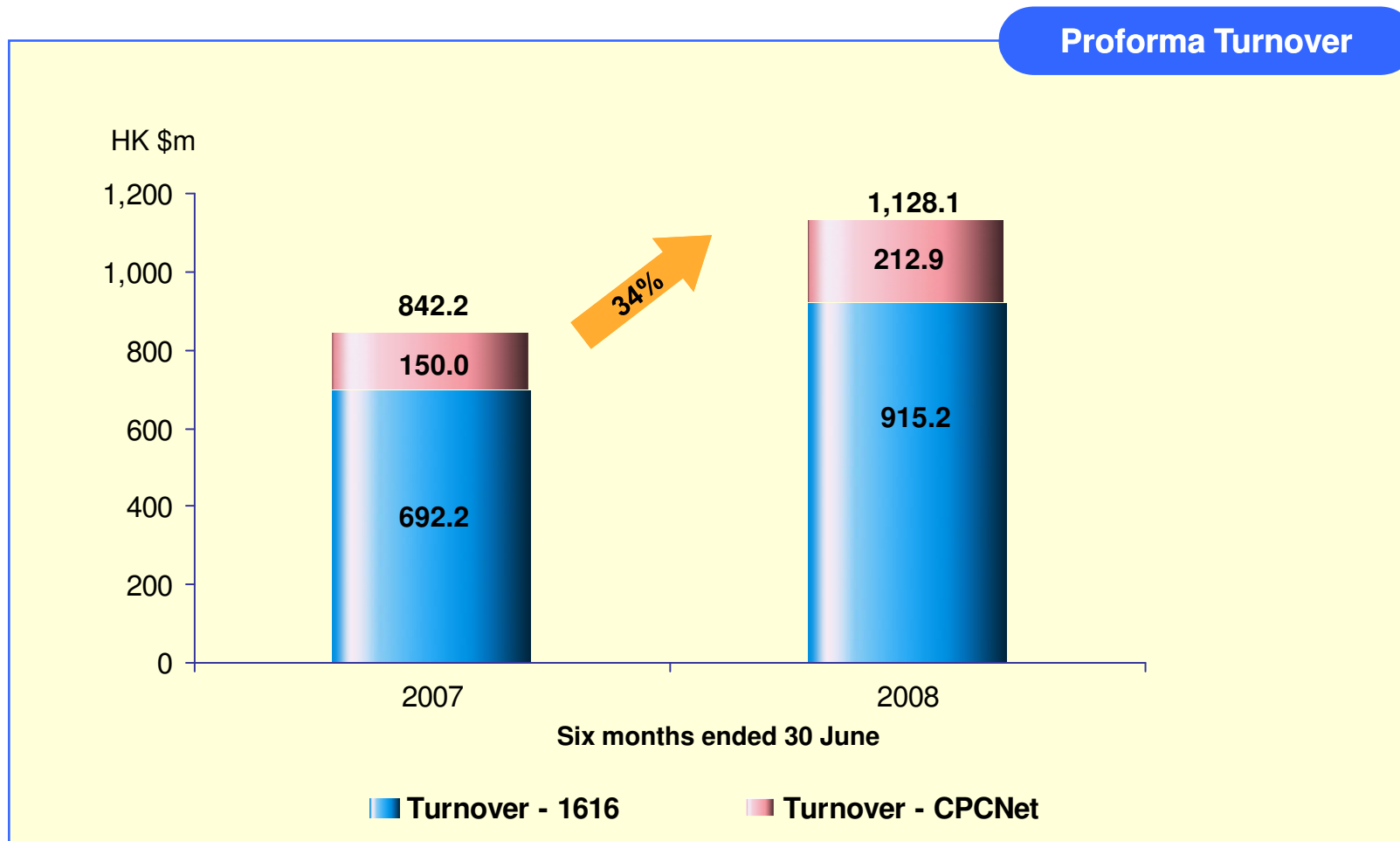
# Financial Review

# Turnover

- Turnover increased 63% to HK\$1,128.1 million when compared with last year

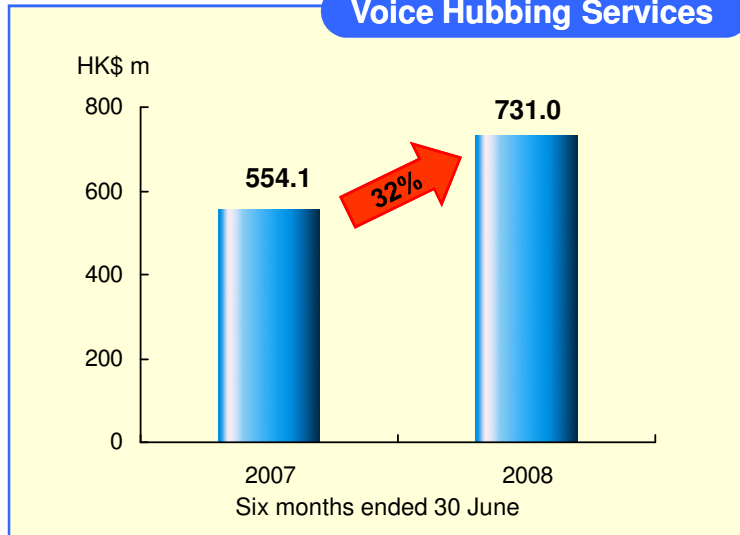


# Proforma Turnover (Including CPCNet in 2007)

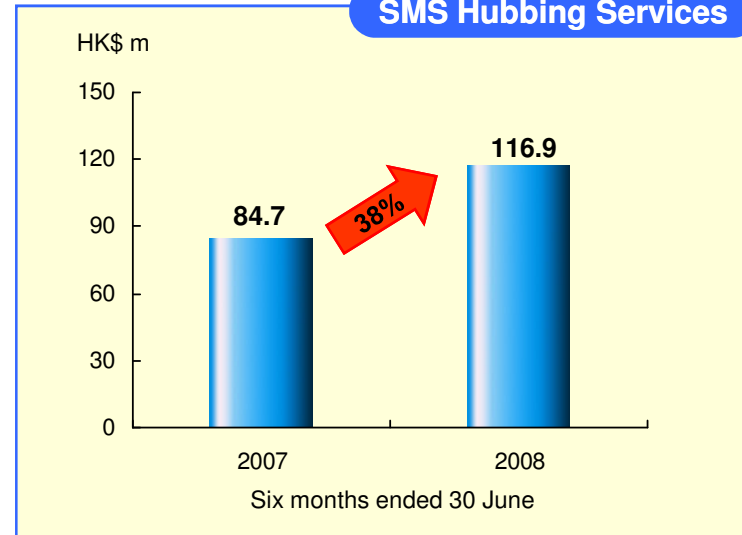


# Turnover of Four Major Business Segments

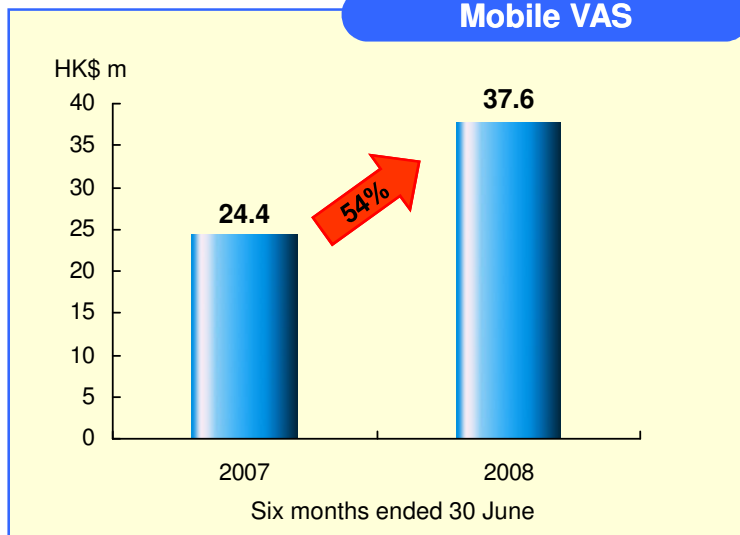
## Voice Hubbing Services



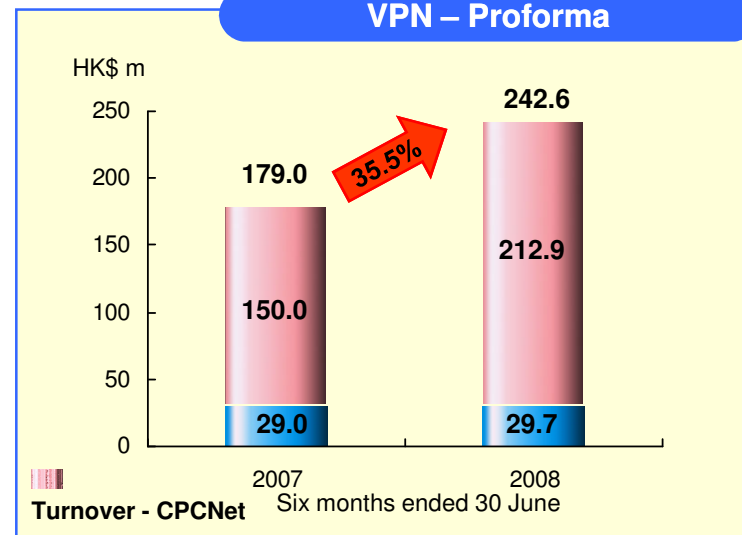
## SMS Hubbing Services



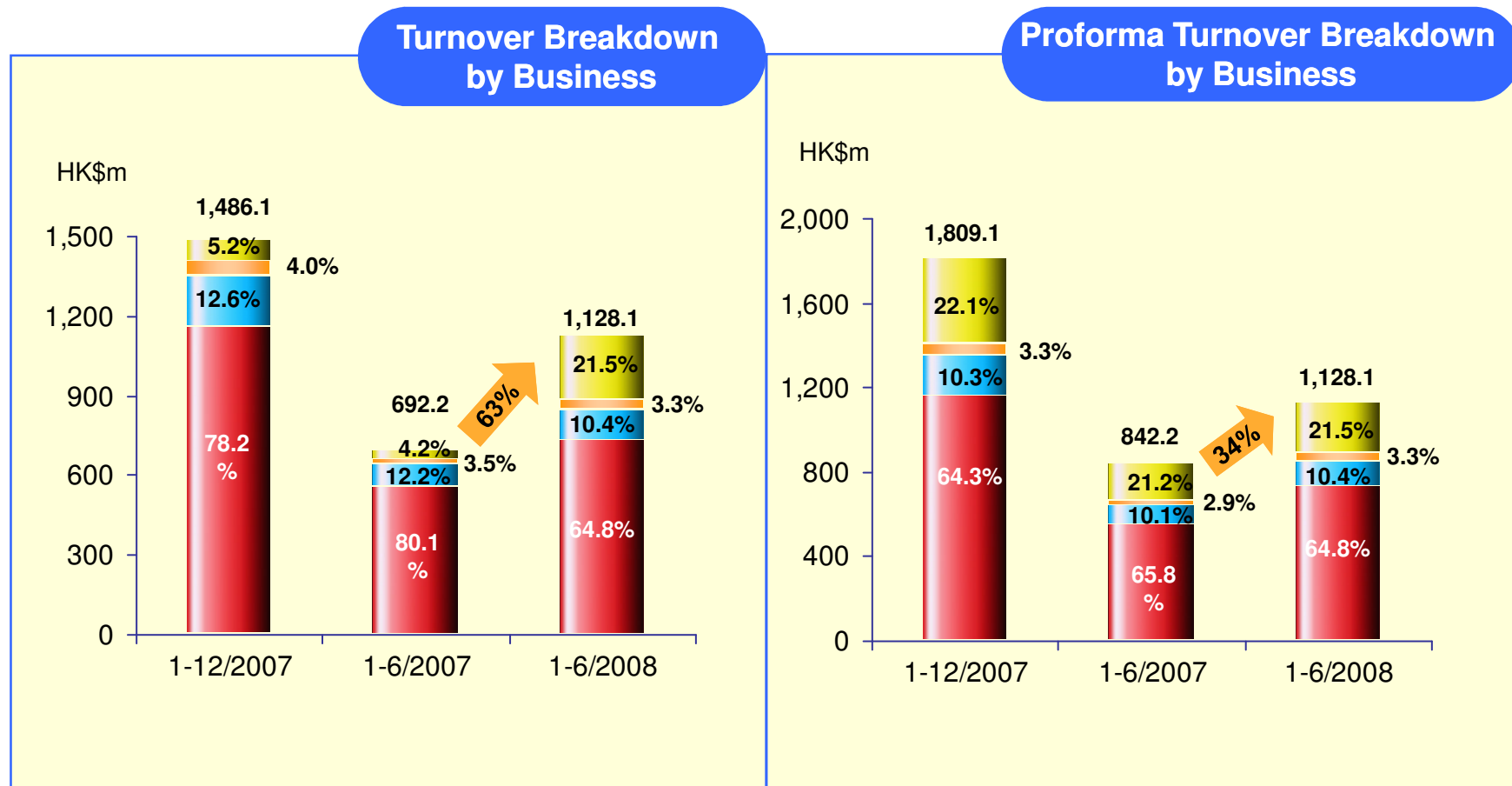
## Mobile VAS



## VPN – Proforma



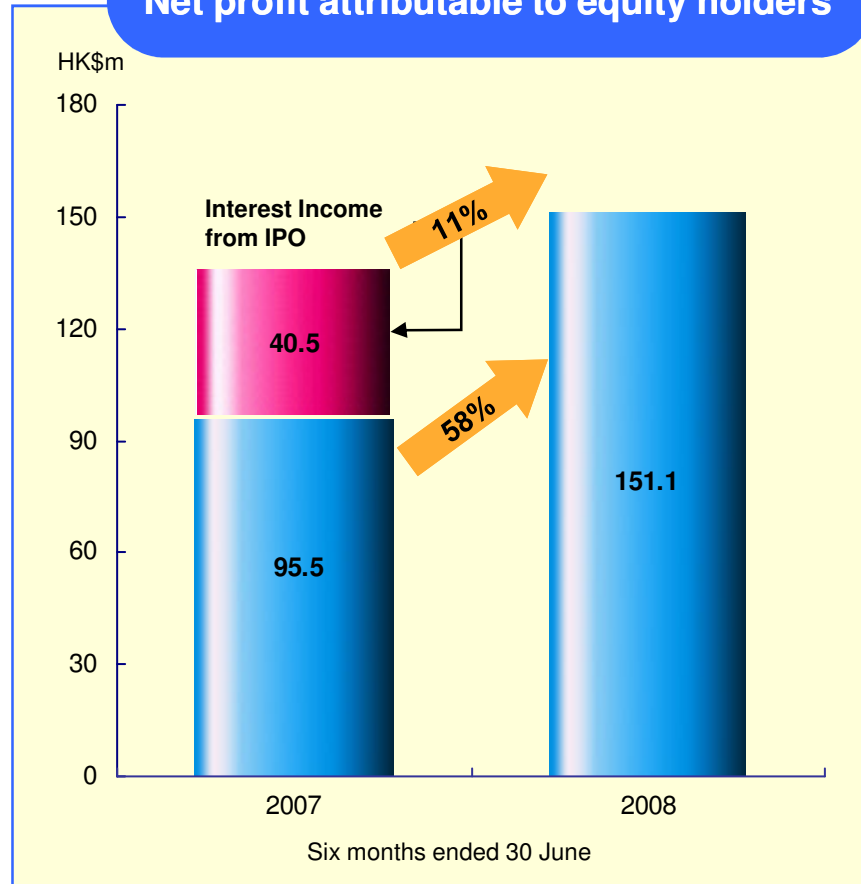
# Turnover Breakdown



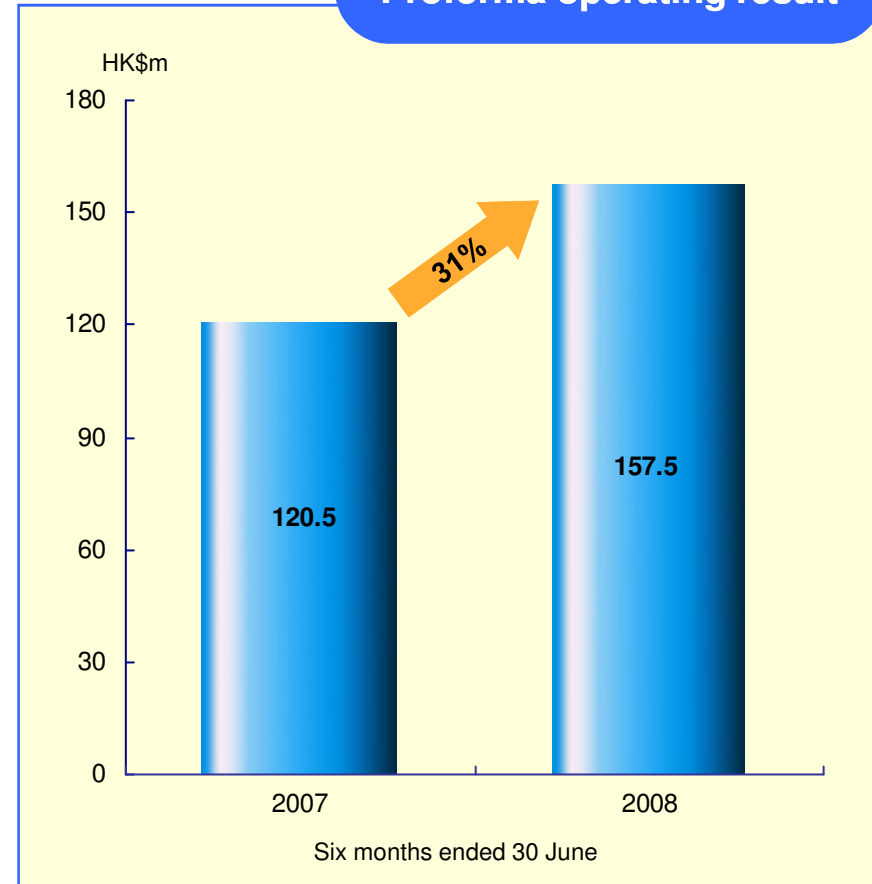
█ Voice Hubbing Services   
 █ SMS Hubbing Services   
 █ Mobile VAS   
 █ VPN

# Profit Growth

## Net profit attributable to equity holders



## Proforma operating result



Jun 07 : Excluded interest income from IPO and share option expenses, and combined with CPCNet result

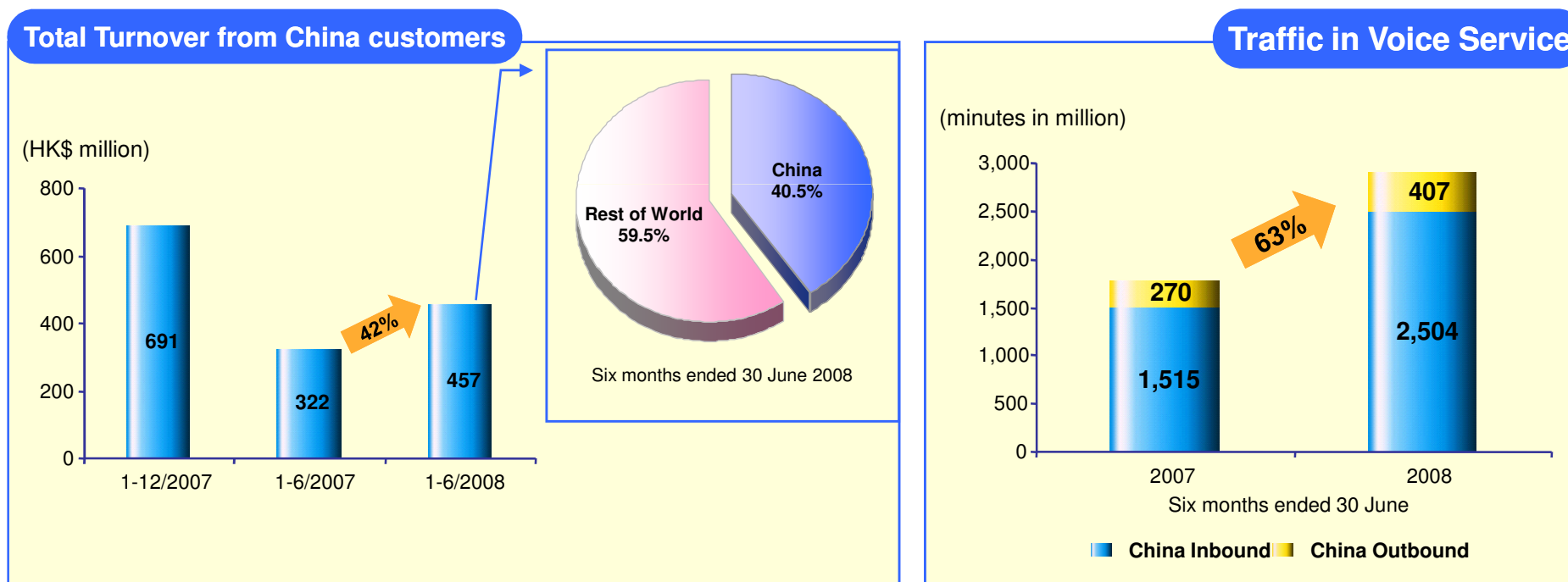
Jun 08 : Excluded intangible amortization in relation to acquisition of CPCNet



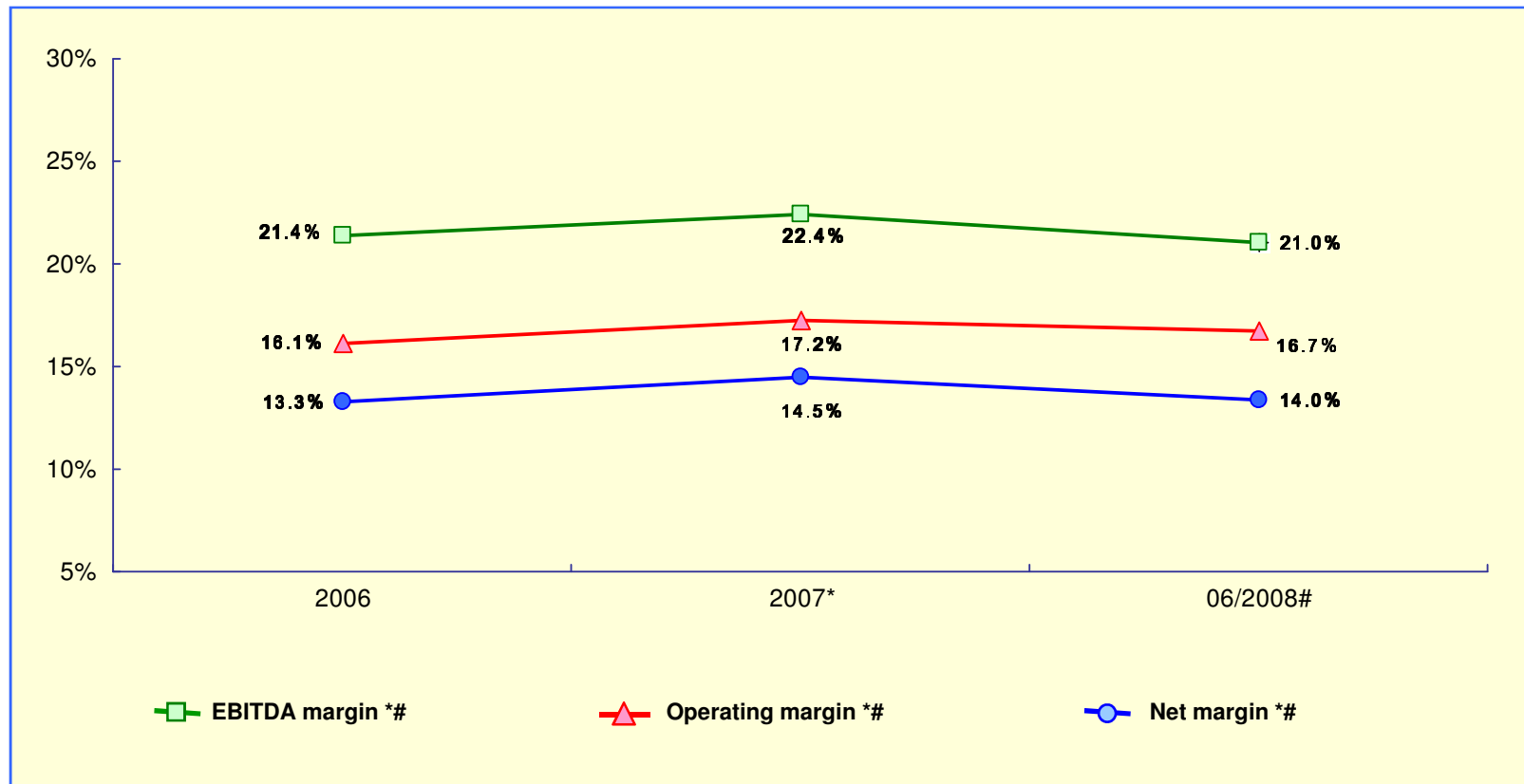


# Continuous Growth on China

More than 40% of the Group's turnover was derived from customers in China



# Sustain Solid Margin (Proforma)



\* Excluding interest income from IPO, IPO related listing expenses, share option expenses and discontinued operations

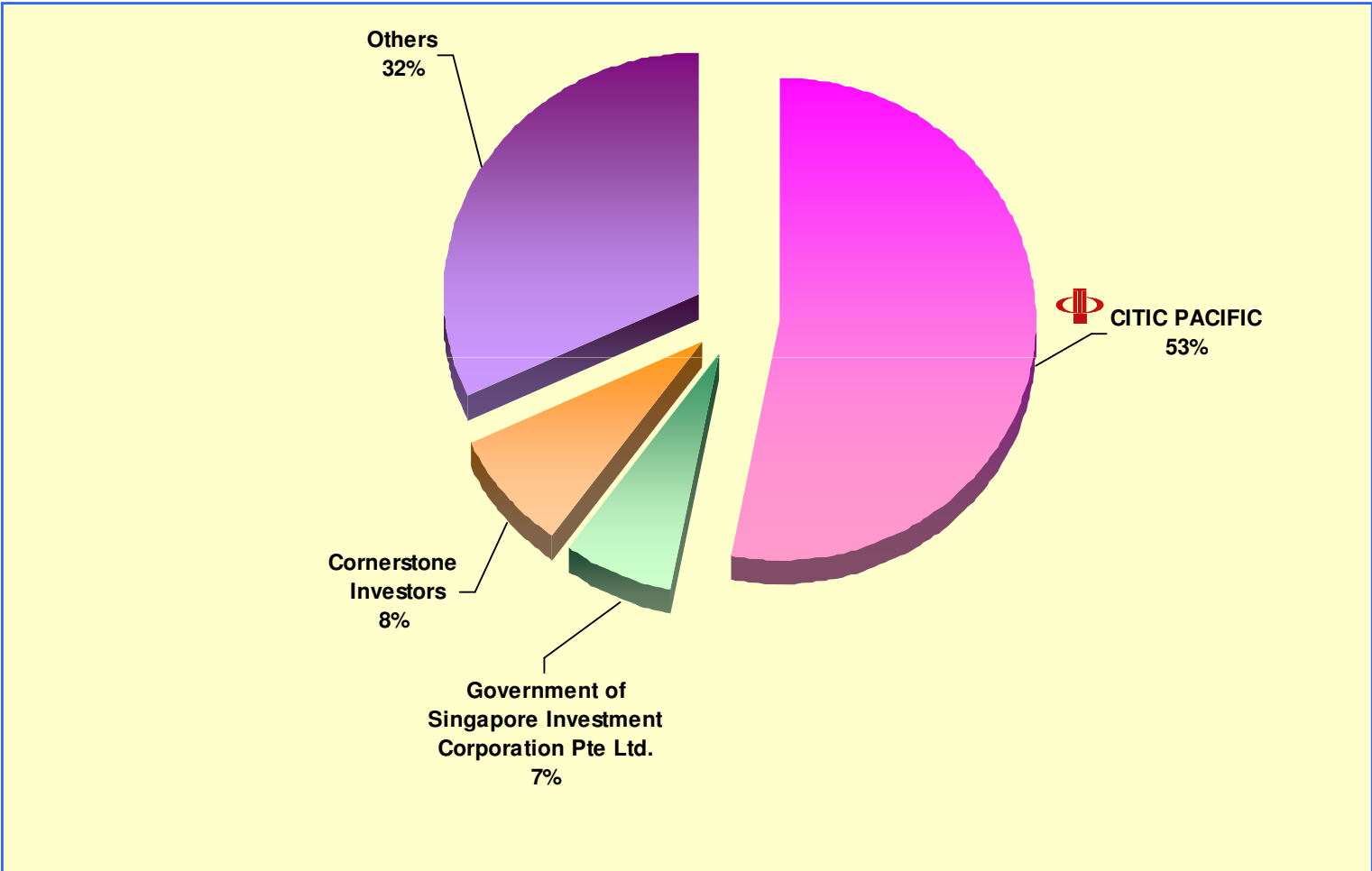
# Excluding intangible amortization, and including CPCNet in 2007

# Strong Liquidity and Capital Structure

	2007	2008
HK\$m	30 June	30 June
<b>Operating profit before changes in working capital</b>	<b>161.9</b>	<b>226.4</b>
<b>Net cash generated from operating activities</b>	<b>156.4</b>	<b>202.4</b>
<b>+ Interest received</b>		
<b>Capital expenditures</b>	<b>36.5</b>	<b>51.6</b>
HK\$m	At 31 Dec 2007	At 30 Jun 2008
<b>Cash and cash equivalents</b>	<b>780.6</b>	<b>875.3</b>
<b>Debt</b>	<b>- NIL -</b>	<b>- NIL -</b>
<b>Gearing ratio</b>	<b>Net Cash</b>	<b>Net Cash</b>



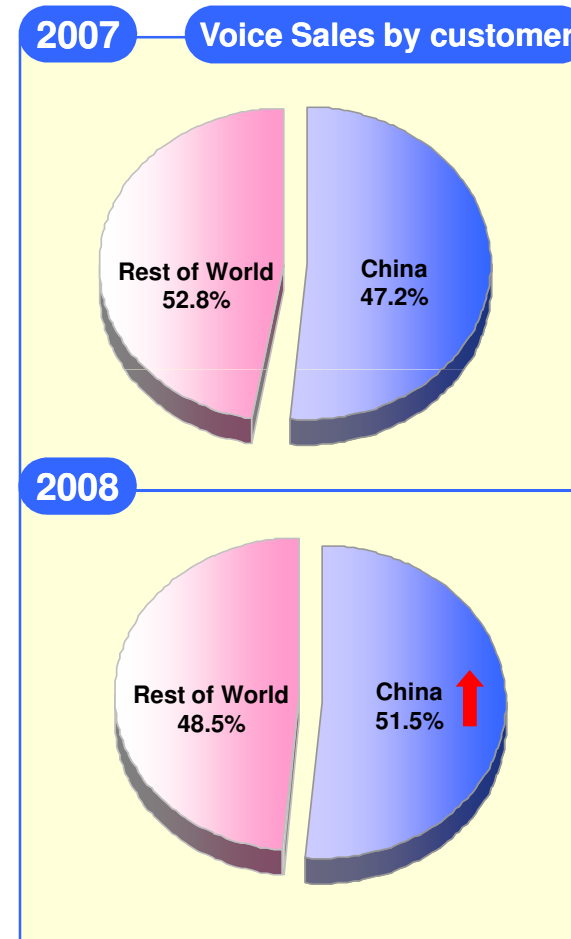
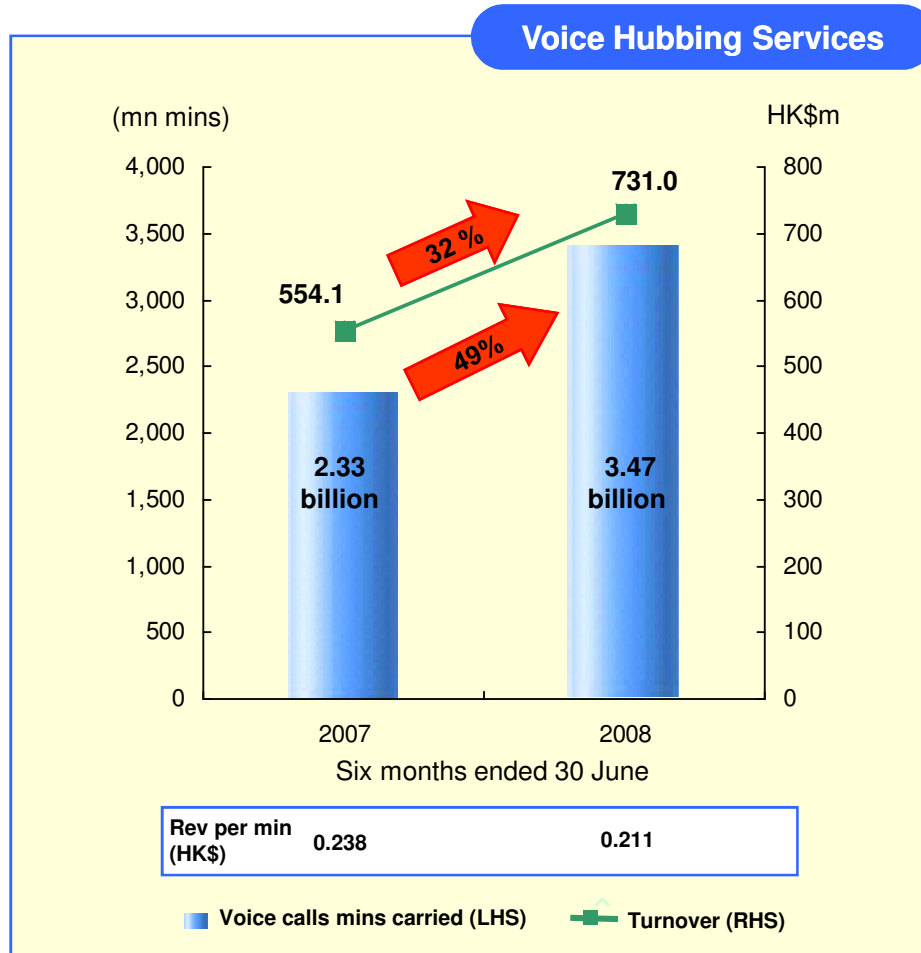
# Shareholding Structure



# Business Review

# Major Business Segment – Voice Hubbing Services

Handled over 3.47bn mins voice traffic



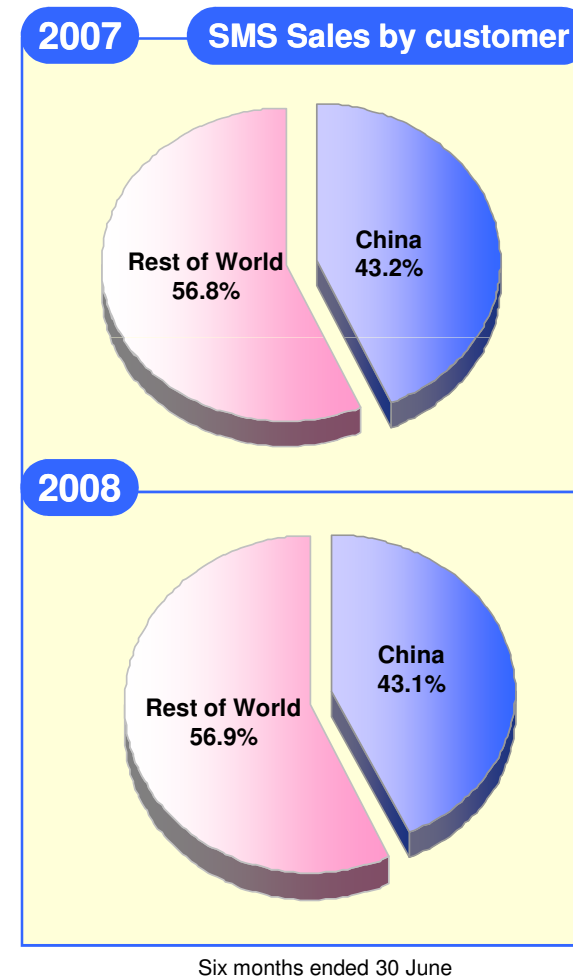
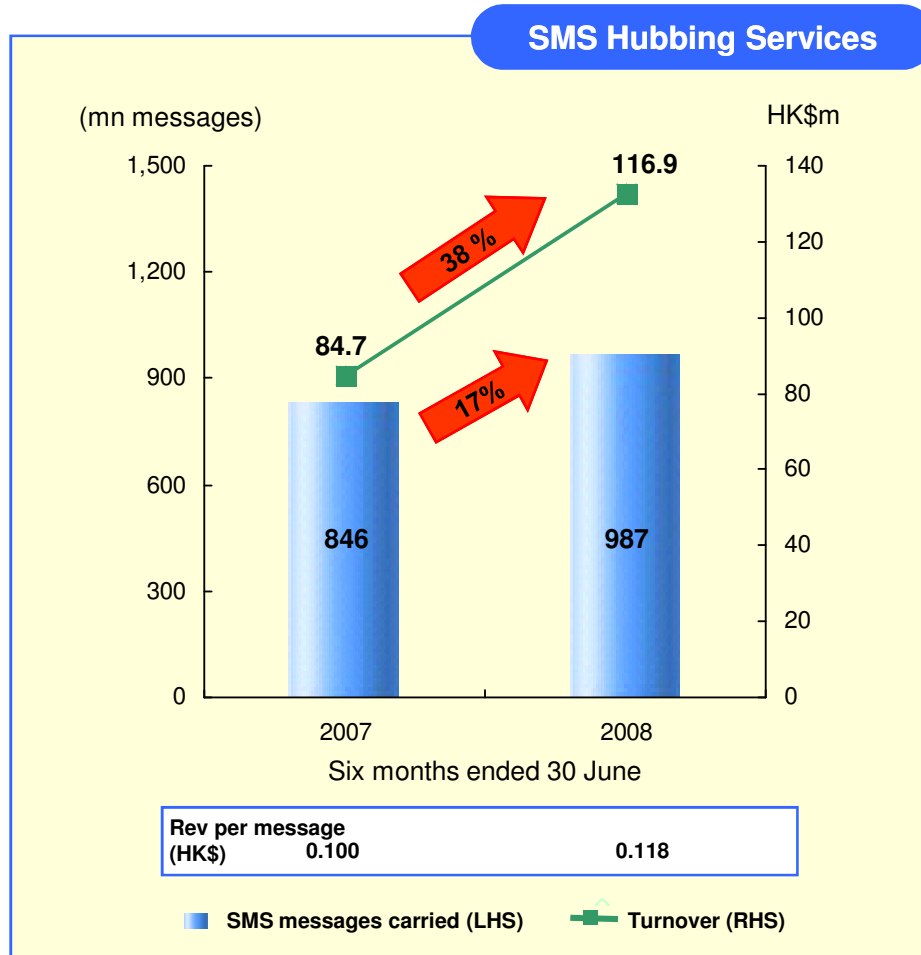
Six months ended 30 June

# Major Business Segment – Voice Hubbing Services

- ❖ Continue to expand the voice business with the China operators
- ❖ Direct Connect to 6 Vietnam carriers with a strong growth in capacity
- ❖ Expand capacity into Japan and Singapore POP to meet business growth demand in the region
- ❖ Newly interconnect with 31 international customers for voice business in the past 6 months and established direct interconnections to Tanzania, UAE, Egypt, Pakistan, South Africa and Cyprus
- ❖ Launched new business model of “voice service outsourcing”
- ❖ Challenge in the period
  - Price pressure of voice hubbing services

# Major Business Segment – SMS Hubbing Services

Handled approximately 0.99 bn SMS messages





# Major Business Segment – SMS Hubbing Services

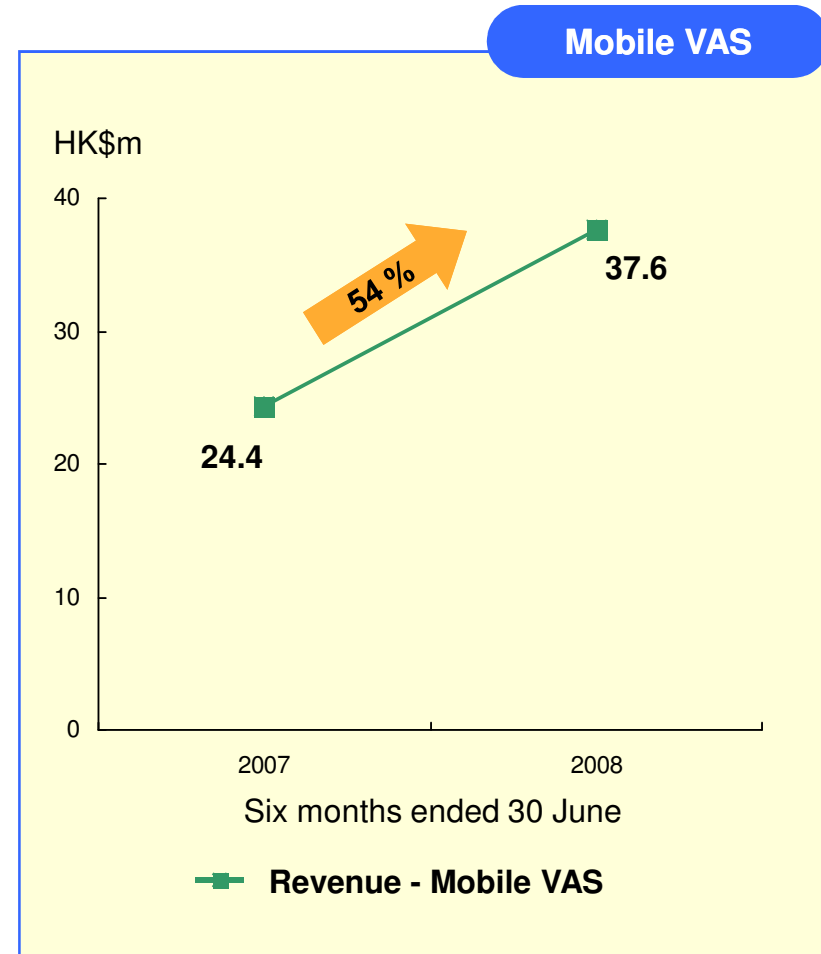
- ❖ Further leadership in international SMS for all mobile carriers in China by providing 25 more destination countries SMS delivery.
- ❖ Obtained GSMA recognized "Open Connectivity (OC)" SMS hubbing compliance.
- ❖ Signed agreement with O2 Group companies to provide international SMS service.
- ❖ Signed SMS agreement with international operators including WIND Italy, WIND Greece, NTS Indonesia, and Tyntec Germany.



# Major Business Segment – Mobile VAS

## Mobile VAS

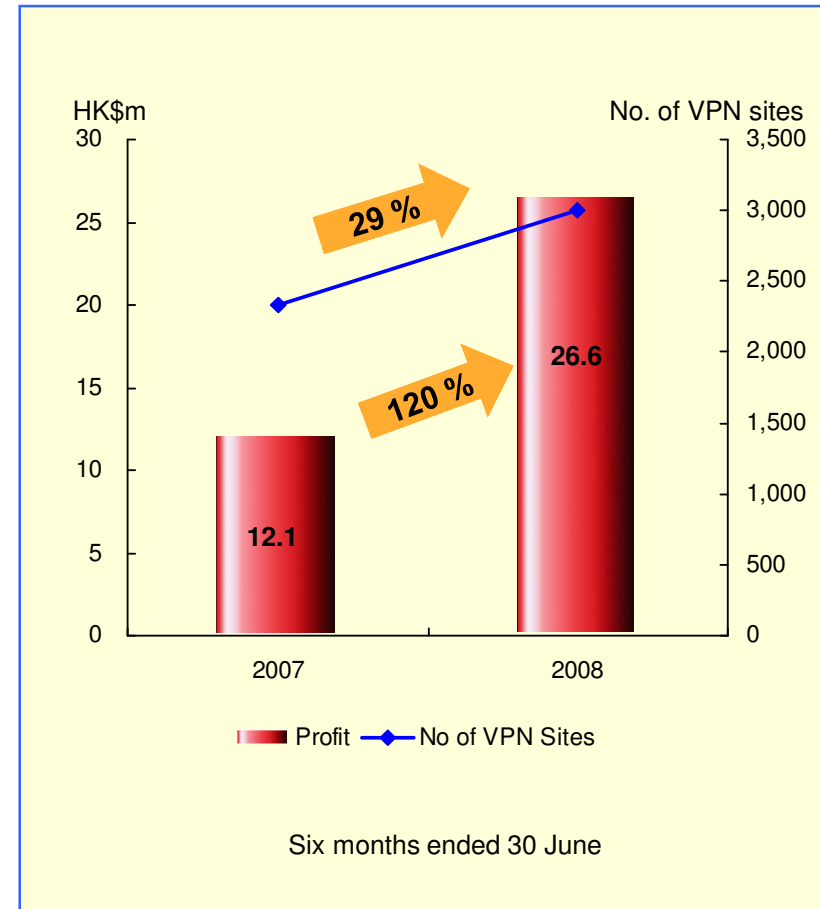
- ✦ Benefits from the Olympics event in Beijing on increasing roaming voice and data activities.
- ✦ Service extension to Taiwan and experience strong Growth for "Single IMSI Multiple Number (SIMN)" in Greater China region.
- ✦ Signed agreements with Conexus Mobile Alliance member companies to extend "Prepaid Roaming Hubbing" service in Asia Pacific region.
- ✦ Extensive progress on GSMA OC Roaming hub initiative and trial been completed between mobile operator in Asia and Europe.
- ✦ Signed Prepaid Roaming Hub agreements with operators such as Starhub Singapore, Smartone Macau, NTS Indonesia, O2 UK, WIND Italy, and Wind Greece.



# CPCNet Business Review (Interim 2008)

## Business Review

- Number of MPLS VPN service sites reaches over 3,000, representing a 29% growth when compared with the same period last year.
- Awarded the ISO 9001:2000 and 27001 Information Security Management System Certification
- CPCNet snatched four accolades at The Asia Pacific Customer Service Consortium's 2007 Customer Relationship Excellence Awards.



# Obtained Recognition on our Effort

- ❖ CITIC1616 has strong Business Growth, Best Services and Good Relationship with our Stakeholders.



**Finance Asia**

## ***2008 Asia's Best Companies Awards***

- ❖ No. 1 in "Best Mid-Cap" (China)
- ❖ No. 3 in "Best Investor Relations" (China)



**Hong Kong Customer Service Consortium**

## ***2007 Customer Relationship Excellence Awards Corporate Categories***

- ❖ Best Use of Technology of the Year 2007 (Internet Service Provider)
- ❖ Innovative Technology of the Year 2007 (Internet Service Provider)
- ❖ Best Use of Knowledge Management of the Year 2007 (Internet Service Provider)

# Q&A

# Appendix