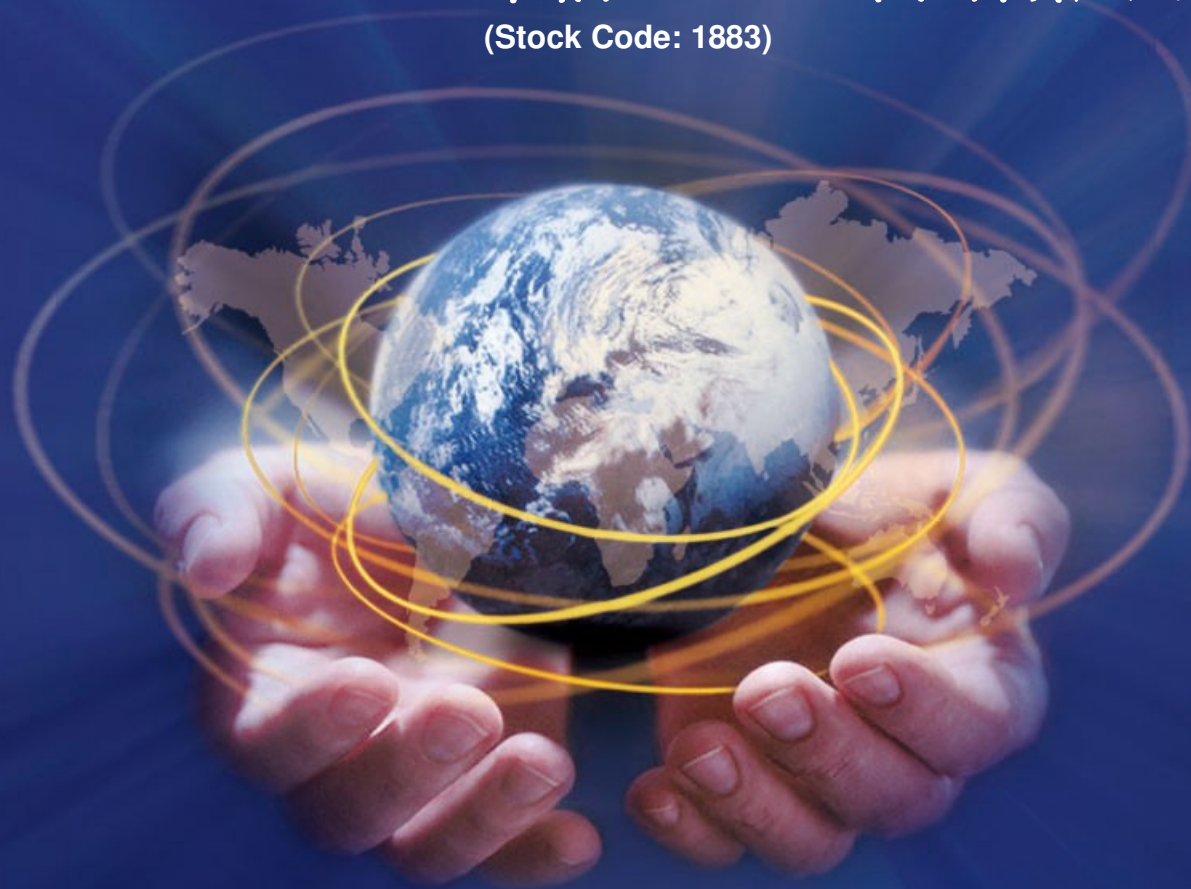


CITIC 1616 Holdings Limited
中信 1616 集團有限公司

(Stock Code: 1883)



Annual Results Announcement
for the year ended 31 December 2007
11 March 2008

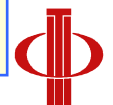
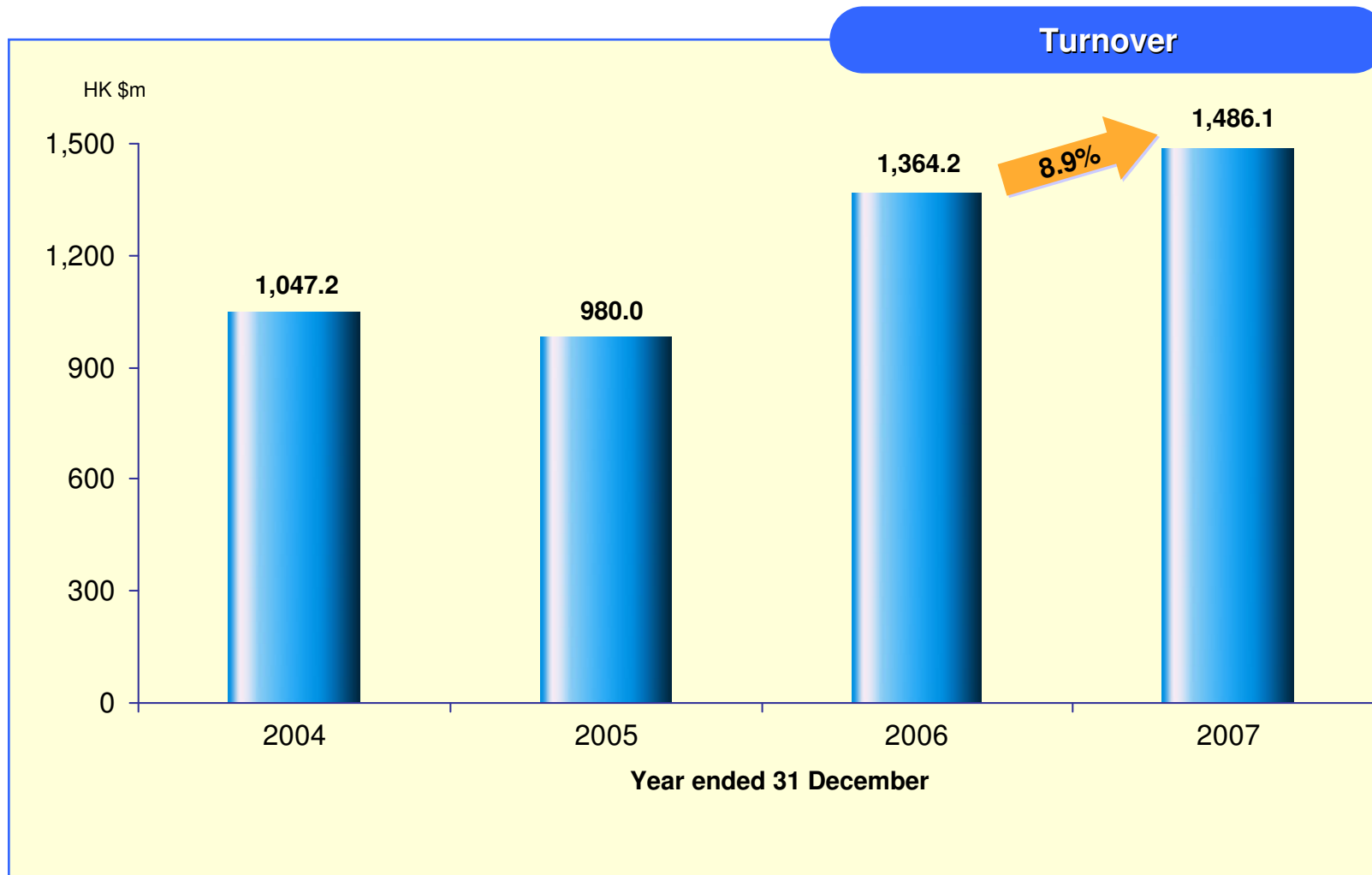
Highlights for the Year Ended 31 December 2007

- ❖ Profit attributable to the equity holders of the Company surged 30% to **HK\$263 million**
 - Profit from continuing operations increased 45% as compared with the previous year
 - Excluding the interest income from IPO, IPO related listing expenses and share option expenses, profit attributable to the equity holders amounted to **HK\$237 million**, the growth for profit from continuing activities was **30%**
- ❖ SMS Hubbing Services and Mobile VAS recorded a remarkable growth of **60%** and **92%** respectively as compared with the previous year
- ❖ No. of customers increased from 237 to 1,147, including 261 telecom operators and 886 enterprise customers
- ❖ As at 31 Dec 2007, cash and cash equivalents was **HK\$781 million**. We have sufficient sources of financing for the coming growth
- ❖ No debt as at 31 December 2007
- ❖ Final dividend of 3.1 cents, together with interim dividend of 1 cents, the total dividend payment for the year is 4.1 cents, representing a dividend payout ratio of 30%

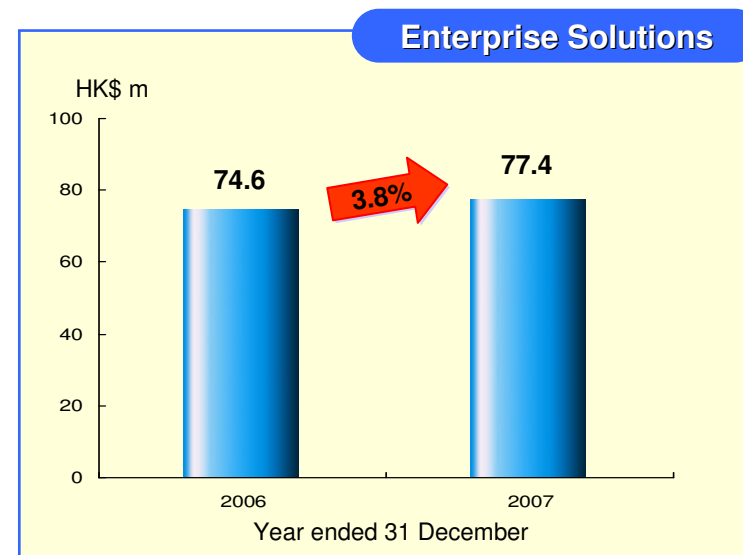
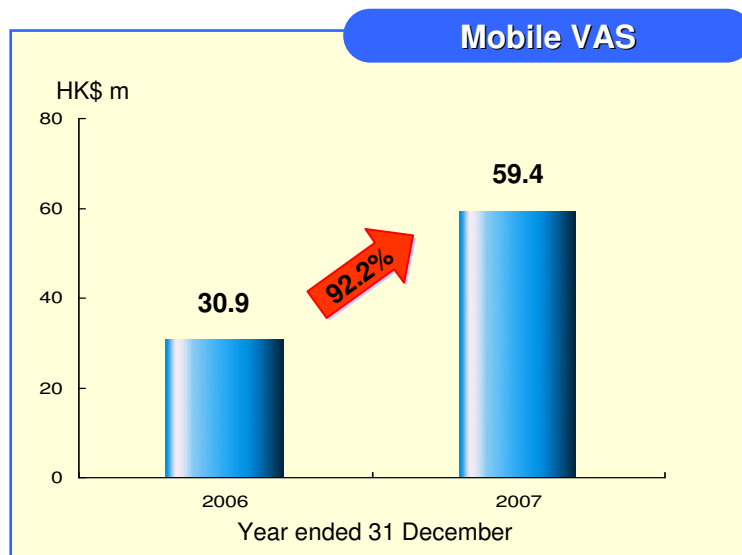
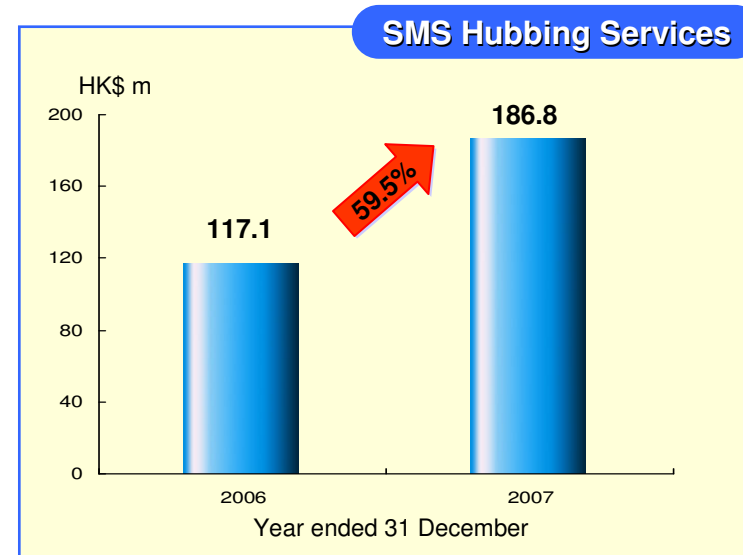
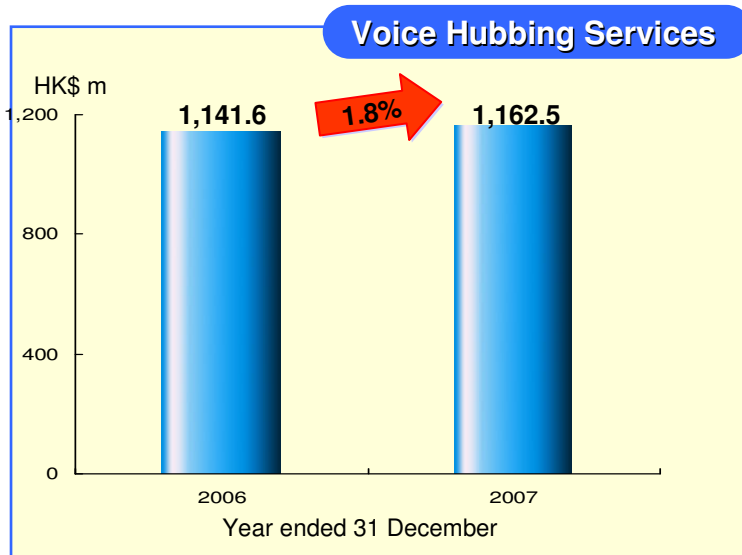
Financial Review

Turnover

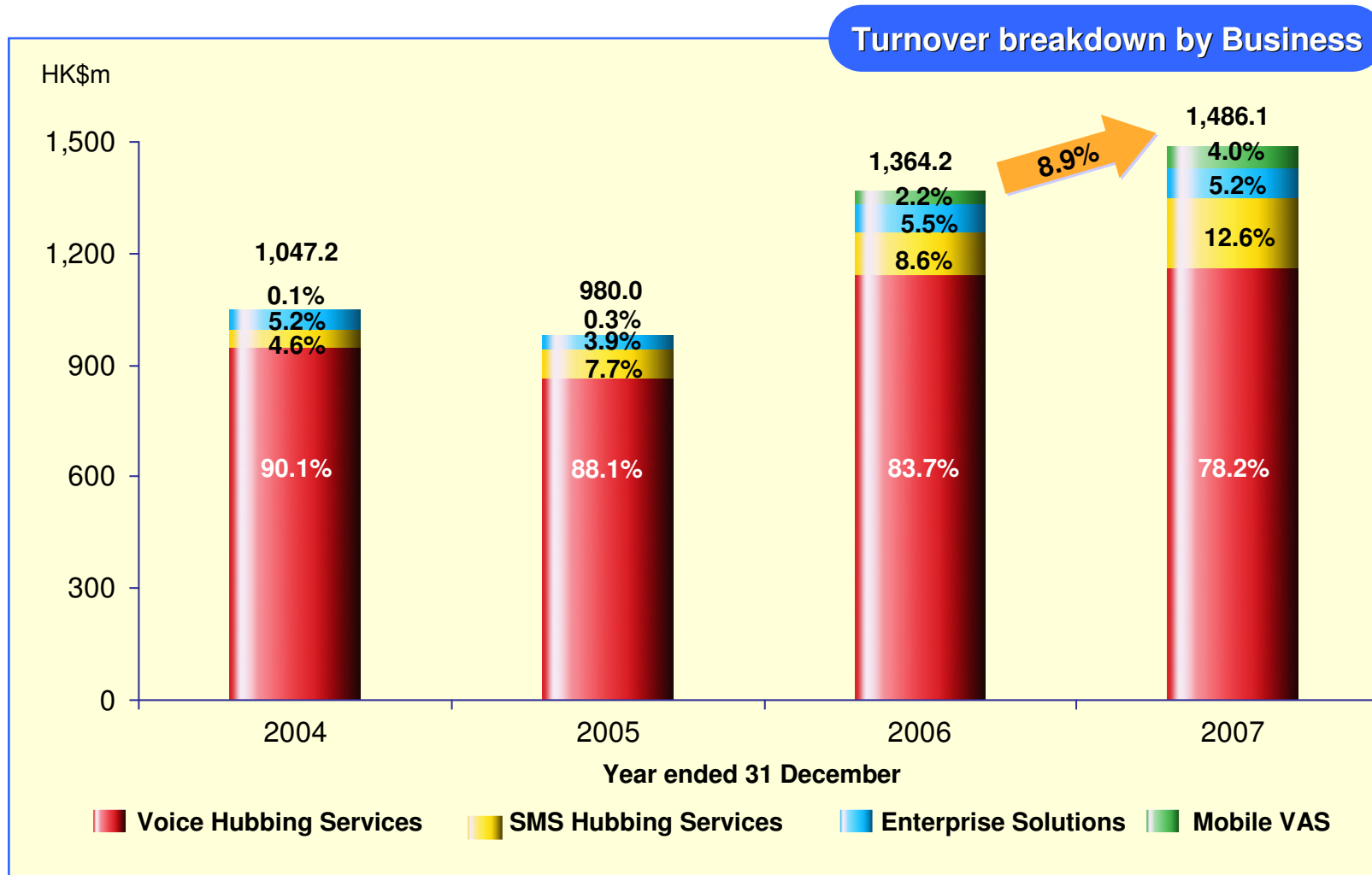
Turnover increased 8.9% to HK\$1,486.1 million when compared with last year



Turnover of Four Major Business Segments

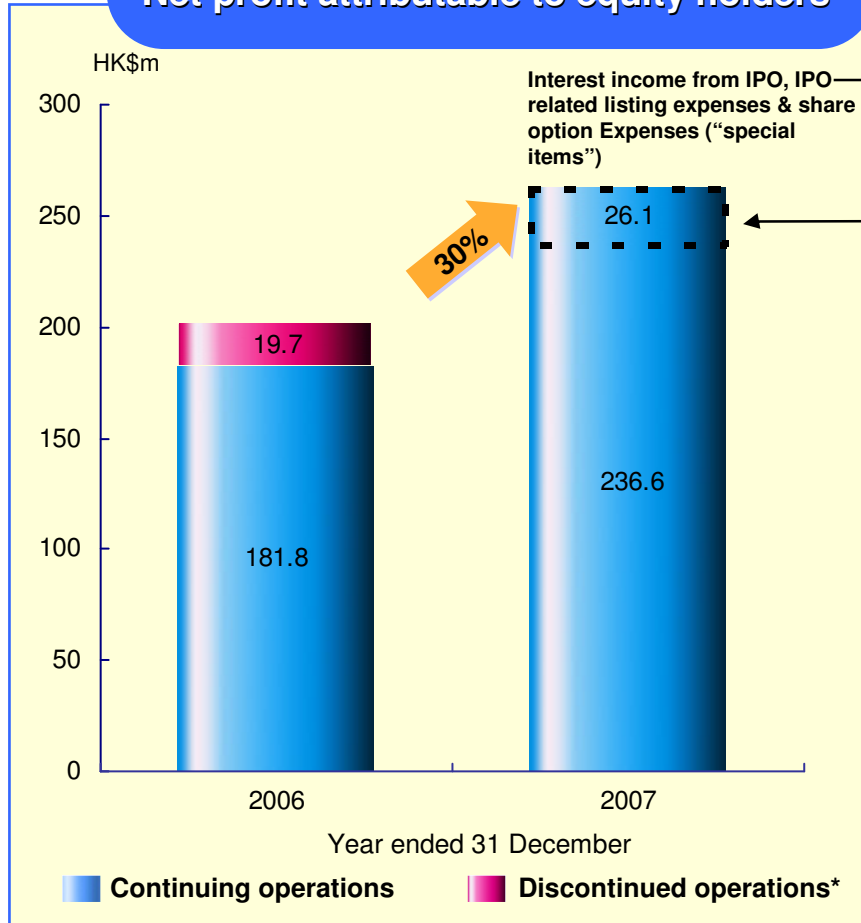


Turnover Breakdown

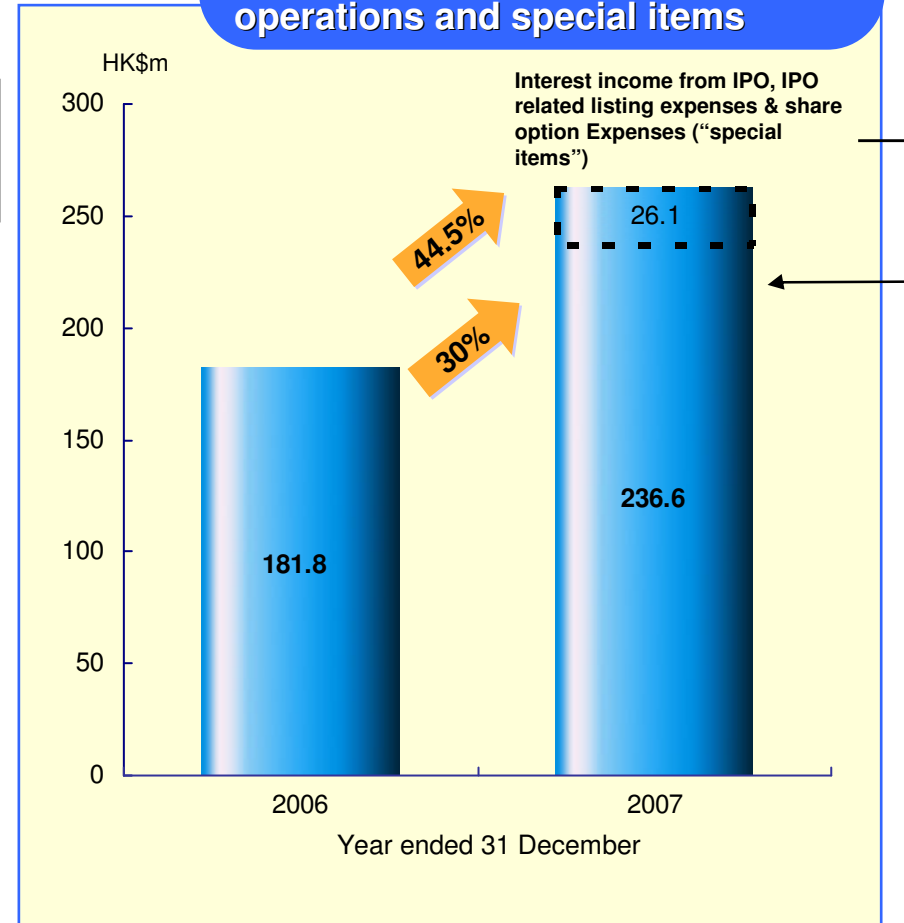


Profit Growth

Net profit attributable to equity holders



Net profit excludes discontinued operations and special items



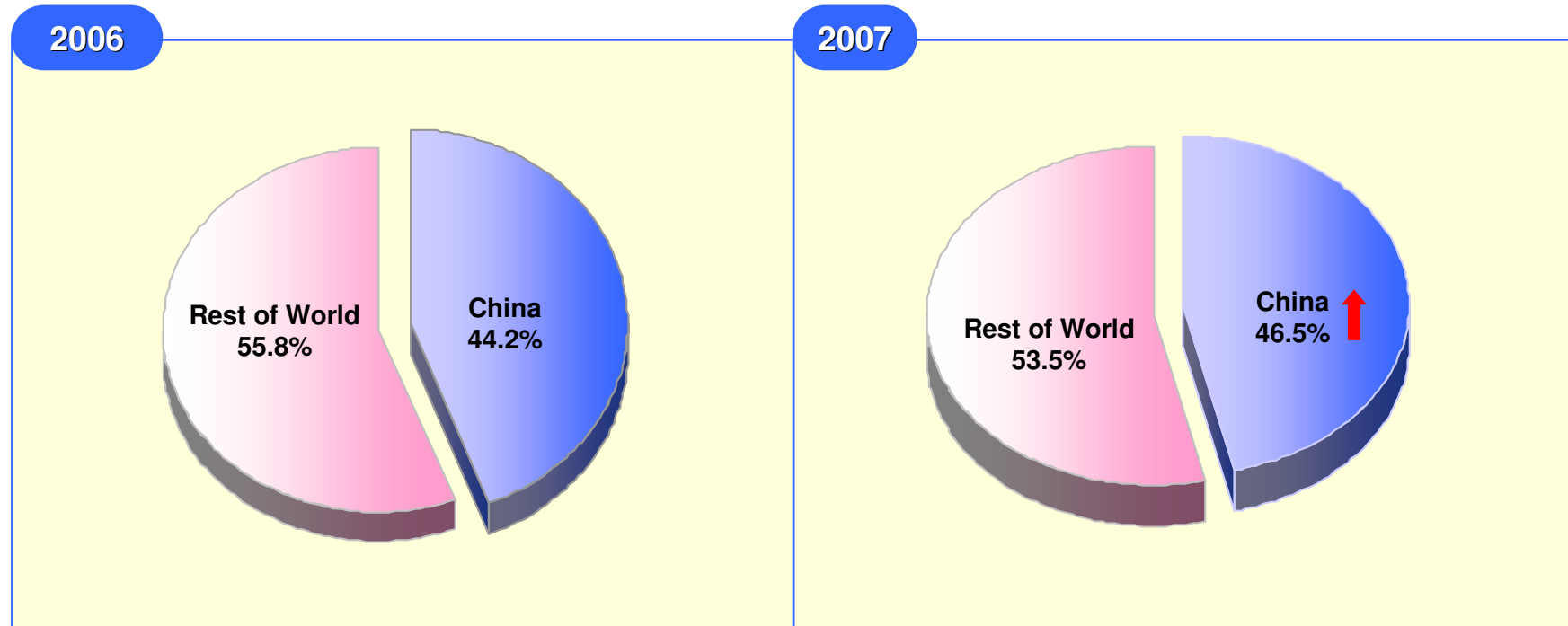
* Property investment business disposed in 2006



Focus on China Market

Turnover Breakdown by Region

✦ About half of the Group's turnover was derived from customers in China

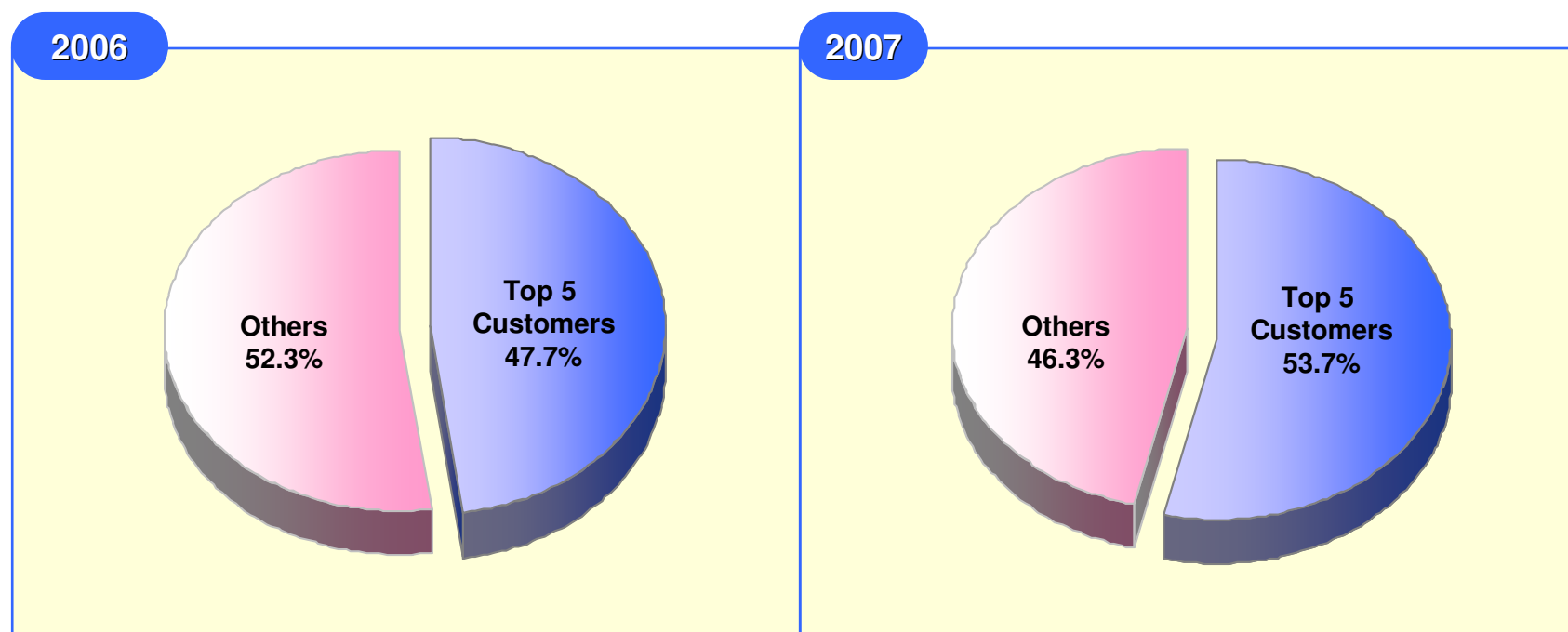


Year ended 31 December

Focus on China Market

Turnover by Major Customers

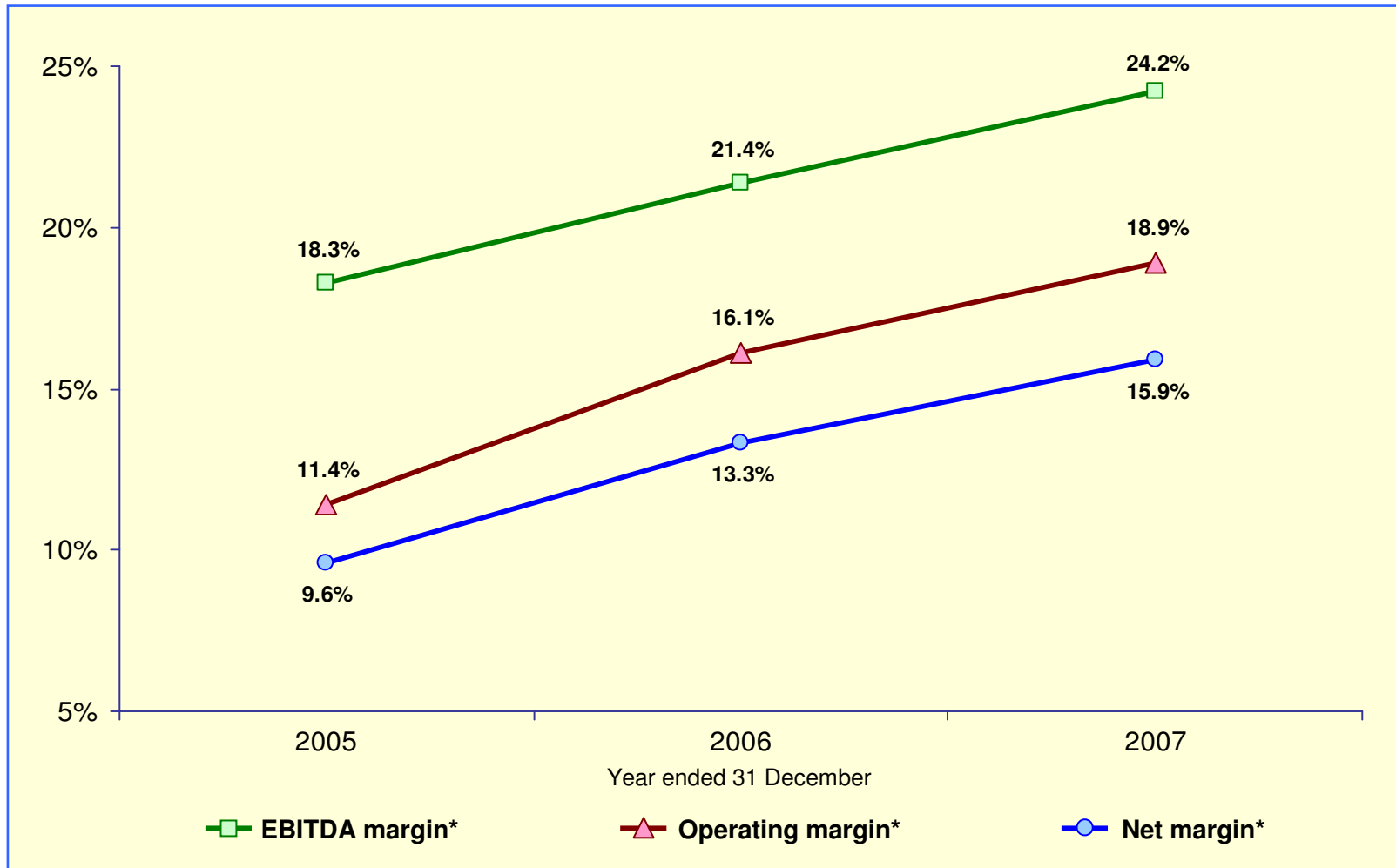
- Top 5 customers included telecom operators in China and they accounted for over half of the Group's total turnover



Year ended 31 December



Continuous Margin Improvement



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

Strong Liquidity and Capital Structure

2004

2005

2006

2007

HK\$m

At 31 Dec

Operating cash flow before changes in working capital & tax	173.8	183.9	292.4	335.7
Net cash generated from operating activities	50.4	348.4	252.9	323.4
+Interest received				
Capital expenditures	55.8	47.6	30.2	62.4

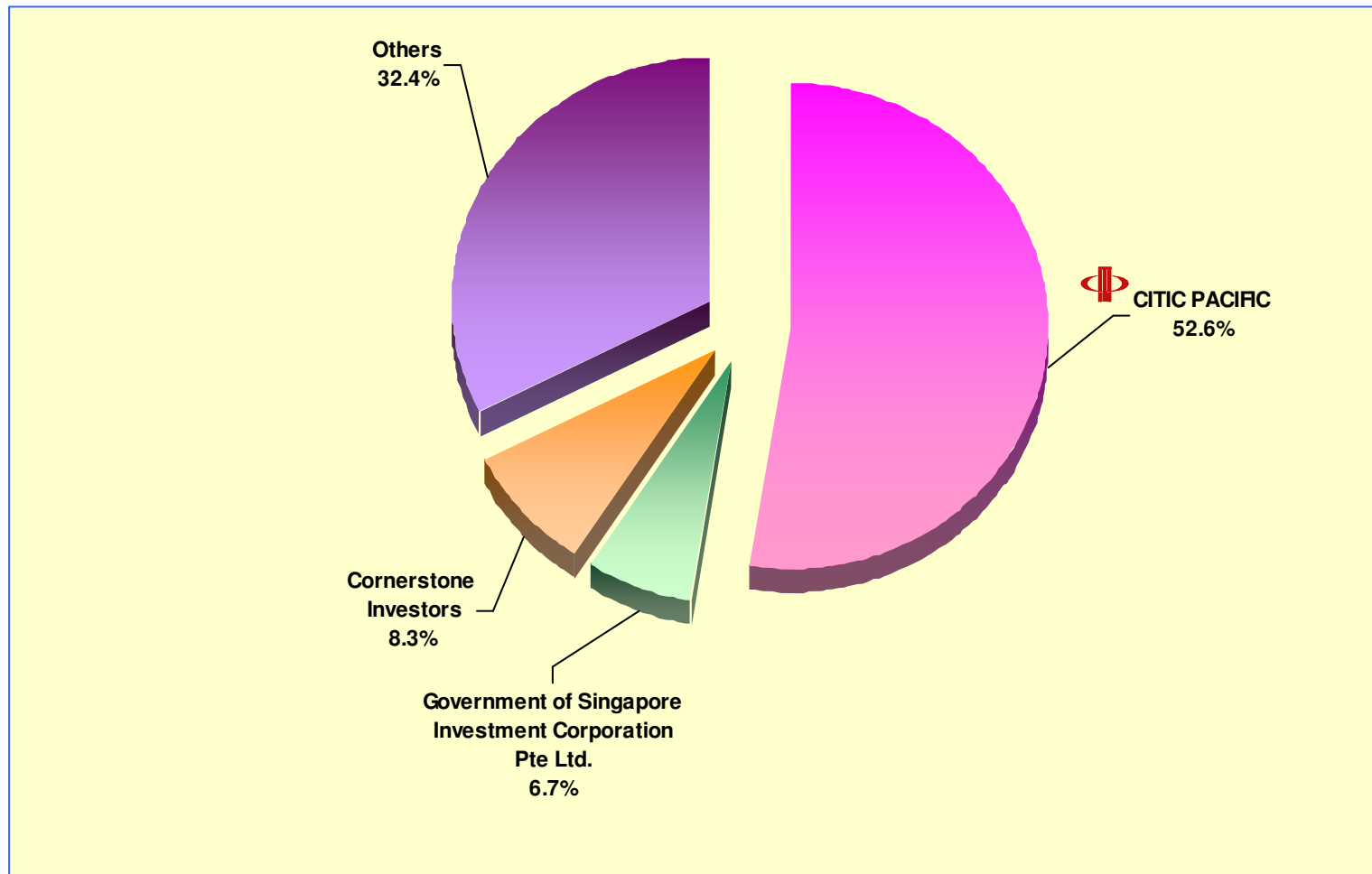
HK\$m

At 31 Dec

Cash and cash equivalents	17.2	31.9	43.4	780.6
Debt	- NIL -	- NIL -	- NIL -	- NIL -
Gearing ratio	Net Cash	Net Cash	Net Cash	Net Cash



Shareholding Structure at 31 December 2007



Business Review

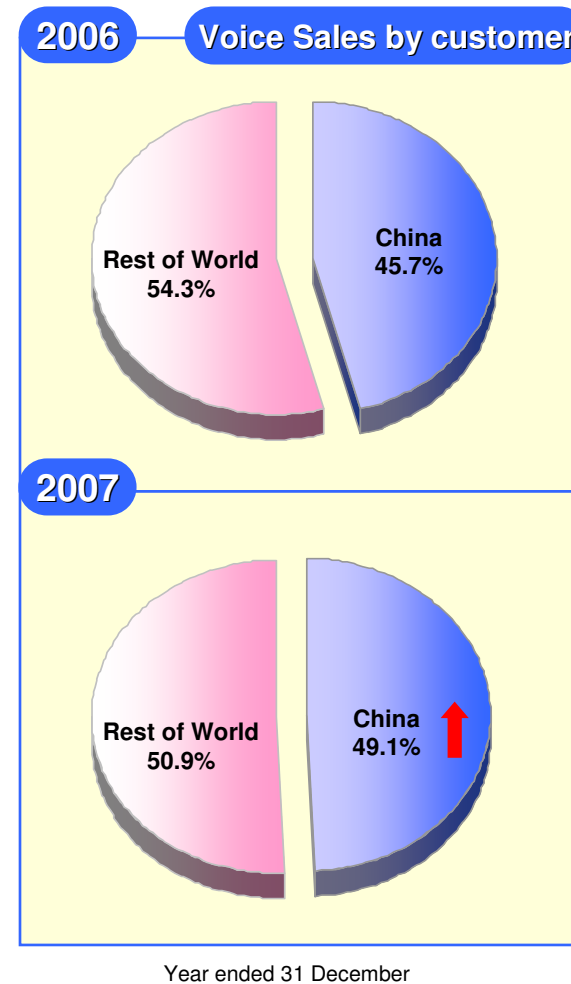
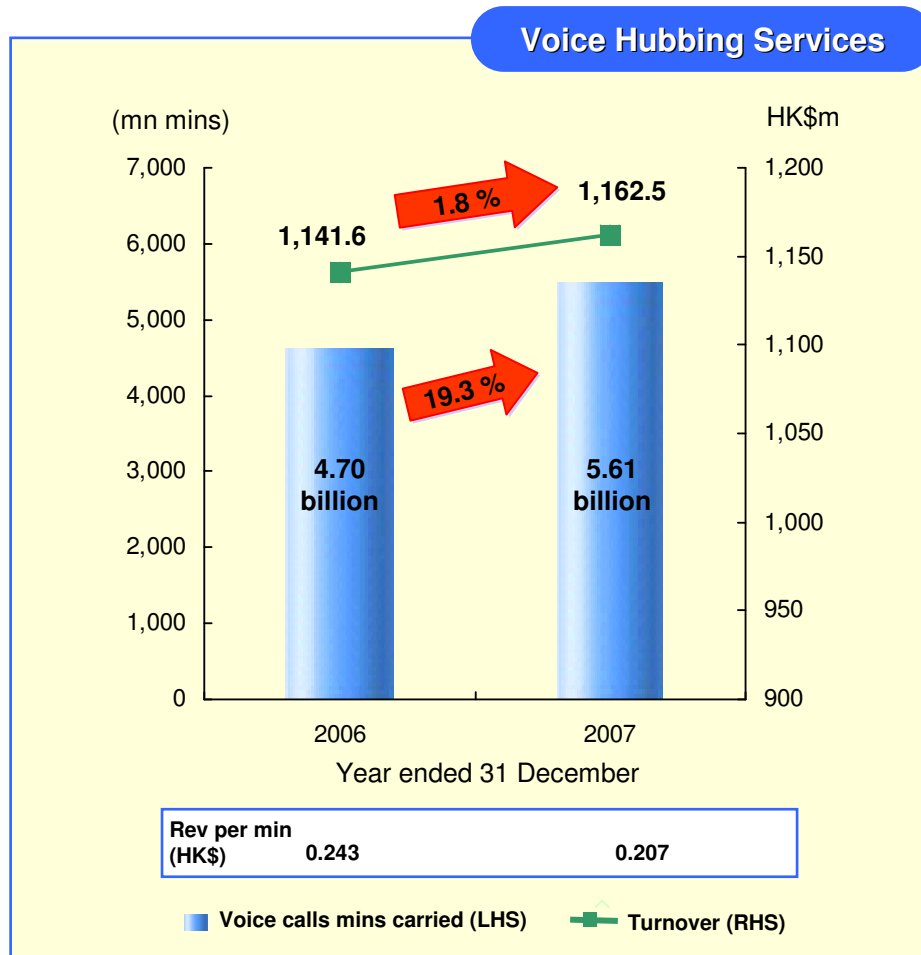
New Customers

	No. of Customers		Country
Balance at 31.12.06	237		49
Net Increase : Voice Hubbing	23		2 (Austria, Cyprus)
SMS Hubbing	22		2 (Palau, Kuwait)
Enterprise Solution	5		-
MPLS VPN	860	910	-
Balance at 31.12.07	1,147 *		53

* Note :	No. of Customers
Operators	261
Enterprise Customers	886
	1,147

Major Business Segment – Voice Hubbing Services

☎ Handled over 5.6bn mins voice traffic



Major Business Segment – Voice Hubbing Services

- ❖ Business with major telecom operators in China continued to grow
- ❖ Expanded clientele and strengthened mobile carrier voice hubbing services
- ❖ Sign up with 6 operators in Vietnam
- ❖ Launched Next Generation Network (NGN) platform
 - ❖ supports VOIP connections for an increased capacity to meet the expansion of voice business
 - ❖ enhance operation efficiency to interconnect with customers / carriers via VoIP
 - ❖ cope with the requirement of new 3G applications
 - ❖ lay a solid foundation to provide 3G services for operators in China

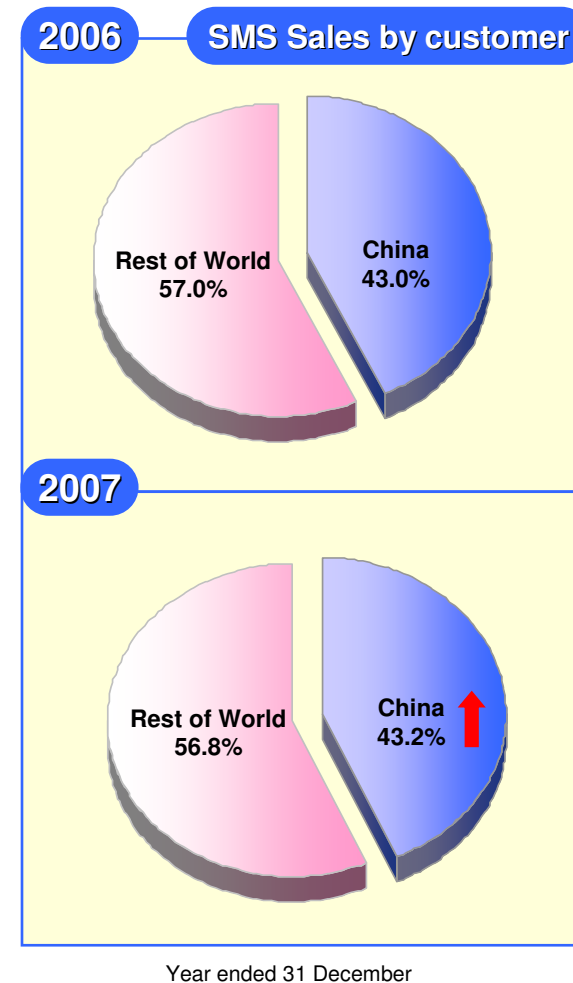
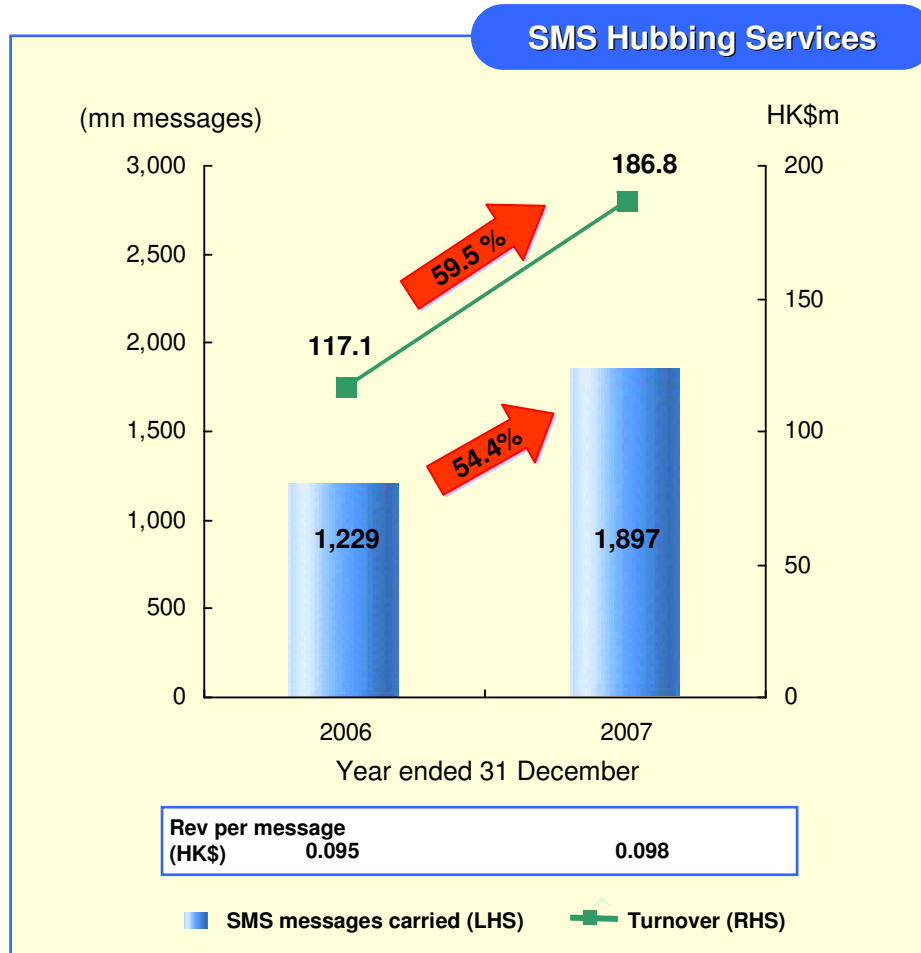
Challenge in the period

- ❖ Price deflation of voice hubbing services



Major Business Segment – SMS Hubbing Services

☛ Handled approximately 1.9bn SMS messages

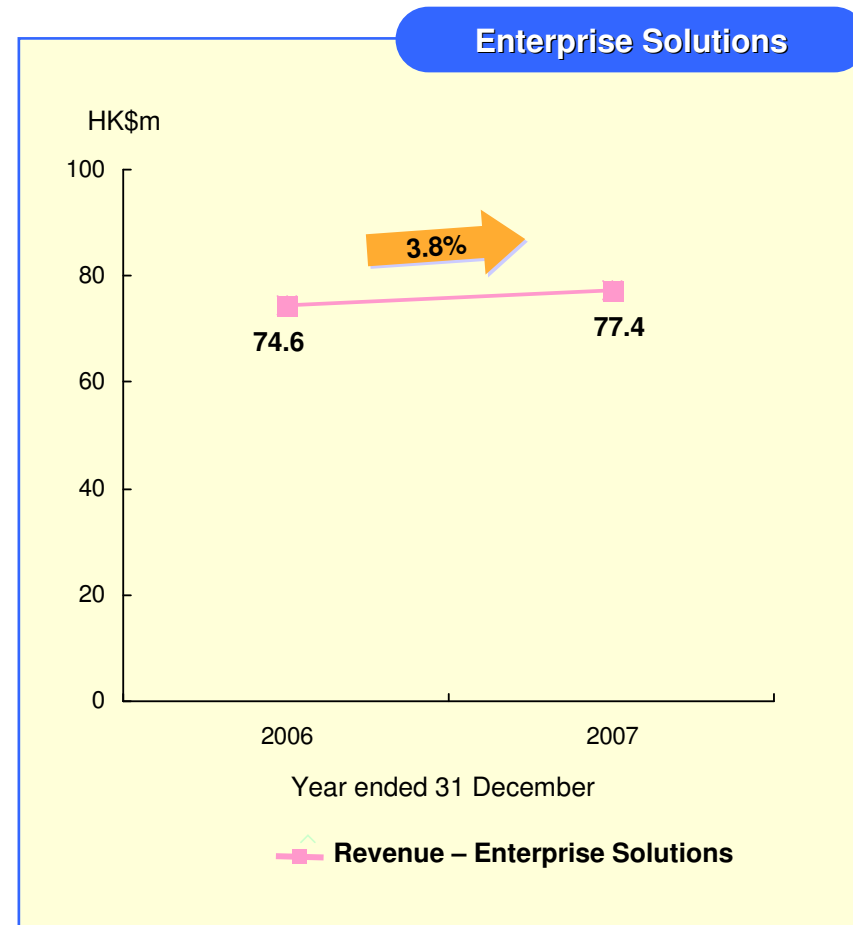
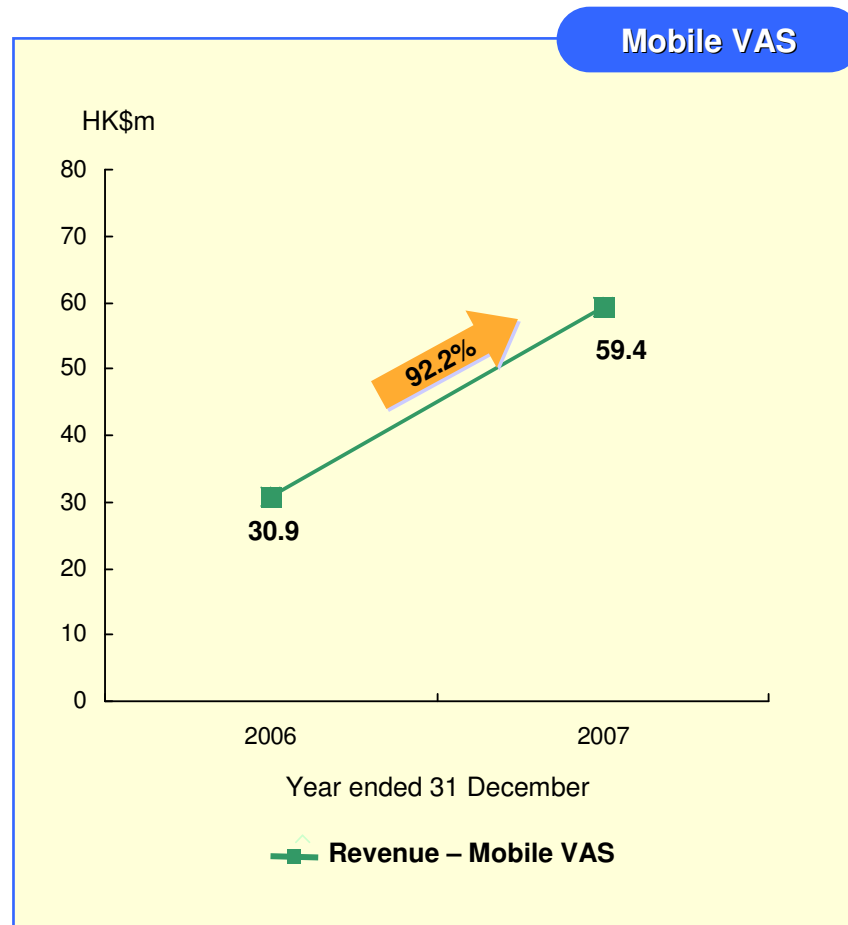


Major Business Segment – SMS Hubbing Services

- ❖ Expanded capacity of SMS hubbing services to facilitate increasing demand
- ❖ Handled majority of international SMS for all mobile carriers in China
- ❖ Signed an agreement with Vodafone to provide SMS hubbing services in and out of China to all its related operators across the world, out of which, 18 countries and regions have been connected



Major Business Segment – Mobile VAS and Enterprise Solutions



Major Business Segment – Mobile VAS

Mobile VAS

- ❖ Increase of traveling activities in China provides growth potential for roaming voice and data activities
- ❖ Strong demand for “Single IMSI Multiple Number (SIMN)” and “Mobile Roaming Call Back”
- ❖ Extended mobile VAS to two major mobile operators in China
- ❖ Signed agreements with telecom operators in Asia Pacific, such as SMART in the Philippines, Taiwan Mobile in Taiwan, Digi and Maxis in Malaysia, to expand the Group’s prepaid roaming services



CPC Net Limited

✦ Acquire CPC Net (VPN operator) from major shareholder through allotment and issue of 98,066,283 new shares

✦ EPS accretive

	Year ended 2005	Year ended 2006	Year ended 2007
Turnover	HK\$155.4 m	HK\$231.7 m	HK\$339.2 m (↑ 46.4%)
Net Profit	HK\$1.0 m	HK\$21.4 m	HK\$26.8 m (↑ 25.2%)

✦ Intangibles of HK\$28.6 million recognized

✦ Increase in product line

✦ Direct contact with end-customers

Business Outlook

Latest Business Development

Vietnam

- ❖ Interconnect with 6 out of 8 licensed operators
- ❖ Emphasized: Direct route, Quality route
- ❖ Engaging ISMS opportunities in Vietnam

Mobile VAS expansion

- ❖ Signed agreements with telecom operators in Asia Pacific, such as SMART in the Philippines, Taiwan Mobile in Taiwan, Digi and Maxis in Malaysia and KTF in Korea, to expand the Group's Mobile VAS
- ❖ Viettel (Vietnam), NTT COM and Maxis subscribed for SCCP Roaming Signaling Transit Service

Business Prospects

Momentum continues to grow in 2008

- ❖ China's telecommunications market continues to grow; CITIC 1616 already established solid business relationships with major telecoms operators in China
- ❖ New business opportunities brought by the Beijing Olympic Game
- ❖ The restructuring of the PRC telecommunication sector will bring in more new telecom operators, providing potential new customers for the Group
- ❖ Explore emerging markets such as Southeast Asia, India, Pakistan, Middle East and Africa etc in a pro-active and orderly manner
- ❖ Synergies between CPCNet and CITIC 1616 will contribute to the future profit growth

Q&A