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CITIC Pacific Limited

中信泰富有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)



中信國際電訊集團有限公司
CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 01883)

DISCLOSEABLE TRANSACTION

VERY SUBSTANTIAL ACQUISITION

**ACQUISITION OF A 79% INTEREST IN
COMPANHIA DE TELECOMUNICAÇÕES DE MACAU, S.A.R.L.
BY CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED**



Lead Financial Adviser to CITIC Telecom



Financial Adviser to CITIC Telecom and CITIC Pacific

THE ACQUISITIONS

The directors of CITIC Telecom and CITIC Pacific are pleased to announce that on 13 January 2013 (Hong Kong time), CITIC Telecom signed two sale and purchase agreements with Sable (a wholly-owned subsidiary of Cable & Wireless Communications Plc) and PT respectively to acquire their entire interests in CTM (being a total of 79% interest), for a total cash consideration of US\$1,161.3 million (approximately HK\$9,000.1 million), subject to adjustments described below. Completion of the Sable Acquisition and the PT Acquisition are conditional upon each other.

CTM is principally engaged in mobile, fixed line and broadband services in Macau and is a major supplier of enterprise telecom services to corporate customers in Macau. CITIC Telecom currently holds a 20% interest in CTM. Upon completion of the Acquisitions, CITIC Telecom will hold a 99% interest in CTM, which will then become a subsidiary of CITIC Telecom.

Barclays Bank PLC is acting as the lead financial adviser and CITIC Securities Corporate Finance (HK) Limited is acting as the financial adviser to CITIC Telecom in relation to the Acquisitions. CITIC Securities Corporate Finance (HK) Limited also advises CITIC Pacific on the impact of the Acquisitions as financial adviser.

LISTING RULES IMPLICATIONS FOR CITIC TELECOM

The Acquisitions together constitute a very substantial acquisition for CITIC Telecom under Chapter 14 of the Listing Rules. The CITIC Telecom EGM will be convened to consider and, if thought fit, to approve the Acquisitions. A circular containing, among other things, further details of CTM and the Acquisitions together with a notice of the CITIC Telecom EGM will be despatched to the CITIC Telecom Shareholders as soon as practicable (which is expected to be by end of March 2013 unless otherwise announced by CITIC Telecom) taking into account the expected time required for the preparation of certain financial information relating to CTM and the CITIC Telecom Group.

LISTING RULES IMPLICATIONS FOR CITIC PACIFIC

CITIC Pacific is not a party to the Acquisitions but, by virtue of being the holding company of CITIC Telecom as at the date of this announcement, the Acquisitions constitute a discloseable transaction for CITIC Pacific under Chapter 14 of the Listing Rules as at the date of this announcement.

SUPPORT BY CITIC GROUP

CITIC Group has undertaken to procure their respective subsidiaries and CITIC Pacific (together with its subsidiaries) to, among others, approve the Acquisitions as shareholders of CITIC Telecom (including but not limited to voting in favour of any resolution that will be put forward for the consideration of the shareholders at any general meeting of CITIC Telecom or by way of written resolution(s) or in any other manner otherwise acceptable to the Stock Exchange).

On 13 January 2013 (Hong Kong time), CITIC Telecom signed two sale and purchase agreements with Sable (a wholly-owned subsidiary of CWC) and PT respectively to acquire their entire interests in CTM (being a total of 79% interest), for a total cash consideration of US\$1,161.3 million (approximately HK\$9,000.1 million), subject to adjustments described below.

CTM is principally engaged in mobile, fixed line and broadband services in Macau and is a major supplier of enterprise telecom services to corporate customers in Macau. CITIC Telecom currently holds a 20% interest in CTM. Upon completion of the Acquisitions, CITIC Telecom will hold a 99% interest in CTM, which will then become a subsidiary of CITIC Telecom.

Barclays Bank PLC is acting as the lead financial adviser and CITIC Securities Corporate Finance (HK) Limited is acting as the financial adviser to CITIC Telecom in relation to the Acquisitions. CITIC Securities Corporate Finance (HK) Limited also advises CITIC Pacific on the impact of the Acquisitions as financial adviser.

1. ACQUISITION OF A 51% INTEREST IN CTM FROM SABLE

On 13 January 2013, CITIC Telecom and Sable entered into the Sable Sale and Purchase Agreement, pursuant to which CITIC Telecom conditionally agreed to acquire, and Sable conditionally agreed to sell, a 51% interest in CTM, representing the entire interest in CTM held by Sable.

SABLE SALE AND PURCHASE AGREEMENT

Date

13 January 2013

Parties

- (1) CITIC Telecom, as purchaser
- (2) Sable (being a wholly-owned subsidiary of CWC), as seller

To the best of the knowledge, information and belief of the directors of CITIC Pacific and CITIC Telecom having made all reasonable enquiries, Sable and its ultimate beneficial owners are third parties independent of CITIC Pacific, CITIC Telecom and their respective connected persons.

Assets to be acquired

The Sable Sale Shares, representing a 51% interest in the share capital of CTM.

Consideration

The consideration for the Sable Sale Shares shall be US\$749.7 million (approximately HK\$5,810.2 million), which was determined after arm's length negotiations among the parties with reference to CTM's historical financial performance and comparable trading and transaction multiples applied to CTM's annualized EBITDA and net income in the first half of 2012.

It was agreed that any net cash accumulated by CTM from the date of signing until completion shall belong to the shareholders of CTM on a pro-rata basis. If and to the extent distribution are not made by CTM before completion to return such net cash, 51% of any remaining amount as at completion will be included in the consideration. It was further agreed that CTM shall maintain a level of sufficient working capital (excluding the above net cash) at completion for CTM's operation and this amount was agreed to be US\$(50,000,000) (approximately HK\$(387.5 million)), being a net deficit. If CTM's working capital (excluding the net cash mentioned above) at completion is higher or lower than this level, the consideration will be adjusted accordingly by adding 51% of the excess (or deducting the shortfall, as the case may be). The above adjustments will first be estimated and paid (or, if applicable, deducted from the consideration) at completion of the Sable Acquisition, and subject to confirmation by reference to completion accounts to be prepared after completion of the Sable

Acquisition. For the purpose of the above adjustments, “net cash” means the aggregated amount of cash minus the aggregated amount of borrowings.

Conditions

Completion of the Sable Acquisition is conditional upon the following:

- (a) ***CWC shareholder consent:*** the passing at a duly convened and held general meeting of CWC of a resolution to approve the arrangements described in the Sable Sale and Purchase Agreement;
- (b) ***CITIC Telecom shareholder consent:*** the passing at a duly convened and held general meeting of CITIC Telecom of a resolution to approve the arrangements described in the Sable Sale and Purchase Agreement;
- (c) ***Macau Government approval:*** the Macau Government granting approval for the Sable Acquisition;
- (d) ***PRC Government approval:*** the relevant PRC governmental and regulatory authorities having granted approvals, clearances, consents, authorisations and (if applicable) waivers as may be necessary for the arrangements described in the Sable Sale and Purchase Agreement;
- (e) ***Warranties remaining true and accurate:*** warranties given by Sable relating to Sable’s clean title to the Sable Sale Shares and its capacity to effect the Sable Acquisition under the Sable Sale and Purchase Agreement remaining true and accurate in all material aspects and not misleading in any material respect at all times before the date on which completion of the Sable Acquisition would otherwise have taken place if it were not for this condition; and the other warranties relating to CTM being true and accurate in all material aspects and not misleading in any material respect as at the date of the Sable Sale and Purchase Agreement by reference to the facts and circumstances subsisting at the date thereof; and
- (f) ***No material adverse change:*** no material adverse change having occurred and continuing as at the date on which completion of the Sable Acquisition would otherwise have taken place if it were not for this condition and “material adverse change” means: (A) CTM no longer holding the Macau Concession necessary to conduct its business in Macau or the mobile phone services licence; or (B) any natural catastrophe, act of God, outbreak of war, armed conflict, armed hostilities, civil commotion, revolution, act of terrorism, public disorder, outbreaks of diseases or epidemics and/or riots in Macau of a nature that fundamentally and permanently restricts or impairs the ability of CTM to carry on business in Macau or would directly cause CTM to cease to hold the Macau Concession within the period of three months following the date on which completion of the Sable Acquisition would otherwise have occurred. For the avoidance of doubt, any adverse change in the business, assets and liabilities, profits and losses, financial condition or prospects, of CTM and/or any of its subsidiaries whether or not resulting from a general global economic downturn or an economic downturn that affects only Macau and/or the

telecommunications industry or any other matter or circumstance which falls outside of (A) and (B) above (whether or not directly impacting on CTM and/or its subsidiaries) shall not constitute a “material adverse change”.

In addition, as agreed in the Three-party Agreement, completion of the Sable Acquisition is also conditional upon completion of the PT Acquisition taking place together.

Sable has agreed to use its reasonable endeavours to fulfil or procure the fulfilment of the condition set out in paragraph (a) above. CITIC Telecom has agreed to use its reasonable endeavours to fulfil or procure the fulfilment of the conditions set out in paragraphs (b) and (d). Both parties agreed to procure CTM to take all steps reasonably necessary or desirable to fulfil or procure the fulfilment of the condition set out in paragraph (c). CITIC Telecom may waive the condition set out in paragraph (e).

The long stop date for fulfilment or waiver of the conditions is 13 July 2013, which will automatically be postponed for another 90 days (or a longer period as may be agreed by the parties) if the only conditions not yet fulfilled are those relating to the relevant governmental approvals (i.e. those referred to paragraphs (c) and (d) above) and CITIC Telecom has made or procured to be made all relevant filings to the relevant PRC governmental authorities by 13 July 2013.

Completion

Completion of the Sable Acquisition shall take place within 90 days after the first date on which the conditions set out in paragraphs (a) to (d) above are satisfied or waived but in any event shall not take place after 10 business days of the postponed long stop date as mentioned above.

Provision of CIS software and related services by Sable’s affiliate

Sable has agreed to provide and/or procure that CWC’s subsidiaries shall provide the customer information system services to the CTM Group in the same manner and on substantially the same terms and conditions as has been provided to the CTM Group in the 12 months immediately prior to the date of the Sable Sale and Purchase Agreement for a minimum of six months from the date of completion (or such longer period as agreed by the parties).

2. ACQUISITION OF A 28% INTEREST IN CTM FROM PT

On the same date, CITIC Telecom and PT entered into the PT Sale and Purchase Agreement, pursuant to which CITIC Telecom conditionally agreed to acquire, and PT conditionally agreed to sell, a 28% interest in CTM, representing the entire interest in CTM held by PT.

PT SALE AND PURCHASE AGREEMENT

Date

13 January 2013

Parties

- (1) CITIC Telecom, as purchaser
- (2) Portugal Telecom, SGPS, S.A., PT Participações SGPS, S.A. and PT Comunicações, S.A., as sellers

To the best of the knowledge, information and belief of the directors of CITIC Pacific and CITIC Telecom having made all reasonable enquiry, PT and their ultimate beneficial owners are third parties independent of CITIC Pacific, CITIC Telecom and their respective connected persons.

Assets to be acquired

The PT Sale Shares, representing a 28% interest in the share capital of CTM.

Consideration

The consideration for the PT Sale Shares shall be US\$411.6 million (approximately HK\$3,189.9 million), which was determined on the same basis as the consideration for the Sable Sale Shares and subject to the same adjustments as the Sable Acquisition, such that any consideration amount(s) to be received or receivable by PT under the PT Sale and Purchase Agreement shall equal the consideration amount(s) to be received or receivable by Sable under the Sable Sale and Purchase Agreement as prorated with reference to the respective holdings of PT (28%) and Sable (51%) in CTM.

Conditions

Completion of the PT Acquisition is conditional upon the following:

- (a) ***CITIC Telecom shareholder consent:*** the passing at a duly convened and held general meeting of CITIC Telecom of a resolution to approve the arrangements described in the PT Sale and Purchase Agreement;
- (b) ***Macau Government approval:*** the Macau Government granting approval for the PT Acquisition;
- (c) ***PRC Government approval:*** the relevant PRC governmental and regulatory authorities having granted approvals, clearances, consents, authorisations and (if applicable) waivers as may be necessary for the arrangements described in the PT Sale and Purchase Agreement; and

- (d) ***Warranties remaining true and accurate:*** certain warranties given by PT relating to PT's clean title to the PT Sale Shares and its capacity to effect the PT Acquisition and CITIC Telecom's warranties relating to its capacity to effect the PT Acquisition under the PT Sale and Purchase Agreement remaining true and accurate in all material aspects and not misleading in any material respect at all times before the date on which completion of the PT Acquisition would otherwise have taken place if it were not for this condition.

CITIC Telecom has agreed to use its reasonable endeavours to fulfil or procure the fulfilment of the conditions set out in paragraphs (a) to (c).

Completion

As mentioned above, completion of the PT Acquisition is also conditional upon completion of the Sable Acquisition taking place together.

Strategic Alliance with PT

CITIC Telecom and Portugal Telecom also entered into a strategic alliance agreement on 13 January 2013, which sets out the terms and conditions for a three-year term strategic alliance between CITIC Telecom and Portugal Telecom after completion of the PT Acquisition for capitalising their respective expertises in certain areas of collaboration in the telecom sector and in the identification of ICT investment opportunities in order to create value for their respective shareholders. Pursuant to this strategic alliance agreement, CITIC Telecom will select Portugal Telecom as the CITIC Telecom Group's strategic ICT service provider.

3. INTER-CONDITIONALITY OF THE ACQUISITIONS

The constitutional documents of CTM require that transfer of shares of CTM be subject to the consent of the Chief Executive of Macau and of the founder members of CTM (including Macau Post, Sable and PT), and the waiver of the other shareholders of CTM of their pre-emption rights over any of the shares of CTM. Macau Post has provided a conditional waiver in respect of the Acquisitions subject to the approval of the Chief Executive of Macau.

Sable, PT and CITIC Telecom entered into the Three-party Agreement on 13 January 2013 to record, among other things, their respective consents and waivers to the Acquisitions subject to completion of the Acquisitions taking place together and that completion of the Sable Acquisition and the PT Acquisition are conditional upon each other.

4. FUNDING FOR THE ACQUISITIONS

CITIC Telecom expects to fund the Acquisitions with its existing cash resources and new bank loan facilities. CITIC Telecom has already obtained commitments on a certain funds basis for short and long-term loan facilities from a group of banks and other financial institutions to cover all of its funding requirements in relation to the

Acquisitions. CITIC Telecom may consider refinancing part or all of such facilities at a later date through a combination of equity issuance (including via a rights issue) and/or bond issuance.

5. INFORMATION ON CTM

CTM was established in 1981. It is principally engaged in mobile, fixed line and broadband services in Macau and is a major supplier of enterprise telecom services to corporate customers in Macau. CTM is currently held as to 51% by Sable, 28% by PT, 20% by CITIC Telecom and 1% by Macau Post, being an entity controlled by the Macau Government.

CTM currently has the right granted from the Macau Government under the Macau Concession to provide local and international switched fixed voice and data services on a non-exclusive basis, without interruption, for a period of five years from 1 January 2012 until 31 December 2016, automatically renewable for another five-year period until 31 December 2021 except in case of serious breach by CTM of the relevant laws and regulations or for duly justified imperative reasons of public interest. CTM also operates under licences from the Macau Government to provide mobile services in competition with other operators in Macau. The licence for GSM 2G mobile services is valid until 4 June 2015 and the licence for WCDMA 3G mobile services is valid until 5 June 2015.

As at 30 November 2012, the unaudited net asset value of CTM was approximately MOP1,721.0 million (approximately HK\$1,658.2 million). The EBITDA and the profits (before and after taxation) of CTM for each of the two financial years ended 31 December 2010 and 2011 and the first half of 2012 were as follows:

	EBITDA			Audited profits before taxation			Audited net profits after taxation		
	First half of 2012 (unaudited)	2011	2010	First half of 2012 (unaudited)	2011	2010	First half of 2012 (unaudited)	2011	2010
MOP 'million	651.7	1,311.8	1,193.8	527.0	1,057.4	925.6	463.3	932.2	813.5
HK\$ 'million	(approx. 627.9)	(approx. 1,263.9)	(approx. 1,150.2)	(approx. 507.8)	(approx. 1,018.8)	(approx. 891.8)	(approx. 446.4)	(approx. 898.2)	(approx. 783.8)

6. INFORMATION ON THE PARTIES

Sable

Sable is a wholly-owned subsidiary of CWC. CWC is an international full service telecommunications business provider of mobile, broadband and domestic and international fixed line services, and enterprise and managed service solutions. CWC is headquartered in London and its shares are admitted to trading on the Main Market of the London Stock Exchange.

PT

PT is an international operator, with reportedly over 100 million customers worldwide, and is present in three strategic markets, Portugal, Brazil and Africa. In Portugal, PT is the leading integrated telecommunications operator, serving all customer segments with a complete range of telecommunications, IT/IS and outsourcing solutions. In Brazil, PT is a joint controlling shareholder and technological partner of the leading integrated operator in the market, Oi. In Africa and Asia, Portugal Telecom is shareholder in a number of integrated and mobile operators, and also owns a directories business present in several markets. PT has significant experience in ICT industry.

CITIC Telecom

CITIC Telecom Group is one of Asia's leading telecoms service providers specialising in hub-based services. In addition to serving its key markets in China and Hong Kong, CITIC Telecom Group is actively expanding its business to international telecoms operators. CITIC Telecom Group has four main types of business, namely voice services, SMS services, mobile VAS and data services. Its independent hub connects with over 621 telecoms operators in 75 countries or regions.

CITIC Pacific

CITIC Pacific Group's operational focus is on China, both the mainland and Hong Kong. Its major businesses are special steel manufacturing, iron ore mining and property development in mainland China. Other businesses include energy and civil infrastructure. CITIC Pacific also holds a controlling interest in Dah Chong Hong Holdings Limited and CITIC Telecom.

CITIC Pacific is implementing a Group Reorganisation which will result in CITIC Telecom ceasing to be a subsidiary of CITIC Pacific. The CITIC Pacific Directors considered that the Group Reorganisation is in line with CITIC Pacific's intention to focus on its core businesses (which does not include CITIC Telecom Group's business). The Group Reorganisation and the Acquisitions are not conditional upon each other. Please refer to CITIC Pacific's announcement dated 18 December 2012 for details of the Group Reorganisation.

7. REASONS FOR AND BENEFITS OF THE ACQUISITIONS

CITIC Telecom acquired its current 20% interest in CTM from CITIC Pacific in May 2010. Upon completion of the Acquisitions, CITIC Telecom will hold a 99% interest in CTM, which will then become a subsidiary of CITIC Telecom. The business strategy for CITIC Telecom has been to expand its telecommunication businesses in Greater China and to diversify its customer and services profile from a wholesale dominated services provider to a more end-user focused services provider. The increase in CITIC Telecom's stake in CTM from 20% to 99% provides CITIC Telecom with an opportunity to take control of Macau's leading integrated telecom services provider and improve its performance, leveraging on CITIC Telecom's experience in the sector as well as its knowledge of CTM developed as a minority shareholder. The

Acquisitions will transform the financial and operational profile of CITIC Telecom, creating enhanced scale and a more balanced revenue mix.

The CITIC Telecom Directors (including the independent non-executive directors of CITIC Telecom) consider that the terms of the Acquisitions are fair and reasonable and in the interests of CITIC Telecom and its shareholders as a whole. None of the CITIC Telecom Directors has a material interest in the Acquisitions and thus no one has abstained from voting on the board resolutions in respect of the Acquisitions.

CITIC Pacific is not a party to the Acquisitions, but on the basis that CITIC Telecom remains part of the CITIC Pacific Group as at the date of this announcement, the CITIC Pacific Directors consider that the Acquisitions are consistent with the business and commercial objectives of CITIC Telecom. The CITIC Pacific Directors (including the independent non-executive directors of CITIC Pacific) consider that the terms of the Acquisitions are fair and reasonable and in the interests of CITIC Pacific as a whole. None of the CITIC Pacific Directors has a material interest in the Acquisitions and thus no one has abstained from voting on the board resolutions in respect of the Acquisitions.

8. LISTING RULES IMPLICATIONS FOR CITIC TELECOM

The Acquisitions together constitute a very substantial acquisition for CITIC Telecom under Chapter 14 of the Listing Rules. The CITIC Telecom EGM will be convened to consider and, if thought fit, to approve the Acquisitions. A circular containing, among other things, further details of CTM and the Acquisitions together with a notice of the CITIC Telecom EGM will be despatched to the CITIC Telecom Shareholders as soon as practicable (which is expected to be by end of March 2013 unless otherwise announced by CITIC Telecom) taking into account the expected time required for the preparation of certain financial information relating to CTM and the CITIC Telecom Group.

9. LISTING RULES IMPLICATIONS FOR CITIC PACIFIC

CITIC Pacific is not a party to the Acquisitions but, by virtue of being the holding company of CITIC Telecom at the date of this announcement, the Acquisitions constitute a discloseable transaction for CITIC Pacific under Chapter 14 of the Listing Rules as at the date of this announcement.

10. SUPPORT FROM CITIC GROUP

CITIC Group has undertaken that they will procure their respective subsidiaries and CITIC Pacific (together with its subsidiaries) to approve the Acquisitions as shareholders of CITIC Telecom (including but not limited to voting in favour of any resolution that will be put forward for the consideration of the shareholders at any general meeting of CITIC Telecom or by way of written resolution(s) or in any other manner otherwise acceptable to the Stock Exchange).

CITIC Group also agreed to take such steps and provide all such information and documentation and make such filings as the relevant regulatory or governmental bodies may reasonably require for CITIC Group to obtain all the necessary regulatory and other approvals in the PRC or elsewhere as may be reasonably required for the furtherance of the Acquisitions. The CITIC Group Entities may also provide such other shareholders' support as may be required for the furtherance of the Acquisitions, including the provision of financial support to CITIC Telecom which may include the subscription of rights shares (in the event of a rights issue) and the provision of subordinated loans.

11. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Acquisitions”	the PT Acquisition and the Sable Acquisition;
“CIS”	customer information system;
“CITIC Group”	中國中信集團有限公司 (CITIC Group Corporation), the ultimate holding company of CITIC Telecom and CITIC Pacific;
“CITIC Group Entities”	CITIC Group and one of its subsidiaries incorporated in Hong Kong;
“CITIC Pacific”	CITIC Pacific Limited (中信泰富有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 00267);
“CITIC Pacific Directors”	directors of CITIC Pacific;
“CITIC Pacific Group”	CITIC Pacific and its subsidiaries (including the CITIC Telecom Group before completion of the Group Reorganisation and excluding the CITIC Telecom Group after completion of the Group Reorganisation);
“CITIC Telecom”	CITIC Telecom International Holdings Limited (中信國際電訊集團有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 01883);
“CITIC Telecom Directors”	directors of CITIC Telecom;

“CITIC Telecom EGM”	the extraordinary general meeting of CITIC Telecom to be convened for the purpose of considering and, if thought fit, approving the Acquisitions;
“CITIC Telecom Group”	CITIC Telecom and its subsidiaries;
“CITIC Telecom Share(s)”	share(s) of HK\$0.10 each in the capital of CITIC Telecom;
“CITIC Telecom Shareholders”	holders of the CITIC Telecom Share(s);
“connected persons”, “subsidiaries”	each has the meaning ascribed to it by the Listing Rules;
“CTM”	Companhia de Telecomunicações de Macau, S.A.R.L., a company incorporated in Macau;
“CTM Group”	CTM and its subsidiaries;
“CWC”	Cable & Wireless Communications Plc, a company incorporated in England and Wales;
“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“Group Reorganisation”	the proposed group reorganisation which will result in CITIC Telecom ceasing to be a subsidiary of CITIC Pacific, the particulars of which are set out in CITIC Pacific’s announcement dated 18 December 2012;
“GSM”	Global System for Mobile;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“ICT”	information and communication technology;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;

“Macau Concession”	the Concession Agreement of the Public Telecommunications Service dated 20 August 1981 as revised on 6 December 1999 and on 6 November 2009;
“Macau Government”	the Government of the Macau Special Administrative Region of the PRC (including, for the purpose of this announcement, the Chief Executive of Macau and Macau Post);
“Macau Post”	Macau Postal Services - Direcção dos Serviços de Correios de Macau;
“MOP”	Pataca, the lawful currency of Macau;
“PRC” or “China”	the People’s Republic of China;
“PT”	Portugal Telecom, SGPS, S.A. (“Portugal Telecom”), PT Participações SGPS, S.A. and PT Comunicações, S.A., which are companies established under the laws of Portugal;
“PT Acquisition”	the acquisition of the PT Sale Shares by CITIC Telecom from PT as contemplated under the PT Sale and Purchase Agreement, the details of which are mentioned above;
“PT Sale Shares”	42,000 shares of MOP1,000 each in CTM currently held by PT, representing a 28% interest in the share capital of CTM;
“PT Sale and Purchase Agreement”	the agreement dated 13 January 2013 between CITIC Telecom (as purchaser) and PT (as sellers) in relation to the sale and purchase of the PT Sale Shares;
“Sable”	Sable Holding Limited, a company incorporated in England and Wales, which is a wholly-owned subsidiary of CWC;
“Sable Acquisition”	the acquisition of the Sable Sale Shares by CITIC Telecom from Sable as contemplated under the Sable Sale and Purchase Agreement, the details of which are mentioned above;
“Sable Sale Shares”	76,500 shares of MOP1,000 each in CTM currently held by Sable, representing a 51% interest in the share capital of CTM;

“Sable Sale and Purchase Agreement”	the agreement dated 13 January 2013 between CITIC Telecom (as purchaser) and Sable (as seller) in relation to the sale and purchase of the Sable Sale Shares;
“SMS”	short message service;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Three-party Agreement”	a three-party agreement dated 13 January 2013 between CITIC Telecom, Sable and PT incidental to the Acquisitions;
“US\$”	United States dollar, the lawful currency of the United States of America;
“VAS”	value added service; and
“WCDMA”	Wideband Code Division Multiple Access.

For illustration purposes in this announcement, the conversion rates of MOP1.00 = HK\$0.9635 and US\$1.00 = HK\$7.75 are adopted.

By Order of the Board of Directors of
CITIC Pacific Limited
Ricky Choy Wing Kay
Company Secretary

By Order of the Board of Directors of
CITIC Telecom International
Holdings Limited
Xin Yue Jiang
Chairman

Hong Kong, 13 January 2013

As at the date of this announcement, the executive directors of CITIC Pacific are Messrs Chang Zhenming (Chairman), Zhang Jijing, Vernon Francis Moore and Liu Jifu; the non-executive directors of CITIC Pacific are Messrs André Desmarais, Ju Weimin, Yin Ke, Carl Yung Ming Jie and Peter Kruyt (alternate director to Mr André Desmarais); and the independent non-executive directors of CITIC Pacific are Messrs Alexander Reid Hamilton, Gregory Lynn Curl, Francis Siu Wai Keung and Dr Xu Jinwu.

As at the date of this announcement, the executive directors of CITIC Telecom are Messrs Xin Yue Jiang (Chairman), Yuen Kee Tong and Chan Tin Wai, David; the non-executive directors of CITIC Telecom are Messrs Liu Jifu and Fei Yiping; and the independent non-executive directors of CITIC Telecom are Messrs Yang Xianzu, Liu Li Qing and Kwong Che Keung, Gordon.