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**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)**

## **CONNECTED TRANSACTION**

The Board announces that on 18 March 2016, the Company agreed to provide a pledge of deposits (denominated in RMB or HK\$ or USD) in the name of the Company in favour of China CITIC Bank International to secure the granting of the Facility for up to RMB100,000,000 (equivalent to approximately HK\$119,000,000).

China CITIC Bank International is a non-wholly owned subsidiary of CITIC Limited, which is interested in approximately 58.76% of the number of Shares in issue. China CITIC Bank International is therefore a connected person of the Company. Accordingly, the granting of the Facility constitutes a connected transaction of the Company. Since the applicable percentage ratios calculated with reference to the amount of the Facility are over 0.1% but less than 5%, the abovementioned connected transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **BACKGROUND**

The Board announces that on 18 March 2016, the Company agreed to provide a pledge of deposits (denominated in RMB or HK\$ or USD) in the name of the Company in favour of China CITIC Bank International to secure the granting of the Facility for up to RMB100,000,000 (equivalent to approximately HK\$119,000,000).

### **THE FACILITY**

The Facility is a standby line of credit of up to RMB100,000,000 (equivalent to approximately HK\$119,000,000) granted to the Company by China CITIC Bank International. The Facility is repayable on demand and China CITIC Bank International may at any time modify, terminate, cancel or suspend the Facility. Under the Facility, China CITIC Bank International will, on

application made by the Company, issue standby letter(s) of credit in RMB with a tenor of up to 13 months.

To secure the issuance of each standby letter of credit, the Company is required to provide a pledge of an equivalent amount of RMB deposit(s) in the name of the Company in favour of China CITIC Bank International. If the pledged deposit(s) is in HK\$ or USD, the amount of standby letter(s) of credit shall be 90% in equivalent value of the pledged deposit(s) or according to the lending ratio determined by China CITIC Bank International from time to time. In such event, the Company is required to provide a pledge of an equivalent amount of RMB111,111,111 (equivalent to approximately HK\$132,000,000) to secure the issuance of standby letter(s) of credit for up to RMB100,000,000 (equivalent to approximately HK\$119,000,000).

The Company will pay a commission at market rate for the standby letter(s) of credit at the time of issuance.

## **GENERAL**

As mentioned in the announcements of the Company dated 25 April 2014 and 22 April 2015, the Company has agreed to provide financial assistance to CITIC Networks pursuant to the Funding and Loan Support Agreements. The Facility was requested by the Company for this purpose and the standby letter(s) of credit will be taken to secure onshore loan(s) to be made in favour of CITIC Networks.

The Facility is a normal commercial facility and the provision of security as detailed in the Facility Letter is required as a normal condition for obtaining such facility to support the funding to CITIC Networks. The Directors (including the independent non-executive Directors) consider that the Facility is on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole.

None of the Directors has a material interest in the Facility or is required to abstain from voting on the board resolutions for considering and approving the Facility.

The Company was established in 1997 in Hong Kong and was listed on the Stock Exchange on 3 April 2007.

The Group's services cover international telecommunications services (including mobile, Internet, voice and data services), integrated telecoms services (in Macau), and through its wholly-owned subsidiary, CITIC Telecom International CPC Limited (中信國際電訊(信息技術)有限公司) ("CPC"), has established numerous Point(s)-of-Presence around the world (especially in the Asia-Pacific region) to provide data and telecoms services (including Virtual Private Network, Cloud, network security, co-location, Internet access, etc.) to multinational corporations. CPC is one of the most trusted partners of leading multinational and business enterprises in the Asia-Pacific region.

The Group holds 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM"). CTM is one of the leading integrated telecoms services providers in Macau, and is the only full telecoms services provider in Macau. It has long provided quality telecoms services to the residents, government and enterprises of Macau, and plays an important role in the ongoing development of Macau.

The principal activities of China CITIC Bank International are the provision of financial services which include wealth management, personal banking and wholesale banking.

## LISTING RULES IMPLICATIONS

China CITIC Bank International is a non-wholly owned subsidiary of CITIC Limited, which is interested in approximately 58.76% of the number of Shares in issue. China CITIC Bank International is therefore a connected person of the Company. Accordingly, the granting of the Facility constitutes a connected transaction of the Company. Since the applicable percentage ratios calculated with reference to the amount of the Facility are over 0.1% but less than 5%, the abovementioned connected transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“ <b>Board</b> ”	the Board of Directors
“ <b>China CITIC Bank International</b> ”	China CITIC Bank International Limited (中信銀行(國際)有限公司), a company incorporated in Hong Kong with limited liability, and a non-wholly owned subsidiary of CITIC Limited
“ <b>China Express Network</b> ”	the nation-wide optical fibre backbone network as owned and operated by CITIC Networks, commonly known as 奔騰網 in Chinese
“ <b>CITIC Limited</b> ”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong in 1985, formerly known as CITIC Pacific Limited (中信泰富有限公司), the shares of which are listed on the Stock Exchange (stock code: 00267); and which is the indirect holding company of the Company and is interested in approximately 58.76% of the number of Shares in issue
“ <b>CITIC Networks</b> ”	中信網絡有限公司 (CITIC Networks Co., Ltd.), a company established in the PRC, and a wholly-owned subsidiary of 中國中信集團有限公司 (CITIC Group Corporation) which is the ultimate holding company of the Company
“ <b>Company</b> ”	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)

<p>“connected person”,  “connected transaction”,  “percentage ratio” and  “subsidiary”</p>	<p>each has the meaning given to it by the Listing Rules</p>
<p>“Directors”</p>	<p>the directors of the Company</p>
<p>“Facility”</p>	<p>the facility of up to RMB100,000,000 (equivalent to approximately HK\$119,000,000) made available by China CITIC Bank International to the Company subject to the terms and conditions as detailed in the Facility Letter</p>
<p>“Facility Letter”</p>	<p>the facility letter issued by China CITIC Bank International in favour of the Company dated 18 March 2016 and signed by the Company</p>
<p>“Funding and Loan Support Agreements”</p>	<p>the funding and loan support agreement dated 25 April 2014 (as supplemented by a supplemental agreement dated 22 April 2015) entered into between the Company and CITIC Networks in relation to the provision of financial assistance by the Company to CITIC Networks in respect of the operation of the China Express Network</p>
<p>“Group”</p>	<p>the Company and its subsidiaries</p>
<p>“HK\$”</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong</p>
<p>“Hong Kong”</p>	<p>the Hong Kong Special Administrative Region of the PRC</p>
<p>“Listing Rules”</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange</p>
<p>“Macau”</p>	<p>the Macau Special Administrative Region of the PRC</p>
<p>“PRC”</p>	<p>the People’s Republic of China</p>
<p>“RMB”</p>	<p>Renminbi, the lawful currency of the PRC</p>
<p>“Shares”</p>	<p>shares in the capital of the Company</p>
<p>“Stock Exchange”</p>	<p>The Stock Exchange of Hong Kong Limited</p>
<p>“USD”</p>	<p>United States dollars, the lawful currency of the United States</p>
<p>“%”</p>	<p>per cent</p>

*For the purpose of this announcement, the exchange rate RMB1.00 = HK\$1.19 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.*

By order of the Board  
**CITIC Telecom International Holdings Limited**  
**Xin Yue Jiang**  
*Chairman*

Hong Kong, 18 March 2016

*The Directors of the Company as at the date of this announcement are: Executive Directors: Xin Yue Jiang (Chairman), Lin Zhenhui, Luo Ning and Chan Tin Wai, David; Non-Executive Director: Liu Jifu; and Independent Non-Executive Directors: Liu Li Qing, Kwong Che Keung, Gordon and Zuo Xunsheng.*