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CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 0267)



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)

Announcement

This announcement is made by CITIC Telecom International Holdings Limited (“**CITIC Telecom**”) and CITIC Pacific Limited (“**CITIC Pacific**”), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

CITIC Telecom, currently a non-wholly owned subsidiary of CITIC Pacific, is in discussion with Cable & Wireless Communications Plc. (“**CWC**”) regarding a proposed acquisition (the “**Proposed Acquisition**”) by CITIC Telecom of a 51% interest in Companhia de Telecomunicacoes de Macau, S.A.R.L. (“**CTM**”), being CWC’s entire interest in CTM. CITIC Telecom currently holds a 20% interest in CTM. CTM is principally engaged in mobile, fixed line and broadband services in the Macau Special Administrative Region of the People’s Republic of China (“**Macau**”) and is a major supplier of enterprise telecom services to Macau’s businesses.

No agreement has been reached at this stage and any transaction between the parties, if any, will be subject to definitive documentation for the Proposed Acquisition. The Proposed Acquisition, if it materialises, is expected to constitute a very substantial acquisition for CITIC Telecom. CITIC Telecom expects to fund the Proposed Acquisition (if it materialises) with its available internal resources, bank or debt financing and/or equity financing including rights issue.

In line with CITIC Pacific’s stated intention to focus on its core business (which does not include business of CITIC Telecom and its subsidiaries), CITIC Pacific has been contemplating a restructuring involving a sale of a partial stake in CITIC Telecom to CITIC Group Corporation (“**CITIC Group**”, which is the holding company of CITIC Pacific and the ultimate holding company of CITIC Telecom) such that CITIC Telecom will cease to be a subsidiary of CITIC Pacific, but will continue to be CITIC Group’s subsidiary. If such

proposed restructuring does not materialise, the Proposed Acquisition will be a major transaction for CITIC Pacific. If such proposed restructuring materialises, the Proposed Acquisition will then not be treated as a major transaction for CITIC Pacific. Such restructuring and the Proposed Acquisition are not conditional upon each other.

Both CITIC Telecom and CITIC Pacific will comply with the relevant disclosure and shareholders' approval requirements under the Listing Rules as and when appropriate.

The board of directors of CITIC Pacific (“CITIC Pacific Board”) and the board of directors of CITIC Telecom (“CITIC Telecom Board”) wish to emphasize that no formal agreement in relation to the Proposed Acquisition and the proposed restructuring has been entered into as at the date of this announcement. Shareholders of CITIC Pacific, shareholders of CITIC Telecom and/or investors should note that the Proposed Acquisition and the proposed restructuring may or may not proceed. Accordingly, shareholders of CITIC Pacific and shareholders of CITIC Telecom are advised to exercise caution when trading in the shares of CITIC Pacific and CITIC Telecom. Further announcement in respect of the Proposed Acquisition and the proposed restructuring will be made by CITIC Pacific and/or CITIC Telecom as and when appropriate.

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

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

Hong Kong, 17 October 2012

As at the date of this announcement, the executive directors of CITIC Pacific are Messrs Chang Zhenming (Chairman), Zhang Jijing, Carl Yung Ming Jie, Vernon Francis Moore, Liu Jifu, Milton Law Ming To and Kwok Man Leung; the non-executive directors of CITIC Pacific are Messrs André Desmarais, Ju Weimin, Yin Ke 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 and Francis Siu Wai Keung.

As at the date of this announcement, the executive directors of CITIC Telecom are Messrs Xin Yue Jiang (Chairman), Yuen Kee Tong and David Chan Tin Wai; 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 Gordon Kwong Che Keung.