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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**

On 5 June 2013, the Company entered into the Facility Agreement with a group of banks (including CITIC Bank) pursuant to which a term loan facility in an aggregate amount of US\$630 million (equivalent to approximately HK\$4,914 million) will be made available to the Company. Out of the Total Facility, CITIC Bank agreed to make available to the Company a facility of up to US\$20 million (equivalent to approximately HK\$156 million). It is intended that the Company will apply the amount to be borrowed under the Facility Agreement to finance part of the consideration payable by the Company in respect of the Acquisitions.

CITIC Bank is an indirect subsidiary of China CITIC Bank Corporation Limited, which in turn is 62% owned by CITIC Group Corporation, the ultimate holding company of the Company. CITIC Bank is therefore a connected person of the Company and accordingly, the provision of the CB Facility by CITIC Bank under the Facility Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios in respect of the CB Facility are less than 5%, the provision of the CB Facility by CITIC Bank under the Facility Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 5 June 2013, the Company entered into the Facility Agreement with a group of banks (including CITIC Bank) in respect of the Total Facility, details of which are set out below.

## **THE FACILITY AGREEMENT**

### **Date:**

5 June 2013

### **Parties:**

- (1) the Company (as borrower);
- (2) a group of banks (as mandated lead arrangers and bookrunners or mandated lead arrangers);
- (3) the Lenders (including CITIC Bank) (as lenders);
- (4) the agent bank (as the agent bank under the Facility Agreement); and
- (5) the security agent bank (as the security agent under the Facility Agreement).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (i) all the other parties to the Facility Agreement (other than CITIC Bank) are independent third parties and are not connected persons of the Company; and (ii) CITIC Bank is a connected person of the Company under the Listing Rules.

### **Facility:**

Under the Facility Agreement, the obligations of each Lender are several (and not joint and several with each other's obligations). Out of the Total Facility of US\$630 million (equivalent to approximately HK\$4,914 million), CITIC Bank agreed to make available to the Company a facility of up to US\$20 million (equivalent to approximately HK\$156 million).

### **Availability period:**

The period from the date of the Facility Agreement to the date which is one month after the date of the Facility Agreement (both dates inclusive).

### **Repayment terms:**

The Company shall repay the loan in instalments by repaying such amount as stipulated in the Facility Agreement for every 6-month period up to 5 years after the date of utilisation of the first loan. The first instalment repayment date shall commence on the date which is 12 months from the date of utilisation of the first loan.

If (a) CITIC Group Corporation ceases to hold (legally or beneficially) the largest percentage of the issued share capital of the Company; or (b) the Company ceases to be a "subsidiary" of CITIC Group Corporation under generally accepted accounting principles, standards and practices in Hong Kong applicable to the Company; or (c) any person (or group of persons acting in concert), other than CITIC Group Corporation (or its affiliates), holds (legally or beneficially) (i) more than 50% of the issued share capital of the Company; (ii) the right to cast more than 50% of the votes capable of being cast in general meetings of the Company; or (iii)

the right to determine the composition of the majority of the Board of the Company, the facility under the Facility Agreement will be cancelled and all outstanding amount under the facility will become immediately due and payable.

**Interest:**

The same interest rate applies for all the Lenders under the Facility Agreement, which was agreed after arm's length negotiation and with reference to the prevailing market rate. Accrued interest on monies outstanding under the loan shall be payable on the last day of each interest period (and, if the interest period is longer than three months, on the dates falling at three monthly intervals after the first day of the interest period and on the last day of such interest period).

**Security:**

Security over 148,500 shares in CTM, representing 99% interest in the share capital of CTM, will be required for the facility under the Facility Agreement from the Company (and its subsidiaries holding such shares).

**REASONS FOR AND BENEFITS OF ENTERING INTO THE FACILITY AGREEMENT**

Reference is made to the joint announcements of the Company and CITIC Pacific Limited dated 17 October 2012 and 13 January 2013, the announcement of the Company dated 18 February 2013 and the circular of the Company dated 21 March 2013 in relation to the Company's acquisition of a total of 79% interest in CTM (the "Acquisitions"). It is intended that the Company will apply the amount to be borrowed under the Facility Agreement to finance part of the consideration payable by the Company in respect of the Acquisitions.

The terms of the Facility Agreement (including the CB Facility) were arrived at after arm's length negotiations between the Company and the group of banks (including CITIC Bank). The Directors (including the Independent Non-executive Directors) consider the terms of the Facility Agreement (including the CB Facility) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has any material interest in the Facility Agreement. Accordingly, none of them was required to abstain from voting on the Board resolutions for considering and approving the Facility Agreement (including the CB Facility).

**GENERAL**

The 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, the Group is actively expanding its business to international telecoms operators. The Group has four main types of business, namely voice services, short message services, mobile value added services and data services. Its independent hub connects with over 650 telecoms operators in 75 countries or areas.

CITIC Bank is principally engaged in commercial banking business.

## LISTING RULES IMPLICATIONS

CITIC Bank is an indirect subsidiary of China CITIC Bank Corporation Limited, which in turn is 62% owned by CITIC Group Corporation, the ultimate holding company of the Company. CITIC Bank is therefore a connected person of the Company and accordingly, the provision of the CB Facility by CITIC Bank under the Facility Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios in respect of the CB Facility are less than 5%, the provision of the CB Facility by CITIC Bank under the Facility Agreement is subject to the reporting and announcement requirements but 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>“CB Facility”</b>	a term loan facility of up to US\$20 million to be made available by CITIC Bank to the Company under the Facility Agreement;
<b>“CITIC Bank”</b>	China CITIC Bank International Limited, a licensed bank incorporated and registered in Hong Kong;
<b>“CITIC Group Corporation”</b>	中國中信集團有限公司 (CITIC Group Corporation), a wholly state-owned enterprise established under the laws of the PRC;
<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);
<b>“connected person(s)”, “subsidiary(ies)”</b>	each has the meaning ascribed to it by the Listing Rules;
<b>“CTM”</b>	Companhia de Telecomunicações de Macau, S.A.R.L., a company incorporated in Macau;
<b>“Directors”</b>	the directors of the Company;
<b>“Facility Agreement”</b>	the facility agreement between, amongst others, the Company and the Lenders (including CITIC Bank) dated 5 June 2013 in respect of the Total Facility;
<b>“Group”</b>	the Company and its subsidiaries;

<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“Lenders”</b>	a group of 11 banks (including CITIC Bank) as lenders under the Facility Agreement;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“percentage ratios”</b>	the percentage ratios under Rule 14.07 of the Listing Rules;
<b>“PRC”</b>	the People’s Republic of China;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Total Facility”</b>	the term loan facility in an aggregate amount of US\$630 million to be made available by the Lenders (including CITIC Bank) to the Company under the Facility Agreement;
<b>“US\$”</b>	United States dollars, the lawful currency of the United States; and
<b>“%”</b>	per cent.

*For illustrative purposes in this announcement, the conversion rate of US\$1.00 = HK\$7.80 is adopted.*

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

Hong Kong, 5 June 2013

*The Directors of the Company as at the date of this announcement are: Executive Directors: Xin Yue Jiang (Chairman), Yuen Kee Tong and Chan Tin Wai, David; Non-executive Directors: Liu Jifu and Luo Ning; and Independent Non-executive Directors: Yang Xianzu, Liu Li Qing and Kwong Che Keung, Gordon.*