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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: 1883)**

## **CONTINUING CONNECTED TRANSACTION**

### **RENEWAL OF MANAGEMENT SERVICES AGREEMENT IN RESPECT OF CITIC TELECOM TOWER**

The Board announces that on 6 February 2012, the Owner (a wholly-owned subsidiary of the Company) and the Manager, entered into the Management Services Agreement, pursuant to which the Owner shall continue to engage the Manager as the property manager to provide property management services, chilled water supply and air-conditioning supply in respect of certain areas of the Property owned by the Owner from time to time.

The Manager is a wholly-owned subsidiary of CITIC Pacific, the controlling shareholder of the Company, and therefore is a connected person of the Company. Accordingly, the entering into of the Management Services Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules calculated with reference to the annual cap for the Management Services Agreement are more than 0.1% but less than 5%, such continuing connected transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **MANAGEMENT SERVICES AGREEMENT**

### **Date**

6 February 2012

### **Parties**

- (1) the Owner, a wholly-owned subsidiary of the Company, the owner of certain areas of the Property
- (2) the Manager, a wholly-owned subsidiary of CITIC Pacific, the property manager of the Property

## **Subject matter**

Reference is made to the announcement of the Company dated 4 November 2009 in relation to, inter alia, a management services agreement between the Owner and the previous property manager of the Property in respect of the provision of the property management services to the Owner for a term of two years. Pursuant to a deed of novation dated 31 October 2011 entered into between the Owner, the Manager, and the previous property manager of the Property, the Manager replaced the previous property manager with effect from 1 November 2011, and is currently the property manager of the Property.

Pursuant to the Management Services Agreement, the Owner shall continue to engage the Manager as the property manager to provide property management services, chilled water supply and air-conditioning supply in respect of those areas of the Property owned by the Owner from time to time until 29 December 2014, subject to further renewal of the Management Services Agreement.

### **General Management Fees, Chilled Water Charges and Air-conditioning Charges**

The general management fee payable by the Owner for those areas of the Property owned by the Owner is approximately HK\$203,000 per month.

The chilled water charges payable by the Owner for those areas of the Property owned by the Owner are based on the actual volume of chilled water used and are estimated to be HK\$150,000 per month.

The air-conditioning charges during normal office hours payable by the Owner for those areas of the Property owned by the Owner are approximately HK\$80,000 per month. The air-conditioning charges for supply after normal office hours payable to the Manager are based on the actual usage and are estimated to be HK\$30,000 per month.

The monthly general management fees, chilled water charges and air-conditioning charges payable by the Owner to the Manager were arrived at after arm's length negotiation between the parties and are determined based on the on-going rates generally applicable to the other independent tenants of the Property.

### **Annual Cap for the Management Services Agreement**

The aggregate of the general management fees, chilled water charges and air-conditioning charges payable by the Owner to the Manager for each of the 12-month period during the term of the Management Services Agreement is subject to an annual cap of HK\$7,000,000.

The above annual cap is determined with reference to the monthly general management fees, chilled water charges and air-conditioning charges payable by the Owner to the Manager on an annual basis with an estimated rate of approximately 10% increase annually.

## **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, SMS Services, Mobile VAS and Data Services. Its independent hub connects over 596 telecoms operators in 71 countries or areas.

CITIC Pacific'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 controlling interests in the Company and Dah Chong Hong Holdings Limited.

## **REASONS FOR AND BENEFITS OF THE MANAGEMENT SERVICES AGREEMENT**

As at the date of this announcement, the Manager is the property manager of the Property. The Directors (including the independent non-executive Directors) consider that the terms of the Management Services Agreement (including the monthly general management fee, the estimated monthly chilled water charges and the monthly air-conditioning charges and the annual cap) are on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole.

Mr. Liu Jifu, a non-executive director of the Company, is an executive director of CITIC Pacific and Mr. Fei Yiping, a non-executive director of the Company, is the group financial controller of CITIC Pacific. Thus, they have abstained from voting on the board resolutions approving the Management Services Agreement. Other than this, the Directors do not have a material interest in the Management Services Agreement.

## **LISTING RULES IMPLICATIONS**

The Manager is a wholly-owned subsidiary of CITIC Pacific, the controlling shareholder of the Company, and therefore is a connected person of the Company. Accordingly, the entering into of the Management Services Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules calculated with reference to the annual cap for the Management Services Agreement are more than 0.1% but less than 5%, such continuing connected transaction 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:

“Board”	the board of Directors;
“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: 267);
“Company”	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: 1883);
“connected person”; “continuing connected transaction”; “controlling shareholder”; and “subsidiary”	each has the meaning ascribed to it by the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management Services Agreement”	the management services agreement dated 6 February 2012 entered into between the Owner and the Manager in relation to the provision of property management services, chilled water supply and air-conditioning supply by the Manager in respect of certain areas of the Property owned by the Owner from time to time;
“Manager”	Hang Luen Chong Property Management Company, Limited ( 恒聯昌物業管理有限公司 ), a wholly-owned subsidiary of CITIC Pacific;
“Owner”	ComNet Investment Limited, a wholly-owned subsidiary of the Company;

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“Property”	the CITIC Telecom Tower located at 93 Kwai Fuk Road, Kwai Chung, New Territories, Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 6 February 2012

*The Directors 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 Fei Yiping; and Independent Non-Executive Directors: Yang Xianzu, Liu Li Qing and Kwong Che Keung, Gordon.*